

# Regulatory Analysis Form

(Completed by Promulgating Agency)



# IRRC

Independent Regulatory Review Commission

## SECTION I: PROFILE

(1) Agency:

Pennsylvania Department of Transportation

(2) Agency Number:

18-420

IRRC Number: *2922*

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(3) Short Title:

Public Transportation —Sustainable Mobility

(4) PA Code Cite:

67 Pa. Code, Chapter 427

(5) Agency Contacts (List Telephone Number, Address, Fax Number and Email Address):

Primary Contact: Toby Fauver, Deputy Secretary for Local and Area Transportation, Pennsylvania Department of Transportation, 400 North Street, Harrisburg, Pa 17105, 717-705-4231, [tfauver@state.pa.us](mailto:tfauver@state.pa.us)

Secondary Contact: LaVerne Collins, Director, Bureau of Public Transportation, Pennsylvania Department of Transportation, 400 North Street, Harrisburg, PA 17105, 717-787-1214, [lcollins@state.pa.us](mailto:lcollins@state.pa.us)

(6) Primary Contact for Public Comments (List Telephone Number, Address, Fax Number and Email Address)

—  
Same as 5 above.

(All Comments will appear on IRRC'S website)

(7) Type of Rulemaking (check applicable box): Proposed Interim Regulation

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

## Regulatory Analysis Form

(8) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The proposed Regulation provides needed clarification for the following Act 44 requirements:

The purpose of this Chapter is to implement the provisions of the Act of July 18, 2007, P.L. 169, No. 44, 74 Pa. C.S. §§ 1501 through 1520, as required by Section 1505 of the legislation. The regulation provides guidance for the application for, and awarding of financial assistance to public transportation entities, local match funding requirements, restriction on the use of capital and operating funds, establishment of minimum system performance criteria, and the impact of performance on future funding. The regulation also delineates requirements for procurement undertaken by the regulated entities.

(9) Include a schedule for review of the regulation including:

- |   |                         |
|---|-------------------------|
| A. The date by which the agency must receive public comments:                               | <u>July 30, 2011</u>    |
| B. The date or dates on which public meetings or hearings will be held:                     | <u>NA</u>               |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | <u>October 29, 2011</u> |
| D. The expected effective date of the final-form regulation:                                | <u>October 29, 2011</u> |
| E. The date by which compliance with the final-form regulation will be required:            | <u>October 29, 2011</u> |
| F. The date by which required permits, licenses or other approvals must be obtained:        | <u>N/A</u>              |

(10) Provide the schedule for continual review of the regulation.

The proposed Regulation will be continuously reviewed after final promulgation and further amendments proposed as deemed necessary or appropriate.

**SECTION II: STATEMENT OF NEED**

(11) State the statutory authority for the regulation. Include specific statutory citation.

Section 1505 of Act 44 of 2007, 74 Pa. C.S. §1502 provides the authority for the promulgation of this regulation.

(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action

The regulation is mandated by Section 1505 of Act 44 of 2007, 74 Pa. C.S. §1502. Authority to promulgate the Temporary Regulation expired two years following the effective date of the legislation. Section 1505 requires promulgation of a permanent regulation following the promulgation of the Temporary Regulation.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

Act 44 of 2007 revamped the legislative authority and formulae for funding public transportation. As authorized by the Act, the Department promulgated Temporary Regulation to formally implement the provisions of the legislation and assure compliance by public transportation organizations in using the financial assistance that is annually provided. Experience under the Temporary Regulation has resulted in the identification of sections in the regulations that should be clarified, strengthened or otherwise amended to better implement the provisions of the Act.

The Commonwealth of Pennsylvania, public transportation passengers, and the public transportation organizations that receive funding will benefit from the effective use of the funds provided. The specific benefits will vary by entity, and cannot be quantified until the required periodic performance reviews are conducted and recommended actions are implemented and assessed.

## Regulatory Analysis Form

(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

There was no scientific data utilized in the development of this Regulation.

(15) Describe who and how many will be adversely affected by the regulation. How are they affected?

The proposed Regulation will continue the positive effects enjoyed by the grantees that receive financial assistance (e.g., by identifying unproductive service, identifying the need to modify fares, identifying opportunities to control costs, identifying best practices, etc.). It is not anticipated that any transit agencies will be adversely affected, except to the extent that negative performance reviews may ultimately lead to funding reductions or restrictions.

(16) List the persons, groups or entities that will be required to comply with the regulation. Approximate the number of people who will be required to comply.

All urban, rural, community transportation, intercity bus and intercity rail systems that receive funding under the enabling legislation will be required to comply with the regulations. There are presently 37 public fixed route transportation systems, 34 public community transportation systems, six intercity bus operators and one intercity rail system eligible for funding under the enabling legislation.

**SECTION III: COST AND IMPACT ANALYSIS**

(17) Provide a specific estimate of the costs and/or savings to the **regulated community** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

There should be no additional costs to the regulated community imposed by this regulation. Performance reviews will be conducted by the Department. Therefore, there should be no cost to the transit systems/local transportation organizations.

(18) Provide a specific estimate of the costs and/or savings to **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

There should be no costs or savings to local governments related to compliance with these regulations.

(19) Provide a specific estimate of the costs and/or savings to **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

The estimated cost to the Commonwealth for the performance reviews is \$4 million for the five year period needed to conduct all 37 system reviews — an average annual cost of \$800,000 per year.

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation

## Regulatory Analysis Form

and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
<b>Total Savings</b>						
<b>COSTS:</b>						
Regulated Community						
Local Government						
State Government	NA	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
<b>Total Costs</b>	NA	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Revenue Losses</b>						

(20a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
State Public Transportation Assistance Program	\$1.172 Billion	\$1.219 Billion	\$1.231 Billion	\$1.082 Billion

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(21) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The required transit system performance reviews are expected to result in a combination of cost savings and revenue enhancements. Potential cost savings include reduced labor costs, reduced operating costs and reduced legacy costs. Potential revenue enhancements include increased fare revenue and increased advertising revenue. The dollar amounts of these projected benefits will vary by entity and cannot be determined until the system performance reviews are actually conducted, performance recommendations are implemented and changes are evaluated.

