

GAO Highlights

Highlights of [GAO-19-541](#), a report to congressional requesters

Why GAO Did This Study

The cost to repair and upgrade the nation's surface transportation system to meet current and future demands is estimated in the hundreds of billions of dollars. In December 2015, Congress established a DOT discretionary grant program to fund nationally significant freight and highway projects. DOT awarded \$1.54 billion for such projects for fiscal years 2017 and 2018. GAO was asked to review DOT's process for evaluating and selecting applications for awards.

This report discusses the consistency and transparency of DOT's process for evaluating and awarding INFRA grants for the fiscal-year 2017–2018 round of funding, among other objectives. GAO reviewed DOT's documentation of its evaluation process, and interviewed DOT staff and officials, as well as 11 INFRA applicants selected to ensure diversity in projects' size, type, location, and award status, as well as type of applicant.

What GAO Recommends

GAO is making three recommendations, including that DOT should communicate and document the rationale for asking specific applicants for more information and provide information to applicants on how, if at all, DOT uses merit criteria scores to advance projects through its evaluation and selection process. Also, Congress should consider directing DOT to develop and implement transparency measures in the next surface-transportation reauthorization bill. DOT concurred with GAO's recommendations and provided technical comments that GAO incorporated as appropriate.

View [GAO-19-541](#). For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

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DISCRETIONARY TRANSPORTATION GRANTS

Actions Needed to Improve Consistency and Transparency in DOT's Application Evaluations

What GAO Found

The Department of Transportation's (DOT) process for reviewing applications for grants to fund projects under the Infrastructure for Rebuilding America (INFRA) program lacked consistency and transparency in aspects related to following up with applicants and evaluating applications.

- **Following up with applicants.** DOT must determine that an applicant's project meets statutory requirements in order for the project to be eligible for an INFRA award. DOT initially found that 97 applications had insufficient information for an eligibility determination. DOT followed up with 42 of the 97 applicants to request additional information. DOT did not sufficiently document why it followed up with certain applicants over others. If DOT does not clearly communicate and document its process regarding applicant follow-up, the process lacks transparency and the assurance of fairness.
- **Evaluating applications.** In addition to the statutory requirements, DOT established merit criteria (e.g., economic vitality) to evaluate projects against, and stated that competitive projects would substantively address all of the criteria. DOT teams scored the projects on how well they addressed each criterion. However, DOT forwarded the information on all 165 projects that were found to be statutorily eligible to the Secretary for potential award, regardless of how well they scored on the merit criteria. In the end, DOT awarded some projects that did not address all of the criteria. Several applicants told GAO they were uncertain how DOT determines which projects should receive awards. In addition, DOT's documentation does not provide insight into why projects were selected for awards, an issue GAO has previously noted and recommended DOT address.

The above limitations reflect long-standing issues GAO has identified in DOT's discretionary grant programs. Specifically, since 2011, GAO has recommended actions to increase consistency and transparency. In some cases, DOT implemented the recommendations for one program, but GAO later found similar problems in other programs. After finding repeated issues, GAO recommended in 2016 that DOT develop a department-wide directive that would, among other things, require that key decisions be documented. DOT agreed with the recommendation. In a March 2019 memo, DOT directed offices to implement GAO's recommendation by June 2019. However, it is unclear how this action will improve transparency and consistency because, among other things, DOT did not communicate how offices should sufficiently document decisions to ensure that the rationale for decisions is clear. The next reauthorization of surface transportation programs provides Congress the opportunity to build requirements for greater consistency and transparency into DOT's grant programs. This is particularly important as DOT has two additional rounds of INFRA funding to award under the FAST Act, and the President's Budget proposal proposed providing an additional \$1 billion to INFRA. Absent effective action by DOT going forward, the recurring and long-standing issues GAO has identified could continue to affect DOT's competitive discretionary grant programs.