



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

REGION IV
Alabama, Florida,
Georgia,
Kentucky, Mississippi,
North Carolina, Puerto
Rico, South Carolina,
Tennessee

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Ms. Carolyn Flowers
Executive Director
Charlotte Area Transit System (CATS)
600 East Fourth Street
Charlotte, NC 28202

JUL 09 2012

Re: Approval to Enter Final Design Blue Line Extension
Northeast Corridor Light Rail Transit Project

Dear Ms. Flowers:

The Federal Transit Administration (FTA) is pleased to inform you that the Charlotte Area Transit System's (CATS) request to enter final design (FD) for the Blue Line Extension (BLE) Northeast Corridor light rail transit project is approved. This approval to initiate FD is a requirement of Federal transit laws governing the New Starts Program (49 U.S.C. Section 5309(e)(6)).

FTA is required by law to evaluate proposed New Starts projects against a number of criteria and ensure prospective grant recipients demonstrate the technical, legal and financial capability to implement the project. As a result of FTA's evaluation of the BLE, an overall project rating of "Medium-High" was assigned.

With this FD approval, CATS has automatic pre-award authority to incur costs for FD activities, demolition, and other non-construction activities such as the procurement of rails, ties, commodities, and other specialized equipment. In addition, in accordance with FTA's Final Policy Guidance on New and Small Starts, published on September 2, 2009, CATS has automatic pre-award authority to procure vehicles and perform utility relocation since the process required by the National Environmental Policy Act of 1969 has been completed. FTA reminds CATS that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, Buy America and Ship America. FTA encourages CATS to discuss the procurement of vehicles with FTA prior to exercising pre-award authority. CATS should contact the FTA Region IV office in Atlanta, Georgia, for a determination of whether any other proposed non-construction activity falls within the pre-award authority granted with FD approval.

This pre-award authority does not constitute any FTA commitment that future Federal funds will be approved for this project or any element of the project. As with all pre-award authority, all Federal requirements must be met prior to incurring costs in order to retain eligibility for future FTA grant assistance. This approval also does not constitute approval to start any physical construction activity other than those highlighted above without the issuance of a Letter of No Prejudice.

The current capital cost estimate for the project is \$1,160.08 million in Year of Expenditure dollars. CATS is seeking \$580.04 million in New Starts funds (50 percent). Please be advised that, consistent with FTA's established policy, the amount of New Starts funding is fixed at the time of entry into FD. Thus, \$580.04 million represents the maximum amount of New Starts funds that FTA will provide for the BLE project should a Full Funding Grant Agreement (FFGA) be approved.

During FD, CATS needs to continue addressing the Project Management Oversight Contractor (PMOC) Final Report dated May 5, 2012 recommendations.

Pursuant to the Civil Rights Act of 1964 and its implementing regulations, including FTA Circular 4702.1 (Title VI Program Guidelines for FTA Recipients, Part II, Section 114), FTA approved CATS's Title VI program on July 29, 2011. FTA informed CATS that an update to the agency's Title VI program must be submitted to FTA at least 30 calendar days in advance of the August 27, 2014 expiration of the current program.

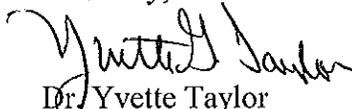
CATS's Equal Employment Opportunity (EEO) Plan was approved on April 22, 2010, and expires on April 22, 2013. CATS must submit the required EEO program update at least 30 calendar days before the current approval expires.

CATS's Disadvantaged Business Enterprise (DBE) program was submitted on February 23, 2012, and has been conditionally approved until July 14, 2012. CATS's DBE goals were approved on August 1, 2010, and are valid through September 2013.

As final design progresses, it will be particularly important that CATS pay close attention to the requirements for vehicles and facilities under the U.S. Department of Transportation's (DOT's) ADA regulations located at 49 C.F.R. Parts 27, 37 and 38, and contact FTA as soon as any potential issues become apparent. In particular, issues common among light rail projects have included: boarding ramp designs that depart from the required standard, which necessitates a formal determination of equivalent facilitation by FTA; between-car barriers; excessive flangeway gaps at pedestrian grade crossings; and the length of accessible routes in relation to general circulation within stations. CATS should also review its ADA paratransit system in relation to this project to determine whether any changes to the paratransit service area, hours and days of service, or other operating characteristics will be required.

FTA looks forward to continuing to work with you on this important transit project. If you have any questions, please feel free to call me at (404) 865-5610.

Sincerely,


Dr. Yvette Taylor
Regional Administrator