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Report to Congressional Requesters

July 1996

TRANSPORTATION ENHANCEMENTS

Status of the $2.4 Billion Authorized for Nonmotorized Transportation

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Resources, Community, and
Economic Development Division

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July 26, 1996

The Honorable John H. Chafee
Chairman
The Honorable Max S. Baucus
Ranking Minority Member
Committee on Environment and
Public Works
United States Senate

The Honorable John W. Warner
Chairman, Subcommittee on
Transportation and Infrastructure
Committee on Environment and
Public Works
United States Senate

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) included a $24 billion, 6-year authorization that created a new federal-aid highway program—the surface transportation program. This program included a requirement that states set aside at least 10 percent of the $24 billion exclusively for 10 categories of "transportation enhancements," such as pedestrian walkways, bikeways, scenic easements, or historic preservation projects. Such enhancements are designed to strengthen the cultural, aesthetic, or environmental aspects of transportation or to encourage greater use of nonmotorized transportation.

The transportation enhancement set-aside, like the other provisions of ISTEA, is scheduled for reauthorization in 1997. You asked us to provide you with information and analysis to assist in your deliberations on the enhancement program.[1] Specifically, we are reporting on the following four questions:

- How do the obligation rates for transportation enhancement funds for fiscal years 1992-95 compare with the obligation rates for other major highway programs?[2]
- How do the obligation rates for transportation enhancement funds vary by state, and what factors have affected the states' use of these funds?

[1]A set-aside from the surface transportation program is used to fund transportation enhancement projects, and funding for this category of projects is referred to throughout this report as a transportation enhancement set-aside or as constituting a transportation enhancement program.

[2]An obligation represents a commitment made by a federal agency to pay out money, as distinct from an actual payment.

- What types of projects are being funded with transportation enhancement funds?
- What are stakeholders' views on reauthorizing the transportation enhancement set-aside?

To address these questions, we analyzed national data and supplemented this analysis by interviewing transportation officials in 16 states, representatives of five national organizations with an interest in the transportation enhancement set-aside, and four local sponsors of enhancement projects. Appendix I discusses our scope and methodology in more detail.

Results in Brief

During fiscal years 1992-95, the states obligated their transportation enhancement funds more slowly than their funds for other federal-aid highway programs, including other programs established at the same time as the transportation enhancement program. During fiscal year 1992, the first funding year for the transportation enhancement program, the states obligated 22 percent of the available funds. By the end of fiscal year 1995, the overall rate of obligation had risen to 55 percent. In comparison, by fiscal year 1995, the obligation rate for another newly established highway program—the congestion, mitigation, and air quality improvement program—was about 70 percent, and the rates for long-standing programs, such as the bridge program, were above 90 percent.

The obligation rates for transportation enhancement funds vary substantially from state to state. At the end of fiscal year 1995, Washington State had obligated 99 percent of its available enhancement funds, while Iowa had obligated 7 percent. Factors hindering the states' obligation of enhancement funds include the time and staff resources required to implement a new program, the nontraditional nature of transportation enhancement projects, and sponsors' lack of familiarity with the administrative requirements of federal-aid highway programs.

The Federal Highway Administration's (FHWA) data on transportation enhancement projects have significant problems. These data indicate that over 50 percent of the enhancement funding for fiscal year 1995—the first year FHWA collected such data—was apparently used for ineligible activities. To determine why, FHWA reviewed a sample of projects in four states and found that the funds were generally spent correctly but the state or FHWA division offices miscoded the projects when entering them into the data system. Also, although FHWA obtained some estimates from the states, it did not begin to collect actual financial data on the types of projects funded by the enhancement set-aside until fiscal year 1995. Historical enhancement project data have, however, been developed by the Rails-to-Trails Conservancy.[3] Data from the Conservancy show that from fiscal year 1992 through February 1996, 4 of the 10 eligible categories have received over 80 percent of the obligated funding. Bicycle and pedestrian projects have received more than one-third of the obligated funds, while rail-to-trail conversions, restorations of historic transportation facilities, and landscaping projects have each received approximately 15 to 17 percent.

