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August 2011

PUBLIC TRANSPORTATION

Requirements for Smaller Capital Projects Generally Seen as Less Burdensome

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GAO-11-778

GAO Accountability * Integrity * Reliability

Highlights

Highlights of GAO-11-778, a report to congressional committees

Why GAO Did This Study

The Federal Transit Administration's (FTA) Capital Investment Grant program funds, among other things, projects for fixed-guideway systems—often called New Starts projects. In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU) established a category of lower-cost projects—Small Starts—which expands project eligibility and offers streamlined requirements. FTA subsequently created the Very Small Starts category with a further streamlined process for very low-cost projects. Exempt projects, those receiving under $25 million and typically designated by Congress, also have a simplified process.

As part of GAO's annual mandate to review New Starts, this report describes (1) the history of Small Starts and Very Small Starts and the type of projects FTA recommended for funding; (2) the project development requirements for Small Starts and Very Small Starts and what stakeholders identify as the advantages and disadvantages of the requirements; and (3) the project development requirements for exempt projects, the projects selected to receive funding, and what stakeholders identify as the advantages and disadvantages of this category. Among other things, GAO analyzed laws, regulations, and agency guidance, and interviewed FTA headquarters staff and stakeholders from 7 FTA regional offices, 15 projects, and 2 industry groups. DOT officials reviewed a draft of this report and provided technical comments, which GAO incorporated as appropriate.

View GAO-11-778 or key components.
For more information, contact Lorelei St. James at (202) 512-2834 or stjamesl@gao.gov.

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What GAO Found

When SAFETEA-LU established the Small Starts program, it streamlined project development requirements and project evaluation and rating criteria, and authorized certain corridor-based bus projects—like bus rapid transit systems—to receive transit capital funding. Furthermore, FTA created Very Small Starts within Small Starts to further streamline requirements for projects that are simple and low-risk, based on cost and other features. FTA has mostly recommended bus projects for funding but has also recommended light rail, commuter rail, and streetcar projects. Overall, FTA has recommended 10 Small Starts and 19 Very Small Starts projects for funding. These projects' total costs vary from about $5 million to about $232 million, and FTA has recommended capital investment program funds ranging from nearly $3 million to $75 million for these projects.

FTA's project development requirements for Small Starts and Very Small Starts include costs and financial summaries. While all sponsors submit similar information in some respects, such as financial summaries, FTA only requires sponsors of Small Starts projects to submit information on a project's expected benefits, like travel forecasts. Some stakeholders GAO spoke with said an advantage of FTA's requirements for Very Small Starts is that they are appropriately scaled and not overly burdensome for smaller projects. For example, about half of the stakeholders experienced with Very Small Starts told GAO that the requirements were straightforward and that project sponsors were able to meet them quickly without many problems. Four project sponsors and an industry group said that a disadvantage of the Small Starts requirements is that they are too similar to those for New Starts, even though Small Starts projects have a lower total cost and are less complex. Generally, stakeholders said that the requirements for both Small Starts and Very Small Starts help project sponsors fully develop and plan projects by helping identify potential problems. Stakeholders' perspectives depend, in part, on their degree of experience with these programs, which ranged from none to several previous New Starts or Small Starts projects.

Exempt projects, typically congressionally designated and below the $25 million threshold, are not evaluated and rated. Exempt projects are subject to fewer FTA requirements that mainly focus on the sponsor's ability to carry out its project. Nine exempt projects have entered the New Starts pipeline since the last reauthorization of the New Starts program in 2005. These projects vary in terms of mode and scope. For example, one project extends a bus transitway with dedicated vehicle lanes; and another project builds a new station on an existing rail line. The total costs for these projects vary from about $10 million to about $493 million, and the federal contributions range from about $1 million to nearly $25 million in capital investment program funds. Four project sponsors GAO spoke with said that the exempt category provides a useful source of capital funding for atypical transit projects that solve local transportation problems. In its 2012 budget request, FTA proposes to continue the exempt category, which is set to expire under current law, in the next surface transportation reauthorization.

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Abbreviations

BRT	bus rapid transit
DOT	Department of Transportation
FFGA	full funding grant agreement
FTA	Federal Transit Administration
PCGA	project construction grant agreement
PMOC	project management oversight contractor
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users
TIGER	Transportation Investment Generating Economic Recovery

August 2, 2011

The Honorable Tim Johnson
Chairman
The Honorable Richard C. Shelby
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable John L. Mica
Chairman
The Honorable Nick J. Rahall, II
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Federal Transit Administration's (FTA) Capital Investment Grant program provides federal capital funds to help many states, cities, and localities plan and build new fixed-guideway systems[1] or extensions to existing fixed-guideway systems, often called New Starts projects. FTA evaluates and recommends New Starts projects to Congress for grants, and then provides grants to project sponsors, typically transit agencies and other local governments. Over the last decade, FTA has provided more than $10 billion in New Starts funding to help design and construct transit projects that annually provide billions of passenger trips nationwide.

In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act–A Legacy for Users (SAFETEA-LU) created a new category of lower-cost projects—the Small Starts program—primarily to streamline the project development process and evaluation and rating criteria that apply to larger-dollar New Starts projects.[2] At the time Small Starts was

[1]Fixed-guideway systems use and occupy a separate right-of-way for the exclusive use of public transportation services, such as fixed rail and exclusive lanes for buses and other high-occupancy vehicles.

[2]Although SAFETEA-LU created a separate Small Starts "category" rather than a Small Starts "program," for the purposes of this report, we refer to the Small Starts category as the Small Starts program, as FTA consistently refers to the Small Starts program in reports and guidance. *See* 49 U.S.C. § 5309(e).

established, FTA created an even more streamlined evaluation process for very low-cost projects called Very Small Starts within the Small Starts program. An additional category—the exempt category—which dates back to 1991, provides funding for projects identified primarily by Congress.[3] These projects are exempt altogether from the evaluation and rating process. Table 1 provides information on these categories of projects by total cost and federal New Starts contribution, although projects must meet other requirements to qualify for funding.

Table 1: Select Categories of Capital Investment Program Projects, by Total Cost and Federal Contribution[a]

New Starts	Total estimated project cost is $250 million or more or federal contribution is $75 million or more
Small Starts	Total estimated project cost is under $250 million and federal contribution is under $75 million
• **Very Small Starts**	Total estimated project cost is under $50 million
Exempt	Federal contribution is under $25 million, regardless of total project cost

Source: GAO analysis of FTA documents.

[a]Federal contribution refers to Section 49 U.S.C. § 5309 Capital Investment Grant funds only. Projects may have other sources of federal funds, such as Recovery Act or Federal Highway Administration Congestion Mitigation and Air Quality Improvement funds.

As part of our annual mandate to review the New Starts program,[4] we reviewed FTA's project development requirements for Small Starts, Very Small Starts, and exempt projects. We define project development requirements to include the information FTA requires from project sponsors when they apply for and proceed through each statutorily required project development phase, based on its guidance and regulations. These project development requirements help FTA manage the risks associated with a project to protect the federal investment in capital transit projects recommended for funding. This report describes (1) the legislative and program history for the creation of Small Starts and Very Small Starts, respectively, and the types of Small Starts and Very

[3]In accordance with SAFETEA-LU, 49 U.S.C. § 5309 (e)(1)(B), the exempt category will expire when FTA publishes a final regulation pertaining to Small Starts. However, FTA has not yet promulgated this final regulation. According to FTA officials, currently there is no timeline for the release of a Notice of Proposed Rulemaking.

[4]49 U.S.C. § 5309(k)(2).

Small Starts projects that have been recommended for funding, by mode of transit and size; (2) the project development requirements for Small Starts and Very Small Starts and what stakeholders identify as the advantages and disadvantages of these requirements; and (3) the project development requirements for exempt projects, the projects that have been selected to receive funding, and what stakeholders identify as the advantages and disadvantages of this category. In addition, appendix I summarizes recommendations from recent GAO reports on the New Starts program and updates FTA's progress in implementing these recommendations.

The focus of this review is on FTA's project development requirements for Small Starts, Very Small Starts, and exempt projects. We only refer to FTA's evaluation and rating process—including both project justification and local financial commitment criteria—as it affects simplification of project requirements. We did not review the project justification and local financial commitment criteria that help inform administration and congressional decisions about which projects should receive federal funding.[5] However, FTA has an ongoing rulemaking in this area.[6]

To address the first objective, we analyzed SAFETEA-LU congressional reports, testimonies presented before Congress, and member floor statements to describe the legislative history for the Small Starts program. We also analyzed program guidance and Federal Register notices to describe program history for the Very Small Starts category. To provide information on Small Starts and Very Small Starts projects, including cost, mode of transit, and other characteristics, we analyzed and summarized project data compiled by FTA, as well as data from FTA's Annual Reports

[5]See 49 U.S.C. §§ 5309(d)(2), (e)(2). Project justification criteria include cost-effectiveness, land use, economic development effects, environmental benefits, mobility improvements, and operating efficiencies. To determine the project's local financial commitment, FTA evaluates a project's capital finance plan, operating finance plan, and non-New Starts share. We have previously assessed FTA's evaluation and rating process for New Starts; see GAO, *Public Transportation: Improvements Are Needed to More Fully Assess Predicted Impacts of New Starts Projects*, GAO-08-844 (Washington, D.C.: July 25, 2008).

[6]On June 3, 2010, FTA published an Advance Notice of Proposed Rulemaking in the Federal Register, which seeks comments on how best to measure a proposed project's cost-effectiveness, economic development effects, and environmental impacts, among other things. 75 Fed. Reg. 31383. According to FTA officials, currently there is no timeline for the release of a Notice of Proposed Rulemaking.

on Funding Recommendations for fiscal years 2007 through 2012. We included data on Small Starts and Very Small Starts projects that FTA had recommended to Congress for funding since the enactment of SAFETEA-LU. We assessed the reliability of the data compiled by FTA by comparing it to data from the Annual Reports on Funding Recommendations and information from project sponsors we interviewed. We also interviewed FTA officials. We determined that the data were sufficiently reliable for the purposes of this report.