The accountability and resulting efficiencies effected by this regulation clearly outweigh the minimal costs or adverse effects that may result from promulgation of the regulation.

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

Representatives of the Pennsylvania Public Transportation Association (PPTA), were directly involved in the development of the temporary regulation, in particular the proposed performance study requirements, and were offered an opportunity to comment on the proposed Regulation.

(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

Since the Temporary Regulation was promulgated, the Department's experience with managing the public transportation programs authorized by the Act indicates that additional clarification is needed in several areas. The Regulation further defines eligible sources of local matching funds, and additional requirements associated with using advertising revenue, route guarantee funds and private sources of local match. In addition, the original financial review procedures are being revised to more appropriately assign responsibilities to the grantee and to the Department. The proposed Regulation is limited to the areas where additional legislative clarification and guidance are most needed to help assure grantee compliance with the purposes for which financial assistance is being provided. The areas not covered by these regulations can be addressed by Department policies and procedures to minimize the burden to grantees. The proposed

## Regulatory Analysis Form

Regulation represents the least burdensome alternative that could have been selected given the requirement in the enabling legislation that the Department promulgate regulations to help assure that the financial assistance that is being annually provided is being used efficiently and effectively.

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

Yes. These regulations reflect the Commonwealth's interest in performance, in the efficient and effective use of Commonwealth investments in public transportation and the Commonwealth's responsibility to monitor public transportation systems receiving these funds. For existing public transportation systems, there are no performance criteria or minimum performance standards.

The Commonwealth annually provides approximately \$3 for every \$1 that the Federal Transit Administration (FTA) annually provides for transit operating and capital assistance (i.e., \$1 to \$1.2 billion in Commonwealth funds versus \$400 million in federal funds), it is appropriate for the proposed Regulation to be more stringent than the Federal regulations and requirements.

(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

This regulation relates to the provision of public transportation within the Commonwealth. There is no competition with other states in the provision of intrastate public transportation.

(26) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.



## Regulatory Analysis Form

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

The Department does not have sufficient staff to develop a framework for or to independently conduct the transit system performance reviews. The Department is using its public transportation multi-modal open-end, deliverable-based contract for the performance reviews. Rather than conduct a time consuming and expensive competitive selection for each performance review, using the already competitively procured consultant under the open end, the consultant drafts a scope of work for Department review and approval to conduct the performance reviews. Upon full execution of the work order, the vendor conducts the performance review with significant support from Department staff.

(28) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers

No. There is no need for any special provisions to accommodate any of these groups.

# Regulatory Analysis Form

**SUPPLEMENTAL PAGE VALID FOR USE THROUGH 11/1/2011**

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(All Comments submitted on this regulation will appear on IRRC's website)

(1) Agency:

Pennsylvania Department of Transportation

(2) Agency Number:

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(3) PA Code Cite:

67 Pa. Code, Chapter 427

(4) Short Title:

Public Transportation – Sustainable Mobility

(5) Agency Contacts (List Telephone Number and Email Address):

Primary Contact: Toby Fauver, Deputy Secretary for Local and Area Transportation, Pennsylvania Department of Transportation, 400 North Street, Harrisburg, Pa 17105, 717-705-4231, tfauver @ state.pa.us

Secondary Contact: LaVerne Collins, Director, Bureau of Public Transportation, Pennsylvania Department of Transportation, 400 North Street, Harrisburg, PA 17105, 717-787-1214, lcollins@state.pa.us

(6) Type of Rulemaking (check applicable box):

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

(7) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

Data was not the basis for this regulation.

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FOR FILING DOCUMENTS  
WITH THE  
LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

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Copy below is hereby approved as to form and legality. Attorney General.

By: *Angela M. Elliott*  
(Deputy Attorney General)

OCT 27 2011

Date of Approval

Copy of below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Department  
of  
Transportation  
(Agency)

DOCUMENT/FISCAL NOTE NO. 18-420

DATE OF ADOPTION \_\_\_\_\_

BY *Benny J. Schuch*  
Secretary of Transportation

Copy below is hereby approved as to form and legality. Executive or Independent Agencies.

By: *Andrew C. Clark*

JUL 1 2011

(Date of Approval)

Andrew C. Clark  
(Deputy General Counsel)

(~~Chief Counsel, Independent Agency~~)

(Strike Inapplicable Title)

Check if applicable  
Copy not approved. Objections attached.

Check if applicable. No attorney General Approval or Objection within 30 days after submission.

**NOTICE OF PROPOSED RULEMAKING**

**DEPARTMENT OF TRANSPORTATION**

**TITLE 67, TRANSPORTATION**

**Part I – Department of Transportation**

**Subpart B. Nonvehicle Code Provisions**

**Article II – Mass Transit**

**Chapter 427 – Public Transportation – Sustainable Mobility**

**ORIGINAL**

**TITLE 67, TRANSPORTATION**

**Part I – Department of Transportation**

**Subpart B. Nonvehicle Code Provisions**

**Article II – Mass Transit**

**Chapter 427 – Public Transportation – Sustainable Mobility**

**Proposed Rulemaking**

**Preamble**

The Department of Transportation, Bureau of Public Transportation, pursuant to the authority contained in Section 1505 of the Act of July 18, 2007, P.L. 169, no. 44, 74 Pa. C.S. §1505 (“the Act”), proposes to amend Title 67 of the Department of Transportation regulations by amending Chapter 427, Public Transportation – Sustainable Mobility.