State transportation officials, representatives of national interest groups, and local project sponsors expressed mixed views on reauthorizing the transportation enhancement set-aside. Twelve of the 16 state officials we interviewed said they would prefer more flexibility in deciding how much federal aid to devote to transportation enhancement activities. They voiced general support for such activities but considered them less important than improving highway capacity or mobility. The four remaining state officials, as well as the five interest group representatives and four project sponsors we contacted, said they supported the existing set-aside. They said that not having a set percentage for transportation enhancements would result in substantially less funding for such activities.

Background

Funds provided under ISTEA's surface transportation program may generally be used by states and localities for any road on the federal-aid highway network.[4] The transportation enhancement set-aside is an exception. Over ISTEA's 6-year life, the set-aside authorizes $2.4 billion for 10 categories of eligible projects, including bikeways, pedestrian walkways, and historic preservation projects. Appendix II lists the 10 categories and provides an example of the types of projects funded under each. An enhancement project may be a separate project or a distinct part of a larger transportation project.

Funds for the transportation enhancement program, like the funds for other federal-aid highway programs, are annually made available to the states by the Department of Transportation's FHWA. The states then obligate these funds for specific projects. An obligation represents a

[3] The purpose of the Rails-to-Trails Conservancy, a public interest organization, is to convert abandoned rail corridors into public multiuse trails.

[4] The nation has approximately 3.9 million miles of highways, about 950,000 miles of which are designated as federal-aid highways and are therefore eligible for federal highway funds.

commitment by FHWA, met through a reimbursement to a state, to pay the federal share of a project's cost. The states are not required to obligate the funds in the year in which they are made available but may, subject to certain restrictions, carry them forward for potential obligation in subsequent years.

Each state's department of transportation is responsible for administering the state's transportation enhancement program, but the sponsors of transportation enhancement projects are often local governments or, in some cases, nonprofit organizations, according to an FHWA official. The state transportation department, often in cooperation with metropolitan planning organizations,[5] decides which transportation projects will be funded in the next year or two and incorporates the decision in a multiyear statewide transportation plan. Like many federal-aid highway programs, this program generally requires the state or local agency to provide 20 percent of a project's funding.

States' Obligation of Enhancement Funds Has Been Relatively Slow but Shows Improvement

In fiscal year 1992, the first year of funding for the transportation enhancement program, most states moved slowly to obligate the funds. By the end of the fiscal year, the states had obligated $79 million of the $353 million available, or 22 percent. Nine states had not obligated any of their available funding for enhancements; 34 states had obligated 25 percent or less.

By the end of fiscal year 1995, after 4 fiscal years, the states had more than doubled the percentage of funds they had obligated for transportation enhancements. Specifically, they had obligated $887 million, or 55 percent, of the $1.6 billion available since the program's inception. All but six states had obligated at least 25 percent of their total available funding for enhancements.

