



U.S. Department
of Transportation

Federal Transit
Administration

The Administrator

1200 New Jersey Avenue, SE
Washington, D.C. 20590

MAY 02 2011

The Honorable Tom Latham
Chairman, Subcommittee on Transportation,
Housing and Urban Development, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to 49 U.S.C. § 5309(g)(5), I write to inform you that I intend to execute a Full Funding Grant Agreement (FFGA) with the Florida Department of Transportation (FDOT) whereby the Federal Transit Administration (FTA) will provide \$178.6 million in Section 5309 major capital investment (New Starts) funds for design and construction of the Central Florida Commuter Rail Transit Project (hereafter, the "Project") in Orlando, Florida. These New Starts funds comprise 50 percent of the total project cost of \$357.2 million. The balance is expected to be financed with \$89.3 million from the State of Florida New Starts Transit Program (funded from the State Transportation Trust Fund), \$6.6 million from a Volusia County State Infrastructure Bank loan, \$45.6 million from Seminole County sales tax revenues, \$13.5 million from a City of Orlando State Infrastructure Bank loan, and \$23.7 million from Orange County general funds. This FFGA will be executed no earlier than sixty days from the date of this letter.

In brief, the Project is a new, 32-mile commuter rail transit line that would provide service from Volusia County through Seminole County, to Orange County and downtown Orlando. The Project would operate entirely at-grade along the existing CSX Transportation (CSXT) "A"-Line corridor, which generally parallels Interstate 4 and US 17-92. FDOT will purchase the "A"-Line corridor from CSXT, and the Project would share track with Amtrak intercity passenger rail service and freight service provided by CSXT and Florida Central Railroad. The Project includes construction of 12 new commuter rail stations, park and ride lots at seven stations, a vehicle storage and maintenance facility, and an operations control center. The Project scope includes purchase of seven locomotives and 14 passenger cars. FDOT estimates that construction of the Project will generate more than 10,800 project-specific jobs including positions related to engineering, design, construction and operations, and more than 150,000 jobs resulting from new transit oriented development.

The scheduled revenue operations date for the Project is May 1, 2014. FDOT will operate and maintain the Project for the first seven years of operations. In year eight, FDOT will transfer ownership of and delegate responsibility to operate and maintain the Project to the Central Florida Commuter Rail Commission.

Project Justification

The purpose of the Project is to provide an alternative mode of transportation to improve the mobility of travelers in the Interstate 4 and US 17-92 transportation corridor. This highly-congested corridor experiences poor highway levels of service throughout a majority of the day (especially in the morning, mid-day and afternoon peak hours). This traffic congestion causes long and frequent delays for travelers including emergency response teams, stifles economic growth, and diminishes overall quality of life.

In addition, the Central Florida regional transportation system has not kept pace with the area's growth and travel demands. The regional activity centers and the high intensity land uses in the project corridor are not well-connected by the existing transportation network. The level of public transit services provided within the corridor is insufficient to meet the growing mobility needs of the corridor workforce, visitors, and transit-dependent population. The Project will assist in addressing these issues. Average weekday ridership on the Project is projected to be approximately 7,400 by 2030, including an estimated 3,700 new transit riders.

Project Evaluation

The Project was recommended for an FFGA in the President's Fiscal Year 2012 budget. In FTA's most recent evaluation, the Project received an overall rating of "Medium."

As you know, FTA does not execute an FFGA for a project unless and until FTA is satisfied of the sponsor's ability to complete the project within the Baseline Cost Estimate and the Baseline Schedule, and that the sponsor has demonstrated the necessary local financial commitment to construct, operate, and maintain the project strictly in accordance with the terms of the agreement. In evaluating the readiness of a project for an FFGA, FTA considers the degree of certainty underlying the capital cost estimates, any remaining risks inherent in those estimates, the availability of contingency funding to cover any unanticipated cost increases, any remaining uncertainties regarding the non-Federal sources of funding, and any need for acquisition of real estate or railroad right-of-way. FTA also requires that all essential third-party agreements be transacted before executing an FFGA.