***Purpose of this Chapter***

The purpose of this Chapter is to implement the provisions of the Act of July 18, 2007, P.L. 169, no. 44, 74 Pa. C.S. §§ 1501 through 1520 (the Act), as required by Section 1505 of the legislation. Section 1505 directed the Department of Transportation to promulgate temporary regulations within two years of the effective date of the legislation, by July 18, 2009, and thereafter to promulgate permanent regulations. The Department has used the period during which the temporary regulations have been effective to test and refine the regulations to assure compliance in carrying out the purposes for which the Act provides financial assistance for public transportation services and infrastructure in Pennsylvania. These amendments are the result of that experience under the temporary regulations

### *Summary of Significant Provisions*

The Department's experience in managing the operating assistance program under the Temporary Regulations authorized by the Act has identified a variety of sources of local match funds which were permissible under previous public transportation legislation, including route guarantees. Several transit systems have a long history of dependence on route guarantee funding as a source of local match funds. In addition, several transit systems have had difficulty recently securing sufficient local matching funds from traditional municipal sources and have proposed using other sources, including advertising revenue and local match reserves. To address pre-existing arrangements for local match which include route guarantees, and to address poor economic circumstances which make it difficult for transit systems to secure increases in local match (five percent annually, as required by the Act), the proposed regulations grandfather existing route guarantee funding as eligible local match funds and clarify eligibility requirements for using route guarantee, advertising revenue and local match reserves as current year local match funds for operating assistance.

Changes in Section 427.4 clarify local match requirements related to state operating assistance. Section 427.4(a)(2) further defines eligible sources of local match and minimum amounts required. Section 427.4(a)(3) further clarifies local municipal responsibilities when a transit agency uses advertising revenue (normally used as operating revenue to reduce the operating deficit) as local match funding. Section 427(a)(4) explains the consequences of shortages in local match funding related to the use of advertising revenue as local match funds. Section 427.4(a)(5) clarifies the eligibility of route guarantee funding which had been used as local match prior to the enactment of the Act. Section 427.4(a)(9) defines the limitations associated with using route guarantee funds as local match funds and the consequences for local

match funding if route guarantee funds ever decrease. Section 427.4(a)(10) explains requirements associated with using other private sources of funds as local match funds. Section 427.4(a)(11) explains the requirements which a transit system must meet in order to use uncommitted local match reserves as matching funds for a current state operating assistance grant.

The Department's experience with financial auditing under the temporary regulations has resulted in revisions to the financial review process. Section 427.7(a)(2) and (3) transfer the responsibility of initiating payment confirmation from the grantee to the Department because the Department has readily available records of payments. This reduces the burden on the transit systems. Section 427.7(a)(4) requires the review and approval of the audit report by the local transportation financial officer and the board prior to submitting the audit report to the Department because the Department cannot effectively use draft reports which may be changed after review by the local transportation financial officer and the board. Section 427.7(a)(5) transfers responsibility for identifying inconsistencies between required supplemental schedules and the audit report from the Department to the grantee. The Department would have to review the reports line by line to identify inconsistencies. The grantee generates both reports, and thus should be aware of inconsistencies and can identify them more easily than the Department. It is also the grantee's responsibility to explain the inconsistencies. The explanation can be generated concurrently with identifying inconsistencies, rather than the Department making the identification and then going back to the grantee for an explanation. It also identifies the potential consequences of failing to comply with reporting requirements.

### ***Persons and Entities Affected***

These regulations affect various private and public entities involved the provision of public transportation services through the Commonwealth.

The Department of Transportation is affected as the administrator of the funding provided under the Act.

### ***Fiscal Impact***

The regulation as amended will not require any additional expenditure of funds by the affected entities or by the Commonwealth.

### ***Regulatory Review***

Under Section 5(a) of the Regulatory Review Act, the Act of June 25, 1982 (P.L. 633, No. 181), *as amended*, 71 P.S. § 745.5(a), the agency submitted a copy of these proposed regulations on November 1, 2011, to the Independent Regulatory Review Commission and to the Chairpersons of the House and Senate Transportation Committees. In addition to submitting the regulations, the agency has provided the Commission and the Committees with a copy of a detailed Regulatory Analysis Form. A copy of this material is available to the public upon request.

Under Section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations, or objections to the proposed regulations within 30 days of the close of the public comment period. The comments, recommendations, or objections shall specify the regulatory review criteria that have not been met. The Act specifies detailed procedures for

review, prior to final publication of the regulation, by the Department, the General Assembly, and the Governor of comments, recommendations, or objections.

***Sunset Date***

The Department of Transportation is not establishing a sunset date for these regulations, since these regulations are needed to administer provisions required by the Act (74 Pa.C.S. §1501 et seq.) The Department of Transportation, however, will continue to closely monitor these regulations for their effectiveness.

***Public Comments***

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposed amendments to Laverne Collins, Director, Bureau of Local and Public Transportation, Pennsylvania Department of Transportation, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120-0064, (717) 787-1214, within 30 days of publication of this notice in the *Pennsylvania Bulletin*.

***Contact Person***

The contact person is Laverne Collins, Director, Bureau of Public Transportation, Pennsylvania Department of Transportation, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120-0064, (717) 787-1214

Barry J. Schoch, P.E.

Secretary of Transportation



***Contact Person***

The contact person for this chapter is

Allen D. Biehler, P.E.

Secretary of Transportation

**TITLE 67, TRANSPORTATION**

**Part I – Department of Transportation**

**Subpart B. Nonvehicle Code Provisions**

**Article II – Mass Transit**

**Chapter 427 – Public Transportation – Sustainable Mobility**

**Proposed Rulemaking**

**Annex A**

**GENERAL REQUIREMENTS**

**§427.1. Definitions.**

(a) The terms and definitions in 74 Pa.C.S. § 1503 (relating to definitions) are adopted herein as if fully set forth.

(b) In addition, [the following words and terms, when used in this chapter,] the following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

*Act* – 74 Pa C.S. Chapter 15 (relating to sustainable mobility options).

*Department* – The Department of Transportation of the Commonwealth

*Route Guarantee* – A conditional commitment, either express or implied, by a private or public entity to a local transportation organization to provide financial compensation in return for the provision of public transportation service to a designated area or destination which would not be served without the financial compensation.

**§427.2. Purpose.**

The purpose of this chapter is to implement the act which requires the Department to initiate and maintain a program of financial and performance review and oversight for all programs receiving financial assistance under the act.

**§427.3. Application procedure.**

- (a) Local transportation organizations shall apply for funding under this chapter using the Department's electronic grants management system
- (b) Local transportation organizations shall supply the information and documentation requested by the Department.

