

FEDERAL
PUBLIC TRANSPORTATION
LAW

CHAPTER 53 OF TITLE 49, UNITED STATES CODE

AS AMENDED BY MAP-21,
THE MOVING AHEAD FOR PROGRESS IN THE 21ST CENTURY ACT
PUBLIC LAW 112-141

ENACTED JULY 6, 2012

FOREWORD

After ten short-term bills extending surface transportation laws over nearly three years, Congress passed MAP-21 in June 2012, reauthorizing public transportation, Federal-aid highway, and highway safety programs for fiscal years 2013 and 2014. The amendments made by MAP-21 take effect on October 1, 2012.

This text of chapter 53 of title 49, United States Code, reflects the changes MAP-21 made to the public transportation provisions codified in chapter 53. In most instances, MAP-21 rewrote entire sections of chapter 53, so these sections read as clean text, and changes to the text may not be immediately apparent. Therefore, included with the revised, clean text of chapter 53 are margin notes explaining or highlighting significant revisions made by MAP-21 to each section of chapter 53.

This document – along with the text of the MAP-21 legislation, funding tables, bill summaries, and links to other MAP-21 implementation resources – can be found on the regularly-updated Government Affairs section of APTA’s website at: <http://www.apta.com/gap/legissues/authorization>.

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CHAPTER 53—PUBLIC TRANSPORTATION

EXPLANATION OF REVISIONS

REVISED TEXT

	Sec.
	5301. Policies and purposes.
	5302. Definitions
See also TOD planning pilot	5303. Metropolitan transportation planning.
	5304. Statewide and nonmetropolitan transportation planning.
Substantively unchanged	5305. Planning programs.
Unchanged	5306. Private enterprise participation in metropolitan planning and transportation improvement programs and relationship to other limitations.
	5307. Urbanized area formula grants.
Was Clean fuels grant program	[5308. Repealed.]
See also expedited project delivery pilot	5309. Fixed guideway capital investment grants.
	5310. Formula grants for the enhanced mobility of seniors and individuals with disabilities.
	5311. Formula grants for rural areas.
Substantively unchanged	5312. Research, development, demonstration, and deployment projects.
Was National research programs	5313. Transit cooperative research program.
New; was NTI; see § 5322(d)	5314. Technical assistance and standards development.
Was JARC; see § 5307(a) and § 5311(b)	5315. Private sector participation.
Was New freedom; see § 5310	[5316. Repealed.]
	[5317. Repealed.]
Substantively unchanged	5318. Bus testing facility.
Was Alternative transportation in parks and public lands	5319. Bicycle facilities.
Unchanged	[5320. Repealed.]
Includes NTI	5321. Crime prevention and security.
	5322. Human resources and training.
	5323. General provisions.
New; was Special provisions for capital projects	5324. Public transportation emergency relief program.
	5325. Contract requirements.
New	5326. Transit asset management.
	5327. Project management oversight.
Was Project review; see § 5309	[5328. Repealed.]
New; was Investigations of safety hazards and security risks	5329. Public transportation safety program.
Unchanged, but is repealed 3 years after § 5329(e) safety rules take effect	5330. State safety oversight.
	5331. Alcohol and controlled substances testing.
	5332. Nondiscrimination.
Substantively unchanged	5333. Labor standards.
	5334. Administrative provisions.
	5335. National transit database.
	5336. Apportionment of appropriations for formula grants.
New; was Apportionment based on fixed guideway factors	5337. State of good repair grants.

New; was Alternatives analysis program
Unchanged

5338. Authorizations.
5339. Bus and bus facilities formula grants.
5340. Apportionments based on growing States and high density States
formula factors.

Strikes general findings and declarations on rapid urbanization and continuing population dispersal, elderly and disabled individuals, and preserving the environment.

§ 5301. Policies and purposes

(a) **DECLARATION OF POLICY.**—It is in the interest of the United States, including the economic interest of the United States, to foster the development and revitalization of public transportation systems with the cooperation of both public transportation companies and private companies engaged in public transportation.

(b) **GENERAL PURPOSES.**—The purposes of this chapter are to—

- (1) provide funding to support public transportation;
- (2) improve the development and delivery of capital projects;
- (3) establish standards for the state of good repair of public transportation infrastructure and vehicles;
- (4) promote continuing, cooperative, and comprehensive planning that improves the performance of the transportation network;
- (5) establish a technical assistance program to assist recipients under this chapter to more effectively and efficiently provide public transportation service;
- (6) continue Federal support for public transportation providers to deliver high quality service to all users, including individuals with disabilities, seniors, and individuals who depend on public transportation;
- (7) support research, development, demonstration, and deployment projects dedicated to assisting in the delivery of efficient and effective public transportation service; and
- (8) promote the development of the public transportation workforce.

“Associated transit improvement” replaces the term transit enhancement. Public art, transit connections to parks, “other scenic beautification,” and tables are removed from the list of eligible projects. Streetscaping is added, and eligible historic preservation projects are narrowed to include only those intended for use in public transportation service.

“Bus rapid transit system” is now defined as a bus transit system in which the majority of each line operates in a separated right-of-way dedicated for public transportation use during peak periods and that includes features emulating the services provided by rail fixed guideway systems. See also the two New Starts definitions of bus rapid transit at § 5309.

§ 5302. Definitions

Except as otherwise specifically provided, in this chapter the following definitions apply:

(1) ASSOCIATED TRANSIT IMPROVEMENT.—The term ‘associated transit improvement’ means, with respect to any project or an area to be served by a project, projects that are designed to enhance public transportation service or use and that are physically or functionally related to transit facilities. Eligible projects are—

(A) historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities (including historic bus and railroad facilities) intended for use in public transportation service;

(B) bus shelters;

(C) landscaping and streetscaping, including benches, trash receptacles, and street lights;

(D) pedestrian access and walkways;

(E) bicycle access, including bicycle storage facilities and installing equipment for transporting bicycles on public transportation vehicles;

(F) signage; or

(G) enhanced access for persons with disabilities to public transportation.

(2) BUS RAPID TRANSIT SYSTEM.—The term ‘bus rapid transit system’ means a bus transit system—

(A) in which the majority of each line operates in a separated right-of-way dedicated for public transportation use during peak periods; and

(B) that includes features that emulate the services provided by rail fixed guideway public transportation systems, including—

(i) defined stations;

(ii) traffic signal priority for public transportation vehicles;

(iii) short headway bidirectional services for a substantial part of weekdays and weekend days; and

(iv) any other features the Secretary may determine are necessary to produce high-quality public transportation services that emulate the services provided by rail fixed guideway public transportation systems.

(3) CAPITAL PROJECT.—The term ‘capital project’ means a project for—

(A) acquiring, constructing, supervising, or inspecting equipment or a facility for use in public transportation, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, transit-related intelligent transportation systems, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;

(B) rehabilitating a bus;

(C) remanufacturing a bus;

- (D) overhauling rail rolling stock;
- (E) preventive maintenance;
- (F) leasing equipment or a facility for use in public transportation, subject to regulations that the Secretary prescribes limiting the leasing arrangements to those that are more cost-effective than purchase or construction;
- (G) a joint development improvement that—
 - (i) enhances economic development or incorporates private investment, such as commercial and residential development;
 - (ii)(I) enhances the effectiveness of public transportation and is related physically or functionally to public transportation; or (II) establishes new or enhanced coordination between public transportation and other transportation;
 - (iii) provides a fair share of revenue that will be used for public transportation;
 - (iv) provides that a person making an agreement to occupy space in a facility constructed under this paragraph shall pay a fair share of the costs of the facility through rental payments and other means;
 - (v) may include—
 - (I) property acquisition;
 - (II) demolition of existing structures;
 - (III) site preparation;
 - (IV) utilities;
 - (V) building foundations;
 - (VI) walkways;
 - (VII) pedestrian and bicycle access to a public transportation facility;
 - (VIII) construction, renovation, and improvement of intercity bus and intercity rail stations and terminals;
 - (IX) renovation and improvement of historic transportation facilities;
 - (X) open space;
 - (XI) safety and security equipment and facilities (including lighting, surveillance, and related intelligent transportation system applications);
 - (XII) facilities that incorporate community services such as daycare or health care;
 - (XIII) a capital project for, and improving, equipment or a facility for an intermodal transfer facility or transportation mall; and
 - (XIV) construction of space for commercial uses; and
 - (vi) does not include outfitting of commercial space (other than an intercity bus or rail station or terminal) or a part of a public facility not related to public transportation;
 - (H) the introduction of new technology, through innovative and improved products, into public transportation;
 - (I) the provision of nonfixed route paratransit transportation

A “capital project” includes a joint development improvement for construction of space for commercial uses, but does not include outfitting of commercial space (other than an intercity bus or rail station or terminal) or a part of a public facility not related to public transportation.

“Crime prevention and security” are no longer eligible capital projects.

The definition of “associated capital maintenance” is moved from § 5307 and included in the definition of a “capital project.”

The definition of “designated recipient” is moved from § 5307 and modified to refer to entities designated to receive and apportion amounts designated under § 5336 to urbanized areas of 200,000 or more (rather than amounts attributable to transportation management areas).

“Disability” now has the same meaning in chapter 53 as it has in section 3(1) of the Americans with Disabilities Act.

services in accordance with section 223 of the Americans with Disabilities Act of 1990 (42 U.S.C.12143), but only for grant recipients that are in compliance with applicable requirements of that Act, including both fixed route and demand responsive service, and only for amounts not to exceed 10 percent of such recipient’s annual formula apportionment under sections 5307 and 5311;

(J) establishing a debt service reserve, made up of deposits with a bondholder’s trustee, to ensure the timely payment of principal and interest on bonds issued by a grant recipient to finance an eligible project under this chapter;

(K) mobility management—

(i) consisting of short-range planning and management activities and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or subrecipient through an agreement entered into with a person, including a governmental entity, under this chapter (other than section 5309); but

(ii) excluding operating public transportation services; or

(L) associated capital maintenance, including—

(i) equipment, tires, tubes, and material, each costing at least .5 percent of the current fair market value of rolling stock comparable to the rolling stock for which the equipment, tires, tubes, and material are to be used; and

(ii) reconstruction of equipment and material, each of which after reconstruction will have a fair market value of at least .5 percent of the current fair market value of rolling stock comparable to the rolling stock for which the equipment and material will be used.

(4) DESIGNATED RECIPIENT.—The term ‘designated recipient’ means—

(A) an entity designated, in accordance with the planning process under sections 5303 and 5304, by the Governor of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under section 5336 to urbanized areas of 200,000 or more in population; or

(B) a State or regional authority, if the authority is responsible under the laws of a State for a capital project and for financing and directly providing public transportation.

(5) DISABILITY.—The term ‘disability’ has the same meaning as in section 3(1) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).

(6) EMERGENCY REGULATION.—The term ‘emergency regulation’ means a regulation—

(A) that is effective temporarily before the expiration of the otherwise specified periods of time for public notice and comment under section 5334(c); and

(B) prescribed by the Secretary as the result of a finding that a delay in the effective date of the regulation—

(i) would injure seriously an important public interest;

“Fixed guideway” is now defined here and in § 5337(a)(1) as a public transportation facility using and occupying a separate right-of-way for the exclusive use of public transportation, using rail, a fixed catenary system, for a passenger ferry system, or for a bus rapid transit system. See also the New Starts definition of new fixed guideway capital project at § 5309.

With the elimination of the JARC program, a “job access and reverse commute project” is now an eligible use of § 5307 and § 5311 funds.

- (ii) would frustrate substantially legislative policy and intent;
- or
- (iii) would damage seriously a person or class without serving an important public interest.

(7) **FIXED GUIDEWAY.**—The term ‘fixed guideway’ means a public transportation facility—

- (A) using and occupying a separate right-of-way for the exclusive use of public transportation;
- (B) using rail;
- (C) using a fixed catenary system;
- (D) for a passenger ferry system; or
- (E) for a bus rapid transit system.

(8) **GOVERNOR.**—The term ‘Governor’—

(A) means the Governor of a State, the mayor of the District of Columbia, and the chief executive officer of a territory of the United States; and

(B) includes the designee of the Governor.

(9) **JOB ACCESS AND REVERSE COMMUTE PROJECT.**—

(A) **IN GENERAL.**—The term ‘job access and reverse commute project’ means a transportation project to finance planning, capital, and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.

(B) **DEFINITIONS.**—In this paragraph:

(i) **ELIGIBLE LOW-INCOME INDIVIDUAL.**—The term ‘eligible low-income individual’ means an individual whose family income is at or below 150 percent of the poverty line (as that term is defined in section 673(2) of the Community Service Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section) for a family of the size involved.

(ii) **WELFARE RECIPIENT.**—The term ‘welfare recipient’ means an individual who has received assistance under a State or tribal program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at any time during the 3-year period before the date on which the applicant applies for a grant under section 5307 or 5311.

(10) **LOCAL GOVERNMENTAL AUTHORITY.**—The term ‘local governmental authority’ includes—

- (A) a political subdivision of a State;
- (B) an authority of at least 1 State or political subdivision of a State;
- (C) an Indian tribe; and
- (D) a public corporation, board, or commission established under the laws of a State.

(11) **LOW-INCOME INDIVIDUAL.**—The term ‘low-income individual’ means an individual whose family income is at or below 150

percent of the poverty line, as that term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section, for a family of the size involved.

(12) NET PROJECT COST.—The term ‘net project cost’ means the part of a project that reasonably cannot be financed from revenues.

(13) NEW BUS MODEL.—The term ‘new bus model’ means a bus model (including a model using alternative fuel)—

(A) that has not been used in public transportation in the United States before the date of production of the model; or

(B) used in public transportation in the United States, but being produced with a major change in configuration or components.

(14) PUBLIC TRANSPORTATION.—The term ‘public transportation’ —

(A) means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income; and

(B) does not include—

(i) intercity passenger rail transportation provided by the entity described in chapter 243 (or a successor to such entity);

(ii) intercity bus service;

(iii) charter bus service;

(iv) school bus service;

(v) sightseeing service;

(vi) courtesy shuttle service for patrons of one or more specific establishments; or

(vii) intra-terminal or intra-facility shuttle services.

(15) REGULATION.—The term ‘regulation’ means any part of a statement of general or particular applicability of the Secretary designed to carry out, interpret, or prescribe law or policy in carrying out this chapter.

(16) RURAL AREA.—The term ‘rural area’ means an area encompassing a population of less than 50,000 people that has not been designated in the most recent decennial census as an ‘urbanized area’ by the Secretary of Commerce.

(17) SECRETARY.—The term ‘Secretary’ means the Secretary of Transportation.

(18) SENIOR.—The term ‘senior’ means an individual who is 65 years of age or older.

(19) STATE.—The term ‘State’ means a State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands.

(20) STATE OF GOOD REPAIR.—The term ‘state of good repair’ has the meaning given that term by the Secretary, by rule, under section 5326(b).

(21) TRANSIT.—The term ‘transit’ means public transportation.

(22) URBAN AREA.—The term ‘urban area’ means an area that includes a municipality or other built-up place that the Secretary, after considering local patterns and trends of urban growth, decides is

“State of good repair” will be defined by DOT through rulemaking.

appropriate for a local public transportation system to serve individuals in the locality.

(23) URBANIZED AREA.—The term ‘urbanized area’ means an area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an ‘urbanized area’ by the Secretary of Commerce.

§ 5303. Metropolitan transportation planning

(a) **POLICY.**—It is in the national interest—

(1) to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and between States and urbanized areas, while minimizing transportation-related fuel consumption and air pollution through metropolitan and statewide transportation planning processes identified in this chapter; and

(2) to encourage the continued improvement and evolution of the metropolitan and statewide transportation planning processes by metropolitan planning organizations, State departments of transportation, and public transit operators as guided by the planning factors identified in subsection (h) and section 5304(d).

(b) **DEFINITIONS.**—In this section and section 5304, the following definitions apply:

(1) **METROPOLITAN PLANNING AREA.**—The term ‘metropolitan planning area’ means the geographic area determined by agreement between the metropolitan planning organization for the area and the Governor under subsection (e).

(2) **METROPOLITAN PLANNING ORGANIZATION.**—The term ‘metropolitan planning organization’ means the policy board of an organization established as a result of the designation process under subsection (d).

(3) **NONMETROPOLITAN AREA.**—The term ‘nonmetropolitan area’ means a geographic area outside designated metropolitan planning areas.

(4) **NONMETROPOLITAN LOCAL OFFICIAL.**—The term ‘nonmetropolitan local official’ means elected and appointed officials of general purpose local government in a nonmetropolitan area with responsibility for transportation.

(5) **REGIONAL TRANSPORTATION PLANNING ORGANIZATION.**—The term ‘regional transportation planning organization’ means a policy board of an organization established as the result of a designation under section 5304(1).

(6) **TIP.**—The term ‘TIP’ means a transportation improvement program developed by a metropolitan planning organization under subsection (j).

(7) **URBANIZED AREA.**—The term ‘urbanized area’ means a geographic area with a population of 50,000 or more, as determined by the Bureau of the Census.

(c) **GENERAL REQUIREMENTS.**—

(1) **DEVELOPMENT OF LONG-RANGE PLANS AND TIPS.**—To accomplish the objectives in subsection (a), metropolitan planning organizations designated under subsection (d), in cooperation with the State and public transportation operators, shall develop long-range transportation plans and transportation improvement programs through a performance-driven, outcome based approach to planning for metropolitan areas of the State.

A “regional transportation planning organization” is defined as a policy board, permitted to be designated under the Statewide planning process in § 5304, to address transportation needs in nonmetropolitan areas.

Long-range plans and TIPs must be developed through a performance-driven, outcome-based approach.

(2) CONTENTS.—The plans and TIPs for each metropolitan area shall provide for the development and integrated management and operation of transportation systems and facilities (including accessible pedestrian walkways and bicycle transportation facilities) that will function as an intermodal transportation system for the metropolitan planning area and as an integral part of an intermodal transportation system for the State and the United States.

(3) PROCESS OF DEVELOPMENT.—The process for developing the plans and TIPs shall provide for consideration of all modes of transportation and shall be continuing, cooperative, and comprehensive to the degree appropriate, based on the complexity of the transportation problems to be addressed.

(d) DESIGNATION OF METROPOLITAN PLANNING ORGANIZATIONS.—

(1) IN GENERAL.—To carry out the transportation planning process required by this section, a metropolitan planning organization shall be designated for each urbanized area with a population of more than 50,000 individuals—

(A) by agreement between the Governor and units of general purpose local government that together represent at least 75 percent of the affected population (including the largest incorporated city (based on population) as determined by the Bureau of the Census); or

(B) in accordance with procedures established by applicable State or local law.

(2) STRUCTURE.—Not later than 2 years after the date of enactment of the Federal Public Transportation Act of 2012, each metropolitan planning organization that serves an area designated as a transportation management area shall consist of—

(A) local elected officials;

(B) officials of public agencies that administer or operate major modes of transportation in the metropolitan area, including representation by providers of public transportation; and

(C) appropriate State officials.

(3) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this subsection shall be construed to interfere with the authority, under any State law in effect on December 18, 1991, of a public agency with multimodal transportation responsibilities—

(A) to develop the plans and TIPs for adoption by a metropolitan planning organization; and

(B) to develop long-range capital plans, coordinate transit services and projects, and carry out other activities pursuant to State law.

(4) CONTINUING DESIGNATION.—A designation of a metropolitan planning organization under this subsection or any other provision of law shall remain in effect until the metropolitan planning organization is redesignated under paragraph (5).

(5) REDESIGNATION PROCEDURES.—

(A) IN GENERAL.—A metropolitan planning organization

Providers of public transportation must be represented on MPO policy boards in TMAs within the next 2 years.

may be redesignated by agreement between the Governor and units of general purpose local government that together represent at least 75 percent of the existing planning area population (including the largest incorporated city (based on population) as determined by the Bureau of the Census) as appropriate to carry out this section.

(B) RESTRUCTURING.—A metropolitan planning organization may be restructured to meet the requirements of paragraph (2) without undertaking a redesignation.

(6) DESIGNATION OF MORE THAN 1 METROPOLITAN PLANNING ORGANIZATION.—More than 1 metropolitan planning organization may be designated within an existing metropolitan planning area only if the Governor and the existing metropolitan planning organization determine that the size and complexity of the existing metropolitan planning area make designation of more than 1 metropolitan planning organization for the area appropriate.

(e) METROPOLITAN PLANNING AREA BOUNDARIES.—

(1) IN GENERAL.—For the purposes of this section, the boundaries of a metropolitan planning area shall be determined by agreement between the metropolitan planning organization and the Governor.

(2) INCLUDED AREA.—Each metropolitan planning area—

(A) shall encompass at least the existing urbanized area and the contiguous area expected to become urbanized within a 20-year forecast period for the transportation plan; and

(B) may encompass the entire metropolitan statistical area or consolidated metropolitan statistical area, as defined by the Bureau of the Census.

(3) IDENTIFICATION OF NEW URBANIZED AREAS WITHIN EXISTING PLANNING AREA BOUNDARIES.—The designation by the Bureau of the Census of new urbanized areas within an existing metropolitan planning area shall not require the redesignation of the existing metropolitan planning organization.

(4) EXISTING METROPOLITAN PLANNING AREAS IN NONATTAINMENT.—

(A) IN GENERAL.—Notwithstanding paragraph (2), except as provided in subparagraph (B), in the case of an urbanized area designated as a nonattainment area for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. 7401 et seq.) as of the date of enactment of the SAFETEA-LU, the boundaries of the metropolitan planning area in existence as of such date of enactment shall be retained.

(B) EXCEPTION.—The boundaries described in subparagraph (A) may be adjusted by agreement of the Governor and affected metropolitan planning organizations in the manner described in subsection (d)(5).

(5) NEW METROPOLITAN PLANNING AREAS IN NONATTAINMENT.—In the case of an urbanized area designated

MPOs may add public transit representation without redesignating.

after the date of enactment of the SAFETEA-LU, as a nonattainment area for ozone or carbon monoxide, the boundaries of the metropolitan planning area—

(A) shall be established in the manner described in subsection (d)(1);

(B) shall encompass the areas described in paragraph (2)(A);

(C) may encompass the areas described in paragraph (2)(B);

and

(D) may address any nonattainment area identified under the Clean Air Act (42 U.S.C. 7401 et seq.) for ozone or carbon monoxide.

(f) COORDINATION IN MULTISTATE AREAS.—

(1) IN GENERAL.—The Secretary shall encourage each Governor with responsibility for a portion of a multistate metropolitan area and the appropriate metropolitan planning organizations to provide coordinated transportation planning for the entire metropolitan area.

(2) INTERSTATE COMPACTS.—The consent of Congress is granted to any 2 or more States—

(A) to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this section as the activities pertain to interstate areas and localities within the States; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable for making the agreements and compacts effective.

(3) RESERVATION OF RIGHTS.—The right to alter, amend, or repeal interstate compacts entered into under this subsection is expressly reserved.

(g) MPO CONSULTATION IN PLAN AND TIP COORDINATION.—

(1) NONATTAINMENT AREAS.—If more than 1 metropolitan planning organization has authority within a metropolitan area or an area which is designated as a nonattainment area for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. 7401 et seq.), each metropolitan planning organization shall consult with the other metropolitan planning organizations designated for such area and the State in the coordination of plans and TIPs required by this section.

(2) TRANSPORTATION IMPROVEMENTS LOCATED IN MULTIPLE MPOS.—If a transportation improvement, funded under this chapter or title 23, is located within the boundaries of more than 1 metropolitan planning area, the metropolitan planning organizations shall coordinate plans and TIPs regarding the transportation improvement.

(3) RELATIONSHIP WITH OTHER PLANNING OFFICIALS.—

(A) IN GENERAL.—The Secretary shall encourage each metropolitan planning organization to consult with officials

responsible for other types of planning activities that are affected by transportation in the area (including State and local planned growth, economic development, environmental protection, airport operations, and freight movements) or to coordinate its planning process, to the maximum extent practicable, with such planning activities.

(B) REQUIREMENTS.—Under the metropolitan planning process, transportation plans and TIPs shall be developed with due consideration of other related planning activities within the metropolitan area, and the process shall provide for the design and delivery of transportation services within the metropolitan area that are provided by—

(i) recipients of assistance under this chapter;

(ii) governmental agencies and nonprofit organizations (including representatives of the agencies and organizations) that receive Federal assistance from a source other than the Department of Transportation to provide nonemergency transportation services; and

(iii) recipients of assistance under section 204 of title 23.

(h) SCOPE OF PLANNING PROCESS.—

(1) IN GENERAL.—The metropolitan planning process for a metropolitan planning area under this section shall provide for consideration of projects and strategies that will—

(A) support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;

(B) increase the safety of the transportation system for motorized and nonmotorized users;

(C) increase the security of the transportation system for motorized and nonmotorized users;

(D) increase the accessibility and mobility of people and for freight;

(E) protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns;

(F) enhance the integration and connectivity of the transportation system, across and between modes, for people and freight;

(G) promote efficient system management and operation; and

(H) emphasize the preservation of the existing transportation system.

(2) PERFORMANCE-BASED APPROACH.—

(A) IN GENERAL.—The metropolitan transportation planning process shall provide for the establishment and use of a performance-based approach to transportation decisionmaking to support the national goals described in section 150(b) of title 23 and the general purposes described in section 5301.

(B) PERFORMANCE TARGETS.—

MPOs must establish and use a performance-based approach to transportation decisionmaking.

To track their progress, MPOs must establish performance targets that address performance measures.

MPOs must coordinate with States when selecting performance targets.

MPOs must coordinate with transit providers when selecting performance targets, to ensure targets are consistent with the asset management requirements of § 5326 and the safety requirements of § 5329.

MPOs must establish their performance targets within 180 days of the States and transit providers establishing their performance targets.

MPOs must integrate into their transportation planning process other State transportation plans and processes and any required performance-based plans by chapter 53 grant recipients.

(i) SURFACE TRANSPORTATION PERFORMANCE TARGETS.—

(I) IN GENERAL.—Each metropolitan planning organization shall establish performance targets that address the performance measures described in section 150(c) of title 23, where applicable, to use in tracking progress towards attainment of critical outcomes for the region of the metropolitan planning organization.

(II) COORDINATION.—Selection of performance targets by a metropolitan planning organization shall be coordinated with the relevant State to ensure consistency, to the maximum extent practicable.

(ii) PUBLIC TRANSPORTATION PERFORMANCE TARGETS.—Selection of performance targets by a metropolitan planning organization shall be coordinated, to the maximum extent practicable, with providers of public transportation to ensure consistency with sections 5326(c) and 5329(d).

(C) TIMING.—Each metropolitan planning organization shall establish the performance targets under subparagraph (B) not later than 180 days after the date on which the relevant State or provider of public transportation establishes the performance targets.

(D) INTEGRATION OF OTHER PERFORMANCE-BASED PLANS.—A metropolitan planning organization shall integrate in the metropolitan transportation planning process, directly or by reference, the goals, objectives, performance measures, and targets described in other State transportation plans and transportation processes, as well as any plans developed by recipients of assistance under this chapter, required as part of a performance-based program.

(3) FAILURE TO CONSIDER FACTORS.—The failure to consider any factor specified in paragraphs (1) and (2) shall not be reviewable by any court under this chapter, title 23, subchapter II of chapter 5 of title 5, or chapter 7 of title 5 in any matter affecting a transportation plan, a TIP, a project or strategy, or the certification of a planning process.

(i) DEVELOPMENT OF TRANSPORTATION PLAN.—

(1) REQUIREMENTS.—

(A) IN GENERAL.—Each metropolitan planning organization shall prepare and update a transportation plan for its metropolitan planning area in accordance with the requirements of this subsection.

(B) FREQUENCY.—

(i) IN GENERAL.—The metropolitan planning organization shall prepare and update such plan every 4 years (or more frequently, if the metropolitan planning organization elects to update more frequently) in the case of each of the following:

(I) Any area designated as nonattainment, as defined in section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)).

(II) Any area that was nonattainment and subsequently designated to attainment in accordance with section 107(d)(3) of that Act (42 U.S.C. 7407(d)(3)) and that is subject to a maintenance plan under section 175A of that Act (42 U.S.C. 7505a).

(ii) OTHER AREAS.—In the case of any other area required to have a transportation plan in accordance with the requirements of this subsection, the metropolitan planning organization shall prepare and update such plan every 5 years unless the metropolitan planning organization elects to update more frequently.

(2) TRANSPORTATION PLAN.—A transportation plan under this section shall be in a form that the Secretary determines to be appropriate and shall contain, at a minimum, the following:

(A) IDENTIFICATION OF TRANSPORTATION FACILITIES.—

(i) IN GENERAL.—An identification of transportation facilities (including major roadways, transit, multimodal and intermodal facilities, nonmotorized transportation facilities, and intermodal connectors) that should function as an integrated metropolitan transportation system, giving emphasis to those facilities that serve important national and regional transportation functions.

(ii) FACTORS.—In formulating the transportation plan, the metropolitan planning organization shall consider factors described in subsection (h) as the factors relate to a 20-year forecast period.

(B) PERFORMANCE MEASURES AND TARGETS.—A description of the performance measures and performance targets used in assessing the performance of the transportation system in accordance with subsection (h)(2).

(C) SYSTEM PERFORMANCE REPORT.—A system performance report and subsequent updates evaluating the condition and performance of the transportation system with respect to the performance targets described in subsection (h)(2), including—

(i) progress achieved by the metropolitan planning organization in meeting the performance targets in comparison with system performance recorded in previous reports; and

(ii) for metropolitan planning organizations that voluntarily elect to develop multiple scenarios, an analysis of how the preferred scenario has improved the conditions and performance of the transportation system and how changes in local policies and investments have impacted the costs necessary to achieve the identified performance targets.

In identifying transportation facilities, transportation plans must include nonmotorized transportation facilities.

Plans must describe performance measures and performance targets.

Plans must also include a system performance report to measure progress achieved in meeting performance targets.

(D) MITIGATION ACTIVITIES.—

(i) IN GENERAL.—A long-range transportation plan shall include a discussion of types of potential environmental mitigation activities and potential areas to carry out these activities, including activities that may have the greatest potential to restore and maintain the environmental functions affected by the plan.

(ii) CONSULTATION.—The discussion shall be developed in consultation with Federal, State, and tribal wildlife, land management, and regulatory agencies.

(E) FINANCIAL PLAN.—

(i) IN GENERAL.—A financial plan that—

(I) demonstrates how the adopted transportation plan can be implemented;

(II) indicates resources from public and private sources that are reasonably expected to be made available to carry out the plan; and

(III) recommends any additional financing strategies for needed projects and programs.

(ii) INCLUSIONS.—The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted transportation plan if reasonable additional resources beyond those identified in the financial plan were available.

(iii) COOPERATIVE DEVELOPMENT.—For the purpose of developing the transportation plan, the metropolitan planning organization, transit operator, and State shall cooperatively develop estimates of funds that will be available to support plan implementation.

(F) OPERATIONAL AND MANAGEMENT

STRATEGIES.—Operational and management strategies to improve the performance of existing transportation facilities to relieve vehicular congestion and maximize the safety and mobility of people and goods.

(G) CAPITAL INVESTMENT AND OTHER STRATEGIES.—Capital investment and other strategies to preserve the existing and projected future metropolitan transportation infrastructure and provide for multimodal capacity increases based on regional priorities and needs.

(H) TRANSPORTATION AND TRANSIT ENHANCEMENT ACTIVITIES.—Proposed transportation and transit enhancement activities.

(3) COORDINATION WITH CLEAN AIR ACT AGENCIES.—

In metropolitan areas that are in nonattainment for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. 7401 et seq.), the metropolitan planning organization shall coordinate the development of a transportation plan with the process for development of the transportation control measures of the State implementation plan required by that Act.

MPOs may include multiple scenarios when developing their metropolitan transportation plan.

(4) OPTIONAL SCENARIO DEVELOPMENT.—

(A) IN GENERAL.—A metropolitan planning organization may, while fitting the needs and complexity of its community, voluntarily elect to develop multiple scenarios for consideration as part of the development of the metropolitan transportation plan, in accordance with subparagraph (B).

(B) RECOMMENDED COMPONENTS.—A metropolitan planning organization that chooses to develop multiple scenarios under subparagraph (A) shall be encouraged to consider—

(i) potential regional investment strategies for the planning horizon;

(ii) assumed distribution of population and employment;

(iii) a scenario that, to the maximum extent practicable, maintains baseline conditions for the performance measures identified in subsection (h)(2);

(iv) a scenario that improves the baseline conditions for as many of the performance measures identified in subsection (h)(2) as possible;

(v) revenue constrained scenarios based on the total revenues expected to be available over the forecast period of the plan; and

(vi) estimated costs and potential revenues available to support each scenario.

(C) METRICS.—In addition to the performance measures identified in section 150(c) of title 23, metropolitan planning organizations may evaluate scenarios developed under this paragraph using locally-developed measures.

(5) CONSULTATION.—

(A) IN GENERAL.—In each metropolitan area, the metropolitan planning organization shall consult, as appropriate, with State and local agencies responsible for land use management, natural resources, environmental protection, conservation, and historic preservation concerning the development of a long-range transportation plan.

(B) ISSUES.—The consultation shall involve, as appropriate—

(i) comparison of transportation plans with State conservation plans or maps, if available; or

(ii) comparison of transportation plans to inventories of natural or historic resources, if available.

(6) PARTICIPATION BY INTERESTED PARTIES.—

(A) IN GENERAL.—Each metropolitan planning organization shall provide citizens, affected public agencies, representatives of public transportation employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transportation, representatives of users of pedestrian walkways and bicycle transportation facilities, representatives of the disabled, and other interested parties with a reasonable

opportunity to comment on the transportation plan.

(B) CONTENTS OF PARTICIPATION PLAN.—A participation plan—

(i) shall be developed in consultation with all interested parties; and

(ii) shall provide that all interested parties have reasonable opportunities to comment on the contents of the transportation plan.

(C) METHODS.—In carrying out subparagraph (A), the metropolitan planning organization shall, to the maximum extent practicable—

(i) hold any public meetings at convenient and accessible locations and times;

(ii) employ visualization techniques to describe plans; and

(iii) make public information available in electronically accessible format and means, such as the World Wide Web, as appropriate to afford reasonable opportunity for consideration of public information under subparagraph (A).

(7) PUBLICATION.—A transportation plan involving Federal participation shall be published or otherwise made readily available by the metropolitan planning organization for public review, including (to the maximum extent practicable) in electronically accessible formats and means, such as the World Wide Web, approved by the metropolitan planning organization and submitted for information purposes to the Governor at such times and in such manner as the Secretary shall establish.

(8) SELECTION OF PROJECTS FROM ILLUSTRATIVE LIST.—Notwithstanding paragraph (2)(C), a State or metropolitan planning organization shall not be required to select any project from the illustrative list of additional projects included in the financial plan under paragraph (2)(C).

