



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

May 07, 2010

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

Dear Mr. President:

I am pleased to submit to Congress the third of five reports required by Section 1201(c) of the American Recovery and Reinvestment Act of 2009 (Recovery Act) detailing our progress in awarding the funding made available to the U.S. Department of Transportation, as of January 31. Congress has insisted upon a high level of accountability in the expenditure of funds under the Recovery Act, and this series of five periodic reports ensures that the recipients of transportation funding provide transparency and accountability for their Federal funds.

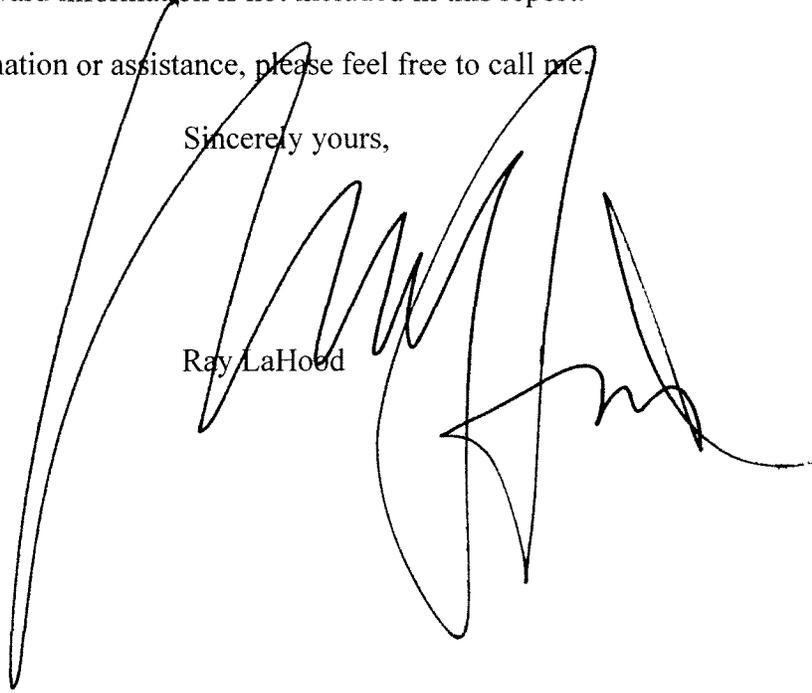
Since our last report in September 2009, the scale of the Department's Recovery Act program has grown dramatically. From the roughly 1,000 people our programs directly employed in April, program employment has grown to over 5,000 job-years in July and over 27,000 job-years in January. Total employment, including indirect and induced jobs, now totals almost 95,000 job-years.

The Department has made every effort to assist award recipients in meeting their reporting obligations under section 1201(c) by providing online tools to facilitate data entry and helping recipients understand the reporting requirements. Grantees from the Federal Aviation Administration, Federal Highway Administration, Federal Transit Administration, Maritime Administration, and Federal Railroad Administration, with obligations as of January 31, are contained in this report. The Office of the Secretary had not yet made TIGER grants as of the January cut-off date, so that award information is not included in this report.

If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

Ray LaHoed

A large, stylized handwritten signature in black ink, which appears to be 'Ray LaHoed', is written over the typed name and extends across the lower right portion of the page.

Enclosure

Section 1201(c) One-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 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 and funding status, employment, and state funding.

Data gathered in this report comes 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 30th cut off for reporting, five DOT modal Administrations had made grant awards. In the case of the Office of the Secretary's TIGER grants and the Federal Railroad Administration's High Speed Rail Projects, grants had been announced but grants had not been awarded.

Project and Funding Status

'Award Recipient' is the entity that receives ARRA 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 the 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.

'Amount Awarded' 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 one to two 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. Note that "contract solicitations" replaces the term "projects out to bid" used the previous 1201(c) report.

'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. Note that "contract awarded" replaces the term "project awarded" used in the previous 1201(c) report.

'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. Note that "contract underway" replaces the term "projects underway" used in the previous 1201(c) report.

'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. Note that "contract completed" replaces the term "projects completed" used in the previous 1201(c) report.

Employment

Employment reporting for the 180-day report used a 'job-month as the measure of employment,' because the reporting period for that report was less than one year, and a "job-month" seemed a more appropriate measure for that relatively short period. Now that the Recovery Act has been in effect for a full year, however, we will begin using the "job-year" as the measure of employment. 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 On-Site 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 directly working on the project, such as managers and engineers.

'Indirect Jobs and Total Employment' An indirect employment estimate (associated with materials and services provided to the job site) and a total employment estimate (including jobs in the general economy as the direct and indirect workers spend their income), as requested in Section 1201(c), have been estimated based on the total level of outlays reported by grant recipients. DOT requested grant recipients not to estimate indirect employment, and DOT has undertaken research to provide a unified methodology for estimating indirect employment, rather than having grant recipients design methods and report their estimates.

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 will be 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.

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 have submitted amended certifications, which were due on March 11, 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. DOT is reviewing 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.