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September 19, 2007

The Honorable Calvin L. Scovel III
Inspector General
Department of Transportation
1200 New Jersey Ave. SE
Washington, D.C. 20590

Dear Calvin:

I am writing to request a review of the use of funds and administration of the Transportation Technology Innovation and Demonstration (TTID) program. The TTID program, as amended by Section 5508 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), provides up to \$2 million for each participating metropolitan area for deploying intelligent transportation systems.

During consideration of SAFETEA-LU, I successfully inserted Section 5508, which was included in the enacted version of the bill. Section 5508 is meant to award program funding through competitive bidding by intelligent transportation system providers. Under TEA-21, the law was so narrow as to channel all work and funding to a single company, in spite of the fact that there are many companies around the country capable of providing the same products and services.

The enactment Section 5508 resulted in the creation of a new part of the TTID program, known as Part II, and states that "the Secretary shall award, on a competitive basis, contracts for the deployment of intelligent transportation infrastructure systems." Contrary to the language and legislative intent, however, the Department of Transportation's (DOT) administration and funding of the TTID program has not resulted in open competition.

I have communicated my concerns to the DOT in letters dated January 23, 2007, and May 10, 2007 (enclosed). The responses from the Department, however, did not adequately address my central concern. The administration of the program has resulted in a monopoly on program funding for the benefit of a single private-sector entity, in direct contravention to the legislative intent of Section 5508. This monopoly reduces the availability and usefulness of real-time traffic information for travelers in many of our nation's most traffic-congested cities. The lack of competition and the taxpayer dollars funding the program are working against the public interest.

In reviewing the administration and use of funds under the TTID program, I ask that you respond, but not limit your review and report, to the following questions.

- Since the enactment of SAFETEA-LU, how much total TTID funding has gone to Part I? Since the same time, how much has gone to Part II? How much committed funding has been spent to date?
- How many agreements are in negotiation? Are they open for competition? Is the DOT in discussions to expand this program to new cities?

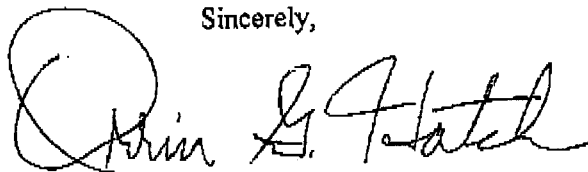
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- How many agreements under the program were in force at the time of enactment of SAFETEA-LU? How many agreements were made after SAFETEA-LU? Of the agreements made after SAFETEA-LU how many were open for competition? If any agreements were not open to competition, please explain.
- Of the new agreements made since the enactment of SAFETEA-LU, how many have been signed to according to the requirements of Part I? How many have been signed to according to the requirements of Part II?
- Of the agreements in force at the time of enactment of SAFETEA-LU, have the terms of any agreements been amended? If so, how many? Were they subject the open procurement provisions added in SAFETEA-LU?
- What procedures has DOT followed in soliciting competitive bids under Part II? Approximately how many companies in the industry could satisfy the requirements of the program? How many companies have submitted bids? How many have been selected by DOT as suppliers of intelligent transportation systems?
- How many companies have formally declined to bid for agreements under Part II? What are the stated reasons for declining to compete for bids?
- What efforts has DOT made to open the bidding to competition and to communicate the open nature of bidding? What limits or constraints, if any, might still apply to the solicitation of bids and awarding of agreements?
- Are there any TTID program regulations or guidelines regarding state or local matching of funds? If so, please describe. What portion of the funding do state/local DOTs contribute, and to what extent are regulations or guidelines enforced or waived?
- To what extent, if any, has the lack of competition affected the quality and availability of traffic data to state/local agency partners and consumers?

I appreciate your attention to this matter, and I look forward to a timely and thorough report.

Sincerely,



Orrin G. Hatch
United States Senator