To address the second and third objectives, we reviewed relevant legislation including SAFETEA-LU; FTA guidance and regulations related to Small Starts, Very Small Starts, and exempt projects; and other relevant FTA documents. We interviewed stakeholders of Small Starts, Very Small Starts, and exempt projects to learn what they identify as advantages and disadvantages of FTA's project development requirements. These stakeholders included 15 judgmentally selected project sponsors (4 Small Starts, 6 Very Small Starts, and 5 exempt projects), officials at the 7 corresponding FTA regional offices, officials at FTA headquarters, and representatives of industry groups. While not representative, we selected the project sponsors to include variety in project characteristics including (1) mode of transit (e.g., light rail, commuter rail); (2) total project cost; (3) geographic location; and (4) year recommended for funding in the President's budget by FTA or year entering the program. Additionally, we used stakeholder observations and experiences to obtain information on these requirements, since there is not a reliable quantitative way to evaluate the impact of changes in FTA's requirements for Small Starts and Very Small Starts projects on project development time frames compared to New Starts projects for two reasons. First, less than half of the Small Starts and Very Small Starts projects recommended for funding to date have completed the project development phase and received a construction grant. Appendix II contains more information on these 11 projects. Second, we do not have reliable data on time frames for New Starts projects available for comparison.[7] However, FTA officials said they do not agree with GAO's assessment of its data. See appendix I for more details. To provide information on exempt projects, we verified, analyzed, and summarized project data compiled by FTA and the Annual Reports on Funding

[7]GAO, *Public Transportation: Better Data Needed to Assess Length of New Starts Process, and Options Exist to Expedite Project Development*, GAO-09-784 (Washington, D.C.: Aug. 6, 2009).

Recommendations for fiscal years 2007 through 2012, as described above. As FTA does not recommend exempt projects to Congress for funding in the President's budget to Congress, we focused on exempt projects that FTA has approved to enter preliminary engineering since the passage of SAFETEA-LU in August 2005.

We conducted this performance audit from December 2010 through August 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. See appendix III for more information about our scope and methodology.

Background

FTA's New Starts program supports new or extensions to existing fixed-guideway transit capital projects, such as light rail, commuter rail, ferry, and bus rapid transit (BRT) projects.[8] Sponsors of New Starts projects—those with a total cost of $250 million or more or a capital investment program contribution of $75 million or more—must take a number of steps to select a project and apply for New Starts funding. Sponsors of New Starts projects are required by law to go through a planning and project development process, which is divided into three phases: alternatives analysis, preliminary engineering, and final design. This is followed by the construction phase. (See fig. 1.) In the alternatives analysis phase, project sponsors identify the transportation needs in a specific corridor and evaluate a range of modal and alignment alternatives to address the locally identified problems in that corridor.[9] Project sponsors complete the alternatives analysis phase by selecting a locally preferred alternative. During the preliminary engineering phase, project sponsors refine the design of the locally preferred alternative and its estimated costs, benefits, and impacts. When the preliminary engineering phase is completed and federal environmental requirements are satisfied, FTA may approve the project's advancement into final design, after which FTA

[8]Bus rapid transit, according to FTA, is a corridor-based, enhanced bus system that operates on bus lanes or other transitways in order to combine the flexibility of buses with the efficiency of rail to operate at faster speeds.

[9]New Starts projects are carried out in concert with the statutorily established state and metropolitan planning processes. 23 U.S.C. § 134.

may recommend the New Starts project for a full funding grant agreement (FFGA). An FFGA establishes the terms and conditions for federal participation in a transit project.

Figure 1: New Starts Project Development Process

Sources: GAO and FTA.

[a]FTA awards FFGAs to New Starts projects that it recommends for funding to Congress.

SAFETEA-LU established the Small Starts program within the capital investment program; the Small Starts program simplifies the evaluation and rating criteria and steps in the project development process for lower-cost projects. According to FTA's guidance, projects must (1) meet the definition of a fixed-guideway for at least 50 percent of the project length in the peak period[10] or (2) be a corridor-based bus project with certain elements[11] to qualify as a Small Starts project.

FTA subsequently introduced a further streamlined evaluation and rating process for very low-cost projects within the Small Starts program, which it calls Very Small Starts. Very Small Starts are projects that must contain the same elements as Small Starts projects and also contain the following three features:

- be located in corridors with more than 3,000 existing riders per average weekday who will benefit from the proposed project,

[10]Fixed-guideway systems use and occupy a separate right-of-way for the exclusive use of public transportation services, such as fixed rail and exclusive lanes for buses and other high-occupancy vehicles. For Small Starts projects, the fixed-guideway portion of the project need not be contiguous, but it should be located to result in faster and more reliable running times. Peak period refers to periods with high ridership or demand.

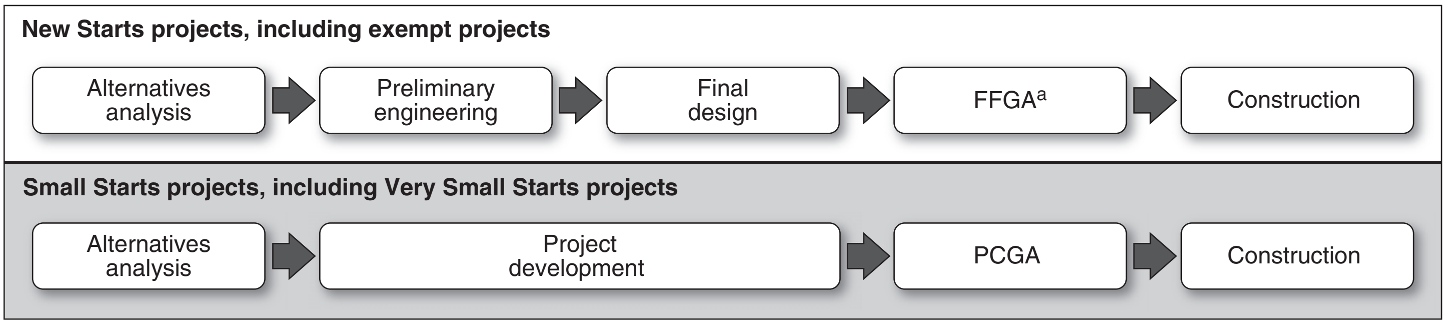
[11]According to FTA's guidance, a corridor-based bus project must have the following minimum elements: substantial transit stations; traffic signal priority/preemption, to the extent, if any, that there are traffic signals on the corridor; low-floor vehicles or level boarding; branding of the proposed service; and 10-minute peak/15-minute off-peak running times (i.e., headways) or better while operating at least 14 hours per weekday.

- have a total capital cost of less than $50 million (for all project elements), and
- have a per-mile cost of less than $3 million, excluding rolling stock (e.g., train cars).

The project development process for Small Starts and Very Small Starts is a condensed version of the process for larger New Starts projects. For Small Starts, SAFETEA-LU set up a condensed process in which the preliminary engineering and final design phases are combined into one “project development” phase; see figure 2 below for a comparison to the New Starts project development process. When projects apply to enter project development, FTA evaluates and rates Small Starts projects on both project justification and local financial commitment criteria, but compared to New Starts projects, there are fewer statutorily prescribed project justification criteria for these projects.[12] Very Small Starts projects also progress through a single project development phase and are evaluated and rated on the simplified project justification criteria. FTA may recommend Small Starts and Very Small Starts projects to Congress for funding once the projects have been approved to enter into project development and meet FTA’s “readiness” requirements. Congress makes final appropriations decisions on projects. FTA provides funding for Small Starts and Very Small Starts projects in one of two ways: through project construction grant agreements (PCGA) or single-year construction grants when the New Starts funding request is less than $25 million and can be met with either a single-year appropriation or existing FTA appropriations that remain available for this purpose.

[12]Per 49 U.S.C. § 5309(d)(2)(B), New Starts projects are rated on six project justification criteria: cost-effectiveness, land use, economic development effects, environmental benefits, mobility improvements, and operating efficiencies. In accordance with 49 U.S.C. § 5309(e)(2)(B), Small Starts projects are rated on three project justification criteria: cost-effectiveness, economic development, and land use.

Figure 2: Comparison of New Starts and Small Starts Project Development Processes



Sources: GAO and FTA.

[a]FTA awards FFGAs to New Starts projects that it recommends for funding to Congress. For exempt projects, FTA awards construction grants after a project completes the final design phase. FTA does not recommend these projects for funding to Congress.

Exempt projects follow the same project development process as New Starts projects, including alternatives analysis, preliminary engineering, final design, and construction. (See fig. 2.) Since these projects receive less than $25 million in federal funds, they are statutorily exempt from FTA's evaluation and rating process. However, exempt projects must still meet other FTA federal grant requirements before receiving federal funds.[13] Currently, the exempt category of funding will expire when a final regulation implementing the Small Starts provisions of SAFETEA-LU is complete. However, FTA has not yet issued this final regulation.[14]

For the next reauthorization of federal transit programs, FTA proposes in its fiscal year 2012 budget request to transform the Capital Investment Grant program to further streamline the process for new fixed-guideway and corridor-based bus projects. FTA proposes to discontinue the separate categories of New Starts and Small Starts (which includes Very

[13]Although exempt projects are not required by statute to go through alternatives analysis, FTA strongly suggests that sponsors of exempt projects conduct an analysis of alternative investment strategies to determine the optimal improvement to implement in a given corridor.

[14]FTA issued a Notice of Proposed Rulemaking to implement these provisions on August 3, 2007. Subsequently, the SAFETEA-LU Technical Corrections Act of 2008 required FTA to "give comparable, but not necessarily equal, numerical weight to each project justification criteria" when rating projects. Pub. L. No. 110-244, § 201, 122 Stat 1572. Therefore, FTA withdrew the 2007 notice in February 2009. As noted earlier, FTA issued a new Advanced Notice of Proposed Rulemaking on June 3, 2010. 75 Fed. Reg. 31383.

