



U.S. Department  
of Transportation

Federal Transit  
Administration

Executive Director

1200 New Jersey Avenue, SE  
Washington, DC 20590

APR 07 2017

The Honorable Kurt Daudt  
Speaker  
Minnesota House of Representatives  
100 Rev. Martin Luther King Jr. Boulevard  
Saint Paul, MN 55155

Dear Mr. Daudt:

Thank you for your letter of March 17 to Secretary Elaine L. Chao regarding the Southwest Light Rail Transit (SWLRT) project. You asked that the U.S. Department of Transportation deny a New Starts Full Funding Grant Agreement (FFGA) to SWLRT in light of your concerns about the project's financial plan, potential environmental impacts, alignment, and projected ridership. Secretary Chao asked me to respond to your letter on her behalf.

The Federal Transit Administration (FTA) manages the Capital Investment Grant (CIG) Program, of which New Starts is one type of eligible project. The SWLRT is currently in the Engineering phase of the New Starts process, which is the second of three phases outlined in law (Project Development, Engineering, and FFGA). As mentioned in your letter, before SWLRT would be eligible for an FFGA, the Metropolitan Council would need to obtain all local funding commitments to pay for the capital construction of the project, and provide a complete financial plan to FTA that demonstrates the Metropolitan Council's ability to continue to operate, maintain, and rehabilitate the existing transit system. Additionally, the Metropolitan Council would need to complete critical agreements with freight railroads in the SWLRT corridor to be eligible for an FFGA.

President Trump recently released a fiscal year 2018 budget blueprint in advance of his complete budget proposal to Congress. With regard to the CIG program, it states that funding will be limited to "projects with existing full funding grant agreements only. Future investments in new transit projects would be funded by the localities that use and benefit from these localized projects." In addition, over the next several months, the President and his Infrastructure Task Force will be developing a comprehensive proposal that accelerates projects, spurs private sector innovation, and improves how the Federal government delivers infrastructure projects.

I hope that this information is helpful to you. A similar letter has been sent to each cosigner of your letter. If I can provide further information or assistance, please feel free to call me directly on (202) 366-4040.

Sincerely,

Matthew J. Welbes