

EXHIBIT 1



U.S. Department
of Transportation

Federal Transit
Administration

The Administrator

1200 New Jersey Avenue, SE
Washington, D.C. 20590

APR 27 2012

Mr. Kevin O'Malley
General Manager, Strategic Planning
Chicago Transit Authority
567 West Lake Street
Chicago, IL 60661

Dear Mr. O'Malley:

The Federal Transit Administration (FTA) has conducted an in-depth review regarding the way in which Vehicle Revenue Miles (VRM) and Vehicle Revenue Hours (VRH) are reported to the National Transit Database (NTD) by the Chicago Transit Authority (CTA). As a result of our review, CTA should revise its data for the 2011 Report Year to reflect the definition of "revenue service" in the NTD Reporting Manual and should continue to follow the definition of "revenue service" from the NTD Reporting Manual for future report years. The FTA will not, however, require CTA to revise its annual NTD Reports from prior years.

The initial inquiry was made regarding CTA's relatively low percentage of "deadhead" mileage compared to other large transit agencies. In your October 2011 memorandum you stated that efficient scheduling practices, the convenient location of CTA bus garages, and frequent midday bus service explained the high VRM reported to the NTD. You also noted that CTA cannot speak for the scheduling or reporting practices of other transit agencies.

To further study this situation, we asked you to send FTA detailed data on the patterns and blocks used by CTA to schedule its buses. FTA selected 10 bus trip blocks from this data for analysis. Upon selecting the data set, FTA mapped each trip from the pull-out from the bus garage, through the revenue service trip, and then to the return pull-in to the bus garage. In 7 of the 10 bus blocks analyzed, FTA found that the bus left the garage, traveled a short distance on one bus route (recorded as "revenue service"), and then moved to the primary bus route, which the bus served for the bulk of the block.

FTA appreciates CTA's efforts to operate transit service as efficiently as possible and to minimize "deadhead" time in favor of revenue service. However, FTA's funding formulas rely upon applying a consistent definition of "revenue service" across all transit systems in the country in order to ensure a fair and equitable distribution of formula funds.

As such, FTA established the following three-part definition of revenue service in its 2011 NTD Urbanized Area Reporting Manual (page 212): (1) that the service must be advertised as being available to the general public; (2) there must be a marked stop that is advertised in the schedule; and; (3) there must be an indication on the bus (e.g., head sign, window board) that the bus is in revenue service.

Using the data you provided (see enclosure), FTA examined CTA's published schedules and found that each bus that arrived at the primary route was reflected on the schedules. FTA did not, however, find the bus routing between the garage and the primary route to be included on the published schedules. Therefore, although buses traveling on this secondary route between the garage and the primary route may stop at marked bus stops and may indicate "revenue service" on their head signs, this travel does not meet the NTD definition of "revenue service."

If you have any questions about this, or would like to present any additional information, please contact John Giorgis, NTD Program Manager, at john.giorgis@dot.gov or 202-366-5430.

Sincerely yours,



Peter Rogoff

Enclosure