



U.S. Department
of Transportation

Federal Transit
Administration

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

200 West Adams Street
Suite 320
Chicago, IL 60606-5253
312-353-2789
312-886-0351 (fax)

November 18, 2014

Mr. Chris Abele
County Executive
Milwaukee County Transit System
901 North 9th Street, Room 306
Milwaukee, WI 53233

Dear Mr. Abele:

The Federal Transit Administration ("FTA") is in receipt of your letter of September 12, 2014, in which you request FTA's review of a proposed restructuring of Milwaukee Transport Services, Inc. ("MTS"). Presently, MTS is a private corporation that provides public transportation services in Milwaukee County by contract with the County.

As proposed in the draft Amended and Restated Bylaws of Milwaukee Transport Services, Inc., a restructured MTS will be controlled by three officers of the Milwaukee County Department of Transportation serving ex officio as the directors of MTS, along with the president of MTS, who will be elected by the MTS directors and who will also serve as a director ex officio. According to a legal opinion of Milwaukee County's outside counsel, after adoption of the proposed bylaws, MTS will be a quasi-governmental corporation under Wisconsin law and will operate as an instrumentality of Milwaukee County.


FTA considers a quasi-governmental instrumentality of a county to be itself an element of the local government to which it belongs. See *FTA Circular 4220.1F: Third Party Contracting Guidance* ch. I § 5.s (2013) ("Local Government means ... any agency or instrumentality of a local government"). Accordingly, based on the representations made by Milwaukee County, it appears that FTA's guidance for contracting with third parties would not apply to Milwaukee County's arrangements with a restructured MTS. Please note that the actual legal effect of restructuring MTS and MTS's status as a quasi-governmental corporation are distinctly matters of Wisconsin state law, and by this correspondence FTA does not intend to opine on those legal issues herein.

RECEIVED NOV 24 2014

FTA's determination is based on draft documents supplied by Milwaukee County. FTA may revise its determination based on the actual future operations of MTS and the demonstrated substance of the relationship between Milwaukee County and MTS.

If you have additional questions, you may contact Lisa Joiner or me at 312-353-2789.

Sincerely,


for Marisol Simon
Regional Administrator

Cc: Mr. Brian Dranzik
Director of Transportation