



U.S. Department
Of Transportation
**Federal Transit
Administration**

Headquarters

1200 New Jersey Avenue S.E.
Washington DC 20590

Mr. Thomas F. Prendergast
Chairman and CEO
347 Madison Avenue
New York, NY 10017

Re: Project Development Initiation – Second Avenue Subway Phase 2

Dear Mr. Prendergast:

Thank you for your letter, dated November 21, 2016, requesting entry into the Project Development (PD) phase under the Federal Transit Administration's (FTA) New Starts program for the New York Metropolitan Transportation Authority's (MTA) Second Avenue Subway Phase 2 project. After reviewing your initial letter, FTA determined that the information provided is sufficient to enter the PD phase. Per the requirements of the Fixing America's Surface Transportation (FAST) Act, the following activities must be completed during PD:

- Select a locally preferred alternative;
- Have the locally preferred alternative adopted into the fiscally constrained long range transportation plan;
- Complete the environmental review process; and
- Complete the activities required to develop sufficient information for evaluation and rating under the Section 5309 criteria.

FTA encourages you to familiarize yourself with the information found on the Capital Investment Grant program webpage at <https://www.transit.dot.gov/funding/grant-programs/capital-investments/about-program>. There you will find more details and information on the activities mentioned above including answers to frequently asked questions and the information that must be provided to FTA for eventual project evaluation and rating.

FTA will be in contact to discuss its technical assistance and project oversight plans as the project moves through Project Development. FTA would appreciate periodic updates from MTA on the status of completion of Project Development activities. MTA must contact FTA no later than six months prior to your anticipated request to enter the Engineering phase so that we can proceed with our formal project oversight process and take the steps necessary to undertake our evaluation and rating.

MTA must formally request an extension from FTA if the PD activities mentioned above and outlined more fully on our website cannot be completed within the two year timeframe specified in the FAST Act. In determining whether to grant an extension, FTA will consider the reasons an extension is needed, the reasonableness of the proposed revised schedule, and the timeframe

needed to complete PD activities. FTA anticipates extensions will be granted only on an occasional basis rather than on a routine basis, and only for unforeseen and unusual circumstances that might arise. If an extension to the two year timeframe is not granted by FTA, the project will be automatically withdrawn from PD. MTA will be asked to complete additional work before you will be allowed to reapply for entry into the program.

With this entry into PD, MTA has pre-award authority to incur costs for PD activities prior to grant approval and to retain eligibility of those activities for future FTA grant assistance. PD activities include the work necessary to complete the environmental review process and as much engineering and design activity as MTA believes is necessary to support the environmental review process. Upon completion of the environmental review process, FTA extends pre-award authority to project sponsors in PD to incur costs for as much engineering and design as necessary to develop a reasonable cost estimate and financial plan for the project, utility relocation, and real property acquisition and associated relocations. This pre-award authority does not constitute a commitment that future Federal funds will be approved for PD or any other project cost. As with all pre-award authority, relevant Federal requirements must be met prior to incurring costs in order to preserve eligibility of the costs for future FTA grant assistance.

If you have any questions or comments, please contact Maya Sarna at 202-366-5811 or Maya.Sarna@dot.gov.

Sincerely,


for Lucy Garliauskas
Associate Administrator for Planning
and Environment

cc: Stephen Goodman, Regional Administrator