**§427.4. Local matching funds.**

- (a) *Eligible sources for required annual local matching funds.*
  - (1) For a private transportation company receiving grants directly from the department under the act, eligible annual local matching funds shall only consist of contributed cash income that was generated by the transportation company from its nonsubsidized activities.
  - (2) Except for those local transportation organizations using [private sources of] local matching funds from private third party contractors prior to the enactment of the act, eligible sources of local matching funds for a local transportation organization shall be cash contributions provided by one or more municipalities[.] or private entities in accordance with (a)(1) and (a)(10) of this section.

(i) The total amount of municipal local match cash contributions for operating assistance cannot be less than the total amount of municipal local match cash contributed in the prior fiscal year

(ii) However, if the required local match is 15% of the state funding for operating assistance, the municipal local match contribution can be reduced proportionate to any reduction in state operating assistance funding.

(3) Advertising revenue may be considered an eligible source of local matching funds for [Section 1513 of the act (relating to operating program)] operating assistance grants, if the municipalities responsible for providing all of the local matching funds annually pass a resolution which does the following:

(i) [Acknowledge] Acknowledges their responsibility for providing the local matching funds.

(ii) [Agree] Agrees to offset any shortfall in advertising revenue received during the fiscal year which results in insufficient local matching funds.

(iii) Acknowledges that any reduction in service or increase in fares due to the net loss of operating revenue associated with the use of advertising revenue as local match is the responsibility of the municipalities which provide local match.

(4) If a [municipality fails to offset any shortfall in advertising revenue] shortfall in advertising revenue causes the local transportation organization to obtain less than its required operating assistance local matching funds in any fiscal year and no municipality offsets the shortfall to bring the local match to the minimum required for state operating assistance funding, , the following apply:

- (i) Advertising revenue will no longer be considered an eligible source of local matching funds for the affected local transportation organization in future fiscal years.
  - (ii) The State operating assistance funding for the fiscal year in which the shortfall occurs will be prorated in accordance with subsection (e)(4).
- (5) All categories of local transportation organization operating revenue, including passenger fares; public or private payments provided in lieu of fares including route guarantees (unless the route guarantee revenue is allowed as local match in accordance with paragraph (a)(9) of this section); charter or school bus revenue; advertising revenue (unless the advertising revenue is approved for use as local match in accordance with paragraph (a)(3) of this section); and interest income or other miscellaneous sources of revenue do not constitute eligible sources of local matching funds.
- (6) Local bonds issued by local transportation organizations and guaranteed in whole or in part by State funding sources, including interest arbitrage instruments such as “swaptions,” do not constitute eligible sources of local matching funds for State grants.
- (7) Income generated from the subsidized public passenger transportation service is not eligible to be used as a source of local matching funds.
- (8) For a local transportation organization using funds provided by a private third party contractor [private sources] as a source of local matching funds prior to the enactment of the act, the following apply with regard to operating assistance:
- (i) Local matching funds equal to the local matching funds provided by third party contractors in State Fiscal Year 2009-10 may continue to come from private

third party contractor sources provided the following requirements are met. The private third party contractor source of local matching funds must:

- (A) Segregate finances for all business entities
- (B) Maintain separate accounting records for each business entity.
- (C) Submit an independently prepared audit for each business entity.

The audit must clearly identify revenue sources used for local matching funds.

(ii) Local matching funds in excess of the local matching funds provided in State Fiscal [Year] Year 2009-10 must be provided in accordance with paragraph [(1)] (a)(2). Funding from [Private] private third party contractor sources [are] is not eligible for this portion of the local matching funds.

(iii) If the amount of local matching funds provided [through private sources] by the private third party contractor is ever decreased to an amount less than the local matching funds provided in State Fiscal Year 2009-10, the lower amount will become the maximum amount of local matching funds which can be provided by the private third party contractor [sources]. All local matching funds in excess of the lower amount must be provided in accordance with paragraph [(1)] (a)(2). Private third party contractor sources are not eligible for this portion of the local matching funds.

(9) For a local transportation organization using route guarantee funds as a source of local matching funds prior to the enactment of the act, the following apply for operating assistance funding:

(i) Local matching funds equal to the local matching funds provided by route guarantee funds in State Fiscal Year 2009-10 may continue to come from route guarantee funds.

(ii) Local matching funds in excess of the local matching funds provided in State Fiscal Year 2009-10 must be provided in accordance with paragraph (a)(2). Route guarantee funds are not eligible for this portion of the local matching funds.

(iii) If the amount of local matching funds provided through route guarantee funds is ever decreased to an amount less than the local matching funds provided in State Fiscal Year 2009-10, the lower amount will become the maximum amount of local matching funds which can be provided through route guarantee funds. All local matching funds in excess of the lower amount must be provided in accordance with paragraph (a)(2). Route guarantee funds are not eligible for this portion of the local matching funds.

(10) Private sources other than funding from private third party contractors and route guarantees may be eligible as local match provided that:

(i) a local transportation organization has requested in writing Department approval of the source and amount of the local match from private sources; and

(ii) has provided a written contract between the private source and the local transportation organization prior to submitting an application for State funding.

(11) Local transportation organizations may use uncommitted local match reserves for operating assistance if the following apply:

(i) The total local match reserve amount is identified in the most recent audit report and can be traced through transaction detail to the source of the local match.

(ii) The board of the local transportation organization passes a resolution which certifies that the local match reserve to be used for operating assistance is not committed to any other project.

(iii) The local transportation organization provides to the municipalities responsible for providing the local match written notification of the amount of local match reserve that will be used in a fiscal year to offset shortfalls in local match payments.

(b) *Documentation of availability and schedule for payment of local matching funds.*

(1) For a private transportation provider, the private transportation provider must submit to the Department a certification, signed by the company's chief operating officer, assuring that the amount of required eligible local matching funds will be provided by the end of the State Fiscal Year for which a grant is made.

(2) For local transportation organizations:

(i) Each local transportation organization shall submit a resolution, approved by its governing body, certifying that the required amount of eligible local matching funds will be secured no later than the end of the State Fiscal Year for which a grant is made. The local transportation organization shall submit the resolution to the Department as part of its state grant application.