In the case of this Project, FTA has determined that it meets FTA's conditions for FFGA readiness with the exception of one outstanding issue. Governor Scott of Florida recently announced that he will reevaluate the Project, and make a final decision in the summer of 2011 on whether or not to support the Project. Thus, FTA will require the Governor's support for the Project as a condition precedent to the execution of the FFGA. FTA is proceeding with the Congressional 60-day review period so that the Project would stay on schedule should the Governor announce his support for the Project in late June.

In accordance with standard practice, FTA and its Project Management Oversight Contractor (PMOC) have reviewed FDOT's technical capacity and capability, including the Project Management Plan and sub-plans. A copy of the PMOC report is enclosed. In

addition, a risk assessment was completed for the Project in February 2011. The PMOC, FTA, and FDOT believe that all known risks have been identified through the risk assessment workshops.

FDOT, in coordination with FTA and the PMOC, has developed an acceptable Risk and Contingency Management Plan to ensure that the Project can be completed within budget and on schedule. The plan uses risk management and mitigation strategies to maintain the project contingency targets for cost and schedule. FTA will continue to work closely with FDOT to ensure that the plan is carried out.

FTA and its Financial Management Oversight Contractor (FMOC) have reviewed the local financial commitment and concluded that FDOT has the requisite capacity to finance this Project, and that FDOT and the Central Florida Commuter Rail Commission have the requisite capacity to operate and maintain this Project and the expanded commuter rail system. The FMOC's analysis is reliant upon the assumption in FDOT's financial plan that FDOT would provide its share of the local financial commitment to the Project as well as operate and maintain the Project for the first seven years of revenue service. Thus, FTA's finding that FDOT has the capacity to finance, operate and maintain the Project is conditioned upon the assumption that the Governor of Florida will support the Project.

FFGA Contract and Accompanying Materials

Enclosed is a copy of the FFGA that FTA plans to execute with FDOT. Please note, in particular, Attachment 6 (Schedule of Federal Funds for the Project) to the proposed FFGA, which sets forth the total and annual congressional appropriations that are necessary to maintain FDOT's construction schedule and ensure that the Project can open for revenue operations on the date planned. To date, FTA has awarded \$8.35 million in Section 5309 New Starts funds for the Project. Thus, the Schedule of Federal Funds set forth in Attachment 6 projects a future total award of \$170.26 million in New Starts funds through Federal Fiscal Year 2013. Also enclosed is an analysis of the annual and total congressional appropriations planned for future FFGAs through Fiscal Year 2016, and an analysis of FTA's annual commitments for current and anticipated FFGAs against the program authorization.

In accordance with the Fiscal Year 2010 Transportation Appropriations Conference Report, we are enclosing the results of FTA's evaluation of whether the alternatives analysis completed by the Project sponsor fully assessed all viable alternatives (Summary Evaluation of Alternatives Analysis). Several preliminary transit alternatives were identified and evaluated during project planning. The alternatives were subjected to a detailed evaluation against a variety of locally-derived evaluation criteria, resulting in the selection of the current Project as the Locally Preferred Alternative.

A similar letter has been sent to the following: the Ranking Member of the House Subcommittee on Transportation, Housing and Urban Development and Related Agencies; the Chairman and Ranking Member of the Senate Committee on Banking, Housing, and Urban Affairs; the Chairman and Ranking Member of the Subcommittee on Transportation, Housing and Urban Development and Related Agencies of the Senate Committee on Appropriations; the Chairman and Ranking Member of the House Committee on Transportation and Infrastructure.

If I can provide further information or assistance, please do not hesitate to contact me directly at (202) 366-4040.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Peter Rogoff", written in a cursive style.

