

# ADVANCED TRANSIT VEHICLE CONSORTIUM

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

August 24, 2005

## Board of Directors:

**Yvonne Brathwaite-Burke,**  
*Metro Board Member and  
Supervisor, Second District  
Los Angeles County*

**Michael D. Antonovich**  
*Metro Board Member and  
Supervisor, Fifth District  
Los Angeles County and  
Governing Board  
S.C.A.Q.M.D*

**Beatrice LaPisto-Kirtley**  
*Councilmember City of Bradbury  
and  
Governing Board  
S.C.A.Q.M.D*

**Antonio Villaraigosa**  
*Metro Board – Chair and  
Mayor City of Los Angeles*

**John Fasana**  
*Metro Board Member and  
Councilmember City of Duarte*

**Frank C. Roberts**  
*Metro Board Member and  
Mayor City of Lancaster*

**Zev Yaroslavsky**  
*Metro Board Member and  
Supervisor, Third District  
Los Angeles County*

## Alternates:

**Michael Bohlke**  
*Assistant Chief Deputy  
Second District  
Los Angeles County*

**Michael Cano**  
*Deputy  
Fifth District  
Los Angeles County*

**Dr. S. Roy Wilson**  
*Supervisor, Fourth District  
Riverside County and  
Governing Board  
S.C.A.Q.M.D.*

**Todd McIntyre**  
*Alternate  
Mayor, City of Los Angeles*

**Samantha Bricker**  
*Deputy, Third District  
Los Angeles County*

## President:

**John B. Catoe, Jr.**  
*Deputy Chief Executive Officer,  
Metro*

## Executive Vice President:

**Richard Hunt**  
*Service Sector General Manager  
San Fernando Valley,  
Metro*

## Chief Financial Officer:

**Josie Nicasio**  
*Controller,  
Metro*

**TO: BOARD OF DIRECTORS**

**THROUGH: JOHN B. CATOE, JR.  
PRESIDENT**

**FROM: RICHARD L. HUNT  
EXECUTIVE VICE PRESIDENT**

**SUBJECT: REPORT ON QUESTIONS RAISED ON THE  
BUDGET REVIEW DURING THE JUNE 22, 2005  
BOARD MEETING**

## ISSUE:

At the ATVC Board meeting on June 22, 2005, Director Fasana raised two questions about the grant funds programmed to the ATV Hybrid Purchase project: 1) whether the grant has an expiration date, and 2) if there are opportunities to gain flexibility by swapping the federal ATV grant funds with another municipal operator's local funds.

## DISCUSSION:

In a discussion with the Metro Grants Management Department, the grant that the ATV hybrid bus purchase is programmed from does not have an expiration date, but the grant will lapse in September 2006 if significant progress has not been made.

According to FTA guidelines, if significant progress has not been made on a project by the lapse date, then the FTA has the option to de-obligate those funds and roll them to the next grant it issues. At that point, any projects that were de-obligated would have to compete again for those funds against new project proposals. If significant progress is made on the project (such as an executed contract), then the project will be allowed to continue to its conclusion.

The second question regarding the ability to gain flexibility to relieve local match needs by swapping our federal grant funds with a municipal operator's local funds is realistically impossible for two reasons.

First, all of the municipal operators are using federal capital dollars for their vehicle replacements, and their local match ratios are higher than the ratio on the ATV project grant. So there would be no advantage to gain by swapping the current funds as they are programmed.

Secondly, the process to amend the TIP (Transportation Improvement Program) is a lengthy process and there's no guarantee a request to amend at this late date will be granted in time to meet the grant lapse date. The TIP closure deadline is rapidly approaching so the FY06 TIP can be prepared.

Prepared by: Steven Schupak, Sr. Analyst, Vehicle Technology

---

Richard L. Hunt  
Executive Vice President  
Advanced Transit Vehicle Consortium