(j) METROPOLITAN TIP.—

(1) DEVELOPMENT.—

(A) IN GENERAL.—In cooperation with the State and any affected public transportation operator, the metropolitan planning organization designated for a metropolitan area shall develop a TIP for the metropolitan planning area that—

(i) contains projects consistent with the current metropolitan transportation plan;

(ii) reflects the investment priorities established in the current metropolitan transportation plan; and

(iii) once implemented, is designed to make progress toward achieving the performance targets established under subsection (h)(2).

(B) OPPORTUNITY FOR COMMENT.—In developing the TIP, the metropolitan planning organization, in cooperation with the State and any affected public transportation operator, shall provide an opportunity for participation by interested parties in the development of the program, in accordance with subsection

Metropolitan TIPs must contain projects consistent with the current plan, reflect the investment priorities of the current plan, and be designed to help achieve plan performance targets required under this section.

(i)(5).

(C) FUNDING ESTIMATES.—For the purpose of developing the TIP, the metropolitan planning organization, public transportation agency, and State shall cooperatively develop estimates of funds that are reasonably expected to be available to support program implementation.

(D) UPDATING AND APPROVAL.—The TIP shall be—
(i) updated at least once every 4 years; and
(ii) approved by the metropolitan planning organization and the Governor.

(2) CONTENTS.—

(A) PRIORITY LIST.—The TIP shall include a priority list of proposed Federally supported projects and strategies to be carried out within each 4-year period after the initial adoption of the TIP.

(B) FINANCIAL PLAN.—The TIP shall include a financial plan that—

- (i) demonstrates how the TIP can be implemented;
- (ii) indicates resources from public and private sources that are reasonably expected to be available to carry out the program;
- (iii) identifies innovative financing techniques to finance projects, programs, and strategies; and
- (iv) may include, for illustrative purposes, additional projects that would be included in the approved TIP if reasonable additional resources beyond those identified in the financial plan were available.

(C) DESCRIPTIONS.—Each project in the TIP shall include sufficient descriptive material (such as type of work, termini, length, and other similar factors) to identify the project or phase of the project.

(D) PERFORMANCE TARGET ACHIEVEMENT.—The transportation improvement program shall include, to the maximum extent practicable, a description of the anticipated effect of the transportation improvement program toward achieving the performance targets established in the metropolitan transportation plan, linking investment priorities to those performance targets.

(3) INCLUDED PROJECTS.—

(A) PROJECTS UNDER THIS CHAPTER AND TITLE 23.—A TIP developed under this subsection for a metropolitan area shall include the projects within the area that are proposed for funding under this chapter and chapter 1 of title 23.

(B) PROJECTS UNDER CHAPTER 2 OF TITLE 23.—

(i) REGIONALLY SIGNIFICANT PROJECTS.—Regionally significant projects proposed for funding under chapter 2 of title 23 shall be identified individually in the transportation improvement program.

(ii) OTHER PROJECTS.—Projects proposed for funding under chapter 2 of title 23 that are not determined to be

Metropolitan TIPs must describe how the TIP will help achieve the performance targets established in the plan and should link investment priorities to those targets.

regionally significant shall be grouped in 1 line item or identified individually in the transportation improvement program.

(C) CONSISTENCY WITH LONG-RANGE

TRANSPORTATION PLAN.—Each project shall be consistent with the long-range transportation plan developed under subsection (i) for the area.

(D) REQUIREMENT OF ANTICIPATED FULL

FUNDING.—The program shall include a project, or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project or the identified phase within the time period contemplated for completion of the project or the identified phase.

(4) NOTICE AND COMMENT.—Before approving a TIP, a metropolitan planning organization, in cooperation with the State and any affected public transportation operator, shall provide an opportunity for participation by interested parties in the development of the program, in accordance with subsection (i)(5).

(5) SELECTION OF PROJECTS.—

(A) IN GENERAL.—Except as otherwise provided in subsection (k)(4) and in addition to the TIP development required under paragraph (1), the selection of Federally funded projects in metropolitan areas shall be carried out, from the approved TIP—

(i) by—

(I) in the case of projects under title 23, the State; and

(II) in the case of projects under this chapter, the designated recipients of public transportation funding; and

(ii) in cooperation with the metropolitan planning organization.

(B) MODIFICATIONS TO PROJECT PRIORITY.—

Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved TIP in place of another project in the program.

(6) SELECTION OF PROJECTS FROM ILLUSTRATIVE LIST.—

(A) NO REQUIRED SELECTION.—Notwithstanding paragraph (2)(B)(iv), a State or metropolitan planning organization shall not be required to select any project from the illustrative list of additional projects included in the financial plan under paragraph (2)(B)(iv).

(B) REQUIRED ACTION BY THE SECRETARY.—Action by the Secretary shall be required for a State or metropolitan planning organization to select any project from the illustrative list of additional projects included in the financial plan under paragraph (2)(B)(iv) for inclusion in an approved TIP.

(7) PUBLICATION.—

(A) PUBLICATION OF TIPS.—A TIP involving Federal participation shall be published or otherwise made readily available by the metropolitan planning organization for public

review.

(B) PUBLICATION OF ANNUAL LISTINGS OF PROJECTS.—

(i) **IN GENERAL.**—An annual listing of projects, including investments in pedestrian walkways and bicycle transportation facilities, for which Federal funds have been obligated in the preceding year shall be published or otherwise made available by the cooperative effort of the State, transit operator, and metropolitan planning organization for public review.

(ii) **REQUIREMENT.**—The listing shall be consistent with the categories identified in the TIP.

(k) TRANSPORTATION MANAGEMENT AREAS.—

(1) IDENTIFICATION AND DESIGNATION.—

(A) **REQUIRED IDENTIFICATION.**—The Secretary shall identify as a transportation management area each urbanized area (as defined by the Bureau of the Census) with a population of over 200,000 individuals.

(B) **DESIGNATIONS ON REQUEST.**—The Secretary shall designate any additional area as a transportation management area on the request of the Governor and the metropolitan planning organization designated for the area.

(2) **TRANSPORTATION PLANS.**—In a transportation management area, transportation plans shall be based on a continuing and comprehensive transportation planning process carried out by the metropolitan planning organization in cooperation with the State and public transportation operators.

(3) CONGESTION MANAGEMENT PROCESS.—

(A) **IN GENERAL.**—Within a metropolitan planning area serving a transportation management area, the transportation planning process under this section shall address congestion management through a process that provides for effective management and operation, based on a cooperatively developed and implemented metropolitan-wide strategy, of new and existing transportation facilities eligible for funding under this chapter and title 23 through the use of travel demand reduction and operational management strategies.

(B) **SCHEDULE.**—The Secretary shall establish an appropriate phase-in schedule for compliance with the requirements of this section but no sooner than 1 year after the identification of a transportation management area.

(4) SELECTION OF PROJECTS.—

(A) **IN GENERAL.**—All Federally funded projects carried out within the boundaries of a metropolitan planning area serving a transportation management area under title 23 (excluding projects carried out on the National Highway System) or under this chapter shall be selected for implementation from the approved TIP by the metropolitan planning organization designated for the area in consultation with the State and any

affected public transportation operator.

(B) NATIONAL HIGHWAY SYSTEM PROJECTS.—Projects carried out within the boundaries of a metropolitan planning area serving a transportation management area on the National Highway System shall be selected for implementation from the approved TIP by the State in cooperation with the metropolitan planning organization designated for the area.

(5) CERTIFICATION.—

(A) IN GENERAL.—The Secretary shall—

(i) ensure that the metropolitan planning process of a metropolitan planning organization serving a transportation management area is being carried out in accordance with applicable provisions of Federal law; and

(ii) subject to subparagraph (B), certify, not less often than once every 4 years, that the requirements of this paragraph are met with respect to the metropolitan planning process.

(B) REQUIREMENTS FOR CERTIFICATION.—The Secretary may make the certification under subparagraph (A) if—

(i) the transportation planning process complies with the requirements of this section and other applicable requirements of Federal law; and

(ii) there is a TIP for the metropolitan planning area that has been approved by the metropolitan planning organization and the Governor.

(C) EFFECT OF FAILURE TO CERTIFY.—

(i) WITHHOLDING OF PROJECT FUNDS.—If a metropolitan planning process of a metropolitan planning organization serving a transportation management area is not certified, the Secretary may withhold up to 20 percent of the funds attributable to the metropolitan planning area of the metropolitan planning organization for projects funded under this chapter and title 23.

(ii) RESTORATION OF WITHHELD FUNDS.—The withheld funds shall be restored to the metropolitan planning area at such time as the metropolitan planning process is certified by the Secretary.

(D) REVIEW OF CERTIFICATION.—In making certification determinations under this paragraph, the Secretary shall provide for public involvement appropriate to the metropolitan area under review.

(1) REPORT ON PERFORMANCE-BASED PLANNING PROCESSES.—

(1) IN GENERAL.—The Secretary shall submit to Congress a report on the effectiveness of the performance-based planning processes of metropolitan planning organizations under this section, taking into consideration the requirements of this subsection.

(2) REPORT.—Not later than 5 years after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall submit to Congress a report evaluating—

DOT must report to Congress within 5 years on the effectiveness of performance-based planning processes, including an evaluation of: each MPO's process; whether their targets are meaningful; and the technical capacity of smaller MPOs to comply with the requirements of this section.

(A) the overall effectiveness of performance-based planning as a tool for guiding transportation investments;

(B) the effectiveness of the performance-based planning process of each metropolitan planning organization under this section;

(C) the extent to which metropolitan planning organizations have achieved, or are currently making substantial progress toward achieving, the performance targets specified under this section and whether metropolitan planning organizations are developing meaningful performance targets; and

(D) the technical capacity of metropolitan planning organizations that operate within a metropolitan planning area of less than 200,000 and their ability to carry out the requirements of this section.

(3) PUBLICATION.—The report under paragraph (2) shall be published or otherwise made available in electronically accessible formats and means, including on the Internet.

(m) ABBREVIATED PLANS FOR CERTAIN AREAS.—

(1) IN GENERAL.—Subject to paragraph (2), in the case of a metropolitan area not designated as a transportation management area under this section, the Secretary may provide for the development of an abbreviated transportation plan and TIP for the metropolitan planning area that the Secretary determines is appropriate to achieve the purposes of this section, taking into account the complexity of transportation problems in the area.

(2) NONATTAINMENT AREAS.—The Secretary may not permit abbreviated plans or TIPs for a metropolitan area that is in nonattainment for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. 7401 et seq.).

(n) ADDITIONAL REQUIREMENTS FOR CERTAIN NONATTAINMENT AREAS.—

(1) IN GENERAL.—Notwithstanding any other provisions of this chapter or title 23, for transportation management areas classified as nonattainment for ozone or carbon monoxide pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.), Federal funds may not be advanced in such area for any highway project that will result in a significant increase in the carrying capacity for single-occupant vehicles unless the project is addressed through a congestion management process.

(2) APPLICABILITY.—This subsection applies to a nonattainment area within the metropolitan planning area boundaries determined under subsection (e).

(o) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to confer on a metropolitan planning organization the authority to impose legal requirements on any transportation facility, provider, or project not eligible under this chapter or title 23.

(p) FUNDING.—Funds set aside under section 104(f) of title 23 or section 5305(g) shall be available to carry out this section.

(q) CONTINUATION OF CURRENT REVIEW PRACTICE.—

Since plans and TIPs described in this section are subject to a reasonable opportunity for public comment, since individual projects included in plans and TIPs are subject to review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and since decisions by the Secretary concerning plans and TIPs described in this section have not been reviewed under that Act as of January 1, 1997, any decision by the Secretary concerning a plan or TIP described in this section shall not be considered to be a Federal action subject to review under that Act.

In a \$10 million pilot program, DOT may make grants to assist with comprehensive transit-oriented development planning associated with a New Starts project.

Among other requirements, a comprehensive plan must seek to enhance economic development, enable mix-use development, and include the private sector.

A grant application must include, inter alia, performance criteria for the comprehensive plan and must identify partners, funding, and potential impediments to plan implementation.

Subsection 20005(b) of MAP-21: Pilot Program for TOD Planning
(b) PILOT PROGRAM FOR TRANSIT-ORIENTED DEVELOPMENT PLANNING.—

(1) DEFINITIONS.—In this subsection the following definitions shall apply:

(A) ELIGIBLE PROJECT.—The term “eligible project” means a new fixed guideway capital project or a core capacity improvement project, as those terms are defined in section 5309 of title 49, United States Code, as amended by this division.

(B) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

(2) GENERAL AUTHORITY.—The Secretary may make grants under this subsection to a State or local governmental authority to assist in financing comprehensive planning associated with an eligible project that seeks to—

(A) enhance economic development, ridership, and other goals established during the project development and engineering processes;

(B) facilitate multimodal connectivity and accessibility;

(C) increase access to transit hubs for pedestrian and bicycle traffic;

(D) enable mixed-use development;

(E) identify infrastructure needs associated with the eligible project; and

(F) include private sector participation.

(3) ELIGIBILITY.—A State or local governmental authority that desires to participate in the program under this subsection shall submit to the Secretary an application that contains, at a minimum—

(A) identification of an eligible project;

(B) a schedule and process for the development of a comprehensive plan;

(C) a description of how the eligible project and the proposed comprehensive plan advance the metropolitan transportation plan of the metropolitan planning organization;

(D) proposed performance criteria for the development and implementation of the comprehensive plan; and

(E) identification of—

(i) partners;

(ii) availability of and authority for funding; and

(iii) potential State, local or other impediments to the implementation of the comprehensive plan.

§ 5304. Statewide and nonmetropolitan transportation planning

(a) GENERAL REQUIREMENTS.—

(1) DEVELOPMENT OF PLANS AND PROGRAMS.—Subject to section 5303, to accomplish the objectives stated in section 5303(a), each State shall develop a statewide transportation plan and a statewide transportation improvement program for all areas of the State.

(2) CONTENTS.—The statewide transportation plan and the transportation improvement program developed for each State shall provide for the development and integrated management and operation of transportation systems and facilities (including accessible pedestrian walkways and bicycle transportation facilities) that will function as an intermodal transportation system for the State and an integral part of an intermodal transportation system for the United States.

(3) PROCESS OF DEVELOPMENT.—The process for developing the statewide plan and the transportation improvement program shall provide for consideration of all modes of transportation and the policies stated in section 5303(a) and shall be continuing, cooperative, and comprehensive to the degree appropriate, based on the complexity of the transportation problems to be addressed.

(b) COORDINATION WITH METROPOLITAN PLANNING;
STATE IMPLEMENTATION PLAN.—A State shall—

(1) coordinate planning carried out under this section with the transportation planning activities carried out under section 5303 for metropolitan areas of the State and with statewide trade and economic development planning activities and related multistate planning efforts; and

(2) develop the transportation portion of the State implementation plan as required by the Clean Air Act (42 U.S.C. 7401 et seq.).

(c) INTERSTATE AGREEMENTS.—

(1) IN GENERAL.—Two or more States may enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this section related to interstate areas and localities in the States and establishing authorities the States consider desirable for making the agreements and compacts effective.

(2) RESERVATION OF RIGHTS.—The right to alter, amend, or repeal interstate compacts entered into under this subsection is expressly reserved.

(d) SCOPE OF PLANNING PROCESS.—

(1) IN GENERAL.—Each State shall carry out a statewide transportation planning process that provides for consideration and implementation of projects, strategies, and services that will—

(A) support the economic vitality of the United States, the States, nonmetropolitan areas, and metropolitan areas, especially by enabling global competitiveness, productivity, and efficiency;

(B) increase the safety of the transportation system for motorized and nonmotorized users;

(C) increase the security of the transportation system for

motorized and nonmotorized users;

(D) increase the accessibility and mobility of people and freight;

(E) protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns;

(F) enhance the integration and connectivity of the transportation system, across and between modes throughout the State, for people and freight;

(G) promote efficient system management and operation; and

(H) emphasize the preservation of the existing transportation system.

(2) PERFORMANCE-BASED APPROACH.—

(A) **IN GENERAL.**—The statewide transportation planning process shall provide for the establishment and use of a performance-based approach to transportation decisionmaking to support the national goals described in section 150(b) of title 23 and the general purposes described in section 5301.

(B) PERFORMANCE TARGETS.—

(i) SURFACE TRANSPORTATION PERFORMANCE TARGETS.—

(I) **IN GENERAL.**—Each State shall establish performance targets that address the performance measures described in section 150(c) of title 23, where applicable, to use in tracking progress towards attainment of critical outcomes for the State.

(II) **COORDINATION.**—Selection of performance targets by a State shall be coordinated with the relevant metropolitan planning organizations to ensure consistency, to the maximum extent practicable.

(ii) **PUBLIC TRANSPORTATION PERFORMANCE TARGETS.**—In urbanized areas with a population of fewer than 200,000 individuals, as calculated according to the most recent decennial census, and not represented by a metropolitan planning organization, selection of performance targets by a State shall be coordinated, to the maximum extent practicable, with providers of public transportation to ensure consistency with sections 5326(c) and 5329(d).

(C) INTEGRATION OF OTHER PERFORMANCE-BASED PLANS.—A State shall integrate into the statewide transportation planning process, directly or by reference, the goals, objectives, performance measures, and targets described in this paragraph, in other State transportation plans and transportation processes, as well as any plans developed pursuant to title 23 by providers of public transportation in urbanized areas with a population of fewer than 200,000 individuals, as calculated according to the most recent decennial census, and not represented by a metropolitan planning organization, required as part of a performance-based

States must establish and use a performance-based approach to transportation decisionmaking.

To track their progress, States (in coordination with MPOs) must establish performance targets that address performance measures.

In UZAs under 200,000 in population, States must coordinate with transit providers when selecting performance targets, to ensure targets are consistent with the asset management requirements of § 5326 and the safety requirements of § 5329.

States must integrate into their transportation planning process other State transportation plans and processes and any required performance-based plans developed by transit providers in UZAs under 200,000 in population not represented by an MPO.

States must consider their performance measures and targets when developing policies, programs and investment priorities for the Statewide plan and STIP.

States must cooperate with any regional transportation planning organizations established for nonmetropolitan areas.

In developing a long-range plan, States must cooperate with any regional transportation planning organizations established for nonmetropolitan areas.

program.

(D) USE OF PERFORMANCE MEASURES AND TARGETS.—The performance measures and targets established under this paragraph shall be considered by a State when developing policies, programs, and investment priorities reflected in the statewide transportation plan and statewide transportation improvement program.

(3) FAILURE TO CONSIDER FACTORS.—The failure to take into consideration the factors specified in paragraphs (1) and (2) shall not be subject to review by any court under this chapter, title 23, subchapter II of chapter 5 of title 5, or chapter 7 of title 5 in any matter affecting a statewide transportation plan, a statewide transportation improvement program, a project or strategy, or the certification of a planning process.

(e) ADDITIONAL REQUIREMENTS.—In carrying out planning under this section, each State shall, at a minimum—

(1) with respect to nonmetropolitan areas, cooperate with affected local officials with responsibility for transportation or, if applicable, through regional transportation planning organizations described in subsection (1);

(2) consider the concerns of Indian tribal governments and Federal land management agencies that have jurisdiction over land within the boundaries of the State; and

(3) consider coordination of transportation plans, the transportation improvement program, and planning activities with related planning activities being carried out outside of metropolitan planning areas and between States.

(f) LONG-RANGE STATEWIDE TRANSPORTATION PLAN.—

(1) DEVELOPMENT.—Each State shall develop a long-range statewide transportation plan, with a minimum 20-year forecast period for all areas of the State, that provides for the development and implementation of the intermodal transportation system of the State.

(2) CONSULTATION WITH GOVERNMENTS.—

(A) METROPOLITAN AREAS.—The statewide transportation plan shall be developed for each metropolitan area in the State in cooperation with the metropolitan planning organization designated for the metropolitan area under section 5303.

(B) NONMETROPOLITAN AREAS.—

(i) IN GENERAL.—With respect to nonmetropolitan areas, the statewide transportation plan shall be developed in cooperation with affected nonmetropolitan officials with responsibility for transportation or, if applicable, through regional transportation planning organizations described in subsection (1).

(ii) ROLE OF SECRETARY.—The Secretary shall not review or approve the consultation process in each State.

(C) INDIAN TRIBAL AREAS.—With respect to each area of the State under the jurisdiction of an Indian tribal government, the

statewide transportation plan shall be developed in consultation with the tribal government and the Secretary of the Interior.

(D) CONSULTATION, COMPARISON, AND CONSIDERATION.—

(i) **IN GENERAL.**—The long-range transportation plan shall be developed, as appropriate, in consultation with State, tribal, and local agencies responsible for land use management, natural resources, environmental protection, conservation, and historic preservation.

(ii) **COMPARISON AND CONSIDERATION.**—Consultation under clause (i) shall involve comparison of transportation plans to State and tribal conservation plans or maps, if available, and comparison of transportation plans to inventories of natural or historic resources, if available.

(3) PARTICIPATION BY INTERESTED PARTIES.—

(A) **IN GENERAL.**—In developing the statewide transportation plan, the State shall provide to—

(i) nonmetropolitan local elected officials, or, if applicable, through regional transportation planning organizations described in subsection (1), an opportunity to participate in accordance with subparagraph (B)(i); and

(ii) citizens, affected public agencies, representatives of public transportation employees, freight shippers, private providers of transportation, representatives of users of public transportation, representatives of users of pedestrian walkways and bicycle transportation facilities, representatives of the disabled, providers of freight transportation services, and other interested parties a reasonable opportunity to comment on the proposed plan.

(B) **METHODS.**—In carrying out subparagraph (A), the State shall, to the maximum extent practicable—

(i) develop and document a consultative process to carry out subparagraph (A)(i) that is separate and discrete from the public involvement process developed under clause (ii);

(ii) hold any public meetings at convenient and accessible locations and times;

(iii) employ visualization techniques to describe plans; and

(iv) make public information available in electronically accessible format and means, such as the World Wide Web, as appropriate to afford reasonable opportunity for consideration of public information under subparagraph (A).

(4) MITIGATION ACTIVITIES.—

(A) **IN GENERAL.**—A long-range transportation plan shall include a discussion of potential environmental mitigation activities and potential areas to carry out these activities, including activities that may have the greatest potential to restore and maintain the environmental functions affected by the plan.

(B) **CONSULTATION.**—The discussion shall be developed in consultation with Federal, State, and tribal wildlife, land

States must enable nonmetropolitan officials or any regional transportation planning organizations to participate in transportation planning.

States must develop a process—separate and discrete from the general public involvement process—to consult with nonmetropolitan officials or any regional transportation planning organizations.

management, and regulatory agencies.

(5) FINANCIAL PLAN.—The statewide transportation plan may include—

(A) a financial plan that—

(i) demonstrates how the adopted statewide transportation plan can be implemented;

(ii) indicates resources from public and private sources that are reasonably expected to be made available to carry out the plan; and

(iii) recommends any additional financing strategies for needed projects and programs; and

(B) for illustrative purposes, additional projects that would be included in the adopted statewide transportation plan if reasonable additional resources beyond those identified in the financial plan were available.

(6) SELECTION OF PROJECTS FROM ILLUSTRATIVE LIST.—A State shall not be required to select any project from the illustrative list of additional projects included in the financial plan described in paragraph (5).

(7) PERFORMANCE-BASED APPROACH.—The statewide transportation plan should include—

(A) a description of the performance measures and performance targets used in assessing the performance of the transportation system in accordance with subsection (d)(2); and

(B) a system performance report and subsequent updates evaluating the condition and performance of the transportation system with respect to the performance targets described in subsection (d)(2), including progress achieved by the metropolitan planning organization in meeting the performance targets in comparison with system performance recorded in previous reports;

(8) EXISTING SYSTEM.—The statewide transportation plan should include capital, operations and management strategies, investments, procedures, and other measures to ensure the preservation and most efficient use of the existing transportation system.

(9) PUBLICATION OF LONG-RANGE TRANSPORTATION PLANS.—Each long-range transportation plan prepared by a State shall be published or otherwise made available, including (to the maximum extent practicable) in electronically accessible formats and means, such as the World Wide Web.

(g) STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM.—

(1) DEVELOPMENT.—

(A) IN GENERAL.—Each State shall develop a statewide transportation improvement program for all areas of the State.

(B) DURATION AND UPDATING OF PROGRAM.—Each program developed under subparagraph (A) shall cover a period of 4 years and shall be updated every 4 years or more frequently if the Governor of the State elects to update more frequently.

(2) CONSULTATION WITH GOVERNMENTS.—

The plan should include a description of the performance measures and performance targets used to assess system performance. The plan should also include a regularly-updated system performance report evaluating the condition and performance of the system against the performance targets and including an assessment of how MPOs are progressing in meeting the performance targets.

(A) METROPOLITAN AREAS.—With respect to each metropolitan area in the State, the program shall be developed in cooperation with the metropolitan planning organization designated for the metropolitan area under section 5303.

(B) NONMETROPOLITAN AREAS.—

(i) IN GENERAL.—With respect to each nonmetropolitan area in the State, the program shall be developed in cooperation with affected nonmetropolitan local officials with responsibility for transportation or, if applicable, through regional transportation planning organizations described in subsection (1).

(ii) ROLE OF SECRETARY.—The Secretary shall not review or approve the specific consultation process in the State.

(C) INDIAN TRIBAL AREAS.—With respect to each area of the State under the jurisdiction of an Indian tribal government, the program shall be developed in consultation with the tribal government and the Secretary of the Interior.

(3) PARTICIPATION BY INTERESTED PARTIES.—In developing the program, the State shall provide citizens, affected public agencies, representatives of public transportation employees, freight shippers, private providers of transportation, providers of freight transportation services, representatives of users of public transportation, representatives of users of pedestrian walkways and bicycle transportation facilities, representatives of the disabled, and other interested parties with a reasonable opportunity to comment on the proposed program.

(4) PERFORMANCE TARGET ACHIEVEMENT.—A statewide transportation improvement program shall include, to the maximum extent practicable, a discussion of the anticipated effect of the statewide transportation improvement program toward achieving the performance targets established in the statewide transportation plan, linking investment priorities to those performance targets.

(5) INCLUDED PROJECTS.—

(A) IN GENERAL.—A transportation improvement program developed under this subsection for a State shall include Federally supported surface transportation expenditures within the boundaries of the State.

(B) LISTING OF PROJECTS.—

(i) IN GENERAL.—An annual listing of projects for which funds have been obligated for the preceding year in each metropolitan planning area shall be published or otherwise made available by the cooperative effort of the State, transit operator, and the metropolitan planning organization for public review.

(ii) FUNDING CATEGORIES.—The listing described in clause (i) shall be consistent with the funding categories identified in each metropolitan transportation improvement program.

(C) PROJECTS UNDER CHAPTER 2.—

STIPs must discuss how they will help achieve the performance targets established in the plan and should link investment priorities to those targets.

(i) REGIONALLY SIGNIFICANT PROJECTS.—Regionally significant projects proposed for funding under chapter 2 of title 23 shall be identified individually in the transportation improvement program.

(ii) OTHER PROJECTS.—Projects proposed for funding under chapter 2 of title 23 that are not determined to be regionally significant shall be grouped in 1 line item or identified individually in the transportation improvement program.

(D) CONSISTENCY WITH STATEWIDE TRANSPORTATION PLAN.—Each project shall be—

(i) consistent with the statewide transportation plan developed under this section for the State;

(ii) identical to the project or phase of the project as described in an approved metropolitan transportation plan; and

(iii) in conformance with the applicable State air quality implementation plan developed under the Clean Air Act (42 U.S.C. 7401 et seq.), if the project is carried out in an area designated as a nonattainment area for ozone, particulate matter, or carbon monoxide under part D of title I of that Act (42 U.S.C. 7501 et seq.).

(E) REQUIREMENT OF ANTICIPATED FULL FUNDING.—The transportation improvement program shall include a project, or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project.

(F) FINANCIAL PLAN.—

(i) IN GENERAL.—The transportation improvement program may include a financial plan that demonstrates how the approved transportation improvement program can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to carry out the transportation improvement program, and recommends any additional financing strategies for needed projects and programs.

(ii) ADDITIONAL PROJECTS.—The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted transportation plan if reasonable additional resources beyond those identified in the financial plan were available.

(G) SELECTION OF PROJECTS FROM ILLUSTRATIVE LIST.—

(i) NO REQUIRED SELECTION.—Notwithstanding subparagraph (F), a State shall not be required to select any project from the illustrative list of additional projects included in the financial plan under subparagraph (F).

(ii) REQUIRED ACTION BY THE SECRETARY.—Action by the Secretary shall be required for a State to select

any project from the illustrative list of additional projects included in the financial plan under subparagraph (F) for inclusion in an approved transportation improvement program.

(H) PRIORITIES.—The transportation improvement program shall reflect the priorities for programming and expenditures of funds, including transportation enhancement activities, required by this chapter and title 23.

(6) PROJECT SELECTION FOR AREAS OF LESS THAN 50,000 POPULATION.—

(A) IN GENERAL.—Projects carried out in areas with populations of less than 50,000 individuals shall be selected, from the approved transportation improvement program (excluding projects carried out on the National Highway System and projects carried out under the bridge program or the Interstate maintenance program under title 23 or under sections 5310 and 5311 of this chapter), by the State in cooperation with the affected nonmetropolitan local officials with responsibility for transportation or, if applicable, through regional transportation planning organizations described in subsection (1).

(B) OTHER PROJECTS.—Projects carried out in areas with populations of less than 50,000 individuals on the National Highway System or under the bridge program or the Interstate maintenance program under title 23 or under sections 5310 and 5311 of this chapter shall be selected, from the approved statewide transportation improvement program, by the State in consultation with the affected nonmetropolitan local officials with responsibility for transportation.

(7) TRANSPORTATION IMPROVEMENT PROGRAM APPROVAL.—Every 4 years, a transportation improvement program developed under this subsection shall be reviewed and approved by the Secretary if based on a current planning finding.

(8) PLANNING FINDING.—A finding shall be made by the Secretary at least every 4 years that the transportation planning process through which statewide transportation plans and programs are developed is consistent with this section and section 5303.

(9) MODIFICATIONS TO PROJECT PRIORITY.—Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved transportation improvement program in place of another project in the program.

(h) PERFORMANCE-BASED PLANNING PROCESSES EVALUATION.—

(1) IN GENERAL.—The Secretary shall establish criteria to evaluate the effectiveness of the performance-based planning processes of States, taking into consideration the following:

(A) The extent to which the State is making progress toward achieving the performance targets described in subsection (d)(2), taking into account whether the State developed appropriate performance targets.

DOT must evaluate the effectiveness of States' performance-based planning processes, considering each State's progress in achieving targets; the efficiency and cost-effectiveness of each State's transportation investments; and the transparency and public involvement/access provided in each State's investment process.

(B) The extent to which the State has made transportation investments that are efficient and cost-effective.

(C) The extent to which the State—

(i) has developed an investment process that relies on public input and awareness to ensure that investments are transparent and accountable; and

(ii) provides reports allowing the public to access the information being collected in a format that allows the public to meaningfully assess the performance of the State.

(2) REPORT.—

(A) IN GENERAL.—Not later than 5 years after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall submit to Congress a report evaluating—

(i) the overall effectiveness of performance-based planning as a tool for guiding transportation investments; and

(ii) the effectiveness of the performance-based planning process of each State.

(B) PUBLICATION.—The report under subparagraph (A) shall be published or otherwise made available in electronically accessible formats and means, including on the Internet.

(i) TREATMENT OF CERTAIN STATE LAWS AS CONGESTION MANAGEMENT PROCESSES.—For purposes of this section and section 5303, and sections 134 and 135 of title 23, State laws, rules, or regulations pertaining to congestion management systems or programs may constitute the congestion management process under this section and section 5303, and sections 134 and 135 of title 23, if the Secretary finds that the State laws, rules, or regulations are consistent with, and fulfill the intent of, the purposes of this section and section 5303, and sections 134 and 135 of title 23, as appropriate.

(j) CONTINUATION OF CURRENT REVIEW PRACTICE.—Since the statewide transportation plan and the transportation improvement program described in this section are subject to a reasonable opportunity for public comment, since individual projects included in the statewide transportation plans and the transportation improvement program are subject to review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and since decisions by the Secretary concerning statewide transportation plans or the transportation improvement program described in this section have not been reviewed under that Act as of January 1, 1997, any decision by the Secretary concerning a metropolitan or statewide transportation plan or the transportation improvement program described in this section shall not be considered to be a Federal action subject to review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(k) SCHEDULE FOR IMPLEMENTATION.—The Secretary shall issue guidance on a schedule for implementation of the changes made by this section, taking into consideration the established planning update cycle for States. The Secretary shall not require a State to deviate from its established planning update cycle to implement changes made by this section. States shall reflect changes made to their transportation plan or

DOT must report to Congress within the next 5 years on the overall effectiveness of performance-based planning as a tool for guiding transportation investments and the effectiveness of the performance-based planning process in each State.

States must modify their plan or STIP within two years of issuance of new DOT implementation guidance. This guidance must take into consideration States' established planning update cycle and may not require a State to deviate from its cycle to implement changes made to this section.

transportation improvement program updates not later than 2 years after the date of issuance of guidance by the Secretary under this subsection.

(1) DESIGNATION OF REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS.—

States may establish and designate regional transportation planning organizations to enhance plans and STIPs and address the needs of nonmetropolitan areas.

(1) **IN GENERAL.**—To carry out the transportation planning process required by this section, a State may establish and designate regional transportation planning organizations to enhance the planning, coordination, and implementation of statewide strategic long-range transportation plans and transportation improvement programs, with an emphasis on addressing the needs of nonmetropolitan areas of the State.

(2) **STRUCTURE.**—A regional transportation planning organization shall be established as a multijurisdictional organization of nonmetropolitan local officials or their designees who volunteer for such organization and representatives of local transportation systems who volunteer for such organization.

(3) **REQUIREMENTS.**—A regional transportation planning organization shall establish, at a minimum—

(A) a policy committee, the majority of which shall consist of nonmetropolitan local officials, or their designees, and, as appropriate, additional representatives from the State, private business, transportation service providers, economic development practitioners, and the public in the region; and

(B) a fiscal and administrative agent, such as an existing regional planning and development organization, to provide professional planning, management, and administrative support.

(4) **DUTIES.**—The duties of a regional transportation planning organization shall include—

(A) developing and maintaining, in cooperation with the State, regional long-range multimodal transportation plans;

(B) developing a regional transportation improvement program for consideration by the State;

(C) fostering the coordination of local planning, land use, and economic development plans with State, regional, and local transportation plans and programs;

(D) providing technical assistance to local officials;

(E) participating in national, multistate, and State policy and planning development processes to ensure the regional and local input of nonmetropolitan areas;

(F) providing a forum for public participation in the statewide and regional transportation planning processes;

(G) considering and sharing plans and programs with neighboring regional transportation planning organizations, metropolitan planning organizations, and, where appropriate, tribal organizations; and

(H) conducting other duties, as necessary, to support and enhance the statewide planning process under subsection (d).