Peter Rogoff

Enclosures on CD:

1. FFGA
2. Draft FFGA Approval Letter
3. PMOC FFGA Readiness Report
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1200 New Jersey Avenue, SE
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MAY 02 2011

The Honorable John Olver
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Olver:

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Peter Rogoff

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1200 New Jersey Avenue, SE
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MAY 02 2011

The Honorable Timothy Johnson
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

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1200 New Jersey Avenue, SE
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MAY 02 2011

The Honorable Richard J. Shelby
Ranking Member
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, DC 20510

Dear Senator Shelby:

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Washington, DC 20510

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Pursuant to 49 U.S.C. § 5309(g)(5), I write to inform you that I intend to execute a Full Funding Grant Agreement (FFGA) with the Florida Department of Transportation (FDOT) whereby the Federal Transit Administration (FTA) will provide \$178.6 million in Section 5309 major capital investment (New Starts) funds for design and construction of the Central Florida Commuter Rail Transit Project (hereafter, the "Project") in Orlando, Florida. These New Starts funds comprise 50 percent of the total project cost of \$357.2 million. The balance is expected to be financed with \$89.3 million from the State of Florida New Starts Transit Program (funded from the State Transportation Trust Fund), \$6.6 million from a Volusia County State Infrastructure Bank loan, \$45.6 million from Seminole County sales tax revenues, \$13.5 million from a City of Orlando State Infrastructure Bank loan, and \$23.7 million from Orange County general funds. This FFGA will be executed no earlier than sixty days from the date of this letter.

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The scheduled revenue operations date for the Project is May 1, 2014. FDOT will operate and maintain the Project for the first seven years of operations. In year eight,

FDOT will transfer ownership of and delegate responsibility to operate and maintain the Project to the Central Florida Commuter Rail Commission.

Project Justification

The purpose of the Project is to provide an alternative mode of transportation to improve the mobility of travelers in the Interstate 4 and US 17-92 transportation corridor. This highly-congested corridor experiences poor highway levels of service throughout a majority of the day (especially in the morning, mid-day and afternoon peak hours). This traffic congestion causes long and frequent delays for travelers including emergency response teams, stifles economic growth, and diminishes overall quality of life.

In addition, the Central Florida regional transportation system has not kept pace with the area's growth and travel demands. The regional activity centers and the high intensity land uses in the project corridor are not well-connected by the existing transportation network. The level of public transit services provided within the corridor is insufficient to meet the growing mobility needs of the corridor workforce, visitors, and transit-dependent population. The Project will assist in addressing these issues. Average weekday ridership on the Project is projected to be approximately 7,400 by 2030, including an estimated 3,700 new transit riders.

Project Evaluation

The Project was recommended for an FFGA in the President's Fiscal Year 2012 budget. In FTA's most recent evaluation, the Project received an overall rating of "Medium."

As you know, FTA does not execute an FFGA for a project unless and until FTA is satisfied of the sponsor's ability to complete the project within the Baseline Cost Estimate and the Baseline Schedule, and that the sponsor has demonstrated the necessary local financial commitment to construct, operate, and maintain the project strictly in accordance with the terms of the agreement. In evaluating the readiness of a project for an FFGA, FTA considers the degree of certainty underlying the capital cost estimates, any remaining risks inherent in those estimates, the availability of contingency funding to cover any unanticipated cost increases, any remaining uncertainties regarding the non-Federal sources of funding, and any need for acquisition of real estate or railroad right-of-way. FTA also requires that all essential third-party agreements be transacted before executing an FFGA.

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If I can provide further information or assistance, please do not hesitate to contact me directly at (202) 366-4040.

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U.S. Department
of Transportation

**Federal Transit
Administration**

The Administrator

1200 New Jersey Avenue, SE
Washington, D.C. 20590

MAY 02 2011

The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

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U.S. Department
of Transportation

**Federal Transit
Administration**

The Administrator

1200 New Jersey Avenue, SE
Washington, D.C. 20590

MAY 02 2011

The Honorable John Mica
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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U.S. Department
of Transportation

Federal Transit
Administration

The Administrator

1200 New Jersey Avenue, SE
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MAY 02 2011

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U.S. House of Representatives
Washington, DC 20515

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