Small Starts) projects in law and instead evaluate and rate projects under a single set of streamlined criteria. Further, FTA proposes to reduce the steps in the project development process. FTA also proposes that projects that require less than 10 percent of the project's total anticipated cost and no more than $100 million in major capital investment funds be exempt from the evaluation and rating process.

Small Starts and Very Small Starts History and Types of Projects

Small Starts Was Established to Streamline New Starts and Allowed Funding for Certain Types of Bus Projects

The Small Starts program was created to provide a more streamlined evaluation and rating process for lower-cost and less complex projects. SAFETEA-LU expanded the types of projects eligible under the new Small Starts program to include corridor-based bus projects, which includes projects such as BRT. Thus, any new major capital project fitting the broader definition is eligible, whether it is a BRT, streetcar, or rail project. Although certain bus projects are now eligible for Small Starts funding, the law does not express a preference for any particular mode of transit and the legislative history indicates that the program was to remain mode-neutral.[15]

At the time Small Starts was established, FTA created the category of Very Small Starts to further streamline the program for simple, low-risk projects that are, based on their features, expected to be cost-effective and with sufficient land use to warrant funding.[16] FTA officials stated that the features were developed and determined based on data that FTA had

[15]H.R. REP. NO. 109-203, at 932-933 (2005) (Conf. Rep.). *See also* H.R. REP. NO. 108-452, pt. 1, at 31 (2004); H.R. REP. NO. 109-12, at 409 (2005).

[16]FTA created the Very Small Starts category based on its discretionary authority under 49 U.S.C. § 5309 to carry out the New Starts/Small Starts program.

on existing projects.[17] According to FTA, it also created Very Small Starts to be mode-neutral.

FTA Has Mostly Recommended Bus Rapid Transit Projects for Small Starts and Very Small Starts Funding

Since fiscal year 2007, FTA has approved 29 Small Starts and Very Small Starts projects into project development, and has recommended for funding to Congress all 29 of them, which are mostly BRT projects and a handful of other transit modes.[18] As Table 2 shows, 25 of the 29 projects FTA recommended for funding are BRT projects. Six of the 10 Small Starts projects are BRT projects; all 19 Very Small Starts projects are BRT projects.

Table 2: Types and Number of Small Starts and Very Small Starts Projects FTA Recommended for Funding Since Fiscal Year 2007

Mode	Number of Small Starts projects	Number of Very Small Starts projects	Total
Bus rapid transit (BRT)	6	19	**25**
Commuter/light rail	3	0	**3**
Streetcar	1	0	**1**
Total	**10**	**19**	**29**

Source: GAO analysis of FTA data.

The number of successful applicants does not necessarily represent the interest of all potential project sponsors in Small Starts and Very Small Starts. It is difficult to establish the total number of projects that sponsors might be interested in developing because, according to FTA officials in one regional office, FTA encourages sponsors not to formally apply for entry into project development until their project is ready for approval. The regional FTA officials cited two sponsors of potential Small Starts and Very Small Starts projects that have expressed interest in the program and met with their office, but have not been able to submit a thorough and

[17]The features that define a Very Small Starts project and that FTA determined would make a project cost-effective include minimum daily ridership requirements and maximum total and per-mile costs, as listed earlier in this report.

[18]In fiscal year 2007, FTA budgeted $100 million for potential projects which may qualify under the Small Starts program. However, due to the early stages of rulemaking for the program, FTA did not recommend Small Starts funding for any projects in that fiscal year.

complete application for entry. In 2007, we also reported that FTA's increased scrutiny of applications into New Starts was one of the likely reasons that the number of projects in the "pipeline" of potential projects had decreased over the past several years.[19] It is also difficult to establish the number of project sponsors that might have considered applying to the program but decided against it, in part, because these sponsors may not have notified FTA of their intentions. Further, FTA officials we spoke with in headquarters and the regional offices are not aware of any project sponsors that withdrew from or were removed from Small Starts after being approved into project development. Therefore, because the types of projects (with respect to transit modes) that FTA can consider for funding are limited to those from sponsors that formally apply to the program, we do not have adequate information to determine whether FTA's funding recommendations are mode-neutral.

It is difficult to establish the number of "potential" project sponsors, but we identified one sponsor of a streetcar project which initially sought federal funding through the Small Starts program before switching to other sources of federal funding, including the exempt category in the New Starts program and the Transportation Investment Generating Economic Recovery (TIGER) grant program. According to the project sponsor, it spent 2 years trying to gain entry into project development as a Small Starts project but had difficulty meeting the cost-effectiveness criterion. FTA evaluates Small Starts and New Starts projects using the same cost-effectiveness criterion, which measures effectiveness primarily in terms of travel time savings for transit riders. As we have previously reported,[20] this measurement may not favor certain projects, such as streetcars, that are not designed to create travel time savings, but instead to create other benefits, such as providing enhanced access to an urban center. According to the project sponsor, in early 2008, FTA advised the sponsor to seek funding as an exempt project and to see if a final regulation on the Small Starts program, as previously mentioned, would result in a change to how cost-effectiveness was formulated that would change the situation. In 2010, the sponsor received a TIGER grant and decided to remain in the exempt category. Several other streetcar projects have also

[19] GAO, *Public Transportation: Future Demand Is Likely for New Starts and Small Starts Program, but Improvements Needed to the Small Starts Application Process*, GAO-07-917 (Washington, D.C.: July 27, 2007).

[20] GAO-08-844.

received funding through TIGER grants. According to FTA officials, difficulty with the cost-effectiveness criterion was not the only issue which kept the streetcar project from entering the Small Starts program. In particular, the project sponsor was also unable to obtain high enough ratings on other criteria to offset the lower cost-effectiveness rating. Thus, the project was not able to obtain an overall rating that was high enough to advance in the Small Starts program as required by statute.[21] Further, FTA officials told us that FTA has taken steps to address the problems that streetcar projects face in attempting to become Small Starts and New Starts projects. For example, FTA established the Urban Circulator Program in 2009 (which we will discuss later in our report) to provide funds to projects that aim to connect urban destinations and foster redevelopment. However, we have not assessed the actions that FTA has taken.

Within Small Starts and Very Small Starts, the projects FTA recommended to Congress for funding vary in terms of the total project costs and capital investment program contribution.[22] For the 10 Small Starts projects, the total project cost ranges from nearly $40 million to about $232 million, and the median cost is about $143 million. As shown in table 3, for half of the Small Starts projects, the total project costs are between $100 and $200 million. The capital investment program contribution to the projects' costs ranges from about $28 million to $75 million, and the median capital investment program contribution is $75 million, as is the maximum capital investment program contribution. Seven of the 10 Small Starts projects were recommended for the maximum allowable capital investment program contribution.

[21]FTA assigns each project an overall rating of "high," "medium-high," "medium," "medium-low," or "low." 49 U.S.C. § 5309(d)(5)(B). To qualify for funding, a project must receive an overall rating of "medium" or higher. 49 U.S.C. § 5309(d)(1)(B)(ii).

[22]The federal contribution refers to 49 U.S.C. § 5309 Capital Investment Grant funds only. Projects may have other sources of federal funds, such as Recovery Act or Federal Highway Administration Congestion Mitigation and Air Quality Improvement funds.

Table 3: Small Starts Projects FTA Recommended for Funding Since Fiscal Year 2007

Dollars in millions

Project	Location	Mode[a]	Total capital cost[b]	Capital investment program contribution: Amount[b]	Capital investment program contribution: Percentage	Fiscal year recommended for funding
Pioneer Parkway BRT	Springfield, OR	BRT	**$41.3**	$32.5	79%	2008
Perris Valley Line	Riverside, CA	CR	**232.1**	75.0	32	2009
Fitchburg Commuter Rail Improvements	Fitchburg, MA	CR	**158.3**	75.0	47	2009
Portland Streetcar Loop	Portland, OR	Streetcar	**128.3**	75.0	58	2009
Mason Street BRT	Fort Collins, CO	BRT	**82.0**	65.6	80	2009
E Street Corridor BRT	San Bernardino, CA	BRT	**191.7**	75.0	39	2010
East Bay BRT	Oakland, CA	BRT	**216.1**	75.0	35	2011
Van Ness Avenue BRT	San Francisco, CA	BRT	**118.5**	75.0	63	2011
Nostrand Avenue BRT	New York, NY	BRT	**39.9**	28.4	71	2011
Central Mesa Light Rail Extension	Mesa, AZ	LRT	**198.5**	75.0	38	2012

Source: GAO analysis of FTA data.

[a]BRT = bus rapid transit; CR = commuter rail; LRT = light rail transit

[b]Dollar figures are in year of expenditure dollars.

For the 19 Very Small Starts projects, the total project cost ranges from about $5 million to about $48 million and the median cost is about $29 million. The capital investment program contribution to the projects' costs ranges from nearly $3 million to about $39 million and the median capital investment program contribution is about $20 million. As shown in table 4, nearly half of these projects were recommended for $20 to $30 million in capital investment program funds.