(5) STATES WITHOUT REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS.—If a State chooses not to establish

States that do not establish a regional transportation planning organization must

consult with local officials to determine projects that may be regionally significant.

or designate a regional transportation planning organization, the State shall consult with affected nonmetropolitan local officials to determine projects that may be of regional significance.

Section 5305 is substantively unchanged by MAP-21.

§ 5305. Planning programs

- (a) **STATE DEFINED.**—In this section, the term “State” means a State of the United States, the District of Columbia, and Puerto Rico.
- (b) **GENERAL AUTHORITY.**—
- (1) **GRANTS AND AGREEMENTS.**—Under criteria established by the Secretary, the Secretary may award grants to States, authorities of the States, metropolitan planning organizations, and local governmental authorities, and make agreements with other departments, agencies, or instrumentalities of the Government to—
- (A) develop transportation plans and programs;
 - (B) plan, engineer, design, and evaluate a public transportation project; and
 - (C) conduct technical studies relating to public transportation.
- (2) **ELIGIBLE ACTIVITIES.**—Activities eligible under paragraph (1) include the following:
- (A) Studies related to management, planning, operations, capital requirements, and economic feasibility.
 - (B) Evaluating previously financed projects.
 - (C) Peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analyses among metropolitan planning organizations and other transportation planners.
 - (D) Other similar and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment.
- (c) **PURPOSE.**—To the extent practicable, the Secretary shall ensure that amounts appropriated or made available under section 5338 to carry out this section and sections 5303, 5304, and 5306 are used to support balanced and comprehensive transportation planning that considers the relationships among land use and all transportation modes, without regard to the programmatic source of the planning amounts.
- (d) **METROPOLITAN PLANNING PROGRAM.**—
- (1) **APPORTIONMENT TO STATES.**—
- (A) **IN GENERAL.**—The Secretary shall apportion 80 percent of the amounts made available under subsection (g)(1) among the States to carry out sections 5303 and 5306 in the ratio that—
 - (i) the population of urbanized areas in each State, as shown by the latest available decennial census of population; bears to
 - (ii) the total population of urbanized areas in all States, as shown by that census.
 - (B) **MINIMUM APPORTIONMENT.**—Notwithstanding subparagraph (A), a State may not receive less than 0.5 percent of the amount apportioned under this paragraph.
- (2) **ALLOCATION TO MPO’S.**—Amounts apportioned to a State under paragraph (1) shall be made available, not later than 30 days after the date of apportionment, to metropolitan planning organizations in the State designated under this section under a formula that—
- (A) considers population of urbanized areas;

(B) provides an appropriate distribution for urbanized areas to carry out the cooperative processes described in this section;

(C) the State develops in cooperation with the metropolitan planning organizations; and

(D) the Secretary approves.

(3) SUPPLEMENTAL AMOUNTS.—

(A) IN GENERAL.—The Secretary shall apportion 20 percent of the amounts made available under subsection (g)(1) among the States to supplement allocations made under paragraph (1) for metropolitan planning organizations.

(B) FORMULA.—The Secretary shall apportion amounts referred to in subparagraph (A) under a formula that reflects the additional cost of carrying out planning, programming, and project selection responsibilities under sections 5303 and 5306 in certain urbanized areas.

(e) STATE PLANNING AND RESEARCH PROGRAM.—

(1) APPORTIONMENT TO STATES.—

(A) IN GENERAL.—The Secretary shall apportion the amounts made available under subsection (g)(2) among the States for grants and contracts to carry out this section and sections 5304 and 5306 in the ratio that—

(i) the population of urbanized areas in each State, as shown by the latest available decennial census; bears to

(ii) the population of urbanized areas in all States, as shown by that census.

(B) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), a State may not receive less than 0.5 percent of the amount apportioned under this paragraph.

(2) SUPPLEMENTAL AMOUNTS.—A State, as the State considers appropriate, may authorize part of the amount made available under this subsection to be used to supplement amounts made available under subsection (d).

(f) GOVERNMENT SHARE OF COSTS.—The Government share of the cost of an activity funded using amounts made available under this section may not exceed 80 percent of the cost of the activity unless the Secretary determines that it is in the interests of the Government not to require a State or local match.

(g) ALLOCATION OF FUNDS.—Of the funds made available by or appropriated to carry out this section under section 5338(a)(2)(A) for a fiscal year—

(1) 82.72 percent shall be available for the metropolitan planning program under subsection (d); and

(2) 17.28 percent shall be available to carry out subsection (e).

(h) AVAILABILITY OF FUNDS.—Funds apportioned under this section to a State that have not been obligated in the 3-year period beginning after the last day of the fiscal year for which the funds are authorized shall be reapportioned among the States.

Section 5306 is unchanged by MAP-21.

§ 5306. Private enterprise participation in metropolitan planning and transportation improvement programs and relationship to other limitations

(a) PRIVATE ENTERPRISE PARTICIPATION.—A plan or program required by section 5303, 5304, or 5305 of this title shall encourage to the maximum extent feasible, as determined by local policies, criteria, and decisionmaking, the participation of private enterprise. If equipment or a facility already being used in an urban area is to be acquired under this chapter, the program shall provide that it be improved so that it will better serve the transportation needs of the area.

(b) RELATIONSHIP TO OTHER LIMITATIONS.—Sections 5303–5305 of this title do not authorize—

(1) a metropolitan planning organization to impose a legal requirement on a transportation facility, provider, or project not eligible under this chapter or title 23; and

(2) intervention in the management of a transportation authority.

§ 5307. Urbanized area formula grants

(a) GENERAL AUTHORITY.—

(1) GRANTS.—The Secretary may make grants under this section for—

(A) capital projects;

(B) planning;

(C) job access and reverse commute projects; and

(D) operating costs of equipment and facilities for use in public transportation in an urbanized area with a population of fewer than 200,000 individuals, as determined by the Bureau of the Census.

(2) SPECIAL RULE.—The Secretary may make grants under this section to finance the operating cost of equipment and facilities for use in public transportation, excluding rail fixed guideway, in an urbanized area with a population of not fewer than 200,000 individuals, as determined by the Bureau of the Census—

(A) for public transportation systems that operate 75 or fewer buses in fixed route service during peak service hours, in an amount not to exceed 75 percent of the share of the apportionment which is attributable to such systems within the urbanized area, as measured by vehicle revenue hours; and

(B) for public transportation systems that operate a minimum of 76 buses and a maximum of 100 buses in fixed route service during peak service hours, in an amount not to exceed 50 percent of the share of the apportionment which is attributable to such systems within the urbanized area, as measured by vehicle revenue hours.

(b) PROGRAM OF PROJECTS.—Each recipient of a grant shall—

(1) make available to the public information on amounts available to the recipient under this section;

(2) develop, in consultation with interested parties, including private transportation providers, a proposed program of projects for activities to be financed;

(3) publish a proposed program of projects in a way that affected individuals, private transportation providers, and local elected officials have the opportunity to examine the proposed program and submit comments on the proposed program and the performance of the recipient;

(4) provide an opportunity for a public hearing in which to obtain the views of individuals on the proposed program of projects;

(5) ensure that the proposed program of projects provides for the coordination of public transportation services assisted under section 5336 of this title with transportation services assisted from other United States Government sources;

(6) consider comments and views received, especially those of private transportation providers, in preparing the final program of projects; and

(7) make the final program of projects available to the public.

(c) GRANT RECIPIENT REQUIREMENTS.—A recipient may receive a grant in a fiscal year only if—

Capital projects are now defined to include associated capital maintenance items.

JARC projects are now an eligible use.

Operating assistance is now an eligible use in UZAs with a population of not fewer than 200,000 for transit agencies that operate 75 or fewer buses (75 percent of their apportionment share) and for transit agencies that operate 76-100 buses (50 percent of their apportionment share).

(1) the recipient, within the time the Secretary prescribes, submits a final program of projects prepared under subsection (b) of this section and a certification for that fiscal year that the recipient (including a person receiving amounts from a Governor under this section)—

(A) has or will have the legal, financial, and technical capacity to carry out the program, including safety and security aspects of the program;

(B) has or will have satisfactory continuing control over the use of equipment and facilities;

(C) will maintain equipment and facilities;

(D) will ensure that, during non-peak hours for transportation using or involving a facility or equipment of a project financed under this section, a fare that is not more than 50 percent of the peak hour fare will be charged for any—

(i) senior;

(ii) individual who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semiambulatory capability), cannot use a public transportation service or a public transportation facility effectively without special facilities, planning, or design; and

(iii) individual presenting a Medicare card issued to that individual under title II or XVIII of the Social Security Act (42 U.S.C. 401 et seq. and 1395 et seq.);

(E) in carrying out a procurement under this section, will comply with sections 5323 and 5325;

(F) has complied with subsection (b) of this section;

(G) has available and will provide the required amounts as provided by subsection (d) of this section;

(H) will comply with sections 5303 and 5304;

(I) has a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation;

(J)(i) will expend for each fiscal year for public transportation security projects, including increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages), increased camera surveillance of an area in or adjacent to that system, providing an emergency telephone line to contact law enforcement or security personnel in an area in or adjacent to that system, and any other project intended to increase the security and safety of an existing or planned public transportation system, at least 1 percent of the amount the recipient receives for each fiscal year under section 5336 of this title; or

(ii) has decided that the expenditure for security projects is not necessary;

(K) in the case of a recipient for an urbanized area with a population of not fewer than 200,000 individuals, as determined by

The 50 percent fare cap that covered “handicapped individuals” is expanded to include individuals who, due to causes and conditions listed, cannot use a transit service or facility effectively without special facilities, planning or design.

The 1 percent set-aside for security projects is retained.

The 1 percent set-aside is retained for transit enhancements, which are renamed “associated transit improvements” and defined at subsection 5302(1).

Recipients must certify they have a comprehensive agency safety plan.

The matching share of project costs may now be provided from transportation funds of a Federal agency other than DOT.

Clarifies that grant recipients need not obligate all their § 5336 apportionments before they can advance a capital or planning project under this section without Federal assistance and then seek reimbursement under this section for the Government share of such project’s costs.

the Bureau of the Census—

(i) will expend not less than 1 percent of the amount the recipient receives each fiscal year under this section for associated transit improvements, as defined in section 5302; and

(ii) will submit an annual report listing projects carried out in the preceding fiscal year with those funds; and

(L) will comply with section 5329(d); and

(2) the Secretary accepts the certification.

(d) GOVERNMENT SHARE OF COSTS.—

(1) CAPITAL PROJECTS.—A grant for a capital project under this section shall be for 80 percent of the net project cost of the project. The recipient may provide additional local matching amounts.

(2) OPERATING EXPENSES.—A grant for operating expenses under this section may not exceed 50 percent of the net project cost of the project.

(3) REMAINING COSTS.—Subject to paragraph (4), the remainder of the net project costs shall be provided—

(A) in cash from non-Government sources other than revenues from providing public transportation services;

(B) from revenues from the sale of advertising and concessions;

(C) from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital;

(D) from amounts appropriated or otherwise made available to a department or agency of the Government (other than the Department of Transportation) that are eligible to be expended for transportation; and

(E) from amounts received under a service agreement with a State or local social service agency or private social service organization.

(4) USE OF CERTAIN FUNDS.—For purposes of subparagraphs (D) and (E) of paragraph (3), the prohibitions on the use of funds for matching requirements under section 403(a)(5)(C)(vii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(vii)) shall not apply to Federal or State funds to be used for transportation purposes.

(e) UNDERTAKING PROJECTS IN ADVANCE.—

(1) PAYMENT.—The Secretary may pay the Government share of the net project cost to a State or local governmental authority that carries out any part of a project eligible under subparagraph (A) or (B) of subsection (a)(1) without the aid of amounts of the Government and according to all applicable procedures and requirements if—

(A) the recipient applies for the payment;

(B) the Secretary approves the payment; and

(C) before carrying out any part of the project, the Secretary approves the plans and specifications for the part in the same way as for other projects under this section.

(2) APPROVAL OF APPLICATION.—The Secretary may approve an application under paragraph (1) of this subsection only if

an authorization for this section is in effect for the fiscal year to which the application applies. The Secretary may not approve an application if the payment will be more than—

(A) the recipient's expected apportionment under section 5336 of this title if the total amount authorized to be appropriated for the fiscal year to carry out this section is appropriated; less

(B) the maximum amount of the apportionment that may be made available for projects for operating expenses under this section.

(3) FINANCING COSTS.—

(A) IN GENERAL.—The cost of carrying out part of a project includes the amount of interest earned and payable on bonds issued by the recipient to the extent proceeds of the bonds are expended in carrying out the part.

(B) LIMITATION ON THE AMOUNT OF INTEREST.—The amount of interest allowed under this paragraph may not be more than the most favorable financing terms reasonably available for the project at the time of borrowing.

(C) CERTIFICATION.—The applicant shall certify, in a manner satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

(f) REVIEWS, AUDITS, AND EVALUATIONS.—

(1) ANNUAL REVIEW.—

(A) IN GENERAL.—At least annually, the Secretary shall carry out, or require a recipient to have carried out independently, reviews and audits the Secretary considers appropriate to establish whether the recipient has carried out—

(i) the activities proposed under subsection (c) of this section in a timely and effective way and can continue to do so; and

(ii) those activities and its certifications and has used amounts of the Government in the way required by law.

(B) AUDITING PROCEDURES.—An audit of the use of amounts of the Government shall comply with the auditing procedures of the Comptroller General.

(2) TRIENNIAL REVIEW.—At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under subsection (c) of this section and the planning process required under sections 5303, 5304, and 5305 of this title. To the extent practicable, the Secretary shall coordinate such reviews with any related State or local reviews.

(3) ACTIONS RESULTING FROM REVIEW, AUDIT, OR EVALUATION.—The Secretary may take appropriate action consistent with a review, audit, and evaluation under this subsection, including making an appropriate adjustment in the amount of a grant or withdrawing the grant.

DOT is authorized to establish a competitive, discretionary passenger ferry grant program, funded by a \$30 million annual set-aside of § 5307 funds, with the same grant requirements as urban formula grant projects.

(g) TREATMENT.—For purposes of this section, the United States Virgin Islands shall be treated as an urbanized area, as defined in section 5302.

(h) PASSENGER FERRY GRANTS.—

(1) IN GENERAL.—The Secretary may make grants under this subsection to recipients for passenger ferry projects that are eligible for a grant under subsection (a).

(2) GRANT REQUIREMENTS.—Except as otherwise provided in this subsection, a grant under this subsection shall be subject to the same terms and conditions as a grant under subsection (a).

(3) COMPETITIVE PROCESS.—The Secretary shall solicit grant applications and make grants for eligible projects on a competitive basis.

§ 5309. Fixed guideway capital investment grants

(a) DEFINITIONS.—In this section, the following definitions shall apply:

(1) APPLICANT.—The term ‘applicant’ means a State or local governmental authority that applies for a grant under this section.

(2) CORE CAPACITY IMPROVEMENT PROJECT.—The term ‘core capacity improvement project’ means a substantial corridor-based capital investment in an existing fixed guideway system that increases the capacity of a corridor by not less than 10 percent. The term does not include project elements designed to maintain a state of good repair of the existing fixed guideway system.

(3) CORRIDOR-BASED BUS RAPID TRANSIT PROJECT.—The term ‘corridor-based bus rapid transit project’ means a small start project utilizing buses in which the project represents a substantial investment in a defined corridor as demonstrated by features that emulate the services provided by rail fixed guideway public transportation systems, including defined stations; traffic signal priority for public transportation vehicles; short headway bidirectional services for a substantial part of weekdays and weekend days; and any other features the Secretary may determine support a long-term corridor investment, but the majority of which does not operate in a separated right-of-way dedicated for public transportation use during peak periods.

(4) FIXED GUIDEWAY BUS RAPID TRANSIT PROJECT.—The term ‘fixed guideway bus rapid transit project’ means a bus capital project—

(A) in which the majority of the project operates in a separated right-of-way dedicated for public transportation use during peak periods;

(B) that represents a substantial investment in a single route in a defined corridor or subarea; and

(C) that includes features that emulate the services provided by rail fixed guideway public transportation systems, including—

(i) defined stations;

(ii) traffic signal priority for public transportation vehicles;

(iii) short headway bidirectional services for a substantial part of weekdays and weekend days; and

(iv) any other features the Secretary may determine are necessary to produce high-quality public transportation services that emulate the services provided by rail fixed guideway public transportation systems.

(5) NEW FIXED GUIDEWAY CAPITAL PROJECT.—The term ‘new fixed guideway capital project’ means—

(A) a new fixed guideway project that is a minimum operable segment or extension to an existing fixed guideway system; or

(B) a fixed guideway bus rapid transit project that is a minimum operable segment or an extension to an existing bus rapid transit system.

(6) PROGRAM OF INTERRELATED PROJECTS.—The term

Eligibility is expanded to include a “core capacity improvement project,” which is an investment in an existing fixed guideway system that increases capacity by at least 10 percent; project elements designed to maintain a state of good repair are excluded.

“Corridor-based BRT” is included in the definition of small start project.

“Fixed guideway BRT” is included in the definition of new fixed guideway capital project.

Project eligibility is revised to include core capacity improvements, new fixed guideway capital projects, and small start projects. Bus rapid transit (BRT) projects are defined and made eligible in two ways: corridor-based BRT is eligible exclusively as a small start project; fixed guideway BRT is included the definition of a new fixed guideway capital project and therefore shares such project's broader eligibility.

'program of interrelated projects' means the simultaneous development of—

(A) 2 or more new fixed guideway capital projects or core capacity improvement projects; or

(B) 1 or more new fixed guideway capital projects and 1 or more core capacity improvement projects.

(7) **SMALL START PROJECT.**—The term 'small start project' means a new fixed guideway capital project or corridor-based bus rapid transit project for which—

(A) the Federal assistance provided or to be provided under this section is less than \$75,000,000; and

(B) the total estimated net capital cost is less than \$250,000,000.

(b) **GENERAL AUTHORITY.**—The Secretary may make grants under this section to State and local governmental authorities to assist in financing—

(1) new fixed guideway capital projects or small start projects, including the acquisition of real property, the initial acquisition of rolling stock for the system, the acquisition of rights-of-way, and relocation, for fixed guideway corridor development for projects in the advanced stages of project development or engineering; and

(2) core capacity improvement projects, including the acquisition of real property, the acquisition of rights-of-way, double tracking, signalization improvements, electrification, expanding system platforms, acquisition of rolling stock associated with corridor improvements increasing capacity, construction of infill stations, and such other capacity improvement projects as the Secretary determines are appropriate to increase the capacity of an existing fixed guideway system corridor by at least 10 percent. Core capacity improvement projects do not include elements to improve general station facilities or parking, or acquisition of rolling stock alone.

(c) **GRANT REQUIREMENTS.**—

(1) **IN GENERAL.**—The Secretary may make a grant under this section for new fixed guideway capital projects, small start projects, or core capacity improvement projects, if the Secretary determines that—

(A) the project is part of an approved transportation plan required under sections 5303 and 5304; and

(B) the applicant has, or will have—

(i) the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of the project;

(ii) satisfactory continuing control over the use of the equipment or facilities; and

(iii) the technical and financial capacity to maintain new and existing equipment and facilities.

(2) **CERTIFICATION.**—An applicant that has submitted the certifications required under subparagraphs (A), (B), (C), and (H) of section 5307(c)(1) shall be deemed to have provided sufficient information upon which the Secretary may make the determinations

DOT shall use an expedited technical capacity review for projects designed by applicants that have recently completed a New Starts project that has achieved or surpassed expected budget, cost, and ridership projections.

Alternative analysis as a stand-alone requirement is eliminated; completing selection of the locally preferred alternative will be done as part of the NEPA process.

The New Starts process has been revised to require DOT approval to enter into the 2-year project development phase and, upon completion of NEPA, the engineering phase, and then to construction.

DOT must respond within 45 days to a request to enter into the project development phase.

Project development, including all activities required to obtain a project rating, must be completed in two years.

required under this subsection.

(3) **TECHNICAL CAPACITY.**—The Secretary shall use an expedited technical capacity review process for applicants that have recently and successfully completed at least 1 new fixed guideway capital project, or core capacity improvement project, if—

(A) the applicant achieved budget, cost, and ridership outcomes for the project that are consistent with or better than projections; and

(B) the applicant demonstrates that the applicant continues to have the staff expertise and other resources necessary to implement a new project.

(4) **RECIPIENT REQUIREMENTS.**—A recipient of a grant awarded under this section shall be subject to all terms, conditions, requirements, and provisions that the Secretary determines to be necessary or appropriate for purposes of this section.

(d) **NEW FIXED GUIDEWAY GRANTS.**—

(1) **PROJECT DEVELOPMENT PHASE.**—

(A) **ENTRANCE INTO PROJECT DEVELOPMENT PHASE.**—A new fixed guideway capital project shall enter into the project development phase when—

(i) the applicant—

(I) submits a letter to the Secretary describing the project and requesting entry into the project development phase; and

(II) initiates activities required to be carried out under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the project; and

(ii) the Secretary—

(I) responds in writing to the applicant within 45 days whether the information provided is sufficient to enter into the project development phase, including, when necessary, a detailed description of any information deemed insufficient; and

(II) provides concurrent notice to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives of whether the new fixed guideway capital project is entering the project development phase.

(B) **ACTIVITIES DURING PROJECT DEVELOPMENT PHASE.**—Concurrent with the analysis required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), each applicant shall develop sufficient information to enable the Secretary to make findings of project justification, policies and land use patterns that promote public transportation, and local financial commitment under this subsection.

(C) **COMPLETION OF PROJECT DEVELOPMENT ACTIVITIES REQUIRED.**—

(i) **IN GENERAL.**—Not later than 2 years after the date on

DOT may extend the 2-year time period for completing project development.

Upon completion of NEPA, a project may be approved for entry into the engineering phase.

For fixed guideway capital projects, congestion relief is added as a project criterion; the operating efficiencies criterion is removed. Cost-effectiveness is now measured by cost per rider.

which a project enters into the project development phase, the applicant shall complete the activities required to obtain a project rating under subsection (g)(2) and submit completed documentation to the Secretary.

(ii) EXTENSION OF TIME.—Upon the request of an applicant, the Secretary may extend the time period under clause (i), if the applicant submits to the Secretary—

(I) a reasonable plan for completing the activities required under this paragraph; and

(II) an estimated time period within which the applicant will complete such activities.

(2) ENGINEERING PHASE.—

(A) IN GENERAL.—A new fixed guideway capital project may advance to the engineering phase upon completion of activities required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as demonstrated by a record of decision with respect to the project, a finding that the project has no significant impact, or a determination that the project is categorically excluded, only if the Secretary determines that the project—

(i) is selected as the locally preferred alternative at the completion of the process required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

(ii) is adopted into the metropolitan transportation plan required under section 5303;

(iii) is justified based on a comprehensive review of the project's mobility improvements, the project's environmental benefits, congestion relief associated with the project, economic development effects associated with the project, policies and land use patterns of the project that support public transportation, and the project's cost-effectiveness as measured by cost per rider;

(iv) is supported by policies and land use patterns that promote public transportation, including plans for future land use and rezoning, and economic development around public transportation stations; and

(v) is supported by an acceptable degree of local financial commitment (including evidence of stable and dependable financing sources), as required under subsection (f).

(B) DETERMINATION THAT PROJECT IS JUSTIFIED.—

In making a determination under subparagraph (A)(iii), the Secretary shall evaluate, analyze, and consider—

(i) the reliability of the forecasting methods used to estimate costs and utilization made by the recipient and the contractors to the recipient; and

(ii) population density and current public transportation ridership in the transportation corridor.

(e) CORE CAPACITY IMPROVEMENT PROJECTS.—

(1) PROJECT DEVELOPMENT PHASE.—

The process for core capacity improvement projects closely parallels the process for fixed guideway capital projects.

DOT must respond within 45 days to a request to enter into the project development phase.

Project development must be completed in two years.

(A) ENTRANCE INTO PROJECT DEVELOPMENT PHASE.—A core capacity improvement project shall be deemed to have entered into the project development phase if—

(i) the applicant—

(I) submits a letter to the Secretary describing the project and requesting entry into the project development phase; and

(II) initiates activities required to be carried out under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the project; and

(ii) the Secretary—

(I) responds in writing to the applicant within 45 days whether the information provided is sufficient to enter into the project development phase, including when necessary a detailed description of any information deemed insufficient; and

(II) provides concurrent notice to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives of whether the core capacity improvement project is entering the project development phase.

(B) ACTIVITIES DURING PROJECT DEVELOPMENT PHASE.—Concurrent with the analysis required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), each applicant shall develop sufficient information to enable the Secretary to make findings of project justification and local financial commitment under this subsection.

(C) COMPLETION OF PROJECT DEVELOPMENT ACTIVITIES REQUIRED.—

(i) **IN GENERAL.**—Not later than 2 years after the date on which a project enters into the project development phase, the applicant shall complete the activities required to obtain a project rating under subsection (g)(2) and submit completed documentation to the Secretary.

(ii) **EXTENSION OF TIME.**—Upon the request of an applicant, the Secretary may extend the time period under clause (i), if the applicant submits to the Secretary—

(I) a reasonable plan for completing the activities required under this paragraph; and

(II) an estimated time period within which the applicant will complete such activities.

(2) ENGINEERING PHASE.—

(A) IN GENERAL.—A core capacity improvement project may advance into the engineering phase upon completion of activities required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as demonstrated by a record of decision with respect to the project, a finding that the project has no significant impact, or a determination that the project is

categorically excluded, only if the Secretary determines that the project—

(i) is selected as the locally preferred alternative at the completion of the process required under the National Environmental Policy Act of 1969;

(ii) is adopted into the metropolitan transportation plan required under section 5303;

(iii) is in a corridor that is—

(I) at or over capacity; or

(II) projected to be at or over capacity within the next 5 years;

(iv) is justified based on a comprehensive review of the project's mobility improvements, the project's environmental benefits, congestion relief associated with the project, economic development effects associated with the project, the capacity needs of the corridor, and the project's cost-effectiveness as measured by cost per rider; and

(v) is supported by an acceptable degree of local financial commitment (including evidence of stable and dependable financing sources), as required under subsection (f).

(B) DETERMINATION THAT PROJECT IS JUSTIFIED.—

In making a determination under subparagraph (A)(iv), the Secretary shall evaluate, analyze, and consider—

(i) the reliability of the forecasting methods used to estimate costs and utilization made by the recipient and the contractors to the recipient;

(ii) whether the project will increase capacity at least 10 percent in a corridor;

(iii) whether the project will improve interconnectivity among existing systems; and

(iv) whether the project will improve environmental outcomes.

(f) FINANCING SOURCES.—

(1) REQUIREMENTS.—In determining whether a project is supported by an acceptable degree of local financial commitment and shows evidence of stable and dependable financing sources for purposes of subsection (d)(2)(A)(v) or (e)(2)(A)(v), the Secretary shall require that—

(A) the proposed project plan provides for the availability of contingency amounts that the Secretary determines to be reasonable to cover unanticipated cost increases or funding shortfalls;

(B) each proposed local source of capital and operating financing is stable, reliable, and available within the proposed project timetable; and

(C) local resources are available to recapitalize, maintain, and operate the overall existing and proposed public transportation system, including essential feeder bus and other services necessary to achieve the projected ridership levels without requiring a

Corridor must be at or over capacity now or projected to be within the next 5 years.

For core capacity improvement projects: congestion relief is added as a project criterion; corridor capacity needs criterion is used in place of the transit-supportive policies and land use patterns criterion; the operating efficiencies criterion is removed. Cost-effectiveness is now measured by cost per rider.

reduction in existing public transportation services or level of service to operate the project.

(2) CONSIDERATIONS.—In assessing the stability, reliability, and availability of proposed sources of local financing for purposes of subsection (d)(2)(A)(v) or (e)(2)(A)(v), the Secretary shall consider—

(A) the reliability of the forecasting methods used to estimate costs and revenues made by the recipient and the contractors to the recipient;

(B) existing grant commitments;

(C) the degree to which financing sources are dedicated to the proposed purposes;

(D) any debt obligation that exists, or is proposed by the recipient, for the proposed project or other public transportation purpose;

(E) the extent to which the project has a local financial commitment that exceeds the required non-Government share of the cost of the project; and

(F) private contributions to the project, including cost-effective project delivery, management or transfer of project risks, expedited project schedule, financial partnering, and other public-private partnership strategies.

(g) PROJECT ADVANCEMENT AND RATINGS.—

(1) PROJECT ADVANCEMENT.—A new fixed guideway capital project or core capacity improvement project proposed to be carried out using a grant under this section may not advance from the project development phase to the engineering phase, or from the engineering phase to the construction phase, unless the Secretary determines that—

(A) the project meets the applicable requirements under this section; and

(B) there is a reasonable likelihood that the project will continue to meet the requirements under this section.

(2) RATINGS.—

(A) OVERALL RATING.—In making a determination under paragraph (1), the Secretary shall evaluate and rate a project as a whole on a 5-point scale (high, medium-high, medium, medium-low, or low) based on—

(i) in the case of a new fixed guideway capital project, the project justification criteria under subsection (d)(2)(A)(iii), the policies and land use patterns that support public transportation, and the degree of local financial commitment; and

(ii) in the case of a core capacity improvement project, the capacity needs of the corridor, the project justification criteria under subsection (e)(2)(A)(iv), and the degree of local financial commitment.

(B) INDIVIDUAL RATINGS FOR EACH CRITERION.—In rating a project under this paragraph, the Secretary shall—

(i) provide, in addition to the overall project rating under subparagraph (A), individual ratings for each of the criteria

Private contributions added to the list of considerations for assessment of local financing capacity, while fiscal capacity of State and local governments is removed.

A “medium” rating is no longer required for a project to advance.

DOT must maximize the use of warrants for new fixed guideway capital or core capacity improvement projects where funding provided under this section does not exceed \$100 million or 50 percent of total project costs.

Applicability provision 1: Subsection (g), project advancement and ratings (including

established under subsection (d)(2)(A)(iii) or (e)(2)(A)(iv), as applicable; and

(ii) give comparable, but not necessarily equal, numerical weight to each of the criteria established under subsections (d)(2)(A)(iii) or (e)(2)(A)(iv), as applicable, in calculating the overall project rating under clause (i).

(C) **MEDIUM RATING NOT REQUIRED.**—The Secretary shall not require that any single project justification criterion meet or exceed a ‘medium’ rating in order to advance the project from one phase to another.

(3) **WARRANTS.**—The Secretary shall, to the maximum extent practicable, develop and use special warrants for making a project justification determination under subsection (d)(2) or (e)(2), as applicable, for a project proposed to be funded using a grant under this section, if—

(A) the share of the cost of the project to be provided under this section does not exceed—

(i) \$100,000,000; or

(ii) 50 percent of the total cost of the project;

(B) the applicant requests the use of the warrants;

(C) the applicant certifies that its existing public transportation system is in a state of good repair; and

(D) the applicant meets any other requirements that the Secretary considers appropriate to carry out this subsection.

(4) **LETTERS OF INTENT AND EARLY SYSTEMS WORK AGREEMENTS.**—In order to expedite a project under this subsection, the Secretary shall, to the maximum extent practicable, issue letters of intent and enter into early systems work agreements upon issuance of a record of decision for projects that receive an overall project rating of medium or better.

(5) **POLICY GUIDANCE.**—The Secretary shall issue policy guidance regarding the review and evaluation process and criteria—

(A) not later than 180 days after the date of enactment of the Federal Public Transportation Act of 2012; and

(B) each time the Secretary makes significant changes to the process and criteria, but not less frequently than once every 2 years.

(6) **RULES.**—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue rules establishing an evaluation and rating process for—

(A) new fixed guideway capital projects that is based on the results of project justification, policies and land use patterns that promote public transportation, and local financial commitment, as required under this subsection; and

(B) core capacity improvement projects that is based on the results of the capacity needs of the corridor, project justification, and local financial commitment.

(7) **APPLICABILITY.**—This subsection shall not apply to a project for which the Secretary issued a letter of intent, entered into a

warrants), shall not apply to a project for which DOT issued a letter of intent or entered into an FFGA or project construction agreement before October 1, 2012.

DOT must respond within 45 days to a request to enter into the project development phase of a small starts project.

full funding grant agreement, or entered into a project construction agreement before the date of enactment of the Federal Public Transportation Act of 2012.

(h) SMALL START PROJECTS.—

(1) IN GENERAL.—A small start project shall be subject to the requirements of this subsection.

(2) PROJECT DEVELOPMENT PHASE.—

(A) ENTRANCE INTO PROJECT DEVELOPMENT PHASE.—A new small starts project shall enter into the project development phase when—

(i) the applicant—

(I) submits a letter to the Secretary describing the project and requesting entry into the project development phase; and

(II) initiates activities required to be carried out under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the project; and

(ii) the Secretary—

(I) responds in writing to the applicant within 45 days whether the information provided is sufficient to enter into the project development phase, including, when necessary, a detailed description of any information deemed insufficient; and

(II) provides concurrent notice to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives of whether the small starts project is entering the project development phase.

(B) ACTIVITIES DURING PROJECT DEVELOPMENT PHASE.—Concurrent with the analysis required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), each applicant shall develop sufficient information to enable the Secretary to make findings of project justification, policies and land use patterns that promote public transportation, and local financial commitment under this subsection.

(3) SELECTION CRITERIA.—The Secretary may provide Federal assistance for a small start project under this subsection only if the Secretary determines that the project—

(A) has been adopted as the locally preferred alternative as part of the metropolitan transportation plan required under section 5303;

(B) is based on the results of an analysis of the benefits of the project as set forth in paragraph (4); and

(C) is supported by an acceptable degree of local financial commitment.

(4) EVALUATION OF BENEFITS AND FEDERAL INVESTMENT.—In making a determination for a small start project under paragraph (3)(B), the Secretary shall analyze, evaluate, and consider the following evaluation criteria for the project (as compared

to a no-action alternative): mobility improvements, environmental benefits, congestion relief, economic development effects associated with the project, policies and land use patterns that support public transportation and cost-effectiveness as measured by cost per rider.

(5) EVALUATION OF LOCAL FINANCIAL COMMITMENT.—For purposes of paragraph (3)(C), the Secretary shall require that each proposed local source of capital and operating financing is stable, reliable, and available within the proposed project timetable.

(6) RATINGS.—In carrying out paragraphs (4) and (5) for a small start project, the Secretary shall evaluate and rate the project on a 5-point scale (high, medium-high, medium, medium-low, or low) based on an evaluation of the benefits of the project as compared to the Federal assistance to be provided and the degree of local financial commitment, as required under this subsection. In rating the projects, the Secretary shall provide, in addition to the overall project rating, individual ratings for each of the criteria established by this subsection and shall give comparable, but not necessarily equal, numerical weight to the benefits that the project will bring to the community in calculating the overall project rating.