(ii) Each [The] local municipality [municipalities] responsible for providing the required local matching funds shall submit to the local transportation provider



an approved/adopted resolution or budget transmitted by letter signed by the municipality's chief executive officer certifying the amount that it will provide the local transportation organization [the required amount of local matching funds] no later than the end of the State Fiscal Year[ and a schedule indicating dates and amounts of payments of eligible local matching funds]. The local transportation organization must submit all resolutions or budgets with the transmittal letter signed by the municipality's chief executive officer to the Department as part of its state grant application.

(3) For a local transportation organization receiving local matching funds through a private third party contractor source, the private source of local matching funds must provide the following:

- (i) Documentation of the amount of local matching funds to be provided.
- (ii) Documentation of segregation of finances and accounting records.
- (iii) Documentation of agreement to provide an audit for every business.

(4) The audit referred to in paragraph (b)(3)(iii) must include schedules as required by the Department.

(5) If the availability of required local matching funds is not certified, the Department may not execute a grant agreement.

(6) If less than the full amount of local matching funds is certified, the Department will prorate the State grant amount on a proportional basis to the local amount that is certified.

(c) *Required recordkeeping.*

(1) For both local transportation organizations and private transportation companies,

the local funding provided to meet local matching funds requirements must be deposited and retained in a separate interest bearing account until used for eligible public transportation program expenses.

(2) Interest earned on these funds must only be used for public transportation purposes.

(3) Interest earned and expended shall be reported [at a minimum] in the annual audit report on schedules as required by the Department.

(d) *Required minimum local matching funds.* The minimum local matching funds shall be as stated in Sections 1513 – 1516 of the act.

(e) *Insufficient local matching funds.*

(1) If the required minimum local matching funds are not provided by the end of the project period, the following fiscal year's allocation will be reduced to reflect a proration of the prior year's grant based on the amount of local funds provided and the established local matching funds percentage.

(2) If the amount of local matching funds in arrears from the previous fiscal year is provided within a grace period of 90 days after the beginning of the fiscal year, the full State allocation will be restored.

(3) A grant recipient is eligible for a grace period for receipt of local matching funds no more frequently than once every 3 years.

(4) Prorates shall be calculated as follows:

(i) Calculate the State funding supplied for every dollar of local matching funds.

(ii) Multiply the local matching funds shortfall times the State funding

supplied for every dollar of local matching funds.

(iii) Reduce funding in the subsequent fiscal year equal to the result of the calculation in subparagraph (ii).

**§427.5. Procurement.**

(a) Grantees receiving capital funding under this chapter shall follow the most stringent of any applicable Federal, State and local procurement procedures and shall have written procurement policies.

(b) Failure to comply with any applicable procurement requirement may result in the ineligibility of the grantee to receive future State transit capital funds until the following conditions are met:

(1) The Department, or its representative, has conducted an audit of the grantee's compliance with procurement requirements.

(2) The grantee has resolved any findings in the audit to the satisfaction of the Department, or is working toward the resolution of any findings based on a Department approved action plan.

(c) [The grantee shall be responsible for paying for the cost of any audit required under subsection (b). ]The Department may require the grantee to pay for the audit cost directly, or may deduct the cost of the audit from any future State grant.

(d) Failure to comply with applicable procurement requirements may also result in requirement that the grantee repay State grant funds used for the procurement.

(e) The Department may [establish a procurement probationary period for a grantee who has conducted a procurement which did not comply with applicable procurement requirements]

require a grantee to [.

(1) During the probationary period, for all procurements involving State funds, the grantee must] submit all procurement related documents to the Department for review and written concurrence prior to award in order to be eligible to receive State funds for that procurement.

[(2) The grantee will be responsible for all costs associated with the Department's review of procurement related documents.]

(f) If a grantee is required to repay Federal funds due to noncompliance with procurement requirements, the grantee must also repay State matching funds related to that procurement.

**§427.6. Restriction on use of funds.**

(a) With the approval of the Department, operating assistance funds may be used for capital assistance under the following circumstances:

(1) The need for the alternative use of these funds is limited to 1 year.

(2) The proposed use of operating funds for capital assistance will not result in any of the following:

(i) A reduction in service

(ii) An increase in fare levels

(iii) An unbalanced operating budget in the year of the transfer and for 3 succeeding fiscal years.

(3) The request for approval of the use of operating funds for capital assistance must be supported by written justification documenting that the required level of funds transferred is needed to fund a capital project that cannot be funded from any other

available source of State capital assistance including current or carryover PTAF, Act 3, Section 1514 Bond or Section 1517 Capital Improvement assistance

- (4) The justification must demonstrate that the proposed capital project, for which the required operating funds will be used, cannot be deferred until a later year without incurring a significant identified hardship.
- (b) With the approval of the Department, capital assistance funds may be used for operating assistance under the following circumstances:
- (1) The need for the alternative use of these funds is limited to 1 year.
  - (2) The proposed use of capital funds for operating assistance is needed to support one or more of the following:
    - (i) To prevent a reduction in service.
    - (ii) To prevent an unreasonable fare increase.
    - (iii) To prevent a projected one-time unbalanced operating budget that is not expected to reoccur in the following and subsequent years.
  - (3) Written justification to support that the proposed one-time use of capital funds for operating assistance will not result in the deferral of any important capital project that could have been funded if the funds were not transferred.
- (c) Operating funds may not be used to fund depreciation costs associated with capital assets procured using public funds.

**§427.7. Audits.**

- (a) The Department will determine the frequency, content and format of reporting requirements, and may include requirements for audit testing procedures, for any entity receiving

funding under this chapter.