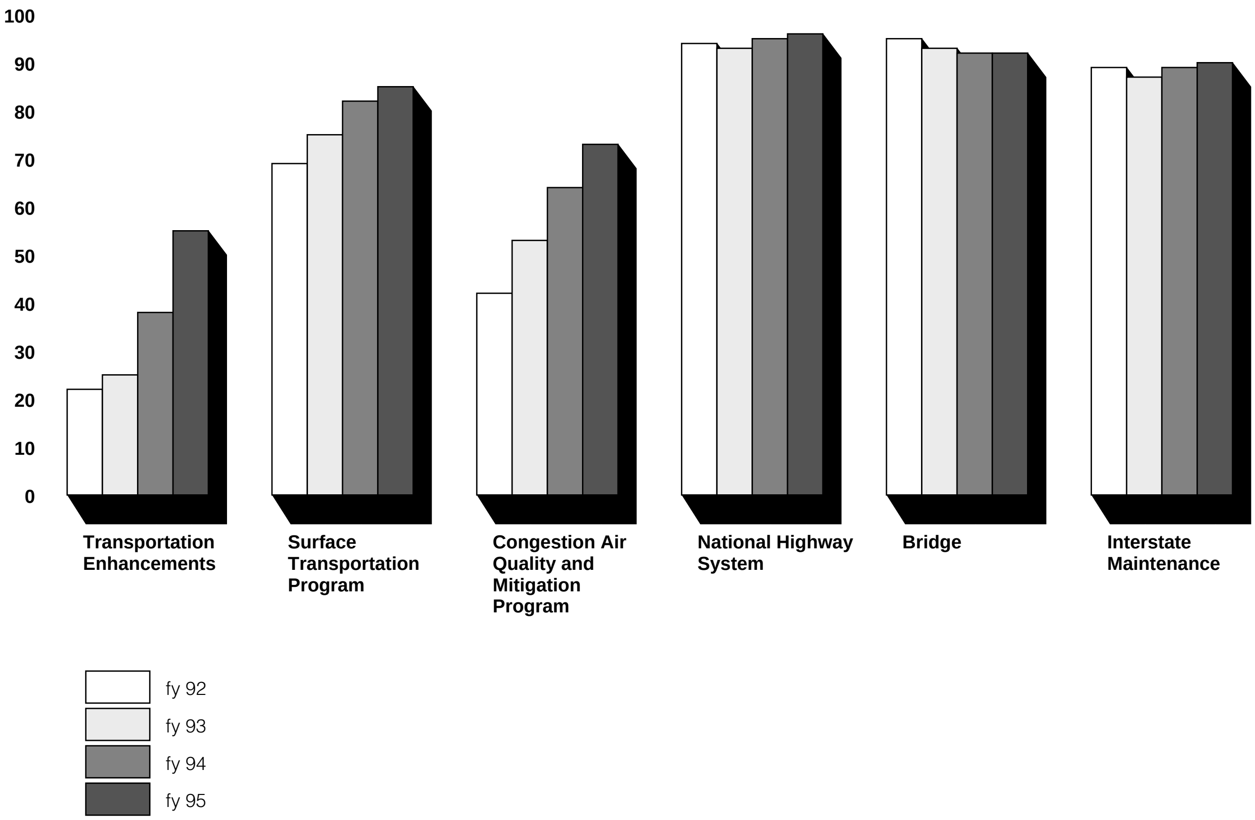
While representing a significant improvement over the earlier obligation rates, the 55-percent obligation rate was considerably lower than the obligation rates for the other highway programs we reviewed. For example, the obligation rate for the bridge program, a long-standing surface transportation program, was approximately 90 percent during all 4 fiscal years. Similarly, programs such as the interstate maintenance program, which existed before ISTEA's enactment but were modified by this legislation, had obligation rates of about 90 percent during all 4 fiscal

[5]A metropolitan planning organization represents an entity designated by a governor as responsible, together with a state, for transportation planning in an urbanized area.

years. (Fig. 1 shows the cumulative obligation rates for transportaion enhancement funds and other highway programs for fiscal years 1992-95. In addition, an alternative graph, prepared by the Rails-to-Trails Conservancy and presented in app. VII, compares the amounts obligated with the amounts apportioned for enhancement funds during each of these fiscal years.) These obligation rates may be high because, despite the changes made by ISTEA, certain of the programs' core components remained the same. Thus, the states were familiar with the programs, and their familiarity positioned them to have a number of projects readily available for funding. (App. III presents nationwide information on the obligations for major federal-aid highway funding programs and for the transportation enhancement program for fiscal years 1992-95.)

In contrast to long-standing highway programs, the transportation enhancement program was new. Before funds could be obligated for enhancement projects, state departments of transportation had to decide with metropolitan planning organizations how to structure the program and allocate funds. Furthermore, for the enhancement program, as for other federal-aid highway programs, sponsors needed to be prepared to pay most, if not all, of a project's costs up front and then receive reimbursement from FHWA, via the state. FHWA's practice of providing reimbursements rather than grants was unfamiliar to some local officials. However, as discussed later, a legislative change now gives sponsors the option of receiving an advance payment for a transportation enhancement project based on the project's schedule of cash needs.

Figure 1: Cumulative Obligation Rates for Transportation Enhancement Funds and Other Selected Highway Programs, Fiscal Years 1992-95