Table 4: Very Small Starts Projects FTA Recommended for Funding Since Fiscal Year 2007

Dollars in millions

Project	Location	Mode[a]	Total capital cost[b]	Capital investment program contribution: Amount[b]	Capital investment program contribution: Percentage	Fiscal year recommended for funding
Troost Corridor BRT	Kansas City, MO	BRT	$30.7	$24.6	80%	2008
Gap Closure Project	Los Angeles, CA	BRT	29.2	16.7	57	2008
Federal Way, Pacific Highway South BRT	King County, WA	BRT	25.1	14.1	56	2008
Mid-City Rapid Bus	San Diego, CA	BRT	44.5	21.7	49	2009
Wilshire Boulevard Bus-Only Lane Project	Los Angeles, CA	BRT	31.5	23.3	74	2009
Bellevue-Redmond RapidRide	King County, WA	BRT	26.9	20.2	75	2009
Route 10 BRT	Livermore, CA	BRT	13.6	10.9	80	2009
Mountain Links	Flagstaff, AZ	BRT	8.3	6.2	76	2009
Austin BRT	Austin, TX	BRT	47.6	38.1	80	2010
Roaring Fork Valley BRT	Roaring Fork Valley, CO	BRT	39.3	25.0	64	2010
Stockton Metro Express Airport Way Corridor BRT	San Joaquin, CA	BRT	9.7	2.8	29	2010
Monterey Bay Rapid Transit	Monterey, CA	BRT	5.1	2.8	54	2010
West Seattle BRT	King County, WA	BRT	28.4	21.3	75	2011
Blackstone/Kings Canyon BRT	Fresno, CA	BRT	48.2	38.6	80	2012
Aurora Avenue North BRT	King County, WA	BRT	48.1	21.6	45	2012
Grand Rapids Silver Line	Grand Rapids, MI	BRT	37.0	29.6	80	2012
Burien to Renton BRT	King County, WA	BRT	36.8	15.9	43	2012
Mesa Corridor BRT	El Paso, TX	BRT	27.1	13.5	50	2012
North Corridor BRT	Jacksonville, FL	BRT	21.3	17.0	80	2012

Source: GAO analysis of FTA data.

[a]BRT = bus rapid transit

[b]Dollar figures are in year of expenditure dollars.

FTA's Project Development Requirements for Small Starts and Very Small Starts and Stakeholder Views

FTA's Project Development Requirements

FTA's project development requirements for Small and Very Small Starts are similar in some respects, but FTA's submission requirements for Small Starts' project justification criteria are more extensive.[23] For application into the project development phase, FTA requires sponsors of Small Starts and Very Small Starts projects to submit comparable information in some respects, such as project description and local financial commitment. As outlined in FTA's Reporting Instructions for Small Starts and other guidance, both the number and type of requirements in these areas are similar for Small Starts and Very Small Starts projects. As shown in table 5, FTA has a similar number of requirements for Small Starts and Very Small Starts projects with regard to project description and maps and local financial commitment. Sponsors of Small Starts projects are also subject to submission requirements for project justification criteria, such as user benefit forecasts to meet the cost-effectiveness requirement. On the other hand, FTA does not require this information from sponsors of Very Small Starts projects. FTA officials told us they consider Very Small Starts projects to be inherently cost-effective because they do not exceed certain total and per-mile costs and meet minimum ridership thresholds (at least 3,000 per weekday). We and others have reported that the Small Starts project justification requirements can be complicated and require substantial resources to complete.[24] However, FTA officials said they do not agree with this assessment of the work required to meet the project justification

[23] As stated earlier, we define project development requirements to include the information FTA requires from project sponsors when they apply for and proceed through each statutorily required project development phase, based on its guidance and regulations.

[24] See GAO-08-844 and Deloitte Development LLC, *New Starts Program Assessment* (Feb. 12, 2007).

requirements. Table 5 also lists the requirements for New Starts projects, for comparison.

Table 5: FTA's New Starts, Small Starts, and Very Small Starts Requirements for Entry into Project Development

Reporting item	New Starts[a]	Small Starts	Very Small Starts
Project description and maps			
Project description	✓	✓	✓
Documentation of existing riders in the corridor			✓[b]
Project site map	✓	✓	✓
Vicinity map	✓	✓	✓
Certification of technical methods and planning assumptions	✓	✓	
Costs			
Standard cost categories (SCC) (6 worksheets)[c]	✓	✓	✓
Annualized cost worksheets (3 worksheets)[c]	✓	✓	
Summary of operations and maintenance (O&M) costs productivities	✓	✓	
Project justification[d]			
Travel forecasts and cost effectiveness			
User benefits forecasts	✓	✓	
Thematic maps and legend	✓	✓	
Summary of travel forecasts	✓	✓	
Mobility improvements and cost- effectiveness (20 years out)	✓		
Cost-effectiveness (opening year)		✓	
Annualization factor	✓	✓	
Land use			
Quantitative land use information for New Starts	✓		
Qualitative land use information for New Starts	✓		
Quantitative land use information for Small Starts		✓	
Qualitative land use information for Small Starts		✓	
Local financial commitment[e]			
Financial plan summary (finance template)	✓	✓	✓
Checklist for financial submittals	✓		
20-year capital operating plan	✓		
20-year operating financial plan	✓		
Evidence of agency financial condition	✓	✓	✓
Evidence that project O&M costs are within 5% of systemwide O&M costs		✓	✓
Supporting financial documentation	✓	✓	✓

Source: GAO analysis of FTA guidance.

[a]While Small Starts projects go through a project development phase, New Starts projects go through two phases - preliminary engineering and final design.

[b]FTA deems Very Small Starts projects to be inherently cost-effective. So, FTA requires sponsors of these projects to submit information to show that the project contains the features necessary to qualify for Very Small Starts, such as meeting the minimum ridership threshold, but does not require that sponsors submit other project justification information.

[c]Each of these worksheets organizes project cost information. Two worksheets, for example, organize the project's capital costs by year of expenditure and type of expenditure, like vehicles or stations, stops, and terminals. The additional worksheets required for New Starts and Small Starts projects but not Very Small Starts projects capture, among other things, cost information on a "baseline" alternative project, which assumes low-cost improvements to the current transportation in the corridor. FTA compares a sponsor's Small Starts project to this baseline alternative to evaluate the project's cost-effectiveness.

[d]Though several of FTA's submission requirements for project justification apply to both New Starts and Small Starts projects, FTA has reduced the amount of information to be submitted for specific requirements. For example, Small Starts projects have to complete travel forecasts for a shorter period (opening year only) than New Starts projects. In addition, FTA has reduced the land use submission requirements for Small Starts projects. For qualitative land use information, for example, FTA requires a land use reporting template for New Starts projects, which includes narrative text and references supporting documentation for seven land use factors; for Small Starts projects, FTA only requires three brief narratives on existing land use, transit supportive plans and policies, and performance and impacts of policies. The requirements for quantitative land use information are also reduced.

[e]Small Starts and Very Small Starts projects that do not qualify for the streamlined financial evaluation must meet the financial reporting requirements for New Starts projects, though only for the period up to and including the project's opening year.

In addition, the type of information required for project description and maps and local financial commitment is comparable for Small Starts and Very Small Starts projects beyond having a similar number of requirements. For local financial commitment, for example, Small Starts and Very Small Starts project sponsors are required by FTA to submit the same information to FTA for a simplified financial evaluation. Specifically, project sponsors submit a financial plan summary, 3 years of audited financial statements to demonstrate financial health, evidence that operations and maintenance costs for the proposed project are no greater than 5 percent of the sponsor's systemwide operations and maintenance costs (to qualify for a simplified financial evaluation as opposed to the 20-year plans required for New Starts projects), and supporting financial documents.

Besides the requirements listed in table 5, FTA also requires a project management plan for all Small Starts and Very Small Starts projects. FTA regulations and guidance outline the general requirements for a project management plan for all FTA-funded capital projects.[25] The requirements

[25]*See* 49 C.F.R. part 633, subpart C.

include, for example, information on staff reporting relationships and responsibilities, recordkeeping processes, and the budget for managing the project. FTA does not have specific guidance on project management plans for Small Starts and Very Small Starts projects. According to officials from FTA headquarters, FTA regional office staff scale the general requirements and level of detail needed for each project, based on its complexity and the sponsor's level of experience managing capital improvement projects. For example, officials from one regional office we spoke to said that while all project management plans must include information on the scope, schedule, and cost of a project, less detail would be required for a less expensive project.

Further, sponsors of both Small Starts and Very Small Starts projects may have additional requirements related to FTA regulations on project management oversight. FTA may assign project management oversight contractors (PMOC) to Small Starts and Very Small Starts projects that have a total cost over $100 million, are technically complex, or have less experienced sponsors, among other reasons.[26] To support its oversight of a project, FTA can direct a PMOC to conduct various reviews of a project. For example, FTA can direct a PMOC to review a sponsor's project management plan or assess a project's readiness to enter the project development phase. For such reviews, the PMOC would typically review information that project sponsors are already required to submit for project development. For other PMOC reviews, such as a review of whether a project sponsor has the technical capacity and capability to complete its project, a project sponsor may be required to complete additional work, like participating in interviews with the PMOC and providing information on staffing levels and qualifications.

While requirements are similar in several ways, FTA requires the sponsors of Small Starts projects to submit more information on a project's justification than the sponsors of Very Small Starts projects. FTA evaluates and rates Small Starts projects on three project justification criteria prescribed in statute: cost-effectiveness, land use, and economic development. Therefore, FTA requires travel forecasts for the project's opening year, estimates of user benefits like travel time savings, and land use plans, among other items. For Small Starts, travel forecasts are often generated by regional travel models but can be provided, in some

[26] *See* 49 U.S.C. §§ 633.11, 633.5 for criteria by which FTA may contract for PMOCs.

circumstances, through a more straightforward spreadsheet analysis of data that, according to FTA, makes these calculations easier for Small Starts project sponsors. In our previous work, we reported that these requirements can require substantial resources and can create disincentives for sponsors to apply for funding. By contrast, FTA does not require such project justification information for Very Small Starts projects. According to FTA guidance, by containing certain FTA-defined features, such as having a total cost under $50 million and demonstrating that the project corridor already serves more than 3,000 riders per weekday, projects are "warranted" as being inherently cost-effective at producing significant mobility benefits and supporting land use and economic development.

Stakeholders' Views on Project Development Requirements

Several project sponsors and industry groups we spoke with told us that the project development requirements for Very Small Starts projects were streamlined and not overly burdensome. However, they also felt that such requirements for Small Starts projects were too similar to the requirements for New Starts projects and required a comparable amount of time and resources. As stated earlier, Congress established the Small Starts program to create a streamlined process for smaller, less complex capital transit projects, and FTA also created the Very Small Starts category with a similar desire. However, as described in our methodology, there is not a reliable quantitative way to evaluate the effect of changes in requirements on project development time frames. FTA officials said they do not agree with GAO's assessment of its data. (See app. III.)