(7) GRANTS AND EXPEDITED GRANT AGREEMENTS.—

(A) IN GENERAL.—The Secretary, to the maximum extent practicable, shall provide Federal assistance under this subsection in a single grant. If the Secretary cannot provide such a single grant, the Secretary may execute an expedited grant agreement in order to include a commitment on the part of the Secretary to provide funding for the project in future fiscal years.

(B) TERMS OF EXPEDITED GRANT AGREEMENTS.—In executing an expedited grant agreement under this subsection, the Secretary may include in the agreement terms similar to those established under subsection (k)(2).

(C) NOTICE OF PROPOSED GRANTS AND EXPEDITED GRANT AGREEMENTS.—At least 10 days before making a grant award or entering into a grant agreement for a project under this subsection, the Secretary shall notify, in writing, the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate of the proposed grant or expedited grant agreement, as well as the evaluations and ratings for the project.

(i) PROGRAMS OF INTERRELATED PROJECTS.—

(1) PROJECT DEVELOPMENT PHASE.—A federally funded project in a program of interrelated projects shall advance through project development as provided in subsection (d) or (e), as applicable.

(2) ENGINEERING PHASE.—A federally funded project in a program of interrelated projects may advance into the engineering phase upon completion of activities required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as

A federally funded project in a program of interrelated projects shall advance in the same manner as individual fixed guideway capital or core capacity improvement projects.

demonstrated by a record of decision with respect to the project, a finding that the project has no significant impact, or a determination that the project is categorically excluded, only if the Secretary determines that—

(A) the project is selected as the locally preferred alternative at the completion of the process required under the National Environmental Policy Act of 1969;

(B) the project is adopted into the metropolitan transportation plan required under section 5303;

(C) the program of interrelated projects involves projects that have a logical connectivity to one another;

(D) the program of interrelated projects, when evaluated as a whole, meets the requirements of subsection (d)(2) or (e)(2), as applicable;

(E) the program of interrelated projects is supported by a program implementation plan demonstrating that construction will begin on each of the projects in the program of interrelated projects within a reasonable time frame; and

(F) the program of interrelated projects is supported by an acceptable degree of local financial commitment, as described in subsection (f).

(3) PROJECT ADVANCEMENT AND RATINGS.—

(A) PROJECT ADVANCEMENT.—A project receiving a grant under this section that is part of a program of interrelated projects may not advance from the project development phase to the engineering phase, or from the engineering phase to the construction phase, unless the Secretary determines that the program of interrelated projects meets the applicable requirements of this section and there is a reasonable likelihood that the program will continue to meet such requirements.

(B) RATINGS.—

(i) OVERALL RATING.—In making a determination under subparagraph (A), the Secretary shall evaluate and rate a program of interrelated projects on a 5-point scale (high, medium-high, medium, medium-low, or low) based on the criteria described in paragraph (2).

(ii) INDIVIDUAL RATING FOR EACH CRITERION.—In rating a program of interrelated projects, the Secretary shall provide, in addition to the overall program rating, individual ratings for each of the criteria described in paragraph (2) and shall give comparable, but not necessarily equal, numerical weight to each such criterion in calculating the overall program rating.

(iii) MEDIUM RATING NOT REQUIRED.—The Secretary shall not require that any single criterion described in paragraph (2) meet or exceed a ‘medium’ rating in order to advance the program of interrelated projects from one phase to another.

(4) ANNUAL REVIEW.—

(A) REVIEW REQUIRED.—The Secretary shall annually review the program implementation plan required under paragraph (2)(E) to determine whether the program of interrelated projects is adhering to its schedule.

(B) EXTENSION OF TIME.—If a program of interrelated projects is not adhering to its schedule, the Secretary may, upon the request of the applicant, grant an extension of time if the applicant submits a reasonable plan that includes—

- (i) evidence of continued adequate funding; and
- (ii) an estimated time frame for completing the program of interrelated projects.

(C) SATISFACTORY PROGRESS REQUIRED.—If the Secretary determines that a program of interrelated projects is not making satisfactory progress, no Federal funds shall be provided for a project within the program of interrelated projects.

(5) FAILURE TO CARRY OUT PROGRAM OF INTERRELATED PROJECTS.—

(A) REPAYMENT REQUIRED.—If an applicant does not carry out the program of interrelated projects within a reasonable time, for reasons within the control of the applicant, the applicant shall repay all Federal funds provided for the program, and any reasonable interest and penalty charges that the Secretary may establish.

(B) CREDITING OF FUNDS RECEIVED.—Any funds received by the Government under this paragraph, other than interest and penalty charges, shall be credited to the appropriation account from which the funds were originally derived.

(6) NON-FEDERAL FUNDS.—Any non-Federal funds committed to a project in a program of interrelated projects may be used to meet a non-Government share requirement for any other project in the program of interrelated projects, if the Government share of the cost of each project within the program of interrelated projects does not exceed 80 percent.

(7) PRIORITY.—In making grants under this section, the Secretary may give priority to programs of interrelated projects for which the non-Government share of the cost of the projects included in the programs of interrelated projects exceeds the non-Government share required under subsection (1).

(8) NON-GOVERNMENT PROJECTS.—Including a project not financed by the Government in a program of interrelated projects does not impose Government requirements that would not otherwise apply to the project.

(j) PREVIOUSLY ISSUED LETTER OF INTENT OR FULL FUNDING GRANT AGREEMENT.—Subsections (d) and (e) shall not apply to projects for which the Secretary has issued a letter of intent, approved entry into final design, entered into a full funding grant agreement, or entered into a project construction grant agreement before the date of enactment of the Federal Public Transportation Act of 2012.

(k) LETTERS OF INTENT, FULL FUNDING GRANT

Applicability provision 2: subsections (d), new fixed guideway grants, and (e), core capacity improvement projects, shall not apply to projects for which DOT has issued a letter of intent, approved entry into final design, or entered into an FFGA or project construction agreement before October 1, 2012.

AGREEMENTS, AND EARLY SYSTEMS WORK AGREEMENTS.—

(1) LETTERS OF INTENT.—

(A) AMOUNTS INTENDED TO BE OBLIGATED.—The Secretary may issue a letter of intent to an applicant announcing an intention to obligate, for a new fixed guideway capital project or core capacity improvement project, an amount from future available budget authority specified in law that is not more than the amount stipulated as the financial participation of the Secretary in the project. When a letter is issued for a capital project under this section, the amount shall be sufficient to complete at least an operable segment.

(B) TREATMENT.—The issuance of a letter under subparagraph (A) is deemed not to be an obligation under sections 1108(c), 1501, and 1502(a) of title 31 or an administrative commitment.

(2) FULL FUNDING GRANT AGREEMENTS.—

(A) IN GENERAL.—A new fixed guideway capital project or core capacity improvement project shall be carried out through a full funding grant agreement.

(B) CRITERIA.—The Secretary shall enter into a full funding grant agreement, based on the evaluations and ratings required under subsection (d), (e), or (i), as applicable, with each grantee receiving assistance for a new fixed guideway capital project or core capacity improvement project that has been rated as high, medium-high, or medium, in accordance with subsection (g)(2)(A) or (i)(3)(B), as applicable.

(C) TERMS.—A full funding grant agreement shall—

(i) establish the terms of participation by the Government in a new fixed guideway capital project or core capacity improvement project;

(ii) establish the maximum amount of Federal financial assistance for the project;

(iii) include the period of time for completing the project, even if that period extends beyond the period of an authorization; and

(iv) make timely and efficient management of the project easier according to the law of the United States.

(D) SPECIAL FINANCIAL RULES.—

(i) IN GENERAL.—A full funding grant agreement under this paragraph obligates an amount of available budget authority specified in law and may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law.

(ii) STATEMENT OF CONTINGENT COMMITMENT.—The agreement shall state that the contingent commitment is not an obligation of the Government.

(iii) INTEREST AND OTHER FINANCING COSTS.—

Interest and other financing costs of efficiently carrying out a part of the project within a reasonable time are a cost of carrying out the project under a full funding grant agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

(iv) **COMPLETION OF OPERABLE SEGMENT.**—The amount stipulated in an agreement under this paragraph for a new fixed guideway capital project shall be sufficient to complete at least an operable segment.

(E) **BEFORE AND AFTER STUDY.**—

(i) **IN GENERAL.**—A full funding grant agreement under this paragraph shall require the applicant to conduct a study that—

(I) describes and analyzes the impacts of the new fixed guideway capital project or core capacity improvement project on public transportation services and public transportation ridership;

(II) evaluates the consistency of predicted and actual project characteristics and performance; and

(III) identifies reasons for differences between predicted and actual outcomes.

(ii) **INFORMATION COLLECTION AND ANALYSIS PLAN.**—

(I) **SUBMISSION OF PLAN.**—Applicants seeking a full funding grant agreement under this paragraph shall submit a complete plan for the collection and analysis of information to identify the impacts of the new fixed guideway capital project or core capacity improvement project and the accuracy of the forecasts prepared during the development of the project. Preparation of this plan shall be included in the full funding grant agreement as an eligible activity.

(II) **CONTENTS OF PLAN.**—The plan submitted under subclause (I) shall provide for—

(aa) collection of data on the current public transportation system regarding public transportation service levels and ridership patterns, including origins and destinations, access modes, trip purposes, and rider characteristics;

(bb) documentation of the predicted scope, service levels, capital costs, operating costs, and ridership of the project;

(cc) collection of data on the public transportation system 2 years after the opening of a new fixed guideway capital project or core capacity improvement

project, including analogous information on public transportation service levels and ridership patterns and information on the as-built scope, capital, and financing costs of the project; and

(dd) analysis of the consistency of predicted project characteristics with actual outcomes.

(F) COLLECTION OF DATA ON CURRENT SYSTEM.—To be eligible for a full funding grant agreement under this paragraph, recipients shall have collected data on the current system, according to the plan required under subparagraph (E)(ii), before the beginning of construction of the proposed new fixed guideway capital project or core capacity improvement project. Collection of this data shall be included in the full funding grant agreement as an eligible activity.

(3) EARLY SYSTEMS WORK AGREEMENTS.—

(A) CONDITIONS.—The Secretary may enter into an early systems work agreement with an applicant if a record of decision under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) has been issued on the project and the Secretary finds there is reason to believe—

(i) a full funding grant agreement for the project will be made; and

(ii) the terms of the work agreement will promote ultimate completion of the project more rapidly and at less cost.

(B) CONTENTS.—

(i) IN GENERAL.—An early systems work agreement under this paragraph obligates budget authority available under this chapter and title 23 and shall provide for reimbursement of preliminary costs of carrying out the project, including land acquisition, timely procurement of system elements for which specifications are decided, and other activities the Secretary decides are appropriate to make efficient, long-term project management easier.

(ii) CONTINGENT COMMITMENT.—An early systems work agreement may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law.

(iii) PERIOD COVERED.—An early systems work agreement under this paragraph shall cover the period of time the Secretary considers appropriate. The period may extend beyond the period of current authorization.

(iv) INTEREST AND OTHER FINANCING COSTS.—Interest and other financing costs of efficiently carrying out the early systems work agreement within a reasonable time are a cost of carrying out the agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to

the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

(v) FAILURE TO CARRY OUT PROJECT.—If an applicant does not carry out the project for reasons within the control of the applicant, the applicant shall repay all Federal grant funds awarded for the project from all Federal funding sources, for all project activities, facilities, and equipment, plus reasonable interest and penalty charges allowable by law or established by the Secretary in the early systems work agreement.

(vi) CREDITING OF FUNDS RECEIVED.—Any funds received by the Government under this paragraph, other than interest and penalty charges, shall be credited to the appropriation account from which the funds were originally derived.

(4) LIMITATION ON AMOUNTS.—

(A) IN GENERAL.—The Secretary may enter into full funding grant agreements under this subsection for new fixed guideway capital projects and core capacity improvement projects that contain contingent commitments to incur obligations in such amounts as the Secretary determines are appropriate.

(B) APPROPRIATION REQUIRED.—An obligation may be made under this subsection only when amounts are appropriated for the obligation.

(5) NOTIFICATION TO CONGRESS.—At least 30 days before issuing a letter of intent, entering into a full funding grant agreement, or entering into an early systems work agreement under this section, the Secretary shall notify, in writing, the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives of the proposed letter or agreement. The Secretary shall include with the notification a copy of the proposed letter or agreement as well as the evaluations and ratings for the project.

(1) GOVERNMENT SHARE OF NET CAPITAL PROJECT COST.—

(1) IN GENERAL.—Based on engineering studies, studies of economic feasibility, and information on the expected use of equipment or facilities, the Secretary shall estimate the net capital project cost. A grant for a fixed guideway project or small start project shall not exceed 80 percent of the net capital project cost. A grant for a core capacity project shall not exceed 80 percent of the net capital project cost of the incremental cost of increasing the capacity in the corridor.

(2) ADJUSTMENT FOR COMPLETION UNDER BUDGET.—The Secretary may adjust the final net capital project cost of a new fixed guideway capital project or core capacity improvement project evaluated under subsection (d), (e), or (i) to include the cost of eligible activities not included in the originally defined project if the Secretary determines that the originally defined project has been completed at a

In general, the Government share of net capital project costs shall not exceed 80 percent.

DOT may increase the government share if the project cost is not more than 10 percent higher than, and the ridership estimates are not less than 90 percent of, the estimates at the time the project was approved for advancement into the engineering phase.

DOT may not require a local match greater than 20 percent.

Applicability provision 3: subsection (l), Government share, shall not apply to projects for which DOT entered into an FFGA before October 1, 2012.

Under a “special rule,” up to three fixed guideway BRT projects shall receive a government share of at least 80 percent.

cost that is significantly below the original estimate.

(3) **MAXIMUM GOVERNMENT SHARE.**—The Secretary may provide a higher grant percentage than requested by the grant recipient if—

(A) the Secretary determines that the net capital project cost of the project is not more than 10 percent higher than the net capital project cost estimated at the time the project was approved for advancement into the engineering phase; and

(B) the ridership estimated for the project is not less than 90 percent of the ridership estimated for the project at the time the project was approved for advancement into the engineering phase.

(4) **REMAINDER OF NET CAPITAL PROJECT COST.**—The remainder of the net capital project cost shall be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital.

(5) **LIMITATION ON STATUTORY CONSTRUCTION.**—Nothing in this section shall be construed as authorizing the Secretary to require a non-Federal financial commitment for a project that is more than 20 percent of the net capital project cost.

(6) **SPECIAL RULE FOR ROLLING STOCK COSTS.**—In addition to amounts allowed pursuant to paragraph (1), a planned extension to a fixed guideway system may include the cost of rolling stock previously purchased if the applicant satisfies the Secretary that only amounts other than amounts provided by the Government were used and that the purchase was made for use on the extension. A refund or reduction of the remainder may be made only if a refund of a proportional amount of the grant of the Government is made at the same time.

(7) **LIMITATION ON APPLICABILITY.**—This subsection shall not apply to projects for which the Secretary entered into a full funding grant agreement before the date of enactment of the Federal Public Transportation Act of 2012.

(8) **SPECIAL RULE FOR FIXED GUIDEWAY BUS RAPID TRANSIT PROJECTS.**—For up to three fixed-guideway bus rapid transit projects each fiscal year the Secretary shall—

(A) establish a Government share of at least 80 percent; and

(B) not lower the project’s rating for degree of local financial commitment for purposes of subsections (d)(2)(A)(v) or (h)(3)(C) as a result of the Government share specified in this paragraph.

(m) **UNDERTAKING PROJECTS IN ADVANCE.**—

(1) **IN GENERAL.**—The Secretary may pay the Government share of the net capital project cost to a State or local governmental authority that carries out any part of a project described in this section without the aid of amounts of the Government and according to all applicable procedures and requirements if—

(A) the State or local governmental authority applies for the payment;

(B) the Secretary approves the payment; and

(C) before the State or local governmental authority carries out

the part of the project, the Secretary approves the plans and specifications for the part in the same way as other projects under this section.

(2) FINANCING COSTS.—

(A) IN GENERAL.—The cost of carrying out part of a project includes the amount of interest earned and payable on bonds issued by the State or local governmental authority to the extent proceeds of the bonds are expended in carrying out the part.

(B) LIMITATION ON AMOUNT OF INTEREST.—The amount of interest under this paragraph may not be more than the most favorable interest terms reasonably available for the project at the time of borrowing.

(C) CERTIFICATION.—The applicant shall certify, in a manner satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

(n) AVAILABILITY OF AMOUNTS.—

(1) IN GENERAL.—An amount made available or appropriated for a new fixed guideway capital project or core capacity improvement project shall remain available to that project for 5 fiscal years, including the fiscal year in which the amount is made available or appropriated. Any amounts that are unobligated to the project at the end of the 5-fiscal-year period may be used by the Secretary for any purpose under this section.

(2) USE OF DEOBLIGATED AMOUNTS.—An amount available under this section that is deobligated may be used for any purpose under this section.

(o) REPORTS ON NEW FIXED GUIDEWAY AND CORE CAPACITY IMPROVEMENT PROJECTS.—

(1) ANNUAL REPORT ON FUNDING

RECOMMENDATIONS.—Not later than the first Monday in February of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives a report that includes—

(A) a proposal of allocations of amounts to be available to finance grants for projects under this section among applicants for these amounts;

(B) evaluations and ratings, as required under subsections (d), (e), and (i), for each such project that is in project development, engineering, or has received a full funding grant agreement; and

(C) recommendations of such projects for funding based on the evaluations and ratings and on existing commitments and anticipated funding levels for the next 3 fiscal years based on information currently available to the Secretary.

(2) REPORTS ON BEFORE AND AFTER STUDIES.—Not later than the first Monday in August of each year, the Secretary shall submit to the committees described in paragraph (1) a report containing a summary of the results of any studies conducted under

subsection (k)(2)(E).

(3) BIENNIAL GAO REVIEW.—The Comptroller General of the United States shall—

(A) conduct a biennial review of—

(i) the processes and procedures for evaluating, rating, and recommending new fixed guideway capital projects and core capacity improvement projects; and

(ii) the Secretary's implementation of such processes and procedures; and

(B) report to Congress on the results of such review by May 31 of each year.

Up to 3 new fixed guideway capital or core capacity improvement projects that have completed the NEPA process and have significant local or private financial support (as the Government share cannot exceed 50 percent) shall be selected by DOT to demonstrate whether innovative project development and delivery methods or innovative financing arrangements can expedite project delivery.

Subsection 20008(b) of MAP-21: Pilot Program for Expedited Project Delivery

(b) PILOT PROGRAM FOR EXPEDITED PROJECT DELIVERY.—

(1) DEFINITIONS.—In this subsection the following definitions shall apply:

(A) ELIGIBLE PROJECT.—The term “eligible project” means a new fixed guideway capital project or a core capacity improvement project, as those terms are defined in section 5309 of title 49, United States Code, as amended by this section, that has not entered into a full funding grant agreement with the Federal Transit Administration before the date of enactment of the Federal Public Transportation Act of 2012.

(B) PROGRAM.—The term “program” means the pilot program for expedited project delivery established under this subsection.

(C) RECIPIENT.—The term “recipient” means a recipient of funding under chapter 53 of title 49, United States Code.

(D) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

(2) ESTABLISHMENT.—The Secretary shall establish and implement a pilot program to demonstrate whether innovative project development and delivery methods or innovative financing arrangements can expedite project delivery for certain meritorious new fixed guideway capital projects and core capacity improvement projects.

(3) LIMITATION ON NUMBER OF PROJECTS.—The Secretary shall select 3 eligible projects to participate in the program, of which—

(A) at least 1 shall be an eligible project requesting more than \$100,000,000 in Federal financial assistance under section 5309 of title 49, United States Code; and

(B) at least 1 shall be an eligible project requesting less than \$100,000,000 in Federal financial assistance under section 5309 of title 49, United States Code.

(4) GOVERNMENT SHARE.—The Government share of the total cost of an eligible project that participates in the program may not exceed 50 percent.

(5) ELIGIBILITY.—A recipient that desires to participate in the program shall submit to the Secretary an application that contains, at a minimum—

(A) identification of an eligible project;

(B) a schedule and finance plan for the construction and operation of the eligible project;

(C) an analysis of the efficiencies of the proposed project development and delivery methods or innovative financing arrangement for the eligible project; and

(D) a certification that the recipient’s existing public transportation system is in a state of good repair.

(6) SELECTION CRITERIA.—The Secretary may award a full funding grant agreement under this subsection if the Secretary

Each grant recipient selected under this pilot must study and report to DOT on (1) the impacts of the project on transit services and ridership, (2) the consistency of predicted and actual costs and benefits of the innovative measures that enabled the project to receive funding under this pilot, and (3) the reasons for any differences between predicted and actual outcomes for the project.

determines that—

(A) the recipient has completed planning and the activities required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(B) the recipient has the necessary legal, financial, and technical capacity to carry out the eligible project.

(7) BEFORE AND AFTER STUDY AND REPORT.—

(A) STUDY REQUIRED.—A full funding grant agreement under this paragraph shall require a recipient to conduct a study that—

(i) describes and analyzes the impacts of the eligible project on public transportation services and public transportation ridership;

(ii) describes and analyzes the consistency of predicted and actual benefits and costs of the innovative project development and delivery methods or innovative financing for the eligible project; and

(iii) identifies reasons for any differences between predicted and actual outcomes for the eligible project.

(B) SUBMISSION OF REPORT.—Not later than 9 months after an eligible project selected to participate in the program begins revenue operations, the recipient shall submit to the Secretary a report on the results of the study under subparagraph (A).

This program encompasses the former New Freedom program.

Grants are no longer limited to capital projects, but must meet special needs of seniors and disabled when transit is insufficient, inappropriate, or unavailable.

These ADA projects were eligible under the former New Freedom program.

Projects to improve access to fixed route transit and decrease reliance on paratransit are now an eligible use.

Alternatives to transit are now an eligible use.

At least 55 percent of program funds shall be used on capital projects to meet the special needs of seniors and disabled when transit is insufficient, inappropriate, or unavailable.

A recipient of a special needs grant may continue to allocate funds to private nonprofits or to a State or local government if a private nonprofit is not readily available

§ 5310. Formula grants for the enhanced mobility of seniors and individuals with disabilities

(a) DEFINITIONS.—In this section, the following definitions shall apply:

(1) RECIPIENT.—The term ‘recipient’ means a designated recipient or a State that receives a grant under this section directly.

(2) SUBRECIPIENT.—The term ‘subrecipient’ means a State or local governmental authority, a private nonprofit organization, or an operator of public transportation that receives a grant under this section indirectly through a recipient.

(b) GENERAL AUTHORITY.—

(1) GRANTS.—The Secretary may make grants under this section to recipients for—

(A) public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;

(B) public transportation projects that exceed the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

(C) public transportation projects that improve access to fixed route service and decrease reliance by individuals with disabilities on complementary paratransit; and

(D) alternatives to public transportation that assist seniors and individuals with disabilities with transportation.

(2) LIMITATIONS FOR CAPITAL PROJECTS.—

(A) AMOUNT AVAILABLE.—The amount available for capital projects under paragraph (1)(A) shall be not less than 55 percent of the funds apportioned to the recipient under this section.

(B) ALLOCATION TO SUBRECIPIENTS.—A recipient of a grant under paragraph (1)(A) may allocate the amounts provided under the grant to—

(i) a private nonprofit organization; or

(ii) a State or local governmental authority that—

(I) is approved by a State to coordinate services for seniors and individuals with disabilities; or

(II) certifies that there are no private nonprofit organizations readily available in the area to provide the services described in paragraph (1)(A).

(3) ADMINISTRATIVE EXPENSES.—A recipient may use not more than 10 percent of the amounts apportioned to the recipient under this section to administer, plan, and provide technical assistance for a project funded under this section.

(4) ELIGIBLE CAPITAL EXPENSES.—The acquisition of public transportation services is an eligible capital expense under this section.

(5) COORDINATION.—

(A) DEPARTMENT OF TRANSPORTATION.—To the maximum extent feasible, the Secretary shall coordinate activities under this section with related activities under other Federal

departments and agencies.

(B) OTHER FEDERAL AGENCIES AND NONPROFIT ORGANIZATIONS.—A State or local governmental authority or nonprofit organization that receives assistance from Government sources (other than the Department of Transportation) for nonemergency transportation services shall—

(i) participate and coordinate with recipients of assistance under this chapter in the design and delivery of transportation services; and

(ii) participate in the planning for the transportation services described in clause (i).

(6) PROGRAM OF PROJECTS.—

(A) IN GENERAL.—Amounts made available to carry out this section may be used for transportation projects to assist in providing transportation services for seniors and individuals with disabilities, if such transportation projects are included in a program of projects.

(B) SUBMISSION.—A recipient shall annually submit a program of projects to the Secretary.

(C) ASSURANCE.—The program of projects submitted under subparagraph (B) shall contain an assurance that the program provides for the maximum feasible coordination of transportation services assisted under this section with transportation services assisted by other Government sources.

(7) MEAL DELIVERY FOR HOMEBOUND INDIVIDUALS.—A public transportation service provider that receives assistance under this section or section 5311(c) may coordinate and assist in regularly providing meal delivery service for homebound individuals, if the delivery service does not conflict with providing public transportation service or reduce service to public transportation passengers.

(c) APPORTIONMENT AND TRANSFERS.—

(1) FORMULA.—The Secretary shall apportion amounts made available to carry out this section as follows:

(A) LARGE URBANIZED AREAS.—Sixty percent of the funds shall be apportioned among designated recipients for urbanized areas with a population of 200,000 or more individuals, as determined by the Bureau of the Census, in the ratio that—

(i) the number of seniors and individuals with disabilities in each such urbanized area; bears to

(ii) the number of seniors and individuals with disabilities in all such urbanized areas.

(B) SMALL URBANIZED AREAS.—Twenty percent of the funds shall be apportioned among the States in the ratio that—

(i) the number of seniors and individuals with disabilities in urbanized areas with a population of fewer than 200,000 individuals, as determined by the Bureau of the Census, in each State; bears to

(ii) the number of seniors and individuals with disabilities in urbanized areas with a population of fewer than 200,000

Funds are apportioned under the former New Freedom program formula based on the number of seniors and individuals with disabilities: 60 percent to large UZAs, 20 percent to States for small UZAs, and 20 percent to States for rural areas.

individuals, as determined by the Bureau of the Census, in all States.

(C) RURAL AREAS.—Twenty percent of the funds shall be apportioned among the States in the ratio that—

(i) the number of seniors and individuals with disabilities in rural areas in each State; bears to

(ii) the number of seniors and individuals with disabilities in rural areas in all States.

(2) AREAS SERVED BY PROJECTS.—

(A) IN GENERAL.—Except as provided in subparagraph

(B)—

(i) funds apportioned under paragraph (1)(A) shall be used for projects serving urbanized areas with a population of 200,000 or more individuals, as determined by the Bureau of the Census;

(ii) funds apportioned under paragraph (1)(B) shall be used for projects serving urbanized areas with a population of fewer than 200,000 individuals, as determined by the Bureau of the Census; and

(iii) funds apportioned under paragraph (1)(C) shall be used for projects serving rural areas.

(B) EXCEPTIONS.—A State may use funds apportioned to the State under subparagraph (B) or (C) of paragraph (1)—

(i) for a project serving an area other than an area specified in subparagraph (A)(ii) or (A)(iii), as the case may be, if the Governor of the State certifies that all of the objectives of this section are being met in the area specified in subparagraph (A)(ii) or (A)(iii); or

(ii) for a project anywhere in the State, if the State has established a statewide program for meeting the objectives of this section.

(C) LIMITED TO ELIGIBLE PROJECTS.—Any funds transferred pursuant to subparagraph (B) shall be made available only for eligible projects selected under this section.

(D) CONSULTATION.—A recipient may transfer an amount under subparagraph (B) only after consulting with responsible local officials, publicly owned operators of public transportation, and nonprofit providers in the area for which the amount was originally apportioned.

(d) GOVERNMENT SHARE OF COSTS.—

(1) CAPITAL PROJECTS.—A grant for a capital project under this section shall be in an amount equal to 80 percent of the net capital costs of the project, as determined by the Secretary.

(2) OPERATING ASSISTANCE.—A grant made under this section for operating assistance may not exceed an amount equal to 50 percent of the net operating costs of the project, as determined by the Secretary.

(3) REMAINDER OF NET COSTS.—The remainder of the net costs of a project carried out under this section—

Funds may be used in an area of a State other than the area for which they were apportioned, but funds may no longer be transferred out of this program.

The Government share of net capital costs remains at 80 percent.

Operating assistance is now eligible under this section. The Government share of operating assistance may not exceed 50 percent of net operating costs.

(A) may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a State or local social service agency or a private social service organization, or new capital; and

(B) may be derived from amounts appropriated or otherwise made available—

(i) to a department or agency of the Government (other than the Department of Transportation) that are eligible to be expended for transportation; or

(ii) to carry out the Federal lands highways program under section 204 of title 23.

(4) USE OF CERTAIN FUNDS.—For purposes of paragraph (3)(B)(i), the prohibition under section 403(a)(5)(C)(vii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(vii)) on the use of grant funds for matching requirements shall not apply to Federal or State funds to be used for transportation purposes.

(e) GRANT REQUIREMENTS.—

(1) IN GENERAL.—A grant under this section shall be subject to the same requirements as a grant under section 5307, to the extent the Secretary determines appropriate.

(2) CERTIFICATION REQUIREMENTS.—

(A) PROJECT SELECTION AND PLAN

DEVELOPMENT.—Before receiving a grant under this section, each recipient shall certify that—

(i) the projects selected by the recipient are included in a locally developed, coordinated public transit-human services transportation plan;

(ii) the plan described in clause (i) was developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers, and other members of the public; and

(iii) to the maximum extent feasible, the services funded under this section will be coordinated with transportation services assisted by other Federal departments and agencies, including any transportation activities carried out by a recipient of a grant from the Department of Health and Human Services.

(B) ALLOCATIONS TO SUBRECIPIENTS.—If a recipient allocates funds received under this section to subrecipients, the recipient shall certify that the funds are allocated on a fair and equitable basis.

(f) COMPETITIVE PROCESS FOR GRANTS TO SUBRECIPIENTS.—

(1) AREAWIDE SOLICITATIONS.—A recipient of funds apportioned under subsection (c)(1)(A) may conduct, in cooperation with the appropriate metropolitan planning organization, an areawide solicitation for applications for grants under this section.

(2) STATEWIDE SOLICITATIONS.—A recipient of funds apportioned under subparagraph (B) or (C) of subsection (c)(1) may

Projects receiving grants must be included in a coordinated public transit - human services transportation plan.

A recipient may elect to use a competitive process for soliciting grant applications. This process was mandatory in the former New Freedom program.

conduct a statewide solicitation for applications for grants under this section.

(3) APPLICATION.—If the recipient elects to engage in a competitive process, a recipient or subrecipient seeking to receive a grant from funds apportioned under subsection (c) shall submit to the recipient making the election an application in such form and in accordance with such requirements as the recipient making the election shall establish.

(g) TRANSFERS OF FACILITIES AND EQUIPMENT.—A recipient may transfer a facility or equipment acquired using a grant under this section to any other recipient eligible to receive assistance under this chapter, if—

(1) the recipient in possession of the facility or equipment consents to the transfer; and

(2) the facility or equipment will continue to be used as required under this section.

(h) PERFORMANCE MEASURES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives making recommendations on the establishment of performance measures for grants under this section. Such report shall be developed in consultation with national nonprofit organizations that provide technical assistance and advocacy on issues related to transportation services for seniors and individuals with disabilities.

(2) MEASURES.—The performance measures to be considered in the report under paragraph (1) shall require the collection of quantitative and qualitative information, as available, concerning—

(A) modifications to the geographic coverage of transportation service, the quality of transportation service, or service times that increase the availability of transportation services for seniors and individuals with disabilities;

(B) ridership;

(C) accessibility improvements; and

(D) other measures, as the Secretary determines is appropriate.

DOT must report to Congress with recommendations for establishing performance measures for grants under this program.

§ 5311. Formula grants for rural areas

(a) DEFINITIONS.—As used in this section, the following definitions shall apply:

(1) RECIPIENT.—The term ‘recipient’ means a State or Indian tribe that receives a Federal transit program grant directly from the Government.

(2) SUBRECIPIENT.—The term ‘subrecipient’ means a State or local governmental authority, a nonprofit organization, or an operator of public transportation or intercity bus service that receives Federal transit program grant funds indirectly through a recipient.

(b) GENERAL AUTHORITY.—

(1) GRANTS AUTHORIZED.—Except as provided by paragraph (2), the Secretary may award grants under this section to recipients located in rural areas for—

(A) planning, provided that a grant under this section for planning activities shall be in addition to funding awarded to a State under section 5305 for planning activities that are directed specifically at the needs of rural areas in the State;

(B) public transportation capital projects;

(C) operating costs of equipment and facilities for use in public transportation;

(D) job access and reverse commute projects; and

(E) the acquisition of public transportation services, including service agreements with private providers of public transportation service.

(2) STATE PROGRAM.—

(A) IN GENERAL.—A project eligible for a grant under this section shall be included in a State program for public transportation service projects, including agreements with private providers of public transportation service.

(B) SUBMISSION TO SECRETARY.—Each State shall submit to the Secretary annually the program described in subparagraph (A).

(C) APPROVAL.—The Secretary may not approve the program unless the Secretary determines that—

(i) the program provides a fair distribution of amounts in the State, including Indian reservations; and

(ii) the program provides the maximum feasible coordination of public transportation service assisted under this section with transportation service assisted by other Federal sources.

(3) RURAL TRANSPORTATION ASSISTANCE PROGRAM.—

(A) IN GENERAL.—The Secretary shall carry out a rural transportation assistance program in rural areas.

(B) GRANTS AND CONTRACTS.—In carrying out this paragraph, the Secretary may use not more than 2 percent of the amount made available under section 5338(a)(2)(E) to make grants and contracts for transportation research, technical assistance, training, and related support services in rural areas.

Planning is now an eligible use, but planning grants under this section must not supplant § 5305 planning funds.

JARC projects are now an eligible use.

RTAP projects of a national scope must be competitively selected by DOT.

For public transportation on Indian reservations, \$25 million is apportioned directly to Indian tribes via formula (see subsection (j) below) and \$5 million is competitively distributed to Indian tribes by DOT.

Establishes a \$20 million Appalachian development public transportation assistance program for DOT to make grants to States in the Appalachian Regional Development program to carry out any project eligible under this section

States that cannot use these program funds for operating expenses may use the funds for highway projects upon written approval by the State after public notice and if local transit needs are met.

