

(i) 100 percent of the service deficit attributable to each county;  
less

(ii) Each county's share of the Department's annual grant to the Washington Suburban Transit District as determined under § 10-205(b) of this subtitle.

(2) Notwithstanding the provisions of this section, the Secretary may authorize payments to Prince George's County and Montgomery County:

(i) To subsidize new bus service for a period of 36 months from the initiation of service; and

(ii) For the loss of revenues from fare modifications for a period of 36 months from the date of the modification.

(c) The Department's grant for any eligible local bus service may not be greater than the operating grant that the Department would incur from the same bus service if operated by the Washington Metropolitan Area Transit Authority. This requirement shall be applied on a line by line basis.

(d) Except with the specific approval of the Secretary, notwithstanding the provisions of § 10-205 of this subtitle, the combined grants for bus service to each county under this section and § 10-205(b) of this subtitle may not exceed the level of the combined grants for the prior fiscal year adjusted for inflation by the projected Consumer Price Index CPI-U for the fiscal year in which the grant under this section is being awarded, using the actual Consumer Price Index CPI-U at the close of the fiscal year. Adjustments shall be made to increase or decrease the combined grants in the subsequent fiscal year to reflect the actual inflation rate.

(e) (1) The Department shall provide an annual capital grant to Prince George's County and Montgomery County for the purchase of buses to be used in eligible local bus service.

(2) Grants provided under paragraph (1) of this subsection shall be in addition to any federal funds received by the State for bus services operated by Prince George's County and Montgomery County.

(f) (1) For fiscal year 2001 and thereafter, Prince George's County and Montgomery County shall implement performance indicators, in addition to the farebox recovery indicator, to track service efficiency for mass transit in their respective jurisdictions, including:

- (i) Operating expenses per vehicle mile;
- (ii) Operating expenses per passenger trip; and
- (iii) Passenger trips per vehicle mile.

(2) The counties shall submit an annual performance report to the Senate Budget and Taxation Committee, House Ways and Means Committee, and House Appropriations Committee by December 1 of each year on: