

May 10, 2007

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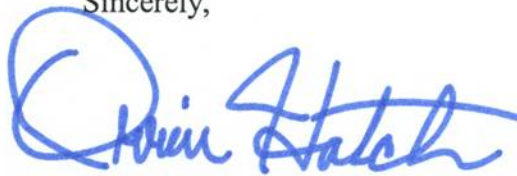
As I am sure you understand, I find this situation very concerning. In my view, it is the role of DOT to ensure that taxpayers get full value out of this important federal program, while enhancing the open and fair competitive environment that is the foundation of our economic system. By continuing its clear bias toward Traffic.com, I believe DOT is stifling competition and ultimately harming consumers, businesses, and taxpayers.

Please provide detailed answers to the following questions about the ITIP/TTID Program:

1. Why were the vast majority of remaining funds under the ITIP/TTID contract awarded to Part 1 participants, as is evidenced by 11 Part 1 contracts (nine of which had been awarded as of February 15), with only funding made available for two Part 2 contracts (which have yet to be awarded)?
2. From the perspective of "unfunded cities," it also appears that DOT funded cities under Part 1 (the Traffic.com monopoly) to the detriment of Part 2 cities (open competition), as evidenced by the fact that the data you provided listed seven cities explicitly as "unfunded under Part 2", yet only one (Cleveland) as "unfunded under Part 1." Why were so many cities, that opted to participate in Part 2, left unfunded?
3. How was the 20 percent local match cash contribution (up to \$500,000 per city) provided for each of the ITIP/TTID contracts to date? Which entity or entities provided cash contribution in each case, and in what amounts?

Thank you for your time and attention to this important issue.

Sincerely,



Orrin G. Hatch  
United States Senator

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May 10, 2007

The Honorable Mary E. Peters  
Secretary of Transportation  
400 Seventh St., S.W.  
Washington, D.C. 20590

Dear Madame Secretary:

Thank you for your letter responding to my January 23, 2007, inquiry about the status of the Transportation Technology Innovation and Demonstration (TTID) Program. I appreciate the fact that you provided data for the program, as well as tables showing which cities expressed a desire to participate in Parts 1 and 2 of the program.

While your response explains the status of the program, where funds have been spent and which cities have received them, it does not address my central concern: why the monopoly for Traffic.com has largely continued since the passage of language in SAFETEA-LU specifically was designed to eliminate that monopoly?

As I mentioned in my earlier inquiry, I was instrumental in adding Part 2 to the language supporting the TTID Program in SAFETEA-LU, the intent of which was to open up the program to competition. However, your March 6, 2007, letter to me clearly shows that the monopoly for Traffic.com continues, despite the language in the law. According to the data you provided, 11 cities have either reached agreements under Part 1 or were negotiating their agreement as of February 15, 2007, while not a single city has yet reached agreement under Part 2. Further, the data indicates that the overwhelming majority of the remaining funds available for the Intelligent Transportation Infrastructure Program (ITIP) after the passage of SAFETEA-LU were allocated to Part 1, with only limited funds for two Part 2 awards. It seems to me that we would want most of the funding going to Part 2 of the program to encourage competition and innovation.

To make matters worse, I have become aware that one of the state Departments of Transportation that signed up under Part 1 only decided to do so after it was arranged that the state agency would not need to contribute any of its own funds to participate in the program. The October 19, 2005, Federal Register Notice that you referred to in your March 6, 2007, letter to me is very explicit regarding how the local match is to be provided. In this case, however, it appears that these requirements have been bypassed to allow the Traffic.com monopoly to continue.