FTA headquarters and regional officials, as well as three project sponsors we spoke with, indicated that local issues, such as delays in finalizing funding or lack of agreement on a project's route, often affect how long a project spends in development. Of the 29 Small Starts and Very Small Starts projects FTA has recommended for funding, 11 projects have received construction grants. These projects took from about 9 months to almost 4 years to complete the project development phase and receive a construction grant from FTA. While the amount of time it takes for a project to complete project development can be influenced by several factors, FTA officials and project sponsors told us that local issues can delay the progress of a Small Starts or Very Small Starts project. Of the 10 project sponsors we interviewed, half told us that they experienced delays during project development. Three of the five project sponsors that experienced delays said that local issues caused the delays. One project sponsor, for example, said that the lack of committed funds for the project from the state government caused a 6-month delay in the project's development, while one other project sponsor said that its project was delayed while it addressed the public's concerns on the project route. Another project sponsor faced delays due to local and federal issues; specifically, the project had to wait for passage of a local referendum providing operating funds for the project and had to do additional work because it received conflicting information from FTA on the work it needed to complete to fulfill federal environmental requirements.

To examine the project development process, we discussed the advantages and disadvantages of the requirements with a variety of stakeholders, including 10 project sponsors, officials from FTA headquarters and 7 regional offices, and 2 industry groups.[27] The perspectives of the stakeholders we spoke to depend, in part, on their experience with Small Starts and Very Small Starts projects, as well as any experience with New Starts projects. For example, 6 of the 10 project sponsors we spoke with had experience planning and implementing New Starts projects, while the other 4 sponsors had no such organizational experience. FTA officials in some regions told us that since the sponsors of many Small Starts and Very Small Starts projects were unfamiliar with the requirements for New Starts projects, these sponsors may not be aware of the difference in requirements or the degree to which some requirements had been scaled for their projects. FTA regional officials also had varying experience overseeing Small Starts and Very Small starts projects. Five regional offices had overseen only 1 Small Starts or Very Small Starts project while one regional office had overseen 13 projects.

Stakeholders we spoke with cited advantages related to FTA's project development requirements for both Small Starts and Very Small Starts projects.

- Several stakeholders we interviewed—five project sponsors, one industry group, and FTA headquarters and officials from two regions—said that the project development requirements for Very

[27]The 20 stakeholders that we interviewed did not all have experience with both Small Starts and Very Small Starts projects. For example, of the 10 project sponsors we interviewed, 4 were sponsors of Small Starts projects and 6 were sponsors of Very Small Starts projects. Also, not every FTA regional office had experience with both a Small Starts and Very Small Starts project; only two regional offices had experience with both Small Starts and Very Small Starts projects. Therefore, not every stakeholder applies to each category of projects.

Small Starts projects were straightforward and not overly burdensome and, as a result, that Very Small Starts projects have a streamlined process. Specifically, three project sponsors told us that an advantage of Very Small Starts was the minimal data analysis requirements, specifically travel forecasting. One of these sponsors said that its Very Small Starts project required less travel analysis and had a faster application process compared to New Starts projects that it had previously completed. Another project sponsor told us that FTA's use of a single-year construction grant instead of a multiyear PCGA helped to expedite the project development process. For this grant, the project sponsor was able to apply for the grant through FTA's electronic grant system rather than negotiate the terms of a PCGA with FTA. FTA may use a single-year construction grant, rather than a PCGA, for projects with sponsors that request less than $25 million and whose request can be met with a single-year appropriation or existing FTA appropriations that remain available for that purpose.

- Seven stakeholders we spoke with, including officials from three FTA regional offices and four project sponsors, told us that the project development requirements help contribute to the success of a project through the development of detailed plans and examination of long-term costs. As a result, project sponsors are able to identify potential challenges and better communicate project details to the public. For example, one project sponsor and officials from one regional office told us that they were better prepared to respond to public questions on the project's design and funding after completing the project development requirements.

- Officials from two FTA regional offices and five project sponsors told us that the project management plan, in particular, is a valuable tool to help organize a project's implementation, particularly for project sponsors that have not previously implemented capital projects. Moreover, two project sponsors we spoke with said that they would use a project management plan even if it were not required by FTA. However, three project sponsors told us that project management plan requirements were not scaled to fit their smaller, less complex projects. As described above, FTA does not have specific project management plan guidance for Small Starts and Very Small Starts projects but scales the requirements in the general guidance to fit each project's size and complexity. For example, officials from one regional office said that a project management plan may not include a section on real estate acquisition if the project sponsor did not have to purchase property to carry out the project. In September 2009, FTA issued an Advance Notice of Proposed Rulemaking on project management oversight regulations, which included the guidelines for project management plans.[28] The current regulations predate the creation of the Small Starts program and Very Small Starts category. In the notice, FTA specifically seeks comment on whether sponsors of Small Starts projects should establish less detailed project management plans than New Starts projects.

- Two Small Starts project sponsors said that the single project development phase in the Small Starts program was an advantage. According to one project sponsor, the single phase eliminated the need to stop design work on the project while applying for and receiving approval from FTA to enter another phase, as can be the case with the two-stage process for New Starts projects. According to FTA officials, FTA allows project sponsors to continue design on a project while waiting for approval, as outlined in FTA's 2006 program guidance. In past studies of the New Starts program, GAO and Deloitte presented the use of a single project development phase for all New Starts projects as one option to help expedite the New Starts process.[29] In its reauthorization proposal, as identified in the fiscal year 2012 budget request, FTA proposed that all projects use this single-phase approach as one way to transform the New Starts program, balancing the need to advance projects in a reasonable time frame with being a steward for federal transit dollars.

Some stakeholders we spoke with also reported disadvantages of FTA's project development requirements. As described below, stakeholders that have experience with New Starts projects said that the Small Starts project development requirements, which were to be streamlined, are too similar to those for New Starts projects. These comments suggest that, from some stakeholders' perspective, Small Starts could be further differentiated from New Starts. However, as stated in our previous work on the New Starts program, FTA's oversight of projects must strike an appropriate balance between expediting project development and

[28]74 Fed. Reg. 46515 (Sept. 2009).

[29]See GAO-09-784 and Deloitte Development LLC, *New Starts Program Assessment* (Feb. 12, 2007).

maintaining the use of a rigorous and systematic process to distinguish among projects.[30]

- Sponsors from three Small Starts projects we spoke with were assigned PMOCs, and all three project sponsors felt that the PMOCs' oversight should have been better scaled to their Small Starts projects. All three project sponsors said that their PMOCs provided constructive comments and assistance during project development. However, all three felt that the PMOCs' reviews should have been better scaled to the size and complexity of their projects. Based on their experience developing both a New Starts and Small Starts project, two of the project sponsors told us that the PMOC reviewed their Small Starts project as though it were a New Starts project. As mentioned above, FTA issued an Advance Notice of Proposed Rulemaking on project management oversight regulations in September 2009, which, upon completion of the rulemaking process, could affect PMOC oversight of Small Starts projects. In the notice, FTA seeks comments on how it should best use PMOCs in overseeing projects and the circumstances, such as the complexity of a project, under which the agency may assign a PMOC to a project.

- Two Small Starts project sponsors said that the length of the review process for PCGAs was a disadvantage. After FTA and a project sponsor negotiate a PCGA, it must go through multiple levels of review, including the Office of the Secretary of Transportation, the Office of Management and Budget, and Congress. By statute, a PCGA is subject to a 60-day congressional review period.[31] According to one project sponsor, a reduction in the PCGA review time would be beneficial and help them implement their projects more quickly. In a recent congressional hearing, the FTA administrator said that the agency would ask Congress to consider shortening this review period to 30 days when the New Starts program is reauthorized.[32]

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[30]GAO-09-784.

[31]According to FTA officials, FFGAs and PCGAs have similar review and approval processes. For example, FFGAs are also subject to a statutorily required 60-day congressional review period. 49 U.S.C. § 5309(g)(5).

[32]Hearing on Public Transportation: Priorities and Challenges for Reauthorization, before the Senate Committee on Banking, Housing, and Urban Affairs (May 19, 2011).

- According to an industry group and one project sponsor we spoke with, New Starts and Small Starts projects entail comparable levels of work. Officials from the industry group told us that some of its members therefore feel it is better to apply as a New Starts project and seek more funding rather than apply as a Small Starts project and face constraints on the project's total cost and capital investment program share. We have previously reviewed FTA's Small Starts program and reported on options that exist to expedite the New Starts project development process. In 2007, for example, we reported that FTA could take additional action to further streamline the Small Starts program.[33] FTA officials acknowledged that the requirements could be further streamlined and took steps to do so, such as reducing duplicative requirements and developing Small Starts-specific reporting templates.

FTA's Project Development Requirements for Exempt Projects and Stakeholder Views

Exempt Projects Are Subject to Fewer Requirements Than Small Starts or Very Small Starts Projects

Exempt projects are not evaluated and rated or recommended for funding by FTA; exempt projects receive under $25 million in federal assistance and are typically congressionally designated. Since FTA does not evaluate and rate these projects, they are subject to fewer FTA requirements. However, FTA requires exempt projects to submit information similar to some requirements for Small Starts and Very Small Starts projects. This consists of information on a project's background, which includes a description of the project as well as site and vicinity maps; costs, such as worksheets that organize the project's capital costs by year of expenditure and type of expenditure, like vehicles and stations, stops, and terminals; and local financial commitment, which includes a financial plan summary and supporting financial documentation.

[33] GAO-07-917.

According to its guidance, FTA does not have to evaluate and rate exempt projects. However, the projects still have to be approved by FTA into preliminary engineering and final design. FTA's approval for advancing exempt projects is based on compliance with planning, environmental, and project management requirements which apply to all federal-aid transit projects. FTA officials said that, as it relates to exempt projects, they mainly determine whether project sponsors possess a level of technical and financial capacity that is appropriate for the scope of the project before advancing an exempt project into the next stage of development. For example, FTA must determine whether a project has secured at least half of its local funding prior to advancing to the final design phase of project development.