(C) PROJECTS OF A NATIONAL SCOPE.—Not more than 15 percent of the amounts available under subparagraph (B) may be used by the Secretary to carry out competitively selected projects of a national scope, with the remaining balance provided to the States.

(4) DATA COLLECTION.—Each recipient under this section shall submit an annual report to the Secretary containing information on capital investment, operations, and service provided with funds received under this section, including—

- (A) total annual revenue;
- (B) sources of revenue;
- (C) total annual operating costs;
- (D) total annual capital costs;
- (E) fleet size and type, and related facilities;
- (F) vehicle revenue miles; and
- (G) ridership.

(c) APPORTIONMENTS.—

(1) PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS.—Of the amounts made available or appropriated for each fiscal year pursuant to section 5338(a)(2)(E) to carry out this paragraph, the following amounts shall be apportioned each fiscal year for grants to Indian tribes for any purpose eligible under this section, under such terms and conditions as may be established by the Secretary:

(A) \$5,000,000 shall be distributed on a competitive basis by the Secretary.

(B) \$25,000,000 shall be apportioned as formula grants, as provided in subsection (j).

(2) APPALACHIAN DEVELOPMENT PUBLIC TRANSPORTATION ASSISTANCE PROGRAM.—

(A) DEFINITIONS.—In this paragraph—

(i) the term ‘Appalachian region’ has the same meaning as in section 14102 of title 40; and

(ii) the term ‘eligible recipient’ means a State that participates in a program established under subtitle IV of title 40.

(B) IN GENERAL.—The Secretary shall carry out a public transportation assistance program in the Appalachian region.

(C) APPORTIONMENT.—Of amounts made available or appropriated for each fiscal year under section 5338(a)(2)(E) to carry out this paragraph, the Secretary shall apportion funds to eligible recipients for any purpose eligible under this section, based on the guidelines established under section 9.5(b) of the Appalachian Regional Commission Code.

(D) SPECIAL RULE.—An eligible recipient may use amounts that cannot be used for operating expenses under this paragraph for a highway project if—

(i) that use is approved, in writing, by the eligible recipient after appropriate notice and an opportunity for comment and

appeal are provided to affected public transportation providers; and

(ii) the eligible recipient, in approving the use of amounts under this subparagraph, determines that the local transit needs are being addressed.

(3) REMAINING AMOUNTS.—

(A) IN GENERAL.—The amounts made available or appropriated for each fiscal year pursuant to section 5338(a)(2)(E) that are not apportioned under paragraph (1) or (2) shall be apportioned in accordance with this paragraph.

(B) APPORTIONMENT BASED ON LAND AREA AND POPULATION IN NONURBANIZED AREAS.—

(i) **IN GENERAL.—**83.15 percent of the amount described in subparagraph (A) shall be apportioned to the States in accordance with this subparagraph.

(ii) **LAND AREA.—**

(I) IN GENERAL.—Subject to subclause (II), each State shall receive an amount that is equal to 20 percent of the amount apportioned under clause (i), multiplied by the ratio of the land area in rural areas in that State and divided by the land area in all rural areas in the United States, as shown by the most recent decennial census of population.

(II) MAXIMUM APPORTIONMENT.—No State shall receive more than 5 percent of the amount apportioned under subclause (I).

(iii) **POPULATION.—**Each State shall receive an amount equal to 80 percent of the amount apportioned under clause (i), multiplied by the ratio of the population of rural areas in that State and divided by the population of all rural areas in the United States, as shown by the most recent decennial census of population.

(C) APPORTIONMENT BASED ON LAND AREA, VEHICLE REVENUE MILES, AND LOW-INCOME INDIVIDUALS IN NONURBANIZED AREAS.—

(i) **IN GENERAL.—**16.85 percent of the amount described in subparagraph (A) shall be apportioned to the States in accordance with this subparagraph.

(ii) **LAND AREA.—**Subject to clause (v), each State shall receive an amount that is equal to 29.68 percent of the amount apportioned under clause (i), multiplied by the ratio of the land area in rural areas in that State and divided by the land area in all rural areas in the United States, as shown by the most recent decennial census of population.

(iii) **VEHICLE REVENUE MILES.—**Subject to clause (v), each State shall receive an amount that is equal to 29.68 percent of the amount apportioned under clause (i), multiplied by the ratio of vehicle revenue miles in rural areas in that State and divided by the vehicle revenue miles in all rural areas in the United States, as determined by national transit database

After making the set-asides for transit on Indian reservations and the Appalachian development public transportation assistance program, the remaining funds authorized for this section are apportioned for rural area formula grants.

The majority of rural formula funds (83.15 percent) are apportioned based on land area and population factors.

The remaining rural formula funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individuals factors. Vehicle revenue miles is a new service factor. The low-income individuals factor reflects that JARC projects are now eligible under this section.

reporting.

(iv) **LOW-INCOME INDIVIDUALS.**—Each State shall receive an amount that is equal to 40.64 percent of the amount apportioned under clause (i), multiplied by the ratio of low-income individuals in rural areas in that State and divided by the number of low-income individuals in all rural areas in the United States, as shown by the Bureau of the Census.

(v) **MAXIMUM APPORTIONMENT.**—No State shall receive—

(I) more than 5 percent of the amount apportioned under clause (ii); or

(II) more than 5 percent of the amount apportioned under clause (iii).

(d) **USE FOR LOCAL TRANSPORTATION SERVICE.**—A State may use an amount apportioned under this section for a project included in a program under subsection (b) of this section and eligible for assistance under this chapter if the project will provide local transportation service, as defined by the Secretary of Transportation, in a rural area.

(e) **USE FOR ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE.**—The Secretary may allow a State to use not more than 10 percent of the amount apportioned under this section to administer this section and provide technical assistance to a subrecipient, including project planning, program and management development, coordination of public transportation programs, and research the State considers appropriate to promote effective delivery of public transportation to a rural area.

(f) **INTERCITY BUS TRANSPORTATION.**—

(1) **IN GENERAL.**—A State shall expend at least 15 percent of the amount made available in each fiscal year to carry out a program to develop and support intercity bus transportation. Eligible activities under the program include—

(A) planning and marketing for intercity bus transportation;

(B) capital grants for intercity bus facilities;

(C) joint-use facilities;

(D) operating grants through purchase-of-service agreements, user-side subsidies, and demonstration projects; and

(E) coordinating rural connections between small public transportation operations and intercity bus carriers.

(2) **CERTIFICATION.**—A State does not have to comply with paragraph (1) of this subsection in a fiscal year in which the Governor of the State certifies to the Secretary, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are being met adequately.

(g) **GOVERNMENT SHARE OF COSTS.**—

(1) **CAPITAL PROJECTS.**—

(A) **IN GENERAL.**—Except as provided by subparagraph (B), a grant awarded under this section for a capital project or project administrative expenses shall be for 80 percent of the net costs of the project, as determined by the Secretary.

The States' maximum administrative and technical assistance takedown is reduced from 15 percent to 10 percent.

(B) EXCEPTION.—A State described in section 120(b) of title 23 shall receive a Government share of the net costs in accordance with the formula under that section.

(2) OPERATING ASSISTANCE.—

(A) IN GENERAL.—Except as provided by subparagraph (B), a grant made under this section for operating assistance may not exceed 50 percent of the net operating costs of the project, as determined by the Secretary.

(B) EXCEPTION.—A State described in section 120(b) of title 23 shall receive a Government share of the net operating costs equal to 62.5 percent of the Government share provided for under paragraph (1)(B).

(3) REMAINDER.—The remainder of net project costs—

(A) may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a State or local social service agency or a private social service organization, or new capital;

(B) may be derived from amounts appropriated or otherwise made available to a department or agency of the Government (other than the Department of Transportation) that are eligible to be expended for transportation;

(C) notwithstanding subparagraph (B), may be derived from amounts made available to carry out the Federal lands highway program established by section 204 of title 23; and

(D) in the case of an intercity bus project that includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under subsection (f), if the private operator agrees in writing to the use of the costs of the private operator for the unsubsidized segment of intercity bus service as an in-kind match.

(4) USE OF CERTAIN FUNDS.—For purposes of paragraph (3)(B), the prohibitions on the use of funds for matching requirements under section 403(a)(5)(C)(vii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(vii)) shall not apply to Federal or State funds to be used for transportation purposes.

(5) LIMITATION ON OPERATING ASSISTANCE.—A State carrying out a program of operating assistance under this section may not limit the level or extent of use of the Government grant for the payment of operating expenses.

(h) TRANSFER OF FACILITIES AND EQUIPMENT.—With the consent of the recipient currently having a facility or equipment acquired with assistance under this section, a State may transfer the facility or equipment to any recipient eligible to receive assistance under this chapter if the facility or equipment will continue to be used as required under this section.

(i) RELATIONSHIP TO OTHER LAWS.—

The Government share provisions for rural formula grants are unchanged, except that the costs to a private operator for providing intercity bus service to which feeder service connects may be used as the local (in-kind) match for the operating costs of the feeder service, upon the written approval of the private operator.

Formula funds for public transportation on Indian reservations are apportioned based on vehicle revenue miles (50 percent), low-income individuals (25 percent), and equally to each Indian tribe with at least 200,000 annual vehicle revenue miles of transit service (25 percent).

Indian tribes may use these funds for transit service from non-tribal providers.

(1) IN GENERAL.—Section 5333(b) applies to this section if the Secretary of Labor utilizes a special warranty that provides a fair and equitable arrangement to protect the interests of employees.

(2) RULE OF CONSTRUCTION.—This subsection does not affect or discharge a responsibility of the Secretary of Transportation under a law of the United States.

(j) FORMULA GRANTS FOR PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS.—

(1) APPORTIONMENT.—

(A) IN GENERAL.—Of the amounts described in subsection

(c)(1)(B)—

(i) 50 percent of the total amount shall be apportioned so that each Indian tribe providing public transportation service shall receive an amount equal to the total amount apportioned under this clause multiplied by the ratio of the number of vehicle revenue miles provided by an Indian tribe divided by the total number of vehicle revenue miles provided by all Indian tribes, as reported to the Secretary;

(ii) 25 percent of the total amount shall be apportioned equally among each Indian tribe providing at least 200,000 vehicle revenue miles of public transportation service annually, as reported to the Secretary; and

(iii) 25 percent of the total amount shall be apportioned among each Indian tribe providing public transportation on tribal lands (as defined by the Bureau of the Census) on which more than 1,000 low-income individuals reside (as determined by the Bureau of the Census) so that each Indian tribe shall receive an amount equal to the total amount apportioned under this clause multiplied by the ratio of the number of low-income individuals residing on an Indian tribe's lands divided by the total number of low-income individuals on tribal lands on which more than 1,000 low-income individuals reside.

(B) LIMITATION.—No recipient shall receive more than \$300,000 of the amounts apportioned under subparagraph (A)(iii) in a fiscal year.

(C) REMAINING AMOUNTS.—Of the amounts made available under subparagraph (A)(iii), any amounts not apportioned under that subparagraph shall be allocated among Indian tribes receiving less than \$300,000 in a fiscal year according to the formula specified in that clause.

(D) LOW-INCOME INDIVIDUALS.—For purposes of subparagraph (A)(iii), the term 'low-income individual' means an individual whose family income is at or below 100 percent of the poverty line, as that term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section, for a family of the size involved.

(2) NON-TRIBAL SERVICE PROVIDERS.—A recipient that is an Indian tribe may use funds apportioned under this subsection to

finance public transportation services provided by a non-tribal provider of public transportation that connects residents of tribal lands with surrounding communities, improves access to employment or healthcare, or otherwise addresses the mobility needs of tribal members.

Restructures the transit research program to enable successful practices, technologies, and innovations to progress from research, through innovation and development, to demonstration and deployment in an efficient and expedient manner.

§ 5312. Research, development, demonstration, and deployment projects

(a) RESEARCH, DEVELOPMENT, DEMONSTRATION, AND DEPLOYMENT PROJECTS.—

(1) **IN GENERAL.**—The Secretary may make grants and enter into contracts, cooperative agreements, and other agreements for research, development, demonstration, and deployment projects, and evaluation of research and technology of national significance to public transportation, that the Secretary determines will improve public transportation.

(2) **AGREEMENTS.**—In order to carry out paragraph (1), the Secretary may make grants to and enter into contracts, cooperative agreements, and other agreements with—

- (A) departments, agencies, and instrumentalities of the Government, including Federal laboratories;
- (B) State and local governmental entities;
- (C) providers of public transportation;
- (D) private or non-profit organizations;
- (E) institutions of higher education; and
- (F) technical and community colleges.

(3) **APPLICATION.**—

(A) **IN GENERAL.**—To receive a grant, contract, cooperative agreement, or other agreement under this section, an entity described in paragraph (2) shall submit an application to the Secretary.

(B) **FORM AND CONTENTS.**—An application under subparagraph (A) shall be in such form and contain such information as the Secretary may require, including—

- (i) a statement of purpose detailing the need being addressed;
- (ii) the short- and long-term goals of the project, including opportunities for future innovation and development, the potential for deployment, and benefits to riders and public transportation; and
- (iii) the short- and long-term funding requirements to complete the project and any future objectives of the project.

(b) RESEARCH.—

(1) **IN GENERAL.**—The Secretary may make a grant to or enter into a contract, cooperative agreement, or other agreement under this section with an entity described in subsection (a)(2) to carry out a public transportation research project that has as its ultimate goal the development and deployment of new and innovative ideas, practices, and approaches.

(2) **PROJECT ELIGIBILITY.**—A public transportation research project that receives assistance under paragraph (1) shall focus on—

- (A) providing more effective and efficient public transportation service, including services to—
 - (i) seniors;
 - (ii) individuals with disabilities; and

- (iii) low-income individuals;
- (B) mobility management and improvements and travel management systems;
- (C) data and communication system advancements;
- (D) system capacity, including—
 - (i) train control;
 - (ii) capacity improvements; and
 - (iii) performance management;
- (E) capital and operating efficiencies;
- (F) planning and forecasting modeling and simulation;
- (G) advanced vehicle design;
- (H) advancements in vehicle technology;
- (I) asset maintenance and repair systems advancement;
- (J) construction and project management;
- (K) alternative fuels;
- (L) the environment and energy efficiency;
- (M) safety improvements; or
- (N) any other area that the Secretary determines is important to advance the interests of public transportation.

(c) **INNOVATION AND DEVELOPMENT.**—

(1) **IN GENERAL.**—The Secretary may make a grant to or enter into a contract, cooperative agreement, or other agreement under this section with an entity described in subsection (a)(2) to carry out a public transportation innovation and development project that seeks to improve public transportation systems nationwide in order to provide more efficient and effective delivery of public transportation services, including through technology and technological capacity improvements.

(2) **PROJECT ELIGIBILITY.**—A public transportation innovation and development project that receives assistance under paragraph (1) shall focus on—

- (A) the development of public transportation research projects that received assistance under subsection (b) that the Secretary determines were successful;
- (B) planning and forecasting modeling and simulation;
- (C) capital and operating efficiencies;
- (D) advanced vehicle design;
- (E) advancements in vehicle technology;
- (F) the environment and energy efficiency;
- (G) system capacity, including train control and capacity improvements; or
- (H) any other area that the Secretary determines is important to advance the interests of public transportation.

(d) **DEMONSTRATION, DEPLOYMENT, AND EVALUATION.**—

(1) **IN GENERAL.**—The Secretary may, under terms and conditions that the Secretary prescribes, make a grant to or enter into a contract, cooperative agreement, or other agreement with an entity described in paragraph (2) to promote the early deployment and demonstration of innovation in public transportation that has broad

Within two years of funding each D&D project, DOT must evaluate its success or failure and any plan for implementation of the successful ones.

Creates a competitive deployment grant program dedicated to acquiring low- or no-emission vehicles and building or rehabilitating related equipment and facilities.

applicability.

(2) PARTICIPANTS.—An entity described in this paragraph is—
(A) an entity described in subsection (a)(2); or

(B) a consortium of entities described in subsection (a)(2), including a provider of public transportation, that will share the costs, risks, and rewards of early deployment and demonstration of innovation.

(3) PROJECT ELIGIBILITY.—A project that receives assistance under paragraph (1) shall seek to build on successful research, innovation, and development efforts to facilitate—

(A) the deployment of research and technology development resulting from private efforts or Federally funded efforts; and

(B) the implementation of research and technology development to advance the interests of public transportation.

(4) EVALUATION.—Not later than 2 years after the date on which a project receives assistance under paragraph (1), the Secretary shall conduct a comprehensive evaluation of the success or failure of the projects funded under this subsection and any plan for broad-based implementation of the innovation promoted by successful projects.

(5) LOW OR NO EMISSION VEHICLE DEPLOYMENT.—

(A) DEFINITIONS.—In this paragraph, the following definitions shall apply:

(i) ELIGIBLE AREA.—The term ‘eligible area’ means an area that is—

(I) designated as a nonattainment area for ozone or carbon monoxide under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); or

(II) a maintenance area, as defined in section 5303, for ozone or carbon monoxide.

(ii) ELIGIBLE PROJECT.—The term ‘eligible project’ means a project or program of projects in an eligible area for—

(I) acquiring or leasing low or no emission vehicles;

(II) constructing or leasing facilities and related equipment for low or no emission vehicles;

(III) constructing new public transportation facilities to accommodate low or no emission vehicles; or

(IV) rehabilitating or improving existing public transportation facilities to accommodate low or no emission vehicles.

(iii) DIRECT CARBON EMISSIONS.—The term ‘direct carbon emissions’ means the quantity of direct greenhouse gas emissions from a vehicle, as determined by the Administrator of the Environmental Protection Agency.

(iv) LOW OR NO EMISSION BUS.—The term ‘low or no emission bus’ means a bus that is a low or no emission vehicle.

(v) LOW OR NO EMISSION VEHICLE.—The term ‘low or no emission vehicle’ means—

(I) a passenger vehicle used to provide public transportation that the Administrator of the Environmental

Protection Agency has certified sufficiently reduces energy consumption or reduces harmful emissions, including direct carbon emissions, when compared to a comparable standard vehicle; or

(II) a zero emission bus used to provide public transportation.

(vi) RECIPIENT.—The term ‘recipient’ means—

(I) for an eligible area that is an urbanized area with a population of fewer than 200,000 individuals, as determined by the Bureau of the Census, the State in which the eligible area is located; and

(II) for an eligible area not described in subparagraph (A), the designated recipient for the eligible area.

(vii) ZERO EMISSION BUS.—The term ‘zero emission bus’ means a low or no emission bus that produces no carbon or particulate matter.

(B) AUTHORITY.—The Secretary may make grants to recipients to finance eligible projects under this paragraph.

(C) GRANT REQUIREMENTS.—

(i) IN GENERAL.—A grant under this paragraph shall be subject to the requirements of section 5307.

(ii) GOVERNMENT SHARE OF COSTS FOR CERTAIN PROJECTS.—Section 5323(j) applies to projects carried out under this paragraph, unless the grant recipient requests a lower grant percentage.

(iii) COMBINATION OF FUNDING SOURCES.—

(I) COMBINATION PERMITTED.—A project carried out under this paragraph may receive funding under section 5307, or any other provision of law.

(II) GOVERNMENT SHARE.—Nothing in this clause may be construed to alter the Government share required under this section, section 5307, or any other provision of law.

(D) MINIMUM AMOUNTS.—Of amounts made available by or appropriated under section 5338(b) in each fiscal year to carry out this paragraph—

(i) not less than 65 percent shall be made available to fund eligible projects relating to low or no emission buses; and

(ii) not less than 10 percent shall be made available for eligible projects relating to facilities and related equipment for low or no emission buses.

(E) COMPETITIVE PROCESS.—The Secretary shall solicit grant applications and make grants for eligible projects on a competitive basis.

(F) PRIORITY CONSIDERATION.—In making grants under this paragraph, the Secretary shall give priority to projects relating to low or no emission buses that make greater reductions in energy consumption and harmful emissions, including direct carbon emissions, than comparable standard buses or other low or no

At least 65 percent of grants must go to low- or no-emission bus projects.

At least 10 percent of grants must go to project for facilities and equipment for low- or no-emission buses.

emission buses.

(G) AVAILABILITY OF FUNDS.—Any amounts made available or appropriated to carry out this paragraph—

(i) shall remain available to an eligible project for 2 years after the fiscal year for which the amount is made available or appropriated; and

(ii) that remain unobligated at the end of the period described in clause (i) shall be added to the amount made available to an eligible project in the following fiscal year.

(e) ANNUAL REPORT ON RESEARCH.—Not later than the first Monday in February of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives a report that includes—

(1) a description of each project that received assistance under this section during the preceding fiscal year;

(2) an evaluation of each project described in paragraph (1), including any evaluation conducted under subsection (d)(4) for the preceding fiscal year; and

(3) a proposal for allocations of amounts for assistance under this section for the subsequent fiscal year.

(f) GOVERNMENT SHARE OF COSTS.—

(1) IN GENERAL.—The Government share of the cost of a project carried out under this section shall not exceed 80 percent.

(2) NON-GOVERNMENT SHARE.—The non-Government share of the cost of a project carried out under this section may be derived from in-kind contributions.

(3) FINANCIAL BENEFIT.—If the Secretary determines that there would be a clear and direct financial benefit to an entity under a grant, contract, cooperative agreement, or other agreement under this section, the Secretary shall establish a Government share of the costs of the project to be carried out under the grant, contract, cooperative agreement, or other agreement that is consistent with the benefit.

DOT must report annually to Congress on this comprehensive research program, including proposed allocations for the subsequent fiscal year.

A new provision establishes the Government share of projects carried out under this section at no more than 80 percent.

MAP-21 eliminates subsection 5312(c), the International Public Transportation Program.

Section 5313 is substantively unchanged by MAP-21.

§ 5313. Transit cooperative research program

(a) COOPERATIVE RESEARCH PROGRAM.—The amounts made available under 5338(c) are available for a public transportation cooperative research program. The Secretary shall establish an independent governing board for the program. The board shall recommend public transportation research, development, and technology transfer activities the Secretary considers appropriate.

(b) FEDERAL ASSISTANCE.—The Secretary may make grants to, and cooperative agreements with, the National Academy of Sciences to carry out activities under this subsection that the Secretary decides are appropriate.

(c) GOVERNMENT’S SHARE.—If there would be a clear and direct financial benefit to an entity under a grant or contract financed under this section, the Secretary shall establish a Government share consistent with that benefit.

This section is now focused on competitive grants for technical assistance and development of standards and best practices; research and demonstration projects are now funded under § 5312.

Eligible activities include the development of voluntary, consensus-based standards and best practices by the public transportation industry.

DOT may award, through a competitive process, technical assistance grants, contracts and cooperative agreements to help transit providers: comply with the ADA; coordinate human services transportation; increase transit ridership; and meet the transportation needs of seniors, and low-income and minority individuals.

§ 5314. Technical assistance and standards development

(a) TECHNICAL ASSISTANCE AND STANDARDS DEVELOPMENT.—

(1) **IN GENERAL.**—The Secretary may make grants and enter into contracts, cooperative agreements, and other agreements (including agreements with departments, agencies, and instrumentalities of the Government) to carry out activities that the Secretary determines will assist recipients of assistance under this chapter to—

(A) more effectively and efficiently provide public transportation service;

(B) administer funds received under this chapter in compliance with Federal law; and

(C) improve public transportation.

(2) **ELIGIBLE ACTIVITIES.**—The activities carried out under paragraph (1) may include—

(A) technical assistance; and

(B) the development of voluntary and consensus-based standards and best practices by the public transportation industry, including standards and best practices for safety, fare collection, Intelligent Transportation Systems, accessibility, procurement, security, asset management to maintain a state of good repair, operations, maintenance, vehicle propulsion, communications, and vehicle electronics.

(b) **TECHNICAL ASSISTANCE.**—The Secretary, through a competitive bid process, may enter into contracts, cooperative agreements, and other agreements with national nonprofit organizations that have the appropriate demonstrated capacity to provide public transportation-related technical assistance under this section. The Secretary may enter into such contracts, cooperative agreements, and other agreements to assist providers of public transportation to—

(1) comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) through technical assistance, demonstration programs, research, public education, and other activities related to complying with such Act;

(2) comply with human services transportation coordination requirements and to enhance the coordination of Federal resources for human services transportation with those of the Department of Transportation through technical assistance, training, and support services related to complying with such requirements;

(3) meet the transportation needs of elderly individuals;

(4) increase transit ridership in coordination with metropolitan planning organizations and other entities through development around public transportation stations through technical assistance and the development of tools, guidance, and analysis related to market-based development around transit stations;

(5) address transportation equity with regard to the effect that transportation planning, investment and operations have for low-income and minority individuals; and

DOT must report annually to Congress on this technical assistance program, including proposed allocations for the subsequent fiscal year.

(6) any other technical assistance activity that the Secretary determines is necessary to advance the interests of public transportation.

(c) ANNUAL REPORT ON TECHNICAL ASSISTANCE.—Not later than the first Monday in February of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives a report that includes—

(1) a description of each project that received assistance under this section during the preceding fiscal year;

(2) an evaluation of the activities carried out by each organization that received assistance under this section during the preceding fiscal year; and

(3) a proposal for allocations of amounts for assistance under this section for the subsequent fiscal year.

(d) GOVERNMENT SHARE OF COSTS.—

(1) IN GENERAL.—The Government share of the cost of an activity carried out using a grant under this section may not exceed 80 percent.

(2) NON-GOVERNMENT SHARE.—The non-Government share of the cost of an activity carried out using a grant under this section may be derived from in-kind contributions.

DOT must better utilize private sector advantages to fulfill MAP-21's objectives.

DOT must assist grant recipients in utilizing private transit providers and educate grant recipients on provisions of chapter 53 that affect private transit providers.

Upon request, DOT shall identify best practices for P3 models, develop standard P3 contracts, and perform financial assessments that include the benefits of a proposed P3.

See also subsection 20013(b) of MAP-21, DOT rulemaking on identifying impediments to greater use of P3s and promoting greater transparency and public access to P3 agreements; subsection 20013(d), DOT guidance on documenting compliance with MAP-21's private sector participation provisions; and subsection 20013(c), GAO study on the effects of contracting out transportation operations and administrative functions.

§ 5315. Private sector participation

(a) **GENERAL PURPOSES.**—In the interest of fulfilling the general purposes of this chapter under section 5301(b), the Secretary shall—

- (1) better coordinate public and private sector-provided public transportation services;
- (2) promote more effective utilization of private sector expertise, financing, and operational capacity to deliver costly and complex new fixed guideway capital projects; and
- (3) promote transparency and public understanding of public-private partnerships affecting public transportation.

(b) **ACTIONS TO PROMOTE BETTER COORDINATION BETWEEN PUBLIC AND PRIVATE SECTOR PROVIDERS OF PUBLIC TRANSPORTATION.**— The Secretary shall—

- (1) provide technical assistance to recipients of Federal transit grant assistance, at the request of a recipient, on practices and methods to best utilize private providers of public transportation; and
- (2) educate recipients of Federal transit grant assistance on laws and regulations under this chapter that impact private providers of public transportation.

(c) **ACTIONS TO PROVIDE TECHNICAL ASSISTANCE FOR ALTERNATIVE PROJECT DELIVERY METHODS.**—Upon request by a sponsor of a new fixed guideway capital project, the Secretary shall—

- (1) identify best practices for public-private partnerships models in the United States and in other countries;
- (2) develop standard public-private partnership transaction model contracts; and
- (3) perform financial assessments that include the calculation of public and private benefits of a proposed public-private partnership transaction.

Subsections (a), (b), (c), and (d) are unchanged by MAP-21.

New bus models must now meet performance standards listed in this subsection and minimum safety standards established by DOT under its new safety authority in subsection 5329(b).

DOT must establish, by rulemaking, a pass/fail bus testing standard. Only bus models that receive a passing score may be purchased with chapter 53 funds. A passing score is not a warranty or guarantee to bus purchasers.

§ 5318. Bus testing facility

(a) **FACILITY.**—The Secretary shall maintain one facility for testing a new bus model for maintainability, reliability, safety, performance (including braking performance), structural integrity, fuel economy, emissions, and noise.

(b) **OPERATION AND MAINTENANCE.**—The Secretary shall enter into a contract or cooperative agreement with, or make a grant to, a qualified person or organization to operate and maintain the facility. The contract, cooperative agreement, or grant may provide for the testing of rail cars and other public transportation vehicles at the facility.

(c) **FEES.**—The person operating and maintaining the facility shall establish and collect fees for the testing of vehicles at the facility. The Secretary must approve the fees.

(d) **AVAILABILITY OF AMOUNTS TO PAY FOR TESTING.**—The Secretary shall enter into a contract or cooperative agreement with, or make a grant to, the operator of the facility under which the Secretary shall pay 80 percent of the cost of testing a vehicle at the facility from amounts available to carry out this section. The entity having the vehicle tested shall pay 20 percent of the cost.

(e) **ACQUIRING NEW BUS MODELS.**—

(1) **IN GENERAL.**—Amounts appropriated or otherwise made available under this chapter may be obligated or expended to acquire a new bus model only if—

(A) a bus of that model has been tested at a facility authorized under subsection (a); and

(B) the bus tested under subparagraph (A) met—

(i) performance standards for maintainability, reliability, performance (including braking performance), structural integrity, fuel economy, emissions, and noise, as established by the Secretary by rule; and

(ii) the minimum safety performance standards established by the Secretary pursuant to section 5329(b).

(2) **BUS TEST ‘PASS/FAIL’ STANDARD.**—Not later than 2 years after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a final rule under subparagraph (B)(i). The final rule issued under paragraph (B)(i) shall include a bus model scoring system that results in a weighted, aggregate score that uses the testing categories under subsection (a) and considers the relative importance of each such testing category. The final rule issued under subparagraph (B)(i) shall establish a ‘pass/fail’ standard that uses the aggregate score described in the preceding sentence. Amounts appropriated or otherwise made available under this chapter may be obligated or expended to acquire a new bus model only if the new bus model has received a passing aggregate test score. The Secretary shall work with the bus testing facility, bus manufacturers, and transit agencies to develop the bus model scoring system under this paragraph. A passing aggregate test score under the rule issued under subparagraph (B)(i) indicates only that amounts appropriated or made available under this chapter may be obligated or expended to acquire a

new bus model and shall not be interpreted as a warranty or guarantee that the new bus model will meet a purchaser's specific requirements.

Section 5319 is substantively unchanged by MAP-21.

§ 5319. Bicycle facilities

A project to provide access for bicycles to public transportation facilities, to provide shelters and parking facilities for bicycles in or around public transportation facilities, or to install equipment for transporting bicycles on public transportation vehicles is a capital project eligible for assistance under sections 5307, 5309, and 5311.

Notwithstanding sections 5307(d), 5309(l), and 5311(g), a grant made by Government under this chapter for a project made eligible by this section is for 90 percent of the cost of the project, except that, if the grant or any portion of the grant is made with funds required to be expended under section 5307(d)(1)(K) and the project involves providing bicycle access to public transportation, that grant or portion of that grant shall be at a Federal share of 95 percent.

Section 5321 is unchanged by MAP-21.

§ 5321. Crime prevention and security

The Secretary of Transportation may make capital grants from amounts available under section 5338 of this title to public transportation systems for crime prevention and security. This chapter does not prevent the financing of a project under this section when a local governmental authority other than the grant applicant has law enforcement responsibilities.

DOT may undertake programs to address human resource needs in transit, including employment training, outreach to increase minority and female employment, personnel and training needs research, and training and assistance for minority business opportunities.

In place of training fellowships, DOT must establish a competitive grant program to develop innovative public transportation workforce activities.

DOT must select grant recipients that address the needs of all types of transit providers from across the country; advance training related to alternative energy, energy efficiency, and zero emissions vehicles and facilities; target high unemployment areas; and address workforce shortages in areas requiring technical expertise.

The Government share of project costs under subsections (a) and (b) is 50 percent.

DOT is authorized to award grants to a public, 4-year college to establish a national transit institute and carry out the duties of the institute.

§ 5322. Human resources and training

(a) **IN GENERAL.**—The Secretary may undertake, or make grants and contracts for, programs that address human resource needs as they apply to public transportation activities. A program may include—

- (1) an employment training program;
- (2) an outreach program to increase minority and female employment in public transportation activities;
- (3) research on public transportation personnel and training needs; and
- (4) training and assistance for minority business opportunities.

(b) **INNOVATIVE PUBLIC TRANSPORTATION WORKFORCE DEVELOPMENT PROGRAM.**—

(1) **PROGRAM ESTABLISHED.**—The Secretary shall establish a competitive grant program to assist the development of innovative activities eligible for assistance under subsection (a).

(2) **SELECTION OF RECIPIENTS.**—To the maximum extent feasible, the Secretary shall select recipients that—

- (A) are geographically diverse;
- (B) address the workforce and human resources needs of large public transportation providers;
- (C) address the workforce and human resources needs of small public transportation providers;
- (D) address the workforce and human resources needs of urban public transportation providers;
- (E) address the workforce and human resources needs of rural public transportation providers;
- (F) advance training related to maintenance of alternative energy, energy efficiency, or zero emission vehicles and facilities used in public transportation;
- (G) target areas with high rates of unemployment; and
- (H) address current or projected workforce shortages in areas that require technical expertise.

(c) **GOVERNMENT’S SHARE OF COSTS.**—The Government share of the cost of a project carried out using a grant under subsection (a) or (b) shall be 50 percent.

(d) **NATIONAL TRANSIT INSTITUTE.**—

(1) **ESTABLISHMENT.**—The Secretary shall establish a national transit institute and award grants to a public 4-year degree-granting institution of higher education, as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), in order to carry out the duties of the institute.

(2) **DUTIES.**—

(A) **IN GENERAL.**—In cooperation with the Federal Transit Administration, State transportation departments, public transportation authorities, and national and international entities, the institute established under paragraph (1) shall develop and conduct training and educational programs for Federal, State, and local transportation employees, United States citizens, and foreign nationals engaged or to be engaged in Government-aid public

transportation work.

(B) TRAINING AND EDUCATIONAL PROGRAMS.—The training and educational programs developed under subparagraph (A) may include courses in recent developments, techniques, and procedures related to—

- (i) intermodal and public transportation planning;
- (ii) management;
- (iii) environmental factors;
- (iv) acquisition and joint use rights-of-way;
- (v) engineering and architectural design;
- (vi) procurement strategies for public transportation systems;
- (vii) turnkey approaches to delivering public transportation systems;
- (viii) new technologies;
- (ix) emission reduction technologies;
- (x) ways to make public transportation accessible to individuals with disabilities;
- (xi) construction, construction management, insurance, and risk management;
- (xii) maintenance;
- (xiii) contract administration;
- (xiv) inspection;
- (xv) innovative finance;
- (xvi) workplace safety; and
- (xvii) public transportation security.

