



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 14, 2011

The Honorable John Boehner
Speaker of the House of Representatives
Washington DC 20515

Dear Mr. Speaker:

I am pleased to transmit to Congress the fourth of five reports required by section 1201(c) of the American Recovery and Reinvestment Act of 2009 (Recovery Act) detailing our progress, as of January 30, in awarding the funding made available to the U.S. Department of Transportation.

Congress is to be commended for its foresight in demanding a high level of accountability in the expenditure of the funds under the Recovery Act in order to make certain that the expenditures result in jobs for Americans and a rapid revival of economic activity. This series of five periodic reports ensures that the recipients of transportation funding provide transparency and accountability for their Federal funds.

Since our last report in June 2010, the scale of the Department's Recovery Act program has grown dramatically. From the roughly 1,000 people our programs directly employed in April 2009, our jobs numbers grew to over 82,400 direct onsite or equipment manufacturing jobs in all of 2010. Also included in this 1201(c) report are indirect job numbers, which include more than 136,000 indirect jobs and nearly 279,000 total employment jobs (direct, indirect, and induced) for 2010.

We made every effort to assist the award recipients in meeting their reporting obligations under section 1201(c) by providing online reporting tools to facilitate data entry and working with recipients to help them understand the reporting requirements. Grantees from the Federal Aviation Administration, the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, and the Maritime Administration are contained in this report.

A similar letter has been sent to the President of the Senate. If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

Ray LaHood

Enclosure



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December 14, 2011

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington DC 20510

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A similar letter has been sent to the Speaker of the House. If I can provide further information or assistance, please feel free to call me.

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Section 1201(c) Two-Year Report Terms and Definitions

The column headings in the attached table match the various terms listed in section 1201(c), on which grant recipients must report to the U.S. Department of Transportation (DOT). Some terms do not have common definitions, so to guide the reporting DOT has developed standard meanings, which are presented below. Because of differences in the design of DOT's Recovery Act programs (formula versus discretionary grants, for example), some terms may have more than one meaning. The information is organized according to three general areas: project name and funding status, employment, and State funding.

Data gathered in this report come directly from grantees and may not be consistent with other data sources due to timing differences. Section 1201(c) requests that grant recipients submit the required information to DOT.

As of the January 30, 2011, cut off for reporting, five DOT modal Administrations had made grant awards. In the case of the Office of the Secretary's Transportation Investment Generating Economic Recovery (TIGER) grants, nearly all projects apart from two TIGER Transportation Infrastructure Finance and Innovation Act projects were obligated before January 30, 2011. While all the Federal Railroad Administration's High Speed Inter-city Passenger Rail (HSIPR) Projects grants had been announced, not all the grants were obligated. Those projects with obligations made before the cutoff date are included in this report.

Project and Funding Status

'Award Recipient' is the entity that receives ARRA grant funding directly from DOT. In the case of the Highway Investment Grants program, FHWA has provided most funding to States by formula. For Federal Aviation Administration capital grants, airports authorities receive funding via discretionary grants from FAA. For transit grants, award recipients are typically local or regional transit authorities that receive funding through either formula or discretionary grant programs from the Federal Transit Administration. The Federal Railroad's HSIPR award recipients are generally regional rail authorities or State DOTs. The TIGER grants, by their nature, were awarded to a variety of State and local authorities.

'Amount Awarded' generally represents the amount made available by DOT for use by the award recipient.

Funds are typically 'Committed' when a contract is awarded by a grant recipient (and the recipient is legally bound to make future expenditures) or a decision is made by the grant recipient to undertake the work in-house (using its own employees). From the recipient perspective, a number of events can trigger such a commitment. As examples of an amount committed, it can be when (1) an airport has obtained a bid for an approved FAA project and signed the contract based on that bid; (2) a firm decision is made by a transit operator to undertake the project or a portion of it using its own employees (i.e., "in-house") rather than contracting for the work; or (3) a State DOT commits ARRA funds to a highway project through the State and local planning process, in advance of registering the decision through a transaction

that registers an obligation by the Federal government. Note that the Federal Government does not record “commitments” per se through its grants and financial systems. Rather, it tracks Federal obligations, which are not necessarily the same as commitments made by grant recipients.

