

GAO Highlights

Highlights of [GAO-16-495](#), a report to congressional committees

Why GAO Did This Study

FTA's Capital Investment Grant program provides roughly \$2 billion in appropriated funds each year to help states, cities, and localities plan and build new or extensions to existing fixed-guideway transit systems. Under this program, project sponsors—usually local transit agencies—have typically applied for their projects to receive federal funding as either a New Starts or a Small Starts project. In 2012, MAP-21 created a new category of eligible projects called Core Capacity Improvement projects and also revised the process proposed projects must follow to be eligible for and receive federal funding.

MAP-21 included a provision for GAO to biennially review FTA's and the Department of Transportation's implementation of this program. This report discusses: (1) FTA's progress in implementing changes to the program required by MAP-21 and (2) how selected project sponsors view the MAP-21 changes and FTA's implementation of those changes. To conduct this review, GAO reviewed the relevant provisions of pertinent laws and FTA's policy guidance, interviewed FTA officials and representatives from 13 project sponsors representing 17 of 52 projects participating in the program, and visited the sites of two Core Capacity Improvement projects. Project sponsors and locations visited were selected based on previous experience in the program, among other things.

In written comments, DOT emphasized its commitment to improve and streamline the Capital Investment Grant program.

View [GAO-16-495](#). For more information, contact Mark Goldstein at (202) 512-2834 or GoldsteinM@gao.gov.

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PUBLIC TRANSIT

Observations on Recent Changes to the Capital Investment Grant Program

What GAO Found

The Federal Transit Administration (FTA) has implemented most of the key changes the Moving Ahead for Progress in the 21st Act (MAP-21) made to the Capital Investment Grant program, which helps fund investments in new public transit systems or extensions to existing systems. Projects funded under this program fall into different categories, depending on the total project's cost and the amount of federal funding requested. For example, under MAP-21, New Starts projects had capital costs that were \$250 million or greater while Small Starts projects had capital costs that were less than \$250 million. As required by MAP-21, FTA has issued guidance outlining the new review and evaluation process for New Starts and Small Starts projects—as well as Core Capacity Improvement projects, which is a new category of eligible projects MAP-21 created and which are designed to increase the capacity of an existing system. In addition, FTA has informed project sponsors how they can pre-qualify for a satisfactory rating based on the characteristics of their projects. FTA officials said they plan to address the remaining requirements, such as completing the rulemaking to fully implement the MAP-21 provisions, over the next 2 years.

The 13 project sponsors GAO contacted—representing 7 New Starts projects, 8 Small Starts projects, and 2 Core Capacity Improvement projects—were generally supportive of the changes MAP-21 made to the Capital Investment Grant program, as well as FTA's implementation of the changes.

- Representatives from 9 of 13 project sponsors indicated that the MAP-21 changes streamlined the Capital Investment Grant program's project development process, such as by reducing the number of time-consuming FTA reviews.
- Of the three project sponsors that indicated they had an opinion on the addition of Core Capacity Improvement projects as a new category of projects, all were supportive, with representatives from one noting, for example, that this change gives them options to increase the capacity of existing systems as ridership increases. Such projects could include lengthening rail platforms to accommodate additional train cars or to reduce platform overcrowding.
- Also, representatives from 11 of 13 project sponsors supported FTA's implementation efforts, noting, for example, that FTA has taken steps to listen to and incorporate many of the recommendations offered by project sponsors in implementing the MAP-21 changes.

While project sponsors raised some concerns about the potential impact certain changes—such as limiting the amount of time New Starts and Core Capacity Improvement projects can spend in Project Development—might have on project sponsors in the future, they also acknowledged that not all the MAP-21 changes have been implemented yet. While participation in the program has increased substantially—by 70 percent—since the enactment of MAP-21, both project sponsors and FTA officials pointed out that it is too early to tell what impact the changes will ultimately have on the Capital Investment Grant program—including if the changes will help expedite projects through the program.