In terms of other requirements, FTA requires the sponsor of an exempt project to create and submit a project management plan to describe its budget, processes, procedures, and schedule for managing the project. FTA may also assign a PMOC to an exempt project with a total project cost over $100 million, technical complexity, or a sponsor with no previous experience implementing capital transit projects.

Nine New Exempt Projects Since 2005

As table 6 shows, a total of nine exempt projects of various modes and total costs have entered the New Starts pipeline since SAFETEA-LU was enacted.

Table 6: Exempt Projects That Have Entered the New Starts Pipeline Since 2005

Dollars in millions

Project	Location	Mode[a]	Total capital cost[b]	Capital investment program contribution[b]	Fiscal year entered the pipeline
Urban Transitway Phase II	Stamford, CT	Busway	$48.3	24.7	2006
Maine Marine Highway Project	Rockland, ME	Ferry	10.4	$1.5	2006
Downtown Transit Enhancement Project	Jacksonville, FL	BRT	13.4	9.3	2007
Assembly Square Station	Boston, MA	Heavy rail	50.7	25.0	2008
Lackawanna Cutoff Project – Phase 1	Andover , NJ	CR	36.6	18.2	2008
Modern Streetcar Project	Tucson, AZ	Streetcar	196.5	5.8	2009
Oakland Airport Connector	Oakland, CA	Heavy rail	492.7	25.0	2010
Pawtucket/Central Falls Commuter Rail Station	Pawtucket, RI	CR	53.6	25.0	2010
Crystal City-Potomac Yard Transitway	Arlington, VA	Busway	38.1	.98	2010

Source: GAO analysis of FTA data.

[a]BRT = bus rapid transit; CR = commuter rail.

[b]Dollar figures are rounded and in year of expenditure dollars.

Within each mode, the exempt projects vary in characteristics, such as scope. For example:

- For the bus projects, one extends a transitway with dedicated bus-priority/high-occupancy-vehicle lanes, bikeways, and sidewalks; another establishes initial components and infrastructure for a BRT system that includes dedicated bus lanes, transit stations, and a real-time passenger information system.
- For rail projects, one project constructs a new driverless, automated rail system between an existing transit station and an airport; another project builds a new transit station along an existing heavy rail line. See appendix IV for additional information on each of these exempt projects.

In addition to the nine exempt projects listed in table 6, on March 4, 2011, FTA selected five exempt projects to receive capital investment program discretionary grants under FTA's newly created Urban Circulator Program.[34] The grants are to help state and local governments finance new fixed-guideway capital projects, including the acquisition of property, the initial acquisition of rolling stock, the acquisition of rights-of-way, and relocation. The projects fall within the exempt category because the maximum grant for each selected project must be less than $25 million and make up no more than 80 percent of the project's total capital cost. These are projects such as streetcars that provide a transportation option to connect urban destinations and foster the redevelopment of urban spaces into walkable mixed-use, high-density environments. Table 7 lists the five Urban Circulator projects FTA selected to receive funds.[35]

Table 7: Urban Circulator Projects FTA Selected to Receive Funding

Dollars in millions

Project	Location	Mode[a]	Amount allocated
Chicago Central Area Transitway	Chicago, Illinois	BRT	$24.6
St. Louis Loop Trolley Project	St. Louis, Missouri	Trolley	24.9
Charlotte Streetcar Starter Project	Charlotte, North Carolina	Streetcar	24.9
Cincinnati Streetcar Project	Cincinnati, Ohio	Streetcar	24.9
Olive/St. Paul Street Loop	Dallas Texas	Trolley	4.9

Source: GAO analysis of FTA data.

[a]BRT = bus rapid transit

According to FTA, a total of 65 applicants requested $1.1 billion, resulting in high competition for the $130 million made available. FTA ran a competition for these funds and evaluated project proposals based on criteria such as livability, sustainability, economic development, and leveraging of public and private investments, in line with the Department

[34]76 Fed. Reg. 12217 (March 2011). Typically, an urban circulator operates regular service within a closed loop— usually 3 miles or shorter in length—and serves a discrete urban area. FTA believes projects that provide circulation through an urban area qualify, whether or not they have an actual loop, as long as they follow a course that returns to the starting point and distributes riders around the area.

[35]FTA selected a sixth project in Fort Worth, Texas, but the project sponsor later decided not to participate in the program.

of Transportation's livability initiative that began in 2009.[36] According to FTA, the projects selected will provide mobility choices, improve economic competitiveness, support existing communities, create partnerships, and enhance the value of communities and neighborhoods.

Continuing Demand for the Exempt Category

Although stakeholders cite a need for the exempt category, projects considered "exempt" from the statutory evaluation and rating process were eliminated in SAFETEA-LU, pending the publication by FTA of a final regulation implementing Small Starts, which has not yet occurred. However, until that happens, FTA officials said that it will still have an exempt category. The stakeholders with whom we spoke want to continue this category of funding because they said that a key advantage of the exempt category is that it serves as a useful source of funding for "unique" or atypical transit projects. For example, four project sponsors that we spoke with indicated that their projects may not have competed well with other projects if evaluated against the New Starts criteria and in competition with more typical New Starts transit projects, like light rail lines. Yet, they believe their projects fill a transportation gap for the communities they serve. Compared to a new commuter or light rail line, such exempt projects are not well suited to the New Starts evaluation and rating criteria—such as cost-effectiveness measured by travel time savings to user. However, we do not have enough information to determine how these exempt projects would have fared against the New Starts criteria.

In its 2012 budget request, FTA proposes to continue the exempt category in the next surface transportation reauthorization. According to its fiscal year 2012 budget request, FTA is proposing to raise the amount of federal funding available to exempt projects, in conjunction with other changes to the New Starts program.

- Specifically, projects could be "exempt" from the evaluation and rating process if the project sponsor is seeking less than $100 million in § 5309 Capital Investment Grant program funds and the request

[36]The goal of the department's livability initiative is to enhance the economic and social well-being of all Americans by creating and maintaining a safe, reliable, intermodal, and accessible transportation network that enhances choices for transportation users, provides easy access to employment opportunities and other destinations, and promotes positive effects on the surrounding community.

represents less than 10 percent of the project's anticipated total capital cost. According to FTA, the main reason for continuing an exempt category is the awareness that if FTA provides only a small percentage of a project's total cost, there is a corresponding lower amount of risk to the federal government; at the same time, other entities, like state and local governments, provide a greater amount of funding and assume a higher amount of risk. Because of the lowered risk to the federal government, a project would be exempt from the more stringent federal oversight (i.e., evaluated and rated against criteria) that apply to other projects, while the other funding partners would likely conduct more due diligence to protect their increased investment. Just as they are now, these projects would only be subject to basic federal grant requirements and would not be evaluated and rated by FTA.

- Given that these projects are not rated and evaluated, the project sponsors we talked with considered this as one of the major benefits to this category, because it potentially decreases the amount of time spent in project development and project costs.

SAFETEA-LU requires project sponsors to conduct a before-and-after study for all New Starts projects.[37] Additionally, FTA requires before-and-after studies to be conducted for all Small Starts projects, in accordance with FTA guidance. Although FTA and the project sponsors we spoke with generally view the exempt category as beneficial, these projects are not validated with studies, as are other New Starts and Small Starts projects. For New Starts and Small Starts projects, the before-and-after study describes the impact of the project on transit services and ridership and compares the predicted and actual project performance. Additionally, Very Small Starts project sponsors must complete a simplified before-and-after study on the project's actual scope, costs, and ridership. However, according to FTA officials, exempt project sponsors do not submit such information on completed projects. As we've previously reported, information about the outcomes of completed transit projects

[37] 49 U.S.C. § 5309(g)(1)(C). A before-and-after study is similar to an outcome evaluation in that it compares the forecasted benefits and costs of a project with the actual benefits and costs of the project after the project is completed.

can be used to better determine what a particular project accomplished and improve decisions on other projects.[38]

Our interviews with stakeholders resulted in a few reported disadvantages.

- Most notably, FTA has limited guidance on exempt projects. For example, FTA has a checklist that shows what is required for exempt projects, as opposed to New Starts and Small Starts. However, one project sponsor said they felt there was a lack of guidance for exempt projects and that their consultant helped to navigate the requirements in lieu of more thorough guidance.
- Stakeholders, including officials from FTA and project sponsors, also said that the exempt projects can face funding uncertainties. Some stakeholders said that exempt projects have no guarantee of funding beyond what has been appropriated by Congress, and a project's exempt funding may not be appropriated all at once. One project sponsor told us that since only a portion of its exempt funding has been appropriated, they have had to leverage local funds to advance the project until more exempt funds become available.

Agency Comments

We provided a draft of this report to the Secretary of Transportation for review and comment. DOT officials provided us with clarifying and technical comments, which we incorporated throughout the report as appropriate.

We are sending copies of this report to the Secretary of Transportation, the Administrator of the Federal Transit Administration, and appropriate congressional committees. This report is also available at no charge on the GAO Web site at http://www.gao.gov.

If you have any questions about this report, please contact me at (202) 512-2834 or stjamesl@gao.gov. Contact points for our Offices of

[38]GAO, *Highway and Transit Investments: Options for Improving Information on Projects' Benefits and Costs and Increasing Accountability for Results*, GAO-05-712 (Washington, D.C.: Jan. 24, 2005).

Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report are listed in appendix V.

Lorelei St. James
Director, Physical Infrastructure Issues

Appendix I: Recommendation Follow-up

Two recent GAO reports on the New Starts program contained recommendations that were open when we began our work on this review in December 2010. This appendix lists those reports and updates the Federal Transit Administration's (FTA) progress in implementing these recommendations.