(3) PROVIDING EDUCATION AND TRAINING.—Education and training of Government, State, and local transportation employees under this subsection shall be provided—

(A) by the Secretary at no cost to the States and local governments for subjects that are a Government program responsibility; or

(B) when the education and training are paid under paragraph (4) of this subsection, by the State, with the approval of the Secretary, through grants and contracts with public and private agencies, other institutions, individuals, and the institute.

(4) AVAILABILITY OF AMOUNTS.—Not more than .5 percent of the amounts made available for a fiscal year beginning after September 30, 1991, to a State or public transportation authority in the State to carry out sections 5307 and 5309 of this title is available for expenditure by the State and public transportation authorities in the State, with the approval of the Secretary, to pay not more than 80 percent of the cost of tuition and direct educational expenses related to educating and training State and local transportation employees under this subsection.

(e) REPORT.—Not later than 2 years after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of

DOT must report to Congress on the measurable outcomes and impacts of the programs funded under subsections (a) and (b).

Representatives a report concerning the measurable outcomes and impacts of the programs funded under subsections (a) and (b).

§ 5323. General provisions

(a) INTERESTS IN PROPERTY.—

(1) **IN GENERAL.**—Financial assistance provided under this chapter to a State or a local governmental authority may be used to acquire an interest in, or to buy property of, a private company engaged in public transportation, for a capital project for property acquired from a private company engaged in public transportation after July 9, 1964, or to operate a public transportation facility or equipment in competition with, or in addition to, transportation service provided by an existing public transportation company, only if—

(A) the Secretary determines that such financial assistance is essential to a program of projects required under sections 5303, 5304, and 5306;

(B) the Secretary determines that the program provides for the participation of private companies engaged in public transportation to the maximum extent feasible; and

(C) just compensation under State or local law will be paid to the company for its franchise or property.

(2) **LIMITATION.**—A governmental authority may not use financial assistance of the United States Government to acquire land, equipment, or a facility used in public transportation from another governmental authority in the same geographic area.

(b) RELOCATION AND REAL PROPERTY REQUIREMENTS.—The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) shall apply to financial assistance for capital projects under this chapter.

(c) CONSIDERATION OF ECONOMIC, SOCIAL, AND ENVIRONMENTAL INTERESTS.—

(1) **COOPERATION AND CONSULTATION.**—The Secretary shall cooperate and consult with the Secretary of the Interior and the Administrator of the Environmental Protection Agency on each project that may have a substantial impact on the environment.

(2) **COMPLIANCE WITH NEPA.**—The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall apply to financial assistance for capital projects under this chapter.

(d) CONDITION ON CHARTER BUS TRANSPORTATION SERVICE.—

(1) **AGREEMENTS.**—Financial assistance under this chapter may be used to buy or operate a bus only if the applicant, governmental authority, or publicly owned operator that receives the assistance agrees that, except as provided in the agreement, the governmental authority or an operator of public transportation for the governmental authority will not provide charter bus transportation service outside the urban area in which it provides regularly scheduled public transportation service. An agreement shall provide for a fair arrangement the Secretary of Transportation considers appropriate to ensure that the assistance will not enable a governmental authority or an operator for a governmental authority to foreclose a private operator from providing intercity charter bus service if the private operator can

provide the service.

(2) VIOLATIONS.—

(A) INVESTIGATIONS.—On receiving a complaint about a violation of the agreement required under paragraph (1), the Secretary shall investigate and decide whether a violation has occurred.

(B) ENFORCEMENT OF AGREEMENTS.—If the Secretary decides that a violation has occurred, the Secretary shall correct the violation under terms of the agreement.

(C) ADDITIONAL REMEDIES.—In addition to any remedy specified in the agreement, the Secretary shall bar a recipient or an operator from receiving Federal transit assistance in an amount the Secretary considers appropriate if the Secretary finds a pattern of violations of the agreement.

(e) BOND PROCEEDS ELIGIBLE FOR LOCAL SHARE.—

(1) USE AS LOCAL MATCHING FUNDS.—Notwithstanding any other provision of law, a recipient of assistance under section 5307, 5309, or 5337 may use the proceeds from the issuance of revenue bonds as part of the local matching funds for a capital project.

(2) MAINTENANCE OF EFFORT.—The Secretary shall approve of the use of the proceeds from the issuance of revenue bonds for the remainder of the net project cost only if the Secretary finds that the aggregate amount of financial support for public transportation in the urbanized area provided by the State and affected local governmental authorities during the next 3 fiscal years, as programmed in the State transportation improvement program under section 5304, is not less than the aggregate amount provided by the State and affected local governmental authorities in the urbanized area during the preceding 3 fiscal years.

(3) DEBT SERVICE RESERVE.—The Secretary may reimburse an eligible recipient for deposits of bond proceeds in a debt service reserve that the recipient establishes pursuant to section 5302(3)(J) from amounts made available to the recipient under section 5309.

(f) SCHOOLBUS TRANSPORTATION.—

(1) AGREEMENTS.—Financial assistance under this chapter may be used for a capital project, or to operate public transportation equipment or a public transportation facility, only if the applicant agrees not to provide schoolbus transportation that exclusively transports students and school personnel in competition with a private schoolbus operator. This subsection does not apply—

(A) to an applicant that operates a school system in the area to be served and a separate and exclusive schoolbus program for the school system; and

(B) unless a private schoolbus operator can provide adequate transportation that complies with applicable safety standards at reasonable rates.

(2) VIOLATIONS.—If the Secretary finds that an applicant, governmental authority, or publicly owned operator has violated the agreement required under paragraph (1), the Secretary shall bar a

recipient or an operator from receiving Federal transit assistance in an amount the Secretary considers appropriate.

(g) **BUYING BUSES UNDER OTHER LAWS.**—Subsections (d) and (f) of this section apply to financial assistance to buy a bus under sections 133 and 142 of title 23.

(h) **GRANT AND LOAN PROHIBITIONS.**—A grant or loan may not be used to—

- (1) pay ordinary governmental or nonproject operating expenses;
- or
- (2) support a procurement that uses an exclusionary or discriminatory specification.

(i) **GOVERNMENT SHARE OF COSTS FOR CERTAIN PROJECTS.**—

(1) **ACQUIRING VEHICLES AND VEHICLE-RELATED EQUIPMENT OR FACILITIES.**—

(A) **VEHICLES.**—A grant for a project to be assisted under this chapter that involves acquiring vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) or the Clean Air Act is for 85 percent of the net project cost.

(B) **VEHICLE-RELATED EQUIPMENT OR FACILITIES.**—A grant for a project to be assisted under this chapter that involves acquiring vehicle-related equipment or facilities required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) or vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle related equipment or facilities) for purposes of complying with or maintaining compliance with the Clean Air Act, is for 90 percent of the net project cost of such equipment or facilities attributable to compliance with those Acts. The Secretary shall have discretion to determine, through practicable administrative procedures, the costs of such equipment or facilities attributable to compliance with those Acts.

(2) **COSTS INCURRED BY PROVIDERS OF PUBLIC TRANSPORTATION BY VANPOOL.**—

(A) **LOCAL MATCHING SHARE.**—The local matching share provided by a recipient of assistance for a capital project under this chapter may include any amounts expended by a provider of public transportation by vanpool for the acquisition of rolling stock to be used by such provider in the recipient's service area, excluding any amounts the provider may have received in Federal, State, or local government assistance for such acquisition.

(B) **USE OF REVENUES.**—A private provider of public transportation by vanpool may use revenues it receives in the provision of public transportation service in the service area of a recipient of assistance under this chapter that are in excess of the provider's operating costs for the purpose of acquiring rolling stock, if the private provider enters into a legally binding agreement with the recipient that requires the provider to use the rolling stock in the recipient's service area.

The Government share of project costs for acquiring vehicles to comply with the ADA or the CAA is 85 percent; grants for vehicle-related equipment or facilities remain at 90 percent Government share.

Amounts spent by a private vanpool operator to purchase vans may be used as the local match for a chapter 53 capital project.

A private provider of vanpool service may use net revenues from such service to purchase vans.

(C) DEFINITIONS.—In this paragraph, the following definitions apply:

(i) PRIVATE PROVIDER OF PUBLIC TRANSPORTATION BY VANPOOL.—The term ‘private provider of public transportation by vanpool’ means a private entity providing vanpool services in the service area of a recipient of assistance under this chapter using a commuter highway vehicle or vanpool vehicle.

(ii) COMMUTER HIGHWAY VEHICLE; VANPOOL VEHICLE.—The term ‘commuter highway vehicle or vanpool vehicle’ means any vehicle—

(I) the seating capacity of which is at least 6 adults (not including the driver); and

(II) at least 80 percent of the mileage use of which can be reasonably expected to be for the purposes of transporting commuters in connection with travel between their residences and their place of employment.

(j) BUY AMERICA.—

(1) IN GENERAL.—The Secretary may obligate an amount that may be appropriated to carry out this chapter for a project only if the steel, iron, and manufactured goods used in the project are produced in the United States.

(2) WAIVER.—The Secretary may waive paragraph (1) of this subsection if the Secretary finds that—

(A) applying paragraph (1) would be inconsistent with the public interest;

(B) the steel, iron, and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality;

(C) when procuring rolling stock (including train control, communication, and traction power equipment) under this chapter—

(i) the cost of components and subcomponents produced in the United States is more than 60 percent of the cost of all components of the rolling stock; and

(ii) final assembly of the rolling stock has occurred in the United States; or

(D) including domestic material will increase the cost of the overall project by more than 25 percent.

(3) WRITTEN WAIVER DETERMINATION AND ANNUAL REPORT.—

(A) WRITTEN DETERMINATION.—Before issuing a waiver under paragraph (2), the Secretary shall—

(i) publish in the Federal Register and make publicly available in an easily identifiable location on the website of the Department of Transportation a detailed written explanation of the waiver determination; and

(ii) provide the public with a reasonable period of time for notice and comment.

DOT must publish in the Federal Register and make publicly and easily available on its website a detailed written explanation of any Buy America waiver determination before issuing such waiver.

DOT must submit an annual report to Congress listing any Buy America waiver issued in the preceding year.

(B) ANNUAL REPORT.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, and annually thereafter, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report listing any waiver issued under paragraph (2) during the preceding year.

(4) LABOR COSTS FOR FINAL ASSEMBLY.—In this subsection, labor costs involved in final assembly are not included in calculating the cost of components.

(5) WAIVER PROHIBITED.—The Secretary may not make a waiver under paragraph (2) of this subsection for goods produced in a foreign country if the Secretary, in consultation with the United States Trade Representative, decides that the government of that foreign country—

(A) has an agreement with the United States Government under which the Secretary has waived the requirement of this subsection; and

(B) has violated the agreement by discriminating against goods to which this subsection applies that are produced in the United States and to which the agreement applies.

(6) PENALTY FOR MISLABELING AND MISREPRESENTATION.—A person is ineligible under subpart 9.4 of the Federal Acquisition Regulation, or any successor thereto, to receive a contract or subcontract made with amounts authorized under the Federal Public Transportation Act of 2012 if a court or department, agency, or instrumentality of the Government decides the person intentionally—

(A) affixed a ‘Made in America’ label, or a label with an inscription having the same meaning, to goods sold in or shipped to the United States that are used in a project to which this subsection applies but not produced in the United States; or

(B) represented that goods described in subparagraph (A) of this paragraph were produced in the United States.

(7) STATE REQUIREMENTS.—The Secretary may not impose any limitation on assistance provided under this chapter that restricts a State from imposing more stringent requirements than this subsection on the use of articles, materials, and supplies mined, produced, or manufactured in foreign countries in projects carried out with that assistance or restricts a recipient of that assistance from complying with those State-imposed requirements.

(8) OPPORTUNITY TO CORRECT INADVERTENT ERROR.—The Secretary may allow a manufacturer or supplier of steel, iron, or manufactured goods to correct after bid opening any certification of noncompliance or failure to properly complete the certification (but not including failure to sign the certification) under this subsection if such manufacturer or supplier attests under penalty of perjury that such manufacturer or supplier submitted an incorrect certification as a result of an inadvertent or clerical error. The burden of establishing

inadvertent or clerical error is on the manufacturer or supplier.

(9) ADMINISTRATIVE REVIEW.—A party adversely affected by an agency action under this subsection shall have the right to seek review under section 702 of title 5.

(k) PARTICIPATION OF GOVERNMENTAL AGENCIES IN DESIGN AND DELIVERY OF TRANSPORTATION SERVICES.—Governmental agencies and nonprofit organizations that receive assistance from Government sources (other than the Department of Transportation) for nonemergency transportation services shall—

(1) participate and coordinate with recipients of assistance under this chapter in the design and delivery of transportation services; and

(2) be included in the planning for those services.

(l) RELATIONSHIP TO OTHER LAWS.—

(1) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18 applies to a certificate, submission, or statement provided under this chapter. The Secretary may terminate financial assistance under this chapter and seek reimbursement directly, or by offsetting amounts, available under this chapter if the Secretary determines that a recipient of such financial assistance has made a false or fraudulent statement or related act in connection with a Federal public transportation program.

(2) POLITICAL ACTIVITIES OF NONSUPERVISORY EMPLOYEES.—The provision of assistance under this chapter shall not be construed to require the application of chapter 15 of title 5 to any nonsupervisory employee of a public transportation system (or any other agency or entity performing related functions) to whom such chapter does not otherwise apply.

(m) PREAWARD AND POSTDELIVERY REVIEW OF ROLLING STOCK PURCHASES.—The Secretary shall prescribe regulations requiring a preaward and postdelivery review of a grant under this chapter to buy rolling stock to ensure compliance with Government motor vehicle safety requirements, subsection (j) of this section, and bid specifications requirements of grant recipients under this chapter. Under this subsection, independent inspections and review are required, and a manufacturer certification is not sufficient. Rolling stock procurements of 20 vehicles or fewer made for the purpose of serving rural areas and urbanized areas with populations of 200,000 or fewer shall be subject to the same requirements as established for procurements of 10 or fewer buses under the postdelivery purchaser's requirements certification process under section 663.37(c) of title 49, Code of Federal Regulations.

(n) SUBMISSION OF CERTIFICATIONS.—A certification required under this chapter and any additional certification or assurance required by law or regulation to be submitted to the Secretary may be consolidated into a single document to be submitted annually as part of a grant application under this chapter. The Secretary shall publish annually a list of all certifications required under this chapter with the publication required under section 5336(d)(2).

(o) GRANT REQUIREMENTS.—The grant requirements under sections 5307, 5309, and 5337 apply to any project under this chapter that receives any assistance or other financing under chapter 6 (other than

section 609) of title 23.

(p) **ALTERNATIVE FUELING FACILITIES.**—A recipient of assistance under this chapter may allow the incidental use of federally funded alternative fueling facilities and equipment by nontransit public entities and private entities if—

(1) the incidental use does not interfere with the recipient’s public transportation operations;

(2) all costs related to the incidental use are fully recaptured by the recipient from the nontransit public entity or private entity;

(3) the recipient uses revenues received from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation; and

(4) private entities pay all applicable excise taxes on fuel.

(q) **CORRIDOR PRESERVATION.**—

(1) **IN GENERAL.**—The Secretary may assist a recipient in acquiring right-of-way before the completion of the environmental reviews for any project that may use the right-of-way if the acquisition is otherwise permitted under Federal law. The Secretary may establish restrictions on such an acquisition as the Secretary determines to be necessary and appropriate.

(2) **ENVIRONMENTAL REVIEWS.**—Right-of-way acquired under this subsection may not be developed in anticipation of the project until all required environmental reviews for the project have been completed.

(r) **REASONABLE ACCESS TO PUBLIC TRANSPORTATION FACILITIES.**—A recipient of assistance under this chapter may not deny reasonable access for a private intercity or charter transportation operator to federally funded public transportation facilities, including intermodal facilities, park and ride lots, and bus-only highway lanes. In determining reasonable access, capacity requirements of the recipient of assistance and the extent to which access would be detrimental to existing public transportation services must be considered.

DOT may assist grant recipients in acquiring right-of-way before the completion of the environmental reviews for any project that may use the right-of-way.

Grant recipients must provide “reasonable access” for private intercity and charter transportation operators to federally-funded public transportation facilities.

MAP-21 establishes a public transportation emergency relief program, authorizing to be appropriated such sums as are necessary from the General Fund to carry out this program. See also subsection 20017(b) of MAP 21, directing DOT and DHS to enter into a memorandum of agreement to improve Federal agency coordination and expedite delivery of Federal assistance to transit systems in an emergency.

Grants may be made for capital projects and for operating costs for a period of one year after the declared emergency, which can be extended to two years upon a finding by DOT of “compelling need.”

§ 5324. Public transportation emergency relief program

(a) **DEFINITION.**—In this section the following definitions shall apply:

(1) **ELIGIBLE OPERATING COSTS.**—The term ‘eligible operating costs’ means costs relating to—
(A) evacuation services;
(B) rescue operations;
(C) temporary public transportation service; or
(D) reestablishing, expanding, or relocating public transportation route service before, during, or after an emergency.

(2) **EMERGENCY.**—The term ‘emergency’ means a natural disaster affecting a wide area (such as a flood, hurricane, tidal wave, earthquake, severe storm, or landslide) or a catastrophic failure from any external cause, as a result of which—

(A) the Governor of a State has declared an emergency and the Secretary has concurred; or

(B) the President has declared a major disaster under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170).

(b) **GENERAL AUTHORITY.**—The Secretary may make grants and enter into contracts and other agreements (including agreements with departments, agencies, and instrumentalities of the Government) for—

(1) capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system operating in the United States or on an Indian reservation that the Secretary determines is in danger of suffering serious damage, or has suffered serious damage, as a result of an emergency; and

(2) eligible operating costs of public transportation equipment and facilities in an area directly affected by an emergency during—

(A) the 1-year period beginning on the date of a declaration described in subsection (a)(2); or

(B) if the Secretary determines there is a compelling need, the 2-year period beginning on the date of a declaration described in subsection (a)(2).

(c) **COORDINATION OF EMERGENCY FUNDS.**—

(1) **USE OF FUNDS.**—Funds appropriated to carry out this section shall be in addition to any other funds available under this chapter.

(2) **NO EFFECT ON OTHER GOVERNMENT ACTIVITY.**—The provision of funds under this section shall not affect the ability of any other agency of the Government, including the Federal Emergency Management Agency, or a State agency, a local governmental entity, organization, or person, to provide any other funds otherwise authorized by law.

(3) **NOTIFICATION.**—The Secretary shall notify the Secretary of Homeland Security of the purpose and amount of any grant made or contract or other agreement entered into under this section.

(d) **GRANT REQUIREMENTS.**—A grant awarded under this section or under section 5307 or 5311 that is made to address an emergency defined under subsection (a)(2) shall be—

The Government share shall be not more than 80 percent of net project costs, but DOT may waive the local match requirement of this section or sections 5307 and 5311 for grants made under these sections to address an emergency.

(1) subject to the terms and conditions the Secretary determines are necessary; and

(2) made only for expenses that are not reimbursed under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(e) GOVERNMENT SHARE OF COSTS.—

(1) CAPITAL PROJECTS AND OPERATING ASSISTANCE.—

A grant, contract, or other agreement for a capital project or eligible operating costs under this section shall be, at the option of the recipient, for not more than 80 percent of the net project cost, as determined by the Secretary.

(2) NON-FEDERAL SHARE.—The remainder of the net project cost may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital.

(3) WAIVER.—The Secretary may waive, in whole or part, the non-Federal share required under—

(A) paragraph (2); or

(B) section 5307 or 5311, in the case of a grant made available under section 5307 or 5311, respectively, to address an emergency.

§ 5325. Contract requirements

(a) **COMPETITION.**—Recipients of assistance under this chapter shall conduct all procurement transactions in a manner that provides full and open competition as determined by the Secretary.

(b) **ARCHITECTURAL, ENGINEERING, AND DESIGN CONTRACTS.**—

(1) **PROCEDURES FOR AWARDING CONTRACT.**—A contract or requirement for program management, architectural engineering, construction management, a feasibility study, and preliminary engineering, design, architectural, engineering, surveying, mapping, or related services for a project for which Federal assistance is provided under this chapter shall be awarded in the same way as a contract for architectural and engineering services is negotiated under chapter 11 of title 40 or an equivalent qualifications-based requirement of a State adopted before August 10, 2005.

(2) **ADDITIONAL REQUIREMENTS.**—When awarding a contract described in paragraph (1), recipients of assistance under this chapter shall comply with the following requirements:

(A) **PERFORMANCE OF AUDITS.**—Any contract or subcontract awarded under this chapter shall be performed and audited in compliance with cost principles contained in part 31 of the Federal Acquisition Regulation, or any successor thereto.

(B) **INDIRECT COST RATES.**—A recipient of funds under a contract or subcontract awarded under this chapter shall accept indirect cost rates established in accordance with the Federal Acquisition Regulation for 1-year applicable accounting periods by a cognizant Federal or State government agency, if such rates are not currently under dispute.

(C) **APPLICATION OF RATES.**—After a firm’s indirect cost rates are accepted under subparagraph (B), the recipient of the funds shall apply such rates for the purposes of contract estimation, negotiation, administration, reporting, and contract payment, and shall not be limited by administrative or de facto ceilings.

(D) **PRENOTIFICATION; CONFIDENTIALITY OF DATA.**—A recipient requesting or using the cost and rate data described in subparagraph (C) shall notify any affected firm before such request or use. Such data shall be confidential and shall not be accessible or provided by the group of agencies sharing cost data under this subparagraph, except by written permission of the audited firm. If prohibited by law, such cost and rate data shall not be disclosed under any circumstances.

(c) **EFFICIENT PROCUREMENT.**—A recipient may award a procurement contract under this chapter to other than the lowest bidder if the award furthers an objective consistent with the purposes of this chapter, including improved long-term operating efficiency and lower long-term costs.

(d) **DESIGN-BUILD PROJECTS.**—

(1) **TERM DEFINED.**—In this subsection, the term “design-build project” —

Multiyear rail rolling stock procurement contracts may be for a term of up to 7 years; multiyear bus procurement contracts retain the 5-year term limit.

(A) means a project under which a recipient enters into a contract with a seller, firm, or consortium of firms to design and build a public transportation system, or an operable segment of such system, that meets specific performance criteria; and

(B) may include an option to finance, or operate for a period of time, the system or segment or any combination of designing, building, operating, or maintaining such system or segment.

(2) FINANCIAL ASSISTANCE FOR CAPITAL COSTS.—

Federal financial assistance under this chapter may be provided for the capital costs of a design-build project after the recipient complies with Government requirements.

(e) MULTIYEAR ROLLING STOCK.—

(1) CONTRACTS.—A recipient procuring rolling stock with Government financial assistance under this chapter may make a multiyear contract to buy the rolling stock and replacement parts under which the recipient has an option to buy additional rolling stock or replacement parts for—

(A) not more than 5 years after the date of the original contract for bus procurements; and

(B) not more than 7 years after the date of the original contract for rail procurements, provided that such option does not allow for significant changes or alterations to the rolling stock.

(2) COOPERATION AMONG RECIPIENTS.—The Secretary shall allow at least two recipients to act on a cooperative basis to procure rolling stock in compliance with this subsection and other Government procurement requirements.

(f) ACQUIRING ROLLING STOCK.—A recipient of financial assistance under this chapter may enter into a contract to expend that assistance to acquire rolling stock—

(1) based on—

(A) initial capital costs; or

(B) performance, standardization, life cycle costs, and other factors; or

(2) with a party selected through a competitive procurement process.

(g) EXAMINATION OF RECORDS.—Upon request, the Secretary and the Comptroller General, or any of their representatives, shall have access to and the right to examine and inspect all records, documents, and papers, including contracts, related to a project for which a grant is made under this chapter.

(h) GRANT PROHIBITION.—A grant awarded under this chapter or the Federal Public Transportation Act of 2012 may not be used to support a procurement that uses an exclusionary or discriminatory specification.

(i) BUS DEALER REQUIREMENTS.—No State law requiring buses to be purchased through in-State dealers shall apply to vehicles purchased with a grant under this chapter.

(j) AWARDS TO RESPONSIBLE CONTRACTORS.—

(1) IN GENERAL.—Federal financial assistance under this chapter may be provided for contracts only if a recipient awards such

contracts to responsible contractors possessing the ability to successfully perform under the terms and conditions of a proposed procurement.

(2) CRITERIA.—Before making an award to a contractor under paragraph (1), a recipient shall consider—

- (A) the integrity of the contractor;
- (B) the contractor's compliance with public policy;
- (C) the contractor's past performance; and
- (D) the contractor's financial and technical resources.

(k) VETERANS EMPLOYMENT.—Recipients and subrecipients of Federal financial assistance under this chapter shall ensure that contractors working on a capital project funded using such assistance give a hiring preference, to the extent practicable, to veterans (as defined in section 2108 of title 5) who have the requisite skills and abilities to perform the construction work required under the contract. This subsection shall not be understood, construed or enforced in any manner that would require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.

Grant recipients must ensure that contractors give a hiring preference to qualified veterans seeking employment on capital projects.

DOT must establish a national transit asset management system to monitor and manage public transportation assets, to improve safety and increase reliability and performance.

DOT must define “state of good repair” and include standards for determining the condition of capital assets.

All recipients/subrecipients must develop a transit asset management plan and use an asset management system to develop capital asset inventories and condition assessments; they must also report on the condition of asset inventories and describe any changes in condition.

Within one year, DOT must establish, by rulemaking, performance measures based on defined state of good repair standards.

Within 3 months of DOT’s final rule, recipients must establish annual

§ 5326. Transit asset management

(a) DEFINITIONS.—In this section the following definitions shall apply:

(1) CAPITAL ASSET.—The term ‘capital asset’ includes equipment, rolling stock, infrastructure, and facilities for use in public transportation and owned or leased by a recipient or subrecipient of Federal financial assistance under this chapter.

(2) TRANSIT ASSET MANAGEMENT PLAN.—The term ‘transit asset management plan’ means a plan developed by a recipient of funding under this chapter that—

(A) includes, at a minimum, capital asset inventories and condition assessments, decision support tools, and investment prioritization; and

(B) the recipient certifies complies with the rule issued under this section.

(3) TRANSIT ASSET MANAGEMENT SYSTEM.—The term ‘transit asset management system’ means a strategic and systematic process of operating, maintaining, and improving public transportation capital assets effectively throughout the life cycle of such assets.

(b) TRANSIT ASSET MANAGEMENT SYSTEM.—The Secretary shall establish and implement a national transit asset management system, which shall include—

(1) a definition of the term ‘state of good repair’ that includes objective standards for measuring the condition of capital assets of recipients, including equipment, rolling stock, infrastructure, and facilities;

(2) a requirement that recipients and subrecipients of Federal financial assistance under this chapter develop a transit asset management plan;

(3) a requirement that each designated recipient of Federal financial assistance under this chapter report on the condition of the system of the recipient and provide a description of any change in condition since the last report;

(4) an analytical process or decision support tool for use by public transportation systems that—

(A) allows for the estimation of capital investment needs of such systems over time; and

(B) assists with asset investment prioritization by such systems; and

(5) technical assistance to recipients of Federal financial assistance under this chapter.

(c) PERFORMANCE MEASURES AND TARGETS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a final rule to establish performance measures based on the state of good repair standards established under subsection (b)(1).

(2) TARGETS.—Not later than 3 months after the date on which the Secretary issues a final rule under paragraph (1), and each fiscal

performance targets geared to DOT's performance measures and must annually report to DOT on their progress in meeting these targets.

year thereafter, each recipient of Federal financial assistance under this chapter shall establish performance targets in relation to the performance measures established by the Secretary.

(3) **REPORTS.**—Each designated recipient of Federal financial assistance under this chapter shall submit to the Secretary an annual report that describes—

(A) the progress of the recipient during the fiscal year to which the report relates toward meeting the performance targets established under paragraph (2) for that fiscal year; and

(B) the performance targets established by the recipient for the subsequent fiscal year.

(d) **RULEMAKING.**—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a final rule to implement the transit asset management system described in subsection (b).

§ 5327. Project management oversight

(a) **PROJECT MANAGEMENT PLAN REQUIREMENTS.**—To receive Federal financial assistance for a major capital project for public transportation under this chapter or any other provision of Federal law, a recipient must prepare a project management plan approved by the Secretary and carry out the project in accordance with the project management plan. The plan shall provide for—

(1) adequate recipient staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;

(2) a budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits, and miscellaneous payments the recipient may be prepared to justify;

(3) a construction schedule for the project;

(4) a document control procedure and recordkeeping system;

(5) a change order procedure that includes a documented, systematic approach to the handling of construction change orders;

(6) organizational structures, management skills, and staffing levels required throughout the construction phase;

(7) quality control and quality assurance functions, procedures, and responsibilities for construction, system installation, and integration of system components;

(8) material testing policies and procedures;

(9) internal plan implementation and reporting requirements;

(10) criteria and procedures to be used for testing the operational system or its major components;

(11) periodic updates of the plan, especially related to project budget and project schedule, financing, ridership estimates, and the status of local efforts to enhance ridership where ridership estimates partly depend on the success of those efforts;

(12) the recipient’s commitment to submit a project budget and project schedule to the Secretary quarterly; and

(13) safety and security management.

(b) **PLAN APPROVAL.**—

(1) The Secretary shall approve a plan not later than 60 days after it is submitted. If the approval cannot be completed within 60 days, the Secretary shall notify the recipient, explain the reasons for the delay, and estimate the additional time that will be required.

(2) The Secretary shall inform the recipient of the reasons when a plan is disapproved.

(c) **ACCESS TO SITES AND RECORDS.**—Each recipient of Federal financial assistance for public transportation under this chapter or any other provision of Federal law shall provide the Secretary and a contractor the Secretary chooses under section 5338(i) with access to the construction sites and records of the recipient when reasonably necessary.

(d) **REGULATIONS.**—The Secretary shall prescribe regulations necessary to carry out this section. The regulations shall include—

(1) a definition of “major capital project” for section 5338(i) that

The project budget and schedule reporting requirement is reduced from monthly to quarterly.

Former subsection 5327(c), which set aside a portion of transit authorizations to fund oversight, audits, and compliance reviews, has been moved to subsection 5338(i).

Oversight must now begin at the project development phase of a project; previously, oversight began at the preliminary engineering phase.

Former subsection 5327(f), which required a chapter 53 grant recipient to submit an annual financial plan for each project over \$1 billion, has been removed.

excludes a project to acquire rolling stock or to maintain or rehabilitate a vehicle; and

(2) a requirement that oversight begin during the project development phase of a project, unless the Secretary finds it more appropriate to begin the oversight during another phase of the project, to maximize the transportation benefits and cost savings associated with project management oversight.

§ 5329. Public transportation safety program

(a) DEFINITION.—In this section, the term ‘recipient’ means a State or local governmental authority, or any other operator of a public transportation system, that receives financial assistance under this chapter.

(b) NATIONAL PUBLIC TRANSPORTATION SAFETY PLAN.—

(1) IN GENERAL.—The Secretary shall create and implement a national public transportation safety plan to improve the safety of all public transportation systems that receive funding under this chapter.

(2) CONTENTS OF PLAN.—The national public transportation safety plan under paragraph (1) shall include—

(A) safety performance criteria for all modes of public transportation;

(B) the definition of the term ‘state of good repair’ established under section 5326(b);

(C) minimum safety performance standards for public transportation vehicles used in revenue operations that—

(i) do not apply to rolling stock otherwise regulated by the Secretary or any other Federal agency; and

(ii) to the extent practicable, take into consideration—

(I) relevant recommendations of the National Transportation Safety Board; and

(II) recommendations of, and best practices standards developed by, the public transportation industry; and

(D) a public transportation safety certification training program, as described in subsection (c).

(c) PUBLIC TRANSPORTATION SAFETY CERTIFICATION TRAINING PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a public transportation safety certification training program for Federal and State employees, or other designated personnel, who conduct safety audits and examinations of public transportation systems and employees of public transportation agencies directly responsible for safety oversight.

(2) INTERIM PROVISIONS.—Not later than 90 days after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall establish interim provisions for the certification and training of the personnel described in paragraph (1), which shall be in effect until the effective date of the final rule issued by the Secretary to implement this subsection.

(d) PUBLIC TRANSPORTATION AGENCY SAFETY PLAN.—

(1) IN GENERAL.—Effective 1 year after the effective date of a final rule issued by the Secretary to carry out this subsection, each recipient or State, as described in paragraph (3), shall certify that the recipient or State has established a comprehensive agency safety plan that includes, at a minimum—

(A) a requirement that the board of directors (or equivalent entity) of the recipient approve the agency safety plan and any updates to the agency safety plan;

(B) methods for identifying and evaluating safety risks

DOT must create and implement a national safety plan for all public transportation systems receiving chapter 53 funds.

The safety plan must include the definition of “state of good repair” established by DOT in its national transit asset management system and safety performance standards for non-FRA regulated rolling stock.

Industry standards should be taken into consideration in establishing the safety performance standards.

DOT must establish a transit safety certification training program.

Public transit agencies must establish a comprehensive safety plan that identifies and seeks to minimize risk, sets safety performance and state of good repair targets, and includes a comprehensive training program.

throughout all elements of the public transportation system of the recipient;

(C) strategies to minimize the exposure of the public, personnel, and property to hazards and unsafe conditions;

(D) a process and timeline for conducting an annual review and update of the safety plan of the recipient;

(E) performance targets based on the safety performance criteria and state of good repair standards established under subparagraphs (A) and (B), respectively, of subsection (b)(2);

(F) assignment of an adequately trained safety officer who reports directly to the general manager, president, or equivalent officer of the recipient; and

(G) a comprehensive staff training program for the operations personnel and personnel directly responsible for safety of the recipient that includes—

(i) the completion of a safety training program; and

(ii) continuing safety education and training.

(2) INTERIM AGENCY SAFETY PLAN.—A system safety plan developed pursuant to part 659 of title 49, Code of Federal Regulations, as in effect on the date of enactment of the Federal Public Transportation Act of 2012, shall remain in effect until such time as this subsection takes effect.

(3) PUBLIC TRANSPORTATION AGENCY SAFETY PLAN DRAFTING AND CERTIFICATION.—

(A) SECTION 5311.—For a recipient receiving assistance under section 5311, a State safety plan may be drafted and certified by the recipient or a State.

(B) SECTION 5307.—Not later than 120 days after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall issue a rule designating recipients of assistance under section 5307 that are small public transportation providers or systems that may have their State safety plans drafted or certified by a State.

(e) STATE SAFETY OVERSIGHT PROGRAM.—

(1) APPLICABILITY.—This subsection applies only to eligible States.

(2) DEFINITION.—In this subsection, the term ‘eligible State’ means a State that has—

(A) a rail fixed guideway public transportation system within the jurisdiction of the State that is not subject to regulation by the Federal Railroad Administration; or

(B) a rail fixed guideway public transportation system in the engineering or construction phase of development within the jurisdiction of the State that will not be subject to regulation by the Federal Railroad Administration.

