



October 23, 2003

Central Link Light Rail Initial Segment Federal Funding FAQ

What does the Full Funding Grant Agreement (FFGA) mean?

This federal funding commitment of \$500 million is a significant contribution to the overall cost of the project of \$2,436,900,000. The Bush Administration included \$75 million in the proposed FY 2004 budget now being considered by Congress, an amount consistent with the funding schedule included in the pending FFGA. Historically, Congress has honored funding commitments outlined in FFGAs.

What is a FFGA?

Full Funding Grant Agreements (FFGAs) are the funding mechanism established by Congress to support the multi-year capital needs of transit project construction. These funding commitments are made after costs, benefits, and impacts are most accurately known and project sponsors have demonstrated the technical and financial capacity to build and operate the project. By law, the FTA negotiates the details of FFGAs with project sponsors, including an annual schedule of when funds will be provided. Once FFGAs are executed, Congress appropriates funding for the project on an annual basis.

When will Sound Transit receive the federal money?

The proposed FFGA includes a schedule of federal funds detailing the annual amount of funding for the project. These amounts are included annually in the FTA's proposed budget for consideration by the Congressional appropriations subcommittees. Congress has historically honored funding commitments made in FFGAs. To date, Sound Transit has received \$91 million of the \$500 million; these dollars have been used for preliminary engineering, final design and right of way acquisition. The Bush Administration recommended \$75 million in the proposed FY 2004 budget now under consideration by Congress. The FY 2004 bill approved by the Senate Appropriations Committee provides \$75 million for the Initial Segment; the House version of the bill provided \$15 million. A House-Senate conference committee is expected to finalize FY 2004 funding decisions later this year.

When will construction of light rail begin?

Construction can begin as soon the grant is executed by the FTA. Recently, Sound Transit received bids on the first two major construction

contracts the agency will award once the FFGA is executed - bids which are significantly lower than the agency estimated. These contracts are for construction of the light rail project from Royal Brougham Way South to nearly South Airport Way, a station at S. Lander St., and the Link Operations and Maintenance facility and train storage yard.

What about the I-776 appeal being considered by the state Supreme Court?

We are still awaiting the ruling of the Supreme Court on I-776. The fact that Chairman Istook is no longer looking at a favorable court ruling as a condition of approving the FFGA supports our belief that I-776 would not effect our ability to collect revenues. We continue to follow the direction of the state Attorney General's Office, which has indicated in writing that that any funding limits imposed by I-776 would not apply to Sound Transit's ability to pay for transit improvements because MVET funds were pledged to repay bonds issued in 1999.

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