- (1) As an element of the application process, each applicant shall provide the name, address and contact information for the certified public accounting firm engaged for the financial audit.
  - (i) The applicant shall certify that the certified public accounting firm is aware of the Department's reporting requirements and deadlines.
  - (ii) The information shall be submitted to the Department no later than May 31 of the fiscal year preceding the year for which funds are requested.
- (2) Within 90 days after the close of each fiscal year, each grant recipient shall [transmit to] receive from the Department for confirmation, an accounting of funds received from the Department during the preceding fiscal year[ in a format as required by the Department].
- (3) The grant recipient [Department] shall [confirm] convey directly[ with] to the certified public accounting firm [(with a copy to the grant recipient) ]the Department's confirmation [amount of funds paid to each grant recipient] of amounts identified in paragraph (2). The confirmed amounts shall become part of the financial audit report.
- (4) Within 180 days after the close of a fiscal year, each grant recipient shall transmit to the Department an annual financial audit report prepared by the certified public accounting firm identified in paragraph (1).
  - (i) The audit shall be conducted in accordance with auditing standards generally accepted in the United States. Those standards require the audit firm to plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. The audit shall include examining,

on a test basis, evidence supporting the amounts and disclosures in the financial statements and supplemental schedules.

(ii) The audit shall meet all Department required reporting and formatting standards for presentation of information with regard to grant payments and uses.

(iii) Management letters and all schedules of findings based on the audit work shall become part of the annual financial audit report.

(iv) If a single audit has been conducted, a copy of the single audit report shall also be submitted to the Department.

(v) The audit shall include all supplemental schedules as required by the Department.

(vi) The audit shall not be submitted to the Department unless the local transportation finance officer and board have reviewed the audit for accuracy and have approved it.

(5) The [Department] grant recipient will review the audit report, identify any inconsistencies between the supplemental schedules and other schedules and statements within the audit report and will provide an explanation satisfactory to the Department for the discrepancies and notify the grant recipient of any variances between Department records and the audit report].

(i) [The grant recipient will have 45 calendar days to prepare and submit a written response to the Director of the Bureau of Public Transportation on each finding identified in the financial audit report and with regard to variances identified.] The grant recipient shall provide a written response to the Department

answering any questions raised by the Department within 45 calendar days of receipt of the Department's questions.

(ii) [The written response will include a corrective action plan for each finding.] Failure to comply with reporting requirements by the due date may result in delay or withholding of payments at the discretion of the Department.

(iii) If the grant recipient cannot produce a written response for each finding within 45 calendar days, the grant recipient shall request a time extension in writing to the Director of the Bureau of Public Transportation with justification for the request. The Bureau Director will respond in writing, accepting or rejecting the request for a time extension.

[(6) The Department will review the audit report and notify the grant recipient of any variances between Department records and the audit report.

(i) The grant recipient will have 45 calendar days to prepare and submit a written response to the Director of the Bureau of Public Transportation on each finding identified in the financial audit report and with regard to variances identified.

(ii) The written response will include a corrective action plan for each finding.

(iii) If the grant recipient cannot produce a written response for each finding within 45 calendar days, the grant recipient shall request a time extension in writing to the Director of the Bureau of Public Transportation with justification for the request. The Bureau Director will respond in writing, accepting or rejecting the request for a time extension.]

(b) Failure to comply with reporting requirements may result in delay or withholding of



payments at the discretion of the Department.

## OPERATIONS

### §427.11. Data submission and verification.

(a) *Factors.* The factors used to calculate the distribution of section 1513 operating assistance funds in excess of the base operating allocation are the following for the most recently completed fiscal year, as defined in the act:

- (1) The total number of Act 44 defined fixed route, ADA Paratransit and other Department approved passengers.
- (2) The number of senior citizen passengers.
- (3) The number of Act 44 defined fixed route, ADA Paratransit and other Department approved revenue vehicle hours.
- (4) The number of Act 44 defined fixed route, ADA Paratransit and other Department approved revenue vehicle miles[ for the most recently completed fiscal year, as defined in the act].

(b) *Submission.* Each local transportation organization receiving section 1513 operating assistance funds shall verify and submit to the Department the data set forth in subsection (a) by December 31 of the calendar year following the end of the preceding fiscal year.

(c) *Certification.* The chief operating officer of each local transportation organization must certify the accuracy of the data factors submitted under this section.

(d) *Inaccurate data.* The following apply, if the data used to calculate section 1513 operating assistance grants is determined to be inaccurate:

- (1) When the inaccurate data is greater than accurate data, resulting in receipt of a grant award greater than actually justified:
  - (i) The grant award for that grantee will be recalculated based on the accurate data.
  - (ii) The grant award for the following year will be reduced by 125% of the difference between the grant awarded in the previous fiscal year and the recalculated grant award for that year.
- (2) When the inaccurate data is less than the accurate data, resulting in receipt of a grant award smaller than actually justified, there will be no recalculation and no change in the grant award.

**§427.12. Performance reviews.**

- (a) Local transportation organizations receiving section 1513 operating assistance funding for fixed route or fixed guideway transit service will be subject to this section. Demand response services, including ADA paratransit, other paratransit and shared ride modes, are not subject to these requirements.
- (b) Performance reviews will be undertaken for each local transportation organization on regular intervals at least every 5 years.
  - (1) A performance review will include, but is not limited to, a review of management, finance, operations, maintenance, capital projects and system performance.
  - (2) The Department will maintain on its website a performance review policy that will discuss the process for conducting a performance review.

(c) Minimum performance standards will be established for each grant recipient during a performance review in accordance with the process outlined in this section.

(d) Performance reviews will be conducted as follows:

(1) *Comparison to peers.*

(i) The Department will identify at least five prospective peer systems for each mode of the local transportation organization being reviewed. The Department will finalize the peer group selection after consultation with the local transportation organization.

(ii) The peer selection process will include, without limitation, the following data items:

(A) Revenue vehicle hours (car hours for rail and fixed guideway).

(B) Revenue vehicle miles (car miles for rail and fixed guideway).

(C) Number of peak vehicles.

(D) Service area population.

(iii) The Department will evaluate the local transportation organization based on the following performance criteria in accordance with the act:

(A) Passengers per revenue vehicle hour.

(B) Operating costs per revenue vehicle hour.

(C) Operating revenue per revenue vehicle hour.

(D) Operating costs per passenger.