Public Transportation: Improvements Are Needed to More Fully Assess Predicted Impacts of New Starts Projects, GAO-08-844 (Washington, D.C.: July 25, 2008).

This report made five recommendations to the Department of Transportation (DOT) to improve the New Starts evaluation process and the measures of project benefits, which could change the relative ranking of projects. Table 8 lists the five recommendations with information on the status of each recommendation, as of July 2011.

Table 8: Recommendations to DOT in 2008

Recommendation	Status	Comments
The Secretary of Transportation should seek additional resources to improve local travel models in the next authorizing legislation.	Open	The agency concurs, in part, but awaits Congress' decisions to provide additional resources, so no action has been taken.
The Secretary of Transportation should seek a legislative change to allow the Federal Transit Administration (FTA) to consider the dollar value of mobility improvements in evaluating projects, developing regulations, or carrying out any other duties.	Open	The agency concurs, in part, but awaits Congress' decisions during the surface transportation reauthorization.
The Secretary of Transportation should direct the Administrator of FTA to establish a timeline for issuing, awarding, and implementing the result of its request for proposals on short- and long-term approaches to measuring highway user benefits from transit improvements.	Open	FTA expects to award the contract in summer 2011 and complete the identification of acceptable approaches to measuring highway benefits by early 2013.
The Secretary of Transportation should direct the Administrator of FTA to establish a timeline for initiating and completing its longer-term effort to develop more robust measures of transit projects' environmental benefits that are practically useful in distinguishing among proposed projects, including consultation with the transit community.	Open	FTA concurs. FTA issued an Advance Notice of Proposed Rulemaking in June 2010, which among other measures sought input on better ways to examine environmental benefits generated by major capital improvement projects. FTA is preparing a Notice of Proposed Rulemaking that will outline a proposed approach to measuring environmental benefits.
The Secretary of Transportation should direct the Administrators of FTA and Federal Highway Administration (FHWA) to collaborate in efforts to improve the consistency and reliability of local travel models, including the aforementioned request for proposals on approaches to measuring highway user benefits.	Open	GAO received a written response to the recommendation from FTA in January 2009. The agency indicated that it plans to take steps to address this recommendation. However, as of the date of this report, FTA has not provided an update on this recommendation.

Source: GAO analysis.

Public Transportation: Better Data Needed to Assess Length of New Starts Process, and Options Exist to Expedite Project Development, GAO-09-784 (Washington, D.C.: Aug. 6, 2009).

This report made two recommendations to DOT to improve the New Starts program. Table 9 lists these recommendations with information on the status of each recommendation, as of July 2011.

Table 9: Recommendations to DOT in 2009

Recommendation	Status	Comments
The Secretary of Transportation should direct the FTA Administrator to continue to improve data collection and retention for statutorily defined milestones and determine if additional data would help to better describe the time it takes for a project to move through the New Starts process. In doing so, FTA should establish mechanisms to ensure the accuracy of the data and routinely analyze the data in order to identify the length of time it takes projects to move through each phase, potential causes for perceived delays, and potential solutions. FTA should make its analysis available to Congress and other interested parties.	Tentatively closed—not implemented	FTA disagrees with GAO's recommendation. In particular, FTA noted that it has maintained data needed to effectively track projects and expressed concern that GAO used a standard for data management that is not necessary for effective project management. GAO disagreed with the assertion that we held this information to a standard that is not necessary for effective management and believes that analysis based on reliable data will only help strengthen FTA's management of the program. We, therefore, believe that this recommendation, revised to reflect FTA's concerns, is valid. For more information, see the Agency Comments section of GAO-09-784.
The Secretary of Transportation should direct the FTA Administrator to continue to analyze the streamlining options identified in this report, along with any additional options, to determine which options, if any, to implement—seeking legislative change if necessary—to expedite the project development within the New Starts program.	Tentatively closed—implemented	In its fiscal year 2012 budget request, FTA proposed three changes to New Starts to streamline project development. GAO is working to verify FTA's actions to close this recommendation.

Source: GAO analysis of FTA data.

Appendix II: Small Starts and Very Small Starts Projects That Have Received Construction Grants

FTA has awarded construction grants to 11 of the 29 Small Starts and Very Small Starts projects recommended for funding to Congress. Table 10 provides information on each project, including the date FTA approved the project into the project development phase and the date FTA obligated funds for construction.

Table 10: Project Development Dates for Small Starts and Very Small Starts Projects That Received Construction Grants Since Fiscal Year 2007

Project sponsor	Description[a]	Mode	Program/ category	Type of grant[b]	Date of approval into project development	Date of construction grant obligation
King County Department of Transportation	Federal Way, Pacific Highway South BRT	BRT	Very Small Starts	Grant	12/7/2006	5/1/2009
Lane County Transit District	Pioneer Parkway BRT	BRT	Small Starts	PCGA	12/8/2006	9/25/2009
Kansas City Area Transportation Authority	Troost Corridor BRT	BRT	Very Small Starts	Grant	12/13/2006	9/11/2007
Los Angeles County Metropolitan Transportation Authority	Gap Closure Project	BRT	Very Small Starts	Grant	12/15/2006	9/16/2010
City of Portland and Tri-Met	Portland Eastside Streetcar (aka Streetcar Loop)	Streetcar	Small Starts	PCGA	4/26/2007	11/10/2009
King County Department of Transportation	Bellevue-Redmond RapidRide	BRT	Very Small Starts	Grant	12/13/2007	2/25/2010
Livermore Amador Valley Transit Authority	Route 10 BRT	BRT	Very Small Starts	Grant	12/13/2007	8/28/2009
Northern Arizona Intergovernmental Public Transportation Authority	Mountain Links	BRT	Very Small Starts	Grant	12/13/2007	5/27/2011
San Diego Association of Governments	Mid-City Rapid Bus	BRT	Very Small Starts	Grant	12/20/2007	8/25/2010
Monterey-Salinas Transit	Monterey Bay Rapid Transit	BRT	Very Small Starts	Grant	12/9/2008	9/10/2010
San Joaquin Regional Transit District	Stockton Metro Express Airport Way Corridor BRT	BRT	Very Small Starts	Grant	12/9/2008	9/23/2010

Source: GAO analysis of FTA data.

[a]BRT = bus rapid transit

[b]Grant = single-year construction grant; PCGA = Project construction grant agreement.

According to FTA officials, the agency typically recommends a Small Starts or Very Small Starts project for funding the first year it is in the project development phase, which is sooner than when the agency recommends New Starts projects for funding. After a project is recommended for funding, FTA makes firm funding commitments, such as those in a project construction grant agreement, when the project's development has reached a point where its scope, costs, benefits, and impacts are considered firm and final.

Appendix III: Scope and Methodology

To describe the legislative and program history for the creation of Small Starts and Very Small Starts, respectively, we analyzed the Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU), congressional reports, testimonies before Congress, and member floor statements on the program from 2004 to 2007, the years leading up to and after the passage of SAFETEA-LU. To describe the program history behind the Very Small Starts category, we similarly analyzed Federal Register notices and program guidance issued by FTA. We also interviewed FTA officials on the creation of Very Small Starts. To provide information on Small Starts and Very Small Starts projects, including total project cost, mode of transit, and other characteristics, we collected and analyzed project data, including grant data, compiled by FTA to determine the cost, mode of transit, and other characteristics of Small Starts and Very Small Starts projects. We included projects that had been recommended for funding to Congress since the passage of SAFETEA-LU (August 10, 2005). We also sought to include projects that were (1) in the project development phase but not yet recommended for funding or (2) in the process of applying to enter this phase. Through discussions with FTA staff and analysis of FTA Annual Reports on Funding Recommendations, we determined that no projects met the above conditions at the time of our review. To verify and assess the reliability of the data compiled by FTA, we compared it to project data contained in FTA's Annual Reports on Funding Recommendations for fiscal years 2007 through 2012 and information from project sponsors we interviewed. We resolved any discrepancies with FTA headquarters staff, and we determined that the data were sufficiently reliable for our purposes.

To describe the project development requirements for Small Starts and Very Small Starts projects, we collected and summarized relevant laws, such as SAFETEA-LU, as well as FTA circulars and policy guidance for the Small Starts program, including the 2007 Updated Interim Guidance and Instructions, 2010 Reporting Instructions for the Section 5309 Small Starts Criteria, and Side-by-Side of Required Information for New Starts/Small Starts Evaluation and Rating. To determine the views of stakeholders on the advantages and disadvantages of these requirements, we conducted semistructured interviews with FTA officials from headquarters and regional offices, sponsors of projects that have been recommended for funding, and transit industry associations, such as the American Public Transportation Association. We selected a judgmental sample of 10 out of 29 projects to ensure variation in the project's geographic location, category of funding (i.e., Small Starts or Very Small Starts), mode of transit, total project cost, and fiscal year recommended for funding. We also interviewed FTA staff at the seven regional offices that corresponded with the judgmental sample of project sponsors. Table 11 lists the Small Starts and Very Small Starts project sponsors we interviewed for our review.

Table 11: Small Starts and Very Small Starts Project Sponsors Interviewed

Name of project sponsor	Project location	Mode[a]	Project type
Capital Metro	Austin, TX	BRT	Very Small Starts
City of Portland	Portland, OR	Streetcar	Small Starts
Interurban Transit Partnership	Grand Rapids, MI	BRT	Very Small Starts
Jacksonville Transportation Authority	Jacksonville, FL	BRT	Very Small Starts
King County Department of Transportation	Seattle, WA	BRT	Very Small Starts
Lane County Transit District	Springfield, OR	BRT	Small Starts
Livermore Amador Valley Transit Authority	Livermore, CA	BRT	Very Small Starts
Los Angeles County Metropolitan Transportation Authority	Los Angeles, CA	BRT	Very Small Starts
Massachusetts Bay Transportation Authority	Fitchburg, MA	CR	Small Starts
Valley Metro Rail of Phoenix	Mesa, AZ	LRT	Small Starts

Source: GAO.