(3) IN GENERAL.—In order to obligate funds apportioned under section 5338 to carry out this chapter, effective 3 years after the date on which a final rule under this subsection becomes effective, an eligible State shall have in effect a State safety oversight program

State safety oversight (SSO) program applies to States operating rail transit systems other than commuter rail.

Grants States 3 years to establish an approved SSO program with adequately trained staff to oversee rail fixed guideway safety.

approved by the Secretary under which the State—

(A) assumes responsibility for overseeing rail fixed guideway public transportation safety;

(B) adopts and enforces Federal and relevant State laws on rail fixed guideway public transportation safety;

(C) establishes a State safety oversight agency;

(D) determines, in consultation with the Secretary, an appropriate staffing level for the State safety oversight agency that is commensurate with the number, size, and complexity of the rail fixed guideway public transportation systems in the eligible State;

(E) requires that employees and other designated personnel of the eligible State safety oversight agency who are responsible for rail fixed guideway public transportation safety oversight are qualified to perform such functions through appropriate training, including successful completion of the public transportation safety certification training program established under subsection (c); and

(F) prohibits any public transportation agency from providing funds to the State safety oversight agency or an entity designated by the eligible State as the State safety oversight agency under paragraph (4).

(4) STATE SAFETY OVERSIGHT AGENCY.—

(A) IN GENERAL.—Each State safety oversight program shall establish a State safety oversight agency that—

(i) is financially and legally independent from any public transportation entity that the State safety oversight agency oversees;

(ii) does not directly provide public transportation services in an area with a rail fixed guideway public transportation system subject to the requirements of this section;

(iii) does not employ any individual who is also responsible for the administration of rail fixed guideway public transportation programs subject to the requirements of this section;

(iv) has the authority to review, approve, oversee, and enforce the implementation by the rail fixed guideway public transportation agency of the public transportation agency safety plan required under subsection (d);

(v) has investigative and enforcement authority with respect to the safety of rail fixed guideway public transportation systems of the eligible State;

(vi) audits, at least once triennially, the compliance of the rail fixed guideway public transportation systems in the eligible State subject to this subsection with the public transportation agency safety plan required under subsection (d); and

(vii) provides, at least once annually, a status report on the safety of the rail fixed guideway public transportation systems the State safety oversight agency oversees to—

(I) the Federal Transit Administration;

(II) the Governor of the eligible State; and

SSO program must prohibit any transit agency from funding the SSO agency; funds must be from an independent entity.

Requires SSO agencies to be independently funded entities (not transit agencies) and empowered with oversight, investigative, auditing, and enforcement authority.

DOT may waive SSO financial independence requirement for smaller systems (based on number of annual revenue miles and unlinked passenger trips).

Permits multi-state systems to establish a joint oversight entity.

Authorizes DOT to make grants to States to carry out SSO programs.

SSO grants, funded with a .5 percent take-down of § 5307 funds, shall be apportioned by a DOT-established formula based on vehicle revenue miles, route miles, and vehicle passenger miles.

(III) the board of directors, or equivalent entity, of any rail fixed guideway public transportation system that the State safety oversight agency oversees.

(B) WAIVER.—At the request of an eligible State, the Secretary may waive clauses (i) and (iii) of subparagraph (A) for eligible States with 1 or more rail fixed guideway systems in revenue operations, design, or construction, that—

(i) have fewer than 1,000,000 combined actual and projected rail fixed guideway revenue miles per year; or

(ii) provide fewer than 10,000,000 combined actual and projected unlinked passenger trips per year.

(5) PROGRAMS FOR MULTI-STATE RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEMS.—An eligible State that has within the jurisdiction of the eligible State a rail fixed guideway public transportation system that operates in more than 1 eligible State shall—

(A) jointly with all other eligible States in which the rail fixed guideway public transportation system operates, ensure uniform safety standards and enforcement procedures that shall be in compliance with this section, and establish and implement a State safety oversight program approved by the Secretary; or

(B) jointly with all other eligible States in which the rail fixed guideway public transportation system operates, designate an entity having characteristics consistent with the characteristics described in paragraph (3) to carry out the State safety oversight program approved by the Secretary.

(6) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to eligible States to develop or carry out State safety oversight programs under this subsection. Grant funds may be used for program operational and administrative expenses, including employee training activities.

(B) APPORTIONMENT.—

(i) FORMULA.—The amount made available for State safety oversight under section 5336(h) shall be apportioned among eligible States under a formula to be established by the Secretary. Such formula shall take into account fixed guideway vehicle revenue miles, fixed guideway route miles, and fixed guideway vehicle passenger miles attributable to all rail fixed guideway systems not subject to regulation by the Federal Railroad Administration within each eligible State.

(ii) ADMINISTRATIVE REQUIREMENTS.—Grant funds apportioned to States under this paragraph shall be subject to uniform administrative requirements for grants and cooperative agreements to State and local governments under part 18 of title 49, Code of Federal Regulations, and shall be subject to the requirements of this chapter as the Secretary determines appropriate.

(C) GOVERNMENT SHARE.—

The Government share of SSO program grants is 80 percent.

Sets restrictions on the 20 percent match; cannot be Federal funds or funds/revenues of a transit agency.

Permits use of up to .5 percent of § 5307 and § 5311 formula funds for safety certification training costs.

Within one year, DOT must approve or deny an SSO program's certification.

If disapproved, DOT must allow the State to modify and resubmit the SSO program.

If modified program found to be not sufficient, DOT shall notify the Governor to take corrective action, and may withhold SSO grants or up to 5 percent of § 5307 funds until program is corrected and

(i) IN GENERAL.—The Government share of the reasonable cost of a State safety oversight program developed or carried out using a grant under this paragraph shall be 80 percent.

(ii) IN-KIND CONTRIBUTIONS.—Any calculation of the non-Government share of a State safety oversight program shall include in-kind contributions by an eligible State.

(iii) NON-GOVERNMENT SHARE.—The non-Government share of the cost of a State safety oversight program developed or carried out using a grant under this paragraph may not be met by—

(I) any Federal funds;

(II) any funds received from a public transportation agency; or

(III) any revenues earned by a public transportation agency.

(iv) SAFETY TRAINING PROGRAM.—Recipients of funds made available to carry out sections 5307 and 5311 may use not more than 0.5 percent of their formula funds to pay not more than 80 percent of the cost of participation in the public transportation safety certification training program established under subsection (c), by an employee of a State safety oversight agency or a recipient who is directly responsible for safety oversight.

(7) CERTIFICATION PROCESS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall determine whether or not each State safety oversight program meets the requirements of this subsection and the State safety oversight program is adequate to promote the purposes of this section.

(B) ISSUANCE OF CERTIFICATIONS AND DENIALS.—The Secretary shall issue a certification to each eligible State that the Secretary determines under subparagraph (A) adequately meets the requirements of this subsection, and shall issue a denial of certification to each eligible State that the Secretary determines under subparagraph (A) does not adequately meet the requirements of this subsection.

(C) DISAPPROVAL.—If the Secretary determines that a State safety oversight program does not meet the requirements of this subsection and denies certification, the Secretary shall transmit to the eligible State a written explanation and allow the eligible State to modify and resubmit the State safety oversight program for approval.

(D) FAILURE TO CORRECT.—If the Secretary determines that a modification by an eligible State of the State safety oversight program is not sufficient to certify the program, the Secretary—

(i) shall notify the Governor of the eligible State of such denial of certification and failure to adequately modify the

certified, or require up to 100 percent of chapter 53 funds to be used only for safety-related improvements until program is certified.

DOT must report to Congress annually on funds apportioned to and certification status of each SSO agency.

Authorizes Federal oversight of rail transit safety (SSO program) and vests DOT with oversight, investigative, inspection, subpoena, and enforcement powers.

program, and shall request that the Governor take all possible actions to correct deficiencies in the program to ensure the certification of the program; and

(ii) may—

(I) withhold funds available under paragraph (6) in an amount determined by the Secretary;

(II) withhold not more than 5 percent of the amount required to be appropriated for use in a State or urbanized area in the State under section 5307 of this title, until the State safety oversight program has been certified; or

(III) require fixed guideway public transportation systems under such State safety oversight program to provide up to 100 percent of Federal assistance made available under this chapter only for safety-related improvements on such systems, until the State safety oversight program has been certified.

(8) EVALUATION OF PROGRAM AND ANNUAL REPORT.—

The Secretary shall continually evaluate the implementation of a State safety oversight program by a State safety oversight agency, and shall submit on or before July 1 of each year to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on—

(A) the amount of funds apportioned to each eligible State; and

(B) the certification status of each State safety oversight program, including what steps a State program that has been denied certification must take in order to be certified.

(9) FEDERAL OVERSIGHT.—The Secretary shall—

(A) oversee the implementation of each State safety oversight program under this subsection;

(B) audit the operations of each State safety oversight agency at least once triennially; and

(C) issue rules to carry out this subsection.

(f) AUTHORITY OF SECRETARY.—In carrying out this section, the Secretary may—

(1) conduct inspections, investigations, audits, examinations, and testing of the equipment, facilities, rolling stock, and operations of the public transportation system of a recipient;

(2) make reports and issue directives with respect to the safety of the public transportation system of a recipient;

(3) in conjunction with an accident investigation or an investigation into a pattern or practice of conduct that negatively affects public safety, issue a subpoena to, and take the deposition of, any employee of a recipient or a State safety oversight agency, if—

(A) before the issuance of the subpoena, the Secretary requests a determination by the Attorney General of the United States as to whether the subpoena will interfere with an ongoing criminal investigation; and

(B) the Attorney General—

- (i) determines that the subpoena will not interfere with an ongoing criminal investigation; or
- (ii) fails to make a determination under clause (i) before the date that is 30 days after the date on which the Secretary makes a request under subparagraph (A);

(4) require the production of documents by, and prescribe recordkeeping and reporting requirements for, a recipient or a State safety oversight agency;

(5) investigate public transportation accidents and incidents and provide guidance to recipients regarding prevention of accidents and incidents;

(6) at reasonable times and in a reasonable manner, enter and inspect equipment, facilities, rolling stock, operations, and relevant records of the public transportation system of a recipient; and

(7) issue rules to carry out this section.

(g) ENFORCEMENT ACTIONS.—

(1) **TYPES OF ENFORCEMENT ACTIONS.—**The Secretary may take enforcement action against an eligible State, as defined in subsection (e), that does not comply with Federal law with respect to the safety of the public transportation system, including—

- (A) issuing directives;
- (B) requiring more frequent oversight of the recipient by a State safety oversight agency or the Secretary;
- (C) imposing more frequent reporting requirements; and
- (D) requiring that any Federal financial assistance provided under this chapter be spent on correcting safety deficiencies identified by the Secretary or the State safety oversight agency before such funds are spent on other projects.

(2) USE OR WITHHOLDING OF FUNDS.—

(A) **IN GENERAL.—**The Secretary may require the use of funds in accordance with paragraph (1)(D) only if the Secretary finds that a recipient is engaged in a pattern or practice of serious safety violations or has otherwise refused to comply with Federal law relating to the safety of the public transportation system.

(B) **NOTICE.—**Before withholding funds from a recipient, the Secretary shall provide to the recipient—

- (i) written notice of a violation and the amount proposed to be withheld; and
- (ii) a reasonable period of time within which the recipient may address the violation or propose and initiate an alternative means of compliance that the Secretary determines is acceptable.

(h) COST-BENEFIT ANALYSIS.—

(1) **ANALYSIS REQUIRED.—**In carrying out this section, the Secretary shall take into consideration the costs and benefits of each action the Secretary proposes to take under this section.

(2) **WAIVER.—**The Secretary may waive the requirement under this subsection if the Secretary determines that such a waiver is in the public interest.

Authorizes DOT to take enforcement action for incidences of noncompliance with Federal transit safety law, including issuing directives, requiring additional oversight, and redirecting chapter 53 funds toward corrective actions upon a finding of “a pattern or practice” of safety violations.

Requires DOT to provide notice and a reasonable time for corrective action before redirecting chapter 53 funds.

Requires a cost-benefit analysis of each proposed DOT action under this section.

(i) **CONSULTATION BY THE SECRETARY OF HOMELAND SECURITY.**—The Secretary of Homeland Security shall consult with the Secretary of Transportation before the Secretary of Homeland Security issues a rule or order that the Secretary of Transportation determines affects the safety of public transportation design, construction, or operations.

(j) **ACTIONS UNDER STATE LAW.**—

(1) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to preempt an action under State law seeking damages for personal injury, death, or property damage alleging that a party has failed to comply with—

(A) a Federal standard of care established by a regulation or order issued by the Secretary under this section; or

(B) its own program, rule, or standard that it created pursuant to a rule or order issued by the Secretary.

(2) **EFFECTIVE DATE.**—This subsection shall apply to any cause of action under State law arising from an event or activity occurring on or after the date of enactment of the Federal Public Transportation Act of 2012.

(3) **JURISDICTION.**—Nothing in this section shall be construed to create a cause of action under Federal law on behalf of an injured party or confer Federal question jurisdiction for a State law cause of action.

(k) **NATIONAL PUBLIC TRANSPORTATION SAFETY REPORT.**—Not later than 3 years after the date of enactment of the Federal Public Transportation Act of 2012, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that—

(1) analyzes public transportation safety trends among the States and documents the most effective safety programs implemented using grants under this section; and

(2) describes the effect on public transportation safety of activities carried out using grants under this section.

Within 3 years, DOT must report to Congress on State safety trends and the safety effects of grants made under this section.

See also subsection 20021(b) of MAP-21, requiring DOT to report to Congress on the safety of transit buses traveling on highways, the laws and regulations that govern commercial over-the-road buses, and whether additional safety measures should be required for transit buses that travel on highway routes.

Section 5330 is unchanged by MAP-21, but subsection 20030(e) of MAP-21 provides that § 5330 is repealed 3 years after the effective date of the final rules issued under DOT's new safety authority in § 5329.

§ 5330. State safety oversight

(a) **APPLICATION.**—This section shall only apply to—

(1) States that have rail fixed guideway public transportation systems that are not subject to regulation by the Federal Railroad Administration; and

(2) States that are designing rail fixed guideway public transportation systems that will not be subject to regulation by the Federal Railroad Administration.

(b) **GENERAL AUTHORITY.**—The Secretary of Transportation may withhold not more than 5 percent of the amount required to be appropriated for use in a State or urbanized area in the State under section 5307 of this title for a fiscal year beginning after September 30, 1994, if the State in the prior fiscal year has not met the requirements of subsection (c) of this section and the Secretary decides the State is not making an adequate effort to comply with subsection (c).

(c) **STATE REQUIREMENTS.**—A State meets the requirements of this section if the State—

(1) establishes and is carrying out a safety program plan for each fixed guideway public transportation system in the State that establishes at least safety requirements, lines of authority, levels of responsibility and accountability, and methods of documentation for the system; and

(2) designates a State authority as having responsibility—

(A) to require, review, approve, and monitor the carrying out of each plan;

(B) to investigate hazardous conditions and accidents on the systems; and

(C) to require corrective action to correct or eliminate those conditions.

(d) **MULTISTATE INVOLVEMENT.**—When more than one State is subject to this section in connection with a single public transportation authority, the affected States shall ensure uniform safety standards and enforcement or shall designate an entity (except the public transportation authority) to ensure uniform safety standards and enforcement and to meet the requirements of subsection (c) of this section.

(e) **AVAILABILITY OF WITHHELD AMOUNTS.**—

(1) An amount withheld under subsection (b) of this section remains available for apportionment for use in the State until the end of the 2d fiscal year after the fiscal year for which the amount may be appropriated.

(2) If a State meets the requirements of subsection (c) of this section before the last day of the period for which an amount withheld under subsection (b) of this section remains available under paragraph (1) of this subsection, the Secretary, on the first day on which the State meets the requirements, shall apportion to the State the amount withheld that remains available for apportionment for use in the State. An amount apportioned under this paragraph remains available until the end of the 3d fiscal year after the fiscal year in which the amount is apportioned. An amount not obligated at the end of the 3-year period

shall be apportioned for use in other States under section 5336 of this title.

(3) If a State does not meet the requirements of subsection (c) of this section at the end of the period for which an amount withheld under subsection (b) of this section remains available under paragraph (1) of this subsection, the amount shall be apportioned for use in other States under section 5336 of this title.

§ 5331. Alcohol and controlled substances testing

(a) DEFINITIONS.—In this section—

(1) “controlled substance” means any substance under section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802) whose use the Secretary decides has a risk to transportation safety.

(2) “person” includes any entity organized or existing under the laws of the United States, a State, territory, or possession of the United States, or a foreign country.

(3) “public transportation” means any form of public transportation, except a form the Secretary decides is covered adequately, for employee alcohol and controlled substances testing purposes, under section 20140 or 31306 of this title or section 2303a, 7101(i), or 7302(e) of title 46. The Secretary may also decide that a form of public transportation is covered adequately, for employee alcohol and controlled substances testing purposes, under the alcohol and controlled substance statutes or regulations of an agency within the Department of Transportation or the Coast Guard.

(b) TESTING PROGRAM FOR PUBLIC TRANSPORTATION EMPLOYEES.—

(1)(A) In the interest of public transportation safety, the Secretary shall prescribe regulations that establish a program requiring public transportation operations that receive financial assistance under section 5307, 5309, or 5311 of this title to conduct preemployment, reasonable suspicion, random, and postaccident testing of public transportation employees responsible for safety-sensitive functions (as decided by the Secretary) for the use of a controlled substance in violation of law or a United States Government regulation, and to conduct reasonable suspicion, random, and postaccident testing of such employees for the use of alcohol in violation of law or a United States Government regulation. The regulations shall permit such operations to conduct preemployment testing of such employees for the use of alcohol.

(B) When the Secretary considers it appropriate in the interest of safety, the Secretary may prescribe regulations for conducting periodic recurring testing of public transportation employees responsible for safety-sensitive functions (as decided by the Secretary) for the use of alcohol or a controlled substance in violation of law or a Government regulation.

(2) In prescribing regulations under this subsection, the Secretary—

(A) shall require that post-accident testing of such a public transportation employee be conducted when loss of human life occurs in an accident involving public transportation; and

(B) may require that post-accident testing of such a public transportation employee be conducted when bodily injury or significant property damage occurs in any other serious accident involving public transportation.

(c) DISQUALIFICATIONS FOR USE.—

(1) When the Secretary considers it appropriate, the Secretary

shall require disqualification for an established period of time or dismissal of any employee referred to in subsection (b)(1) of this section who is found—

(A) to have used or been impaired by alcohol when on duty; or

(B) to have used a controlled substance, whether or not on duty, except as allowed for medical purposes by law or regulation.

(2) This section does not supersede any penalty applicable to a public transportation employee under another law.

(d) **TESTING AND LABORATORY REQUIREMENTS.**—In carrying out subsection (b) of this section, the Secretary shall develop requirements that shall—

(1) promote, to the maximum extent practicable, individual privacy in the collection of specimens;

(2) for laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any amendments to those guidelines, including mandatory guidelines establishing—

(A) comprehensive standards for every aspect of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this section, including standards requiring the use of the best available technology to ensure the complete reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimens collected for controlled substances testing;

(B) the minimum list of controlled substances for which individuals may be tested; and

(C) appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this section;

(3) require that a laboratory involved in controlled substances testing under this section have the capability and facility, at the laboratory, of performing screening and confirmation tests;

(4) provide that all tests indicating the use of alcohol or a controlled substance in violation of law or a Government regulation be confirmed by a scientifically recognized method of testing capable of providing quantitative information about alcohol or a controlled substance;

(5) provide that each specimen be subdivided, secured, and labeled in the presence of the tested individual and that a part of the specimen be retained in a secure manner to prevent the possibility of tampering, so that if the individual's confirmation test results are positive the individual has an opportunity to have the retained part tested by a 2d confirmation test done independently at another certified laboratory if the individual requests the 2d confirmation test not later than 3 days after being advised of the results of the first confirmation test;

(6) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood,

through the development of regulations that may be necessary and in consultation with the Secretary of Health and Human Services;

(7) provide for the confidentiality of test results and medical information (except information about alcohol or a controlled substance) of employees, except that this clause does not prevent the use of test results for the orderly imposition of appropriate sanctions under this section; and

(8) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

(e) REHABILITATION.—The Secretary shall prescribe regulations establishing requirements for rehabilitation programs that provide for the identification and opportunity for treatment of any public transportation employee referred to in subsection (b)(1) of this section who is found to have used alcohol or a controlled substance in violation of law or a Government regulation. The Secretary shall decide on the circumstances under which employees shall be required to participate in a program. This subsection does not prevent a public transportation operation from establishing a program under this section in cooperation with another public transportation operation.

(f) RELATIONSHIP TO OTHER LAWS, REGULATIONS, STANDARDS, AND ORDERS.—

(1) A State or local government may not prescribe, issue, or continue in effect a law, regulation, standard, or order that is inconsistent with regulations prescribed under this section. However, a regulation prescribed under this section does not preempt a State criminal law that imposes sanctions for reckless conduct leading to loss of life, injury, or damage to property.

(2) In prescribing regulations under this section, the Secretary—

(A) shall establish only requirements that are consistent with international obligations of the United States; and

(B) shall consider applicable laws and regulations of foreign countries.

(g) CONDITIONS ON FEDERAL ASSISTANCE.—

(1) INELIGIBILITY FOR ASSISTANCE.—A person that receives funds under this chapter is not eligible for financial assistance under section 5307, 5309, or 5311 of this title if the person is required, under regulations the Secretary prescribes under this section, to establish a program of alcohol and controlled substances testing and does not establish the program in accordance with this section.

(2) ADDITIONAL REMEDIES.—If the Secretary determines that a person that receives funds under this chapter is not in compliance with regulations prescribed under this section, the Secretary may bar the person from receiving Federal transit assistance in an amount the Secretary considers appropriate.

A recipient of chapter 53 funds found to be noncompliant with DOT's alcohol and controlled substances testing regulations may be barred from receiving Federal transit assistance.

MAP-21 makes clarifying edits to subsection 5332(b), changing “creed” to “religion” and adding “disability” to the list of prohibited forms of discrimination under chapter 53.

Subsection 20023(b) of MAP-21 requires GAO to evaluate and report to Congress on FTA’s effectiveness in assisting recipients of chapter 53 funds to comply with subsection 5332(b).

§ 5332. Nondiscrimination

(a) **DEFINITION.**—In this section, “person” includes a governmental authority, political subdivision, authority, legal representative, trust, unincorporated organization, trustee, trustee in bankruptcy, and receiver.

(b) **PROHIBITIONS.**—A person may not be excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance under this chapter because of race, color, religion, national origin, sex, disability, or age.

(c) **COMPLIANCE.**—

(1) The Secretary shall take affirmative action to ensure compliance with subsection (b) of this section.

(2) When the Secretary decides that a person receiving financial assistance under this chapter is not complying with subsection (b) of this section, a civil rights law of the United States, or a regulation or order under that law, the Secretary shall notify the person of the decision and require action be taken to ensure compliance with subsection (b).

(d) **AUTHORITY OF SECRETARY FOR NONCOMPLIANCE.**—If a person does not comply with subsection (b) of this section within a reasonable time after receiving notice, the Secretary shall—

(1) direct that no further financial assistance of the United States Government under this chapter be provided to the person;

(2) refer the matter to the Attorney General with a recommendation that a civil action be brought;

(3) proceed under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.); or

(4) take any other action provided by law.

(e) **CIVIL ACTIONS BY ATTORNEY GENERAL.**—The Attorney General may bring a civil action for appropriate relief when—

(1) a matter is referred to the Attorney General under subsection (d)(2) of this section; or

(2) the Attorney General believes a person is engaged in a pattern or practice in violation of this section.

(f) **APPLICATION AND RELATIONSHIP TO OTHER LAWS.**—This section applies to an employment or business opportunity and is in addition to title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

Section 5333 is substantively unchanged by MAP-21.

§ 5333. Labor standards

(a) **PREVAILING WAGES REQUIREMENT.**—The Secretary of Transportation shall ensure that laborers and mechanics employed by contractors and subcontractors in construction work financed with a grant or loan under this chapter be paid wages not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor under sections 3141 through 3144, 3146, and 3147 of title 40. The Secretary of Transportation may approve a grant or loan only after being assured that required labor standards will be maintained on the construction work. For a labor standard under this subsection, the Secretary of Labor has the same duties and powers stated in Reorganization Plan No. 14 of 1950 (eff. May 24, 1950, 64 Stat. 1267) and section 3145 of title 40.

(b) **EMPLOYEE PROTECTIVE ARRANGEMENTS.**—

(1) As a condition of financial assistance under sections 5307–5312, 5316, 5318, 5323(a)(1), 5323(b), 5323(d), 5328, 5337, and 5338(b) of this title, the interests of employees affected by the assistance shall be protected under arrangements the Secretary of Labor concludes are fair and equitable. The agreement granting the assistance under sections 5307–5312, 5316, 5318, 5323(a)(1), 5323(b), 5323(d), 5328, 5337, and 5338(b) shall specify the arrangements.

(2) Arrangements under this subsection shall include provisions that may be necessary for—

(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise;

(B) the continuation of collective bargaining rights;

(C) the protection of individual employees against a worsening of their positions related to employment;

(D) assurances of employment to employees of acquired public transportation systems;

(E) assurances of priority of reemployment of employees whose employment is ended or who are laid off; and

(F) paid training or retraining programs.

(3) Arrangements under this subsection shall provide benefits at least equal to benefits established under section 11326 of this title.

(4) Fair and equitable arrangements to protect the interests of employees utilized by the Secretary of Labor for assistance to purchase like-kind equipment or facilities, and grant amendments which do not materially revise or amend existing assistance agreements, shall be certified without referral.

(5) When the Secretary is called upon to issue fair and equitable determinations involving assurances of employment when one private transit bus service contractor replaces another through competitive bidding, such decisions shall be based on the principles set forth in the Department of Labor’s decision of September 21, 1994, as clarified by the supplemental ruling of November 7, 1994, with respect to grant NV–90–X021. This paragraph shall not serve as a basis for objections under section 215.3(d) of title 29, Code of Federal Regulations.

§ 5334. Administrative provisions

(a) **GENERAL AUTHORITY.**—In carrying out this chapter, the Secretary of Transportation may—

- (1) prescribe terms for a project that receives Federal financial assistance under this chapter (except terms the Secretary of Labor prescribes under section 5333(b) of this title);
- (2) sue and be sued;
- (3) foreclose on property or bring a civil action to protect or enforce a right conferred on the Secretary of Transportation by law or agreement;
- (4) buy property related to a loan under this chapter;
- (5) agree to pay an annual amount in place of a State or local tax on real property acquired or owned under this chapter;
- (6) sell, exchange, or lease property, a security, or an obligation;
- (7) obtain loss insurance for property and assets the Secretary of Transportation holds;
- (8) consent to a modification in an agreement under this chapter;
- (9) include in an agreement or instrument under this chapter a covenant or term the Secretary of Transportation considers necessary to carry out this chapter;
- (10) collect fees to cover the costs of training or conferences, including costs of promotional materials, sponsored by the Federal Transit Administration to promote public transportation and credit amounts collected to the appropriation concerned; and
- (11) issue regulations as necessary to carry out the purposes of this chapter.

(b) **PROHIBITIONS AGAINST REGULATING OPERATIONS AND CHARGES.**—

(1) **IN GENERAL.**—Except for purposes of national defense or in the event of a national or regional emergency, or for purposes of establishing and enforcing a program to improve the safety of public transportation systems in the United States as described in section 5329, the Secretary may not regulate the operation, routes, or schedules of a public transportation system for which a grant is made under this chapter. The Secretary may not regulate the rates, fares, tolls, rentals, or other charges prescribed by any provider of public transportation.

(2) **LIMITATION ON STATUTORY CONSTRUCTION.**—Nothing in this subsection shall be construed to prevent the Secretary from requiring a recipient of funds under this chapter to comply with the terms and conditions of its Federal assistance agreement.

(c) **PROCEDURES FOR PRESCRIBING REGULATIONS.**—

(1) The Secretary shall prepare an agenda listing all areas in which the Secretary intends to propose regulations governing activities under this chapter within the following 12 months. The Secretary shall publish the proposed agenda in the Federal Register as part of the Secretary's semiannual regulatory agenda that lists regulatory activities of the Federal Transit Administration. The Secretary shall submit the agenda to the Committee on Banking, Housing, and Urban

Establishes DOT's new safety authority over public transportation systems, in accordance with § 5329.

Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives on the day the agenda is published.

(2) Except for emergency regulations, the Secretary shall give interested parties at least 60 days to participate in a regulatory proceeding under this chapter by submitting written information, views, or arguments, with or without an oral presentation, except when the Secretary for good cause finds that public notice and comment are unnecessary because of the routine nature or insignificant impact of the regulation or that an emergency regulation should be issued. The Secretary may extend the 60-day period if the Secretary decides the period is insufficient to allow diligent individuals to prepare comments or that other circumstances justify an extension.

(3) An emergency regulation ends 120 days after it is issued.

(4) The Secretary shall comply with this subsection when proposing or carrying out a regulation governing an activity under this chapter, except for a routine matter or a matter with no significant impact.

(d) **BUDGET PROGRAM AND SET OF ACCOUNTS.**—The Secretary shall—

(1) submit each year a budget program as provided in section 9103 of title 31; and

(2) maintain a set of accounts for audit under chapter 35 of title 31.

(e) **DEPOSITORY AND AVAILABILITY OF AMOUNTS.**—The Secretary shall deposit amounts made available to the Secretary under this chapter in a checking account in the Treasury. Receipts, assets, and amounts obtained or held by the Secretary to carry out this chapter are available for administrative expenses to carry out this chapter.

(f) **BINDING EFFECT OF FINANCIAL TRANSACTION.**—A financial transaction of the Secretary under this chapter and a related voucher are binding on all officers and employees of the United States Government.

(g) **DEALING WITH ACQUIRED PROPERTY.**—Notwithstanding another law related to the Government acquiring, using, or disposing of real property, the Secretary may deal with property acquired under paragraph (3) or (4) of subsection (a) in any way. However, this subsection does not—

(1) deprive a State or political subdivision of a State of jurisdiction of the property; or

(2) impair the civil rights, under the laws of a State or political subdivision of a State, of an inhabitant of the property.

(h) **TRANSFER OF ASSETS NO LONGER NEEDED.**—

(1) If a recipient of assistance under this chapter decides an asset acquired under this chapter at least in part with that assistance is no longer needed for the purpose for which it was acquired, the Secretary may authorize the recipient to transfer the asset to a local governmental authority to be used for a public purpose with no further obligation to the Government. The Secretary may authorize a transfer

for a public purpose other than public transportation only if the Secretary decides—

(A) the asset will remain in public use for at least 5 years after the date the asset is transferred;

(B) there is no purpose eligible for assistance under this chapter for which the asset should be used;

(C) the overall benefit of allowing the transfer is greater than the interest of the Government in liquidation and return of the financial interest of the Government in the asset, after considering fair market value and other factors; and

(D) through an appropriate screening or survey process, that there is no interest in acquiring the asset for Government use if the asset is a facility or land.

(2) A decision under paragraph (1) must be in writing and include the reason for the decision.

(3) This subsection is in addition to any other law related to using and disposing of a facility or equipment under an assistance agreement.

(4) **PROCEEDS FROM THE SALE OF TRANSIT ASSETS.—**

(A) **IN GENERAL.—**When real property, equipment, or supplies acquired with assistance under this chapter are no longer needed for public transportation purposes as determined under the applicable assistance agreement, the Secretary may authorize the sale, transfer, or lease of the assets under conditions determined by the Secretary and subject to the requirements of this subsection.

(B) **USE.—**The net income from asset sales, uses, or leases (including lease renewals) under this subsection shall be used by the recipient to reduce the gross project cost of other capital projects carried out under this chapter.

(C) **RELATIONSHIP TO OTHER AUTHORITY.—**The authority of the Secretary under this subsection is in addition to existing authorities controlling allocation or use of recipient income otherwise permissible in law or regulation in effect prior to the date of enactment of this paragraph.

(i) **TRANSFER OF AMOUNTS AND NON-GOVERNMENT SHARE.—**

(1) Amounts made available for a public transportation project under title 23 may be transferred to and administered by the Secretary under this chapter. Amounts made available for a highway project under this chapter shall be transferred to and administered by the Secretary under title 23.

(2) The provisions of title 23 related to the non-Government share apply to amounts under title 23 used for public transportation projects. The provisions of this chapter related to the non-Government share apply to amounts under this chapter used for highway projects.

(j) **NOTIFICATION OF PENDING DISCRETIONARY GRANTS.—**

Not less than 3 full business days before announcement of award by the Secretary of any discretionary grant, letter of intent, or full funding grant agreement totaling \$1,000,000 or more, the Secretary shall notify the

Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives.

(k) AGENCY STATEMENTS.—

(1) IN GENERAL.—The Administrator of the Federal Transit Administration shall follow applicable rulemaking procedures under section 553 of title 5 before the Federal Transit Administration issues a statement that imposes a binding obligation on recipients of Federal assistance under this chapter.

(2) BINDING OBLIGATION DEFINED.—In this subsection, the term “binding obligation” means a substantive policy statement, rule, or guidance document issued by the Federal Transit Administration that grants rights, imposes obligations, produces significant effects on private interests, or effects a significant change in existing policy.

Asset condition information is added to the required reporting system.

§ 5335. National transit database

(a) NATIONAL TRANSIT DATABASE.—To help meet the needs of individual public transportation systems, the United States Government, State and local governments, and the public for information on which to base public transportation service planning, the Secretary shall maintain a reporting system, using uniform categories to accumulate public transportation financial, operating, and asset condition information and using a uniform system of accounts. The reporting and uniform systems shall contain appropriate information to help any level of government make a public sector investment decision. The Secretary may request and receive appropriate information from any source.

(b) REPORTING AND UNIFORM SYSTEMS.—The Secretary may award a grant under section 5307 or 5311 only if the applicant, and any person that will receive benefits directly from the grant, are subject to the reporting and uniform systems.

(c) DATA REQUIRED TO BE REPORTED.—The recipient of a grant under this chapter shall report to the Secretary, for inclusion in the National Transit Database, any information relating to a transit asset inventory or condition assessment conducted by the recipient.

New subsection (c) requires chapter 53 grant recipients to report data on transit asset inventory or condition assessments.

