



U.S. Department
of Transportation

**Federal Transit
Administration**

The Administrator

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

JUL 22 2010

The Honorable Jeff Merkley
United States Senate
Washington, DC 20510

Dear Senator Merkley:

I want to follow up on recent conversations that Secretary LaHood and I have had with you regarding the Portland to Milwaukee light rail transit project. As you know, the Tri-County Metropolitan Transportation District of Oregon (TriMet) is currently proposing a 60-percent Federal New Starts funding share for the project. When TriMet sought entry for the project into Preliminary Engineering (PE) in 2009, TriMet also requested a 60-percent New Starts share. However, at that time, the Federal Transit Administration (FTA) explained that the New Starts share could be no greater than 50 percent given existing New Starts commitments, authorized funding levels for the program, and anticipated appropriations. Thus, the project was approved into PE with a total estimated cost of \$1.471 billion, and a New Starts share of \$735.8 million.

As TriMet has continued engineering and design of the project, the cost of the project has risen. And FTA has signaled its willingness to participate in 50 percent of this cost growth. TriMet is now proceeding toward Final Design approval, the point at which the New Starts amount is finalized, and TriMet has again proposed a 60-percent New Starts share. Regrettably, it is necessary to maintain the Portland to Milwaukee project at a 50-percent New Starts funding share. In recent years, the New Starts share for very large projects over \$1 billion in total cost has averaged roughly 35 percent. This reflects the tremendous nationwide demand for the program's resources and its highly competitive nature. Moreover, Federal law explicitly calls on FTA to consider the extent to which a project has a local financial commitment that *exceeds* the required non-Federal funding share.

While the Portland to Milwaukee project currently has a strong project justification, under existing circumstances it remains necessary that TriMet provide at least 50 percent of project funds from non-New Starts (not necessarily non-Federal) sources. FTA will continue working closely with TriMet and its partners seeking to advance the project. If I can provide further information or assistance please feel free to call me directly on (202) 366-4040.

Sincerely yours,

Peter Rogoff