(iv) The Department will:

- (A) Calculate the average of each performance criteria by mode for the peer group (which includes the local transportation organization under review), using the single most recent year for which data is available.
  - (B) Calculate the standard deviation for each performance criteria by mode for the peer group and local transportation organization under review.
- (v) The local transportation organization under review will be in compliance if the following conditions are met:
- (A) Passengers per revenue vehicle hour is within plus or minus one standard deviation or exceeds plus one standard deviation.
  - (B) Operating revenue per revenue vehicle hour is within plus or minus one standard deviation or exceeds plus one standard deviation.
  - (C) Operating costs per revenue vehicle hour is within plus or minus one standard deviation or is below minus one standard deviation.
  - (D) Operating costs per passenger is within plus or minus one standard deviation or is below minus one standard deviation.
- (vi) The local transportation organization will be determined at risk if one or more of the following apply:
- (A) Passengers per revenue vehicle hour are below minus one standard deviation.
  - (B) Operating revenue per revenue vehicle hour [are] is below minus one standard deviation.
  - (C) Operating costs per revenue vehicle hour exceed plus one standard

deviation.

(D) Operating [revenue] cost per [revenue vehicle hour] passenger  
[exceed] exceeds plus one standard deviation.

(2) *Trend analysis.*

(i) The Department will prepare a 5-year trend analysis for the local transportation organization under review and the peer systems by performance criteria and by mode.

(ii) If the 5-year trend for all performance criteria by mode is positive and consistent with the peer trend, the local transportation organization is in compliance.

(iii) If the 5-year trend for any performance criteria by mode is negative, but consistent with the peer trend, the local transportation organization may be in compliance based on Department determination.

(iv) If the 5-year trend for any performance criteria by mode is negative and not in keeping with peers, the local transportation organization will be determined to be at risk.

(3) *Minimum performance standard.*

(i) In consultation with the local transportation organization, the Department will establish minimum performance standards to be met within 5 years from the date the standards are established.

(ii) The local transportation organization shall develop and submit to the Department within 90 days of the final report of the performance review a strategic action plan focused on continually improving the system to achieve the

established minimum performance standards. The Department will provide technical assistance upon request.

(iii) The local transportation organization shall submit the strategic action plan to its governing body.

(iv) The local transportation organization shall report to its governing body and to the Department on strategic action plan progress on at least a quarterly basis.

(v) A revised minimum performance standard for each performance criteria by mode will be established in each subsequent performance review.

(vi) Upon request by the local transportation organization and submission of proper justification, the Department may approve a revised minimum performance standards at times other than during a performance review.

(4) *Review and report.* Each year in the Pennsylvania Public Transportation Annual Performance Report, the local transportation organizations which have been reviewed during the preceding fiscal year will be identified. The report will include a summary of the reviews, the findings and the recommendations.

(e) *The application of funding reduction will be as follows.*

(1) Operating fund reductions in section 1513(g) of the act (relating to operating program) may be implemented for grantees subject to this section that are not satisfying the minimum performance standards, considering all other provisions of section 1513. A funding reduction may be assessed in cases when a local transportation organization fails to report progress or fails to implement the agreed upon strategic action plan, or both.

- (2) Funding reductions may not exceed 5% of the total section 1513 of the act operating assistance allocation in any one fiscal year.

**§427.13. Demonstration projects.**

When a local transportation organization or an agency or instrumentality of the Commonwealth applies to the Department for reimbursement of operating costs related to demonstration program projects, the project must meet the following criteria:

- (1) A feasibility study must be conducted and a report issued prior to application. The feasibility report must include annual estimates for the four performance criteria identified in section 1513(f) of the act (relating to operating program) for the determination of the success of the demonstration project.
- (2) The Department must approve minimum performance standards for the demonstration project.
- (3) The applicant shall provide documentation of local acceptance of the established minimum performance standards. The local acceptance document must indicate that the applicant and the local funding entity understand that:
  - (i) If the demonstration service meets the established minimum performance standards within the 3-year demonstration period, it may receive formula based operating assistance from section 1513 of the act funds if there is sufficient funding available in section 1513 of the act to fund both existing services and the demonstration project.

(ii) If the demonstration project fails to meet the minimum performance standards within the 3-year period, the service is ineligible for State section 1513 operating assistance.

(A) The applicant or the local funding entity may elect to continue the service and provide all required operating assistance.

(B) The applicant or the local funding entity, or both, may elect to discontinue the service and notify all affected parties of the decision and take responsibility for that decision.

(4) The applicant shall demonstrate the support of the local funding entity providing local matching funds for the demonstration project and accepting responsibility for decisions made with regard to continuation/discontinuation of service by issuing the following resolutions:

(i) A resolution certifying that sufficient local funds will be made available based on a 5 year annual projection of operating budgets and funding sources.

(ii) A resolution acknowledging that the applicant and the local funding entity are responsible for determining continuation of service prior to the end of the 3-year demonstration period.

(5) During the 3-year demonstration period, the local matching funds must equal at least 15% of the State demonstration grant.

(6) Within 30 days of the end of each quarter, the applicant shall submit quarterly reports providing financial information and operating statistics in a format determined by the Department within 30 days of the end of each quarter during the 3-year demonstration period to maintain eligibility for State funding.



## NEW INITIATIVES

### §427.21. Application requirements for new initiatives.

- (a) Applications for new initiatives must be received by the Department by 5 p.m. on the second Monday of January.
- (b) Any project that has received a rating of medium, medium-high or high under 49 U.S.C. § 5309 (relating to capital investment) is considered to have satisfied the project evaluation requirements of this chapter but must provide supporting documentation to the Department.
- (1) The project sponsor shall submit to the Department a copy of the application documentation as submitted to the US DOT/FTA that resulted in the rating..
  - (2) Updates to the project application documentation shall be provided to the Department as they are approved by the Federal Transit Administration.
- (c) A project that has received a rating of medium-low or low under 49 U.S.C. § 5309 or that has elected not to apply for funding under 49 U.S.C. § 5309 shall provide documentation supporting the following project evaluation requirements:
- (1) *Investment optimization.* The applicant shall demonstrate that investments in the existing service areas have been optimized.
    - (i) The applicant shall document the steps taken to optimize existing services and the impacts of those steps on current ridership, revenues and customer satisfaction.
    - (ii) The applicant shall show how the proposed project will coordinate with other transit in the region, as well as with other transportation options when

appropriate, such as bicycle paths, high-occupancy vehicle (HOV) facilities, AMTRAK or other intercity rail.