§ 5336. Apportionment of appropriations for formula grants

(a) **BASED ON URBANIZED AREA POPULATION.**—Of the amount apportioned under subsection (h)(4) to carry out section 5307—

(1) 9.32 percent shall be apportioned each fiscal year only in urbanized areas with a population of less than 200,000 so that each of those areas is entitled to receive an amount equal to—

(A) 50 percent of the total amount apportioned multiplied by a ratio equal to the population of the area divided by the total population of all urbanized areas with populations of less than 200,000 as shown in the most recent decennial census; and

(B) 50 percent of the total amount apportioned multiplied by a ratio for the area based on population weighted by a factor, established by the Secretary, of the number of inhabitants in each square mile; and

(2) 90.68 percent shall be apportioned each fiscal year only in urbanized areas with populations of at least 200,000 as provided in subsections (b) and (c) of this section.

(b) **BASED ON FIXED GUIDEWAY VEHICLE REVENUE MILES, DIRECTIONAL ROUTE MILES, AND PASSENGER MILES.**—(1) In this subsection, ‘fixed guideway vehicle revenue miles’ and ‘fixed guideway directional route miles’ include passenger ferry operations directly or under contract by the designated recipient.

(2) Of the amount apportioned under subsection (a)(2) of this section, 33.29 percent shall be apportioned as follows:

(A) 95.61 percent of the total amount apportioned under this subsection shall be apportioned so that each urbanized area with a population of at least 200,000 is entitled to receive an amount equal to—

(i) 60 percent of the 95.61 percent apportioned under this subparagraph multiplied by a ratio equal to the number of fixed guideway vehicle revenue miles attributable to the area, as established by the Secretary, divided by the total number of all fixed guideway vehicle revenue miles attributable to all areas; and

(ii) 40 percent of the 95.61 percent apportioned under this subparagraph multiplied by a ratio equal to the number of fixed guideway directional route miles attributable to the area, established by the Secretary, divided by the total number of all fixed guideway directional route miles attributable to all areas. An urbanized area with a population of at least 750,000 in which commuter rail transportation is provided shall receive at least .75 percent of the total amount apportioned under this subparagraph.

(B) 4.39 percent of the total amount apportioned under this subsection shall be apportioned so that each urbanized area with a population of at least 200,000 is entitled to receive an amount equal to—

(i) the number of fixed guideway vehicle passenger miles traveled multiplied by the number of fixed guideway vehicle

Exception for Alaska Railroad deleted.

Directional route miles attributable to Alaska Railroad deleted from definitions of “fixed guideway vehicle revenue miles” and “fixed guideway directional route miles.”

passenger miles traveled for each dollar of operating cost in an area; divided by

(ii) the total number of fixed guideway vehicle passenger miles traveled multiplied by the total number of fixed guideway vehicle passenger miles traveled for each dollar of operating cost in all areas. An urbanized area with a population of at least 750,000 in which commuter rail transportation is provided shall receive at least .75 percent of the total amount apportioned under this subparagraph.

(C) Under subparagraph (A) of this paragraph, fixed guideway vehicle revenue or directional route miles, and passengers served on those miles, in an urbanized area with a population of less than 200,000, where the miles and passengers served otherwise would be attributable to an urbanized area with a population of at least 1,000,000 in an adjacent State, are attributable to the governmental authority in the State in which the urbanized area with a population of less than 200,000 is located. The authority is deemed an urbanized area with a population of at least 200,000 if the authority makes a contract for the service.

(D) A recipient's apportionment under subparagraph (A)(i) of this paragraph may not be reduced if the recipient, after satisfying the Secretary that energy or operating efficiencies would be achieved, reduces vehicle revenue miles but provides the same frequency of revenue service to the same number of riders.

(E) For purposes of subparagraph (A) and section 5337(c)(3), the Secretary shall deem to be attributable to an urbanized area not less than 22.27 percent of the fixed guideway vehicle revenue miles or fixed guideway directional route miles in the public transportation system of a recipient that are located outside the urbanized area for which the recipient receives funds, in addition to the fixed guideway vehicle revenue miles or fixed guideway directional route miles of the recipient that are located inside the urbanized area.

(c) BASED ON BUS VEHICLE REVENUE MILES AND PASSENGER MILES.—Of the amount apportioned under subsection (a)(2) of this section, 66.71 percent shall be apportioned as follows:

(1) 90.8 percent of the total amount apportioned under this subsection shall be apportioned as follows:

(A) 73.39 percent of the 90.8 percent apportioned under this paragraph shall be apportioned so that each urbanized area with a population of at least 1,000,000 is entitled to receive an amount equal to—

(i) 50 percent of the 73.39 percent apportioned under this subparagraph multiplied by a ratio equal to the total bus vehicle revenue miles operated in or directly serving the urbanized area divided by the total bus vehicle revenue miles attributable to all areas;

(ii) 25 percent of the 73.39 percent apportioned under this subparagraph multiplied by a ratio equal to the population of

For purposes of calculating the fixed guideway basic portion of the § 5307 apportionment and the miles tier of the § 5337 fixed guideway SGR apportionment, 22.27 percent of vehicle revenue miles or directional route miles located outside a UZA shall be deemed to be attributable to the UZA.

the area divided by the total population of all areas, as shown in the most recent decennial census; and

(iii) 25 percent of the 73.39 percent apportioned under this subparagraph multiplied by a ratio for the area based on population weighted by a factor, established by the Secretary, of the number of inhabitants in each square mile.

(B) 26.61 percent of the 90.8 percent apportioned under this paragraph shall be apportioned so that each urbanized area with a population of at least 200,000 but not more than 999,999 is entitled to receive an amount equal to—

(i) 50 percent of the 26.61 percent apportioned under this subparagraph multiplied by a ratio equal to the total bus vehicle revenue miles operated in or directly serving the urbanized area divided by the total bus vehicle revenue miles attributable to all areas;

(ii) 25 percent of the 26.61 percent apportioned under this subparagraph multiplied by a ratio equal to the population of the area divided by the total population of all areas, as shown by the most recent decennial census; and

(iii) 25 percent of the 26.61 percent apportioned under this subparagraph multiplied by a ratio for the area based on population weighted by a factor, established by the Secretary, of the number of inhabitants in each square mile.

(2) 9.2 percent of the total amount apportioned under this subsection shall be apportioned so that each urbanized area with a population of at least 200,000 is entitled to receive an amount equal to—

(A) the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in an area; divided by

(B) the total number of bus passenger miles traveled multiplied by the total number of bus passenger miles traveled for each dollar of operating cost in all areas.

(d) DATE OF APPORTIONMENT.—The Secretary shall—

(1) apportion amounts appropriated under section 5338(a)(2)(C) of this title to carry out section 5307 of this title not later than the 10th day after the date the amounts are appropriated or October 1 of the fiscal year for which the amounts are appropriated, whichever is later; and

(2) publish apportionments of the amounts, including amounts attributable to each urbanized area with a population of more than 50,000 and amounts attributable to each State of a multistate urbanized area, on the apportionment date.

(e) AMOUNTS NOT APPORTIONED TO DESIGNATED RECIPIENTS.—The Governor of a State may expend in an urbanized area with a population of less than 200,000 an amount apportioned under this section that is not apportioned to a designated recipient, as defined in section 5302(4).

(f) TRANSFERS OF APPORTIONMENTS.—(1) The Governor of a

State may transfer any part of the State's apportionment under subsection (a)(1) of this section to supplement amounts apportioned to the State under section 5311(c)(3). The Governor may make a transfer only after consulting with responsible local officials and publicly owned operators of public transportation in each area for which the amount originally was apportioned under this section.

(2) The Governor of a State may transfer any part of the State's apportionment under section 5311(c)(3) to supplement amounts apportioned to the State under subsection (a)(1) of this section.

(3) The Governor of a State may use throughout the State amounts of a State's apportionment remaining available for obligation at the beginning of the 90-day period before the period of the availability of the amounts expires.

(4) A designated recipient for an urbanized area with a population of at least 200,000 may transfer a part of its apportionment under this section to the Governor of a State. The Governor shall distribute the transferred amounts to urbanized areas under this section.

(5) Capital and operating assistance limitations applicable to the original apportionment apply to amounts transferred under this subsection.

(g) PERIOD OF AVAILABILITY TO RECIPIENTS.—An amount apportioned under this section may be obligated by the recipient for 5 years after the fiscal year in which the amount is apportioned. Not later than 30 days after the end of the 5-year period, an amount that is not obligated at the end of that period shall be added to the amount that may be apportioned under this section in the next fiscal year.

(h) APPORTIONMENTS.—Of the amounts made available for each fiscal year under section 5338(a)(2)(C)—

(1) \$30,000,000 shall be set aside to carry out section 5307(h);

(2) 3.07 percent shall be apportioned to urbanized areas in accordance with subsection (j);

(3) of amounts not apportioned under paragraphs (1) and (2), 1.5 percent shall be apportioned to urbanized areas with populations of less than 200,000 in accordance with subsection (i);

(4) 0.5 percent shall be apportioned to eligible States for State safety oversight program grants in accordance with section 5329(e)(6); and

(5) any amount not apportioned under paragraphs (1), (2), (3), and (4) shall be apportioned to urbanized areas in accordance with subsections (a) through (c).

(i) SMALL TRANSIT INTENSIVE CITIES FORMULA.—

(1) DEFINITIONS.—In this subsection, the following definitions apply:

(A) ELIGIBLE AREA.—The term 'eligible area' means an urbanized area with a population of less than 200,000 that meets or exceeds in one or more performance categories the industry average for all urbanized areas with a population of at least 200,000 but not more than 999,999, as determined by the Secretary in accordance with subsection (c)(2).

Makes set-asides from § 5307 authorizations for passenger ferry grants, JARC-like apportionments, STIC apportionments, and state safety oversight program grants; the remainder is apportioned as § 5307 formula funds.

The STIC set-aside is increased from 1 percent to 1.5 percent.

(B) PERFORMANCE CATEGORY.—The term ‘performance category’ means each of the following:

- (i) Passenger miles traveled per vehicle revenue mile.
- (ii) Passenger miles traveled per vehicle revenue hour.
- (iii) Vehicle revenue miles per capita.
- (iv) Vehicle revenue hours per capita.
- (v) Passenger miles traveled per capita.
- (vi) Passengers per capita.

(2) APPORTIONMENT.—

(A) APPORTIONMENT FORMULA.—The amount to be apportioned under subsection (h)(3) shall be apportioned among eligible areas in the ratio that—

(i) the number of performance categories for which each eligible area meets or exceeds the industry average in urbanized areas with a population of at least 200,000 but not more than 999,999; bears to

(ii) the aggregate number of performance categories for which all eligible areas meet or exceed the industry average in urbanized areas with a population of at least 200,000 but not more than 999,999.

(B) DATA USED IN FORMULA.—The Secretary shall calculate apportionments under this subsection for a fiscal year using data from the national transit database used to calculate apportionments for that fiscal year under this section.

(j) APPORTIONMENT FORMULA.—The amounts apportioned under subsection (h)(2) shall be apportioned among urbanized areas as follows:

(1) 75 percent of the funds shall be apportioned among designated recipients for urbanized areas with a population of 200,000 or more in the ratio that—

(A) the number of eligible low-income individuals in each such urbanized area; bears to

(B) the number of eligible low-income individuals in all such urbanized areas.

(2) 25 percent of the funds shall be apportioned among designated recipients for urbanized areas with a population of less than 200,000 in the ratio that—

(A) the number of eligible low-income individuals in each such urbanized area; bears to

(B) the number of eligible low-income individuals in all such urbanized areas.

In this JARC-like apportionment, funded by a 3.07 percent take-down of § 5307 authorizations, funds are apportioned based on the number of eligible low-income individuals in large and small UZAs.

This program replaces the smaller fixed guideway modernization program.

The term “fixed guideway” is narrowed to encompass buses using and occupying a separate right-of-way for the exclusive use of public transportation. Right-of-way shared with other high-occupancy vehicles is excluded from this definition.

SGR projects must be included in a recipient’s transit asset management plan.

97.15 percent of the funds authorized for

§ 5337. State of good repair grants

(a) **DEFINITIONS.**—In this section, the following definitions shall apply:

(1) **FIXED GUIDEWAY.**—The term ‘fixed guideway’ means a public transportation facility—

(A) using and occupying a separate right-of-way for the exclusive use of public transportation;

(B) using rail;

(C) using a fixed catenary system;

(D) for a passenger ferry system; or

(E) for a bus rapid transit system.

(2) **STATE.**—The term ‘State’ means the 50 States, the District of Columbia, and Puerto Rico.

(3) **STATE OF GOOD REPAIR.**—The term ‘state of good repair’ has the meaning given that term by the Secretary, by rule, under section 5326(b).

(4) **TRANSIT ASSET MANAGEMENT PLAN.**—The term ‘transit asset management plan’ means a plan developed by a recipient of funding under this chapter that—

(A) includes, at a minimum, capital asset inventories and condition assessments, decision support tools, and investment prioritization; and

(B) the recipient certifies that the recipient complies with the rule issued under section 5326(d).

(b) **GENERAL AUTHORITY.**—

(1) **ELIGIBLE PROJECTS.**—The Secretary may make grants under this section to assist State and local governmental authorities in financing capital projects to maintain public transportation systems in a state of good repair, including projects to replace and rehabilitate—

(A) rolling stock;

(B) track;

(C) line equipment and structures;

(D) signals and communications;

(E) power equipment and substations;

(F) passenger stations and terminals;

(G) security equipment and systems;

(H) maintenance facilities and equipment;

(I) operational support equipment, including computer hardware and software;

(J) development and implementation of a transit asset management plan; and

(K) other replacement and rehabilitation projects the Secretary determines appropriate.

(2) **INCLUSION IN PLAN.**—A recipient shall include a project carried out under paragraph (1) in the transit asset management plan of the recipient upon completion of the plan.

(c) **HIGH INTENSITY FIXED GUIDEWAY STATE OF GOOD REPAIR FORMULA.**—

(1) **IN GENERAL.**—Of the amount authorized or made available

this program shall be apportioned for the exclusive use of fixed guideway projects.

50 percent of fixed guideway SGR funds are apportioned under the FY 2011 rail modernization formula, but (1) including passenger ferry operations, and (2) using the MAP-21 definition of “fixed guideway,” which excludes right-of-way shared by buses and high-occupancy vehicles.

50 percent of fixed guideway SGR funds are apportioned based on vehicle revenue miles (60 percent) and directional route miles (40 percent), excluding shared bus/high-occupancy vehicle miles.

A general hold-harmless provision limits any decrease in apportionment share to an area under this subsection to .25 percent of the area’s share in the previous fiscal year.

A hold-harmless provision for FY 2013 limits any decrease in apportionment share to an area under this subsection to .25 percent of the share that the area would have received under the FY 2011 rail

under section 5338(a)(2)(I), 97.15 percent shall be apportioned to recipients in accordance with this subsection.

(2) AREA SHARE.—

(A) IN GENERAL.—50 percent of the amount described in paragraph (1) shall be apportioned for fixed guideway systems in accordance with this paragraph.

(B) SHARE.—A recipient shall receive an amount equal to the amount described in subparagraph (A), multiplied by the amount the recipient would have received under this section, as in effect for fiscal year 2011, if the amount had been calculated in accordance with section 5336(b)(1) and using the definition of the term ‘fixed guideway’ under subsection (a) of this section, as such sections are in effect on the day after the date of enactment of the Federal Public Transportation Act of 2012, and divided by the total amount apportioned for all areas under this section for fiscal year 2011.

(C) RECIPIENT.—For purposes of this paragraph, the term ‘recipient’ means an entity that received funding under this section, as in effect for fiscal year 2011.

(3) VEHICLE REVENUE MILES AND DIRECTIONAL ROUTE MILES.—

(A) IN GENERAL.—50 percent of the amount described in paragraph (1) shall be apportioned to recipients in accordance with this paragraph.

(B) VEHICLE REVENUE MILES.—A recipient in an urbanized area shall receive an amount equal to 60 percent of the amount described in subparagraph (A), multiplied by the number of fixed guideway vehicle revenue miles attributable to the urbanized area, as established by the Secretary, divided by the total number of all fixed guideway vehicle revenue miles attributable to all urbanized areas.

(C) DIRECTIONAL ROUTE MILES.—A recipient in an urbanized area shall receive an amount equal to 40 percent of the amount described in subparagraph (A), multiplied by the number of fixed guideway directional route miles attributable to the urbanized area, as established by the Secretary, divided by the total number of all fixed guideway directional route miles attributable to all urbanized areas.

(4) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the share of the total amount apportioned under this subsection that is apportioned to an area under this subsection shall not decrease by more than 0.25 percentage points compared to the share apportioned to the area under this subsection in the previous fiscal year.

(B) SPECIAL RULE FOR FISCAL YEAR 2013.—In fiscal year 2013, the share of the total amount apportioned under this subsection that is apportioned to an area under this subsection shall not decrease by more than 0.25 percentage points compared to the

modernization formula, but using the MAP-21 definition of “fixed guideway,” which excludes right-of-way shared by buses and high-occupancy vehicles.

The 11 rail modernization grant recipients listed in the pre-MAP-21 text of § 5337 are grandfathered in as recipients of individual apportionments under this subsection.

“High intensity motorbus” means public transportation on a facility that shares access with other high-occupancy vehicles.

2.85 percent of the funds authorized for this program shall be apportioned for high intensity motorbus SGR projects.

60 percent of motorbus SGR funds are apportioned based on each area’s share of high intensity motorbus vehicle revenue miles.

40 percent of motorbus SGR funds are apportioned based on an area’s share of high intensity motorbus directional route miles.

share that would have been apportioned to the area under this section, as in effect for fiscal year 2011, if the share had been calculated using the definition of the term ‘fixed guideway’ under subsection (a) of this section, as in effect on the day after the date of enactment of the Federal Public Transportation Act of 2012.

(5) USE OF FUNDS.—Amounts made available under this subsection shall be available for the exclusive use of fixed guideway projects.

(6) RECEIVING APPORTIONMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), for an area with a fixed guideway system, the amounts provided under this subsection shall be apportioned to the designated recipient for the urbanized area in which the system operates.

(B) EXCEPTION.—An area described in the amendment made by section 3028(a) of the Transportation Equity Act for the 21st Century (Public Law 105–178; 112 Stat. 366) shall receive an individual apportionment under this subsection.

(7) APPORTIONMENT REQUIREMENTS.—For purposes of determining the number of fixed guideway vehicle revenue miles or fixed guideway directional route miles attributable to an urbanized area for a fiscal year under this subsection, only segments of fixed guideway systems placed in revenue service not later than 7 years before the first day of the fiscal year shall be deemed to be attributable to an urbanized area.

(d) HIGH INTENSITY MOTORBUS STATE OF GOOD REPAIR.—

(1) DEFINITION.—For purposes of this subsection, the term ‘high intensity motorbus’ means public transportation that is provided on a facility with access for other high-occupancy vehicles.

(2) APPORTIONMENT.—Of the amount authorized or made available under section 5338(a)(2)(I), 2.85 percent shall be apportioned to urbanized areas for high intensity motorbus state of good repair in accordance with this subsection.

(3) VEHICLE REVENUE MILES AND DIRECTIONAL ROUTE MILES.—

(A) IN GENERAL.—The amount described in paragraph (2) shall be apportioned to each area in accordance with this paragraph.

(B) VEHICLE REVENUE MILES.—Each area shall receive an amount equal to 60 percent of the amount described in subparagraph (A), multiplied by the number of high intensity motorbus vehicle revenue miles attributable to the area, as established by the Secretary, divided by the total number of all high intensity motorbus vehicle revenue miles attributable to all areas.

(C) DIRECTIONAL ROUTE MILES.—Each area shall receive an amount equal to 40 percent of the amount described in subparagraph (A), multiplied by the number of high intensity motorbus directional route miles attributable to the area, as established by the Secretary, divided by the total number of all

high intensity motorbus directional route miles attributable to all areas.

(4) APPORTIONMENT REQUIREMENTS.—For purposes of determining the number of high intensity motorbus vehicle revenue miles or high intensity motorbus directional route miles attributable to an urbanized area for a fiscal year under this subsection, only segments of high intensity motorbus systems placed in revenue service not later than 7 years before the first day of the fiscal year shall be deemed to be attributable to an urbanized area.

§ 5338. Authorizations

(a) FORMULA GRANTS.—

(1) **IN GENERAL.—**There shall be available from the Mass Transit Account of the Highway Trust Fund to carry out sections 5305, 5307, 5310, 5311, 5318, 5322(d), 5335, 5337, 5339, and 5340, and section 20005(b) of the Federal Public Transportation Act of 2012, \$8,478,000,000 for fiscal year 2013 and \$8,595,000,000 for fiscal year 2014.

(2) **ALLOCATION OF FUNDS.—**Of the amounts made available under paragraph (1)—

Planning programs

(A) \$126,900,000 for fiscal year 2013 and \$128,800,000 for fiscal year 2014 shall be available to carry out section 5305;

Pilot Program for TOD Planning

(B) \$10,000,000 for each of fiscal years 2013 and 2014 shall be available to carry out section 20005(b) of the Federal Public Transportation Act of 2012;

Urbanized area formula grants

(C) \$4,397,950,000 for fiscal year 2013 and \$4,458,650,000 for fiscal year 2014 shall be allocated in accordance with section 5336 to provide financial assistance for urbanized areas under section 5307;

Seniors and individuals with disabilities

(D) \$254,800,000 for fiscal year 2013 and \$258,300,000 for fiscal year 2014 shall be available to provide financial assistance for services for the enhanced mobility of seniors and individuals with disabilities under section 5310;

Rural area formula grants

(E) \$599,500,000 for fiscal year 2013 and \$607,800,000 for fiscal year 2014 shall be available to provide financial assistance for rural areas under section 5311, of which not less than \$30,000,000 for fiscal year 2013 and \$30,000,000 for fiscal year 2014 shall be available to carry out section 5311(c)(1) and \$20,000,000 for fiscal year 2013 and \$20,000,000 for fiscal year 2014 shall be available to carry out section 5311(c)(2);

Public transportation on Indian reservations

Appalachian development public transportation assistance program

Bus testing facility

(F) \$3,000,000 for each of fiscal years 2013 and 2014 shall be available for bus testing under section 5318;

NTI

(G) \$5,000,000 for each of fiscal years 2013 and 2014 shall be available for the national transit institute under section 5322(d);

National transit database

(H) \$3,850,000 for each of fiscal years 2013 and 2014 shall be available to carry out section 5335;

State of good repair grants

(I) \$2,136,300,000 for fiscal year 2013 and \$2,165,900,000 for fiscal year 2014 shall be available to carry out section 5337;

Bus and bus facilities formula grants

(J) \$422,000,000 for fiscal year 2013 and \$427,800,000 for fiscal year 2014 shall be available for the bus and bus facilities program under section 5339; and

Growing States and high density States apportionment

(K) \$518,700,000 for fiscal year 2013 and \$525,900,000 for fiscal year 2014 shall be allocated in accordance with section 5340 to provide financial assistance for urbanized areas under section 5307 and rural areas under section 5311.

Research, development, demonstration and deployment projects

(b) RESEARCH, DEVELOPMENT DEMONSTRATION AND DEPLOYMENT PROJECTS.—There are authorized to be appropriated to carry out section 5312, \$70,000,000 for fiscal year 2013 and \$70,000,000 for fiscal year 2014.

TCRP	(c) TRANSIT COOPERATIVE RESEARCH PROGRAM.—There are authorized to be appropriated to carry out section 5313, \$7,000,000 for fiscal year 2013 and \$7,000,000 for fiscal year 2014.
Technical assistance and standards development	(d) TECHNICAL ASSISTANCE AND STANDARDS DEVELOPMENT.—There are authorized to be appropriated to carry out section 5314, \$7,000,000 for fiscal year 2013 and \$7,000,000 for fiscal year 2014.
Workforce development	(e) HUMAN RESOURCES AND TRAINING.—There are authorized to be appropriated to carry out subsections (a), (b), (c), and (e) of section 5322, \$5,000,000 for fiscal year 2013 and \$5,000,000 for fiscal year 2014.
Emergency relief	(f) EMERGENCY RELIEF PROGRAM.—There are authorized to be appropriated such sums as are necessary to carry out section 5324.
New Starts	(g) CAPITAL INVESTMENT GRANTS.—There are authorized to be appropriated to carry out section 5309, \$1,907,000,000 for fiscal year 2013 and \$1,907,000,000 for fiscal year 2014.
Administrative provisions	(h) ADMINISTRATION.— (1) IN GENERAL.—There are authorized to be appropriated to carry out section 5334, \$104,000,000 for fiscal year 2013 and \$104,000,000 for fiscal year 2014.
Public transportation safety program	(2) SECTION 5329.—Of the amounts authorized to be appropriated under paragraph (1), not less than \$5,000,000 shall be available to carry out section 5329.
Transit asset management	(3) SECTION 5326.—Of the amounts made available under paragraph (2), not less than \$1,000,000 shall be available to carry out section 5326.
This oversight set-aside was formerly at subsection 5327(c).	(i) OVERSIGHT.— (1) IN GENERAL.—Of the amounts made available to carry out this chapter for a fiscal year, the Secretary may use not more than the following amounts for the activities described in paragraph (2):
Set-aside from planning programs	(A) 0.5 percent of amounts made available to carry out section 5305.
Set-aside from urbanized area formula grants	(B) 0.75 percent of amounts made available to carry out section 5307.
Set-aside from New Starts	(C) 1 percent of amounts made available to carry out section 5309.
Set-aside from WMATA authorization in PRIIA	(D) 1 percent of amounts made available to carry out section 601 of the Passenger Rail Investment and Improvement Act of 2008 (Public Law 110–432; 126 Stat. 4968).
Set-aside from seniors and individuals with disabilities formula grants	(E) 0.5 percent of amounts made available to carry out section 5310.
Set-aside from rural area formula grants	(F) 0.5 percent of amounts made available to carry out section 5311.
Set-aside from high intensity fixed guideway state of good repair formula grants	(G) 0.75 percent of amounts made available to carry out section 5337(c).
	(2) ACTIVITIES.—The activities described in this paragraph are as follows:
	(A) Activities to oversee the construction of a major capital project.
	(B) Activities to review and audit the safety and security,

procurement, management, and financial compliance of a recipient or subrecipient of funds under this chapter.

(C) Activities to provide technical assistance generally, and to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section.

(3) GOVERNMENT SHARE OF COSTS.—The Government shall pay the entire cost of carrying out a contract under this subsection.

(4) AVAILABILITY OF CERTAIN FUNDS.—Funds made available under paragraph (1)(C) shall be made available to the Secretary before allocating the funds appropriated to carry out any project under a full funding grant agreement.

(j) GRANTS AS CONTRACTUAL OBLIGATIONS.—

(1) GRANTS FINANCED FROM HIGHWAY TRUST FUND.—A grant or contract that is approved by the Secretary and financed with amounts made available from the Mass Transit Account of the Highway Trust Fund pursuant to this section is a contractual obligation of the Government to pay the Government share of the cost of the project.

(2) GRANTS FINANCED FROM GENERAL FUND.—A grant or contract that is approved by the Secretary and financed with amounts appropriated in advance from the General Fund of the Treasury pursuant to this section is a contractual obligation of the Government to pay the Government share of the cost of the project only to the extent that amounts are appropriated for such purpose by an Act of Congress.

(k) AVAILABILITY OF AMOUNTS.—Amounts made available by or appropriated under this section shall remain available until expended.

Under MAP-21, the formerly discretionary bus and bus facilities program is now a smaller formula program without earmarks. Grants may be used to finance capital projects to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities, in accordance with the grant requirements of § 5307.

The formula provides that the first \$65.5 million shall be distributed to all States and territories, with each State receiving \$1.25 million and each territory \$500,000. The remainder shall be apportioned under the urbanized area population and bus service formula factors of § 5336(a) and (c) directly to large urbanized areas and to States for small urbanized areas.

Any portion of a State's share of national distribution funds may be transferred to supplement the State's § 5311 apportionment or any urbanized area's § 5307 apportionment.

Any portion of a State's apportionment based on population and bus service factors that is not allocated to urbanized areas of 200,000 or more may be expended in urbanized areas with a population of less than 200,000.

The Government share shall be 80 percent of net capital project costs.

§ 5339. Bus and bus facilities formula grants

(a) **GENERAL AUTHORITY.**—The Secretary may make grants under this section to assist eligible recipients described in subsection (c)(1) in financing capital projects—

- (1) to replace, rehabilitate, and purchase buses and related equipment; and
- (2) to construct bus-related facilities.

(b) **GRANT REQUIREMENTS.**—The requirements of section 5307 apply to recipients of grants made under this section.

(c) **ELIGIBLE RECIPIENTS AND SUBRECIPIENTS.**—

(1) **RECIPIENTS.**—Eligible recipients under this section are designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators.

(2) **SUBRECIPIENTS.**—A designated recipient that receives a grant under this section may allocate amounts of the grant to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation.

(d) **DISTRIBUTION OF GRANT FUNDS.**—Funds allocated under section 5338(a)(2)(J) shall be distributed as follows:

(1) **NATIONAL DISTRIBUTION.**—\$65,500,000 shall be allocated to all States and territories, with each State receiving \$1,250,000 and each territory receiving \$500,000.

(2) **DISTRIBUTION USING POPULATION AND SERVICE FACTORS.**—The remainder of the funds not otherwise distributed under paragraph (1) shall be allocated pursuant to the formula set forth in section 5336 other than subsection (b).

(e) **TRANSFERS OF APPORTIONMENTS.**—

(1) **TRANSFER FLEXIBILITY FOR NATIONAL DISTRIBUTION FUNDS.**—The Governor of a State may transfer any part of the State's apportionment under subsection (d)(1) to supplement amounts apportioned to the State under section 5311(c) of this title or amounts apportioned to urbanized areas under subsections (a) and (c) of section 5336 of this title.

(2) **TRANSFER FLEXIBILITY FOR POPULATION AND SERVICE FACTORS FUNDS.**—The Governor of a State may expend in an urbanized area with a population of less than 200,000 any amounts apportioned under subsection (d)(2) that are not allocated to designated recipients in urbanized areas with a population of 200,000 or more.

(f) **GOVERNMENT'S SHARE OF COSTS.**—

(1) **CAPITAL PROJECTS.**—A grant for a capital project under this section shall be for 80 percent of the net capital costs of the project. A recipient of a grant under this section may provide additional local matching amounts.

(2) **REMAINING COSTS.**—The remainder of the net project cost shall be provided—

- (A) in cash from non-Government sources other than revenues from providing public transportation services;
- (B) from revenues derived from the sale of advertising and

concessions;

(C) from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, or new capital; or

(D) from amounts received under a service agreement with a State or local social service agency or private social service organization.

Bus formula funds remain available for obligation for three fiscal years after the fiscal year in which they were apportioned.

(g) PERIOD OF AVAILABILITY TO RECIPIENTS.—Amounts made available under this section may be obligated by a recipient for 3 years after the fiscal year in which the amount is apportioned. Not later than 30 days after the end of the 3-year period described in the preceding sentence, any amount that is not obligated on the last day of that period shall be added to the amount that may be apportioned under this section in the next fiscal year.

(h) DEFINITIONS.—For purposes of this section:

(1) The term ‘State’ means a State of the United States.

(2) The term ‘territory’ means the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands.

Section 5340 is unchanged by MAP-21.

§ 5340. Apportionments based on growing States and high density States formula factors

(a) DEFINITION.—In this section, the term “State” shall mean each of the 50 States of the United States.

(b) ALLOCATION.—Of the amounts made available for each fiscal year under section 5338(b)(2)(M), the Secretary shall apportion—

(1) 50 percent to States and urbanized areas in accordance with subsection (c); and

(2) 50 percent to States and urbanized areas in accordance with subsection (d).

(c) GROWING STATE APPORTIONMENTS.—

(1) APPORTIONMENT AMONG STATES.—The amounts apportioned under subsection (b)(1) shall provide each State with an amount equal to the total amount apportioned multiplied by a ratio equal to the population of that State forecast for the year that is 15 years after the most recent decennial census, divided by the total population of all States forecast for the year that is 15 years after the most recent decennial census. Such forecast shall be based on the population trend for each State between the most recent decennial census and the most recent estimate of population made by the Secretary of Commerce.

(2) APPORTIONMENTS BETWEEN URBANIZED AREAS AND OTHER THAN URBANIZED AREAS IN EACH STATE.—

(A) IN GENERAL.—The Secretary shall apportion amounts to each State under paragraph (1) so that urbanized areas in that State receive an amount equal to the amount apportioned to that State multiplied by a ratio equal to the sum of the forecast population of all urbanized areas in that State divided by the total forecast population of that State. In making the apportionment under this subparagraph, the Secretary shall utilize any available forecasts made by the State. If no forecasts are available, the Secretary shall utilize data on urbanized areas and total population from the most recent decennial census.

(B) REMAINING AMOUNTS.—Amounts remaining for each State after apportionment under subparagraph (A) shall be apportioned to that State and added to the amount made available for grants under section 5311.

(3) APPORTIONMENTS AMONG URBANIZED AREAS IN EACH STATE.—The Secretary shall apportion amounts made available to urbanized areas in each State under paragraph (2)(A) so that each urbanized area receives an amount equal to the amount apportioned under paragraph (2)(A) multiplied by a ratio equal to the population of each urbanized area divided by the sum of populations of all urbanized areas in the State. Amounts apportioned to each urbanized area shall be added to amounts apportioned to that urbanized area under section 5336, and made available for grants under section 5307.

(d) HIGH DENSITY STATE APPORTIONMENTS.—Amounts to be apportioned under subsection (b)(2) shall be apportioned as follows:

(1) ELIGIBLE STATES.—The Secretary shall designate as eligible for an apportionment under this subsection all States with a population density in excess of 370 persons per square mile.

(2) STATE URBANIZED LAND FACTOR.—For each State qualifying for an apportionment under paragraph (1), the Secretary shall calculate an amount equal to—

- (A) the total land area of the State (in square miles); multiplied by
- (B) 370; multiplied by
- (C)(i) the population of the State in urbanized areas; divided by
- (ii) the total population of the State.

(3) STATE APPORTIONMENT FACTOR.—For each State qualifying for an apportionment under paragraph (1), the Secretary shall calculate an amount equal to the difference between the total population of the State less the amount calculated in paragraph (2).

(4) STATE APPORTIONMENT.—Each State qualifying for an apportionment under paragraph (1) shall receive an amount equal to the amount to be apportioned under this subsection multiplied by the amount calculated for the State under paragraph (3) divided by the sum of the amounts calculated under paragraph (3) for all States qualifying for an apportionment under paragraph (1).

(5) APPORTIONMENTS AMONG URBANIZED AREAS IN EACH STATE.—The Secretary shall apportion amounts made available to each State under paragraph (4) so that each urbanized area receives an amount equal to the amount apportioned under paragraph (4) multiplied by a ratio equal to the population of each urbanized area divided by the sum of populations of all urbanized areas in the State. Amounts apportioned to each urbanized area shall be added to amounts apportioned to that urbanized area under section 5336, and made available for grants under section 5307