‘Outlays’ are the amount of funds that have been disbursed by Federal programs to grant recipients. For highway infrastructure investment the total expenditure comes from the Fiscal Management Information System (FMIS) when States file to draw down obligated funds. There can be a 1- to 2-month lag between when funds are spent in the field and when Federal outlays are recorded. This is due to the time to receive final invoices from contractors and for the States to enter data into FMIS. For the other programs, the expenditures are reported by the grant recipient as an expenditure on a contract or in-house work that carries-out projects or procurements funded by the award.

‘Contract Solicitations’ represents the subset of all award actions where bids are solicited in advance of awarding contracts. Bids may not be necessary when an award may be made from an existing contractual arrangement or in-house work is being performed. ‘Contract Solicitations’ is cumulative of all American Recovery and Reinvestment Act contracts out to bid since February 17, 2009.

‘Contracts Awarded’ represents the subset of all award actions where a contract is used as the vehicle to perform the project work. The contract award represents the point where grantees solidify their commitments. ‘Contracts Awarded’ is cumulative of all American Recovery and Reinvestment Act contracts awarded since February 17, 2009.

‘Contracts Under Way’ is the subset of all award actions that are actively progressing after bids have been let and funds awarded. For example, projects are considered underway when orders are placed for materials or work is commenced at the worksite. ‘Contracts Under Way’ is cumulative of all American Recovery and Reinvestment Act contracts initiated since February 17, 2009.

‘Contracts Completed’ is based on the State or other grant recipient reports of 100 percent completion. For projects in this category, it is possible that final bills are still being processed to completion.

Employment

Employment reporting for the 1201(c) report uses “job-years” as the measure of employment. A “job-year” is the equivalent of one person working 1 year. Grant recipients report job-hours and DOT then translates that into a standard job-year. A “job-year” is defined as the number of job-hours divided by 2,080 (40 hours per week for 52 weeks). Using the ‘job-year’ methodology, two people working half time or one person working full time produce the same number of job-years.

‘Direct Jobs’ information is based on recipient reports on hours worked provided by contractors or direct employment measured by grantees. Direct jobs include on-site employment and others

whose work is billed to a particular project, such as managers and engineers. The estimate of direct job-years combines job-years created with job-years sustained.

'Indirect Jobs' and 'Total Employment' are estimated based on the total level of outlays reported by grant recipients. Indirect jobs are jobs associated with producing materials and services provided to the job site, and total employment consists of jobs in the general economy that are created as the direct and indirect workers spend their income. The DOT requested grant recipients not to estimate indirect jobs, and DOT uses an input-output model to estimate indirect jobs, rather than having grant recipients design methods and report their estimates. Total employment is estimated based on a methodology developed by the Council of Economic Advisers. That methodology assumes that one job-year of total employment results from a direct federal expenditure of \$92,000, so total employment is estimated by taking total outlays and dividing by \$92,000.

State Funding

This data measures maintenance of effort by ARRA grant recipients, particularly States.

'Planned' funding refers to the dollars (from State sources only) that the grant recipient had planned (as of February 17, 2009) to expend for the types of projects funded by the American Recovery and Reinvestment Act during the period from February 17, 2009, to September 30, 2010. 'Actual' refers to State-source expenditures by Recovery Act grant recipients that occur during the reporting period. Both planned and actual funding information is reported by the grant recipients to DOT.

Only the planned and actual expenditure amounts reported by States for each covered program are relevant to whether States are meeting the section 1201(a) maintenance of effort requirement. The State-level reports cover all planned State expenditures and thus include any amounts attributable to ARRA grantees of less than Statewide jurisdiction. The information reported by each State was examined in order to make decisions about redistribution of limitation on Federal-Aid highway and highway safety funding after August 1, 2011, as specified by section 1201(b) of the Recovery Act.

The DOT issued additional guidance on section 1201(a) maintenance of effort certifications of planned State expenditures as a result of DOT's assessment of certifications filed by the States. Many States submitted amended certifications, which were due on March 11, 2011, in response to the DOT guidance. The amounts reported in those amended certifications are not included in this report. Additionally, in many instances, the actual expenditures in this report reflect the old methodology the States used in calculating maintenance of effort and not the methodology used in the revised certifications submitted in March. The DOT has reviewed the amended certifications for consistency with section 1201(a) and will post those certifications online once its review is complete. The next section 1201(c) report will reflect the amended amounts of planned State expenditures.

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