



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

Headquarters

1200 New Jersey Avenue S.E.
Washington DC 20590

JAN 12 2017

Mr. Joseph A. Calabrese, CEO
The Greater Cleveland Regional
Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113

**Re: Response to Request for Extension of Time to Respond to Notice of
Outstanding Debt and Demand for Payment**

Dear Mr. Calabrese:

The Federal Transit Administration ("FTA") is in receipt of the Greater Cleveland Regional Transit Authority's ("GCRTA") letter dated January 10, 2017, which requested a time extension to respond to the FTA's Notice of Outstanding Debt and Demand for Payment dated December 20, 2016 (the "Debt Letter"). The FTA will grant the GCRTA a one-time 30-day extension until February 21, 2017, to allow GCRTA and FTA to discuss the basis for the \$12 million debt.

The FTA understands that the GCRTA is in ongoing discussions with the City of Cleveland to restore bus traffic to Public Square. However, as the GCRTA correctly pointed out in its January 4, 2017 letter to the City of Cleveland's Director of Law, the FTA's position is that a permanent closure of Superior Avenue constitutes a breach of the Full Funding Grant Agreement ("FFGA") resulting in a debt owed to the FTA. As stated in my response to Mayor Jackson, the closure of Public Square has removed federally funded assets from use in public transportation, which was the originally intended purpose for the funds. The GCRTA may either: (1) reopen Public Square to bus traffic as it committed to as part of the FFGA, thereby repairing the breach, or (2) it can reimburse FTA for the loss of the Federal investment.

Should you have any questions about this matter, please do not hesitate to contact me at (202) 366-4050.

Sincerely,

Robert J. Tuccillo
Associate Administrator/Chief Financial Officer
Office of Budget and Policy