[a]BRT = bus rapid transit; CR = commuter rail; LRT = light rail transit

We used stakeholder observations and experiences, as there is not a reliable quantitative way to evaluate the impact of changes in the requirements for Small Starts and Very Small Starts projects on project development time frames compared to New Starts projects for two reasons. First, only a small number of Small Starts (including Very Small Starts) projects—11 of 29 recommended for funding—have completed the project development phase and received a construction grant. Second, in past work we found that FTA and project sponsor data on time frames for New Starts projects (such as entry into preliminary engineering and final design) are not reliable.[1] However, FTA officials said they do not agree with GAO's assessment of its data. Given these reasons, we did not include such a comparison in our methodology for this review.

To describe the project development requirements for exempt projects, we summarized relevant laws, regulations, and FTA guidance for exempt projects. We also interviewed officials from FTA headquarters and

[1]GAO-09-784.

regional offices. Our review of exempt projects included projects selected to receive funding that entered the New Starts pipeline (i.e., approved into the preliminary engineering phase) since SAFETEA-LU was enacted. To describe the types of exempt projects that have entered the New Starts pipeline since the passage of SAFETEA-LU, we collected, verified, and analyzed data from FTA. We compared the data from FTA to project data available in FTA's Annual Reports on Funding Recommendations for fiscal years 2007 through 2012 to assess its reliability. There were a total of nine exempt projects that entered the New Starts pipeline since 2005. We worked with FTA to resolve any discrepancies and found the data sufficiently reliable for the purposes of this report. To determine the views of stakeholders on the advantages and disadvantages of the exempt category, we conducted semistructured interviews with FTA officials (headquarters and regional office staff), sponsors of exempt projects that received funding, and transit industry associations. We selected a judgmental sample of five exempt project sponsors to ensure variety in the projects' geographic location, mode of transit, project cost, and the fiscal year the projects were approved into the New Starts preliminary engineering phase. Table 12 lists the exempt project sponsors we interviewed for our review.

Table 12: New Starts Exempt Project Sponsors Interviewed

Name of project sponsor	Project location	Mode[a]
Arlington County	Arlington, VA	Busway
City of Tucson Department of Transportation	Tucson, AZ	Streetcar
Jacksonville Transportation Authority	Jacksonville, FL	BRT
Maine Department of Transportation	Rockland, ME	Ferry
San Francisco Bay Area Rapid Transit District	Oakland, CA	Heavy rail

Source: GAO.

[a]BRT = bus rapid transit

We conducted this performance audit from December 2010 through August 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix IV: Descriptions of Exempt Projects

The following provides detailed descriptions of the nine exempt projects of various modes that have entered the New Starts pipeline and their total costs since SAFETEA-LU was enacted. The descriptions are primarily from FTA's latest annual reports or as noted. There are four rail projects, a ferry project, a street car project, and three bus projects. These projects are listed in the order they entered the New Starts pipeline, beginning with the earliest.

Urban Transitway Phase II—Stamford, Connecticut

The City of Stamford, Connecticut, is proposing to extend Phase I of its Urban Transitway, currently in operation, for an additional 0.6 miles along Myrtle Avenue to U.S. Route 1. According to FTA's Annual Report on Funding Recommendations, the facility will accommodate new dedicated bus-priority/high-occupancy-vehicle lanes in both directions, as well as bike pathways and sidewalks. Signal priority treatments at intersections will give local and commuter buses priority. Bus stops in the corridor will include real-time passenger displays. The total capital cost for the Stamford Urban Transitway Phase II project is estimated at $48.3 million, with a proposed New Starts share of $24.7 million. FTA approved the project into preliminary engineering in May 2006 and into final design in November 2007.

Maine Marine Highway Project—Rockland, Maine

The Maine Marine Highway Project, sponsored by the Maine Department of Transportation, is for the construction of a ferry boat—the Governor Curtis. As proposed, this vessel will expand the capacity of the Maine State Ferry Service to provide transportation between Rockland and the off-shore islands in Penobscot Bay. It will also free up another vessel to be retrofitted and serve as a backup vessel; currently, no vessel of this size is available as a backup. The new vessel will hold 250 passengers and approximately 20 cars. The New Starts share is $1.5 million of an estimated total capital cost of $10.4 million. FTA concurrently approved the project into preliminary engineering and final design in May 2006.

Downtown Transit Service Enhancement Project—Jacksonville, Florida

The Jacksonville Transit Authority is planning a regional bus rapid transit system for the Jacksonville metropolitan area. The Downtown Transit Service Enhancement Project is the first phase to be developed and will serve as the center hub of the system. The 8.4-mile project includes increased bus service, semi-exclusive reserved bus lanes, 22 stations and stops, traffic signal priority, and real-time traveler information. The project is estimated to cost $15.6 million which includes a New Starts share of $9.4 million. FTA approved the project into preliminary engineering in December 2006 and into final design in August 2010.

Assembly Square Station—Boston, Massachusetts

The Massachusetts Bay Transportation Authority proposes to build a new Assembly Square Station on the existing Massachusetts Bay Transportation Authority heavy rail Orange Line between the existing Sullivan Square and Wellington Stations in the City of Somerville, Massachusetts. No additional Massachusetts Bay Transportation Authority rail cars are needed to provide service to this new station. The total capital cost of the Assembly Square Station is estimated to be $47.7 million with a proposed New Starts share of $24.9 million. FTA approved the project into preliminary engineering in September 2008 and into final design in November 2010.

Lackawanna Cutoff Project, Minimum Operating Segment—Andover, New Jersey

According to FTA's latest description of this project, the Lackawanna Cutoff project involves the restoration of commuter rail service from Port Morris, New Jersey, to Andover, New Jersey—a distance of 7.3 miles. The Lackawanna Minimum Operating Segment is a short rail line at the outer end of New Jersey Transit's existing Montclair/Boonton Line. The alignment consists of the construction of a single track along the existing right-of-way purchased by the state of New Jersey in 2001. One station will be constructed at the terminus in Andover. The project will utilize the existing Port Morris Yard for storage and maintenance services. New Jersey Transit's existing rolling stock will be used to operate the service. The estimated capital cost is $36.6 million with a proposed New Starts share of $18.2 million including primarily New Starts funds. New Jersey Transit has already received the full amount of appropriations necessary for this project.

Modern Streetcar Project—Tucson, Arizona

The City of Tucson Department of Transportation proposes to build a streetcar project in the downtown Tucson Urban Corridor. The project includes the purchase of eight streetcar vehicles. The streetcars will operate at grade on surface streets in mixed traffic in most locations, with some reserved right-of-way where available. Track placement will primarily be in the center of shared travel lanes with stations located either in the median or on the outside of roadways. Station platforms will be designed so that they can be used by buses as well as by streetcars, where possible. The total capital cost of the project is estimated to be $196.5 million; the current New Starts share is $5.8 million. FTA approved the Tucson Modern Streetcar Project into preliminary engineering as an exempt project in December 2008 and into final design in September 2009.

Oakland Airport Connector—Oakland, California

The Bay Area Rapid Transit's Oakland Airport Connector is a 3.2-mile rail project to connect the Oakland International Airport to the Bay Area Rapid Transit's Coliseum Station and the rest of the transit system. According to the project sponsor, it will be a driverless, automated rail system to replace bus service and provide more integrated service to the airport. To construct the project, Bay Area Rapid Transit is using a design-build-operate-maintain project delivery approach. The estimated $492.7 million project will be funded using several funding sources, including $24.9 million in federal New Starts funding. FTA concurrently approved the project into preliminary engineering and final design in December 2009.

Pawtucket/Central Falls Commuter Rail Station—Pawtucket, Rhode Island

The Rhode Island Department of Transportation proposes to build a new Pawtucket/Central Falls Commuter Rail Station on the existing Massachusetts Bay Transportation Authority Providence-to-Boston commuter rail route, which follows Amtrak's Northeast Corridor. The station would be constructed in Pawtucket near the site of a station that was closed in 1959 between the existing South Attleboro and Providence stations. The total capital cost of the Commuter Rail Station is estimated to be $53.6 million with a proposed New Starts share of $24.9 million. FTA approved the project into preliminary engineering as an exempt New Starts project in August 2010. The Rhode Island Department of Transportation expects to begin final design in 2013, construction in 2015, and revenue operations in 2018.

Crystal City-Potomac Yard Transitway—Arlington, Virginia

According to FTA, the Crystal City-Potomac Yard project is a 3.1 mile bus transitway project with eight stops. It includes 1.5 lane-miles of exclusive transit right-of-way (which is an independent roadway for buses) and 1.3 miles of an on-street dedicated bus lane, and 0.3 lane-miles of mixed traffic operation. Arlington County officials said this project is not a bus rapid transit project, which has different features such as large distances between stations. Instead, this bus transitway project provides limited local bus service that will replace the current standard local bus service. The purpose is to provide high-capacity and high-quality bus transit services in the 5-mile corridor between the Pentagon (and Pentagon City) in Arlington County and the Braddock Road Metrorail Station in the City of Alexandria. The total capital cost of the bus transitway is estimated to be $38.1 million with a proposed New Starts share of $980,000. FTA approved the project into preliminary engineering as an exempt New Starts project in August 2010.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Lorelei St. James, (202) 512-2834 or stjamesl@gao.gov

Acknowledgments

In addition to the contact named above, Catherine Colwell, Assistant Director; Lauren Calhoun; Dwayne Curry; Robert Heilman; Terence Lam; Joanie Lofgren; Sara Ann W. Moessbauer; and Amy Rosewarne made key contributions to this report.

Related GAO Products

Public Transportation: Use of Contractors is Generally Enhancing Transit Project Oversight, and FTA is Taking Actions to Address Some Stakeholder Concerns. GAO-10-909. Washington, D.C.: September 14, 2010.

Public Transportation: Better Data Needed to Assess Length of New Starts Process, and Options Exist to Expedite Project Development. GAO-09-784. Washington, D.C.: August 6, 2009.

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