(2) *Cost/benefit.* The applicant shall demonstrate that the investment in the project results in reasonable public benefits that are proportional to the investment.

(i) The applicant shall document likely impacts on total transit ridership, impacts on greenhouse gasses and overall air quality, travel time, user costs, accessibility to employment centers and service to historically under-represented populations.

(ii) The costs of the project over its design life must be calculated and include capital investments, operations and maintenance.

(iii) Project benefits and costs should be calculated to a net present value and a current dollar benefit/cost ratio must be calculated.

(iv) The project must demonstrate a benefit/cost ratio greater than 1.0 to satisfy the reasonable public benefit requirement.

(v) If requested, the applicant shall document how or if the project supports Statewide air quality and transportation policies.

(3) *Local funding commitments.* The applicant shall demonstrate that it has secured commitments for local share of funding.

(i) The applicant shall provide documentation showing what local funds are available for both the capital and operating funding needs of the project, any limitations on those funds and, when in a designated metropolitan planning organization (MPO) area, affirm that the project is included in a cost affordable long range transportation plan.

- (ii) A signed letter of commitment from the agency responsible for collecting capital, operations and maintenance funding must be included that documents the sources of the funding, the expiration date of the funding and a plan for extending the funding source's revenue period should it expire before the design life of the project.
  - (iii) Estimates of fare box revenues/recovery shall also be provided along with actionable strategies to cover any unexpected fare box shortfalls during the design life of the project.
- (4) *Technical capacity.* The applicant shall provide a management plan for construction and operation of the project during the design life of the project.
- (i) The management plan must identify in-house and consultant resources necessary to manage the project.
  - (ii) Where in-house services are to be used, it will be necessary to demonstrate those resources have sufficient experience managing projects of similar scope and scale.
  - (iii) Where outside services are to be used, the applicant shall document the expected costs of those services and include a plan to manage the services.
- (5) *Integrated land use policies.* The applicant shall document relevant elements of local land use plans and policies that support efficient use of the transportation system in the project corridor.
- (i) To demonstrate the integration, the applicant should cite relevant plans (comprehensive plan and zoning) as well as policies relating to parking

availability/cost, existing and allowable densities, mix of land use and affordable housing.

(ii) Documentation should include maps, tables, specific local policies and narrative that make the case that land use policies recognize the integral relationship between transportation and land use.

(iii) In areas where walk or bicycle access will be important to the overall demand for the project the applicant shall document how patrons of the project will safely access the system from nearby significant land uses.

(iv) If requested, the applicant shall provide signed letters from local governing bodies in municipalities where stations would be located documenting the level of commitment and actions undertaken to assure land use policies are supportive of the project.

(d) Applicants shall provide documentation sufficient to compare the benefits, costs, local policies, technical capacity and funding commitment of applicants so that findings can be succinctly summarized for the Pennsylvania Public Transportation Annual Performance Report.

(e) The Department may request additional supporting documentation from the applicant to complete the application.

(f) Applicants shall provide responses to or acknowledgement of requests for additional supporting documentation within 14 days of the request.

**§ 427.22. New initiative project evaluation.**

(a) The Department will provide a project summary in the Pennsylvania Public Transportation Annual Performance Report for each completed application.

- (1) The project summary will include comparisons with their current operations for key measures outlined in statute.
  - (2) The project summary will include comparisons with other similar systems for key measures outlined in statute.
- (b) Funding for new initiatives under this section is subject to appropriation by the Pennsylvania General Assembly.



COMMONWEALTH OF PENNSYLVANIA  
GOVERNOR'S OFFICE OF GENERAL COUNSEL

November 1, 2011

Fiona E. Wilmarth, Acting Executive Director  
Independent Regulatory Review Commission  
333 Market Street, 14th Floor  
Harrisburg, Pennsylvania 17101

**Re: Proposed Rulemaking  
# 18-420 — 67 Pa. Code Chapter 427  
Public Transportation – Sustainable Mobility**

Dear Acting Executive Director Wilmarth:

Enclosed please find a copy of the Face Sheet, Preamble, Annex A and Regulatory Analysis Form, for amendments to Chapter 427 of Department regulations which the Department of Transportation intends to adopt in accordance with the provisions of Section 5 of the Regulatory Review Act, Act of June 25, 1982, P.L. 633, *as amended* 71 P.S. § 745.5.

Copies of these materials were also delivered today to the Legislative Reference Bureau and to the majority and minority chairpersons of the Pennsylvania House and Senate Transportation Committees.

The Department of Transportation will provide IRRC with any assistance you require to facilitate a thorough review of this regulation. Thank you for your attention.

Very truly yours,

Stephen F. J. Martin  
Regulatory Counsel



**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

I.D. NUMBER: #18-420  
 SUBJECT: Public Transportation – Sustainable Mobility  
 67 Pa. Code, Chapter 427  
 AGENCY: Department of Transportation

RECEIVED  
 IRRC  
 2011 NOV - 1 P 3 24

**TYPE OF REGULATION**

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor

**FILING OF REGULATION**

<u>DATE</u>	<u>SIGNATURE</u>	<u>DESIGNATION</u>
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<u>11-1-11</u>	<u>Kelly Shuman</u> for Majority Chair Hon. Richard A. Geist	HOUSE COMMITTEE ON TRANSPORTATION
<u>11/1/11</u>	<u>Suzanne E Chackiwick</u> for Minority Chair Hon. Michael P. McGeehan	
<u>11-1-11</u>	<u>C. Boyer</u> for Majority Chair Hon. John C. Rafferty, Jr.	SENATE COMMITTEE ON TRANSPORTATION
<u>11-1-11</u>	<u>Nancy Hammond</u> for Minority Chair Hon. John N. Wozniak	
	<u>N/A</u>	OFFICE OF ATTORNEY GENERAL
<u>11/1/11</u>	<u>K Cooper</u>	INDEPENDENT REGULATORY REVIEW COMMISSION
<u>11/1/11</u>	<u>n. nichols</u>	LEGISLATIVE REFERENCE BUREAU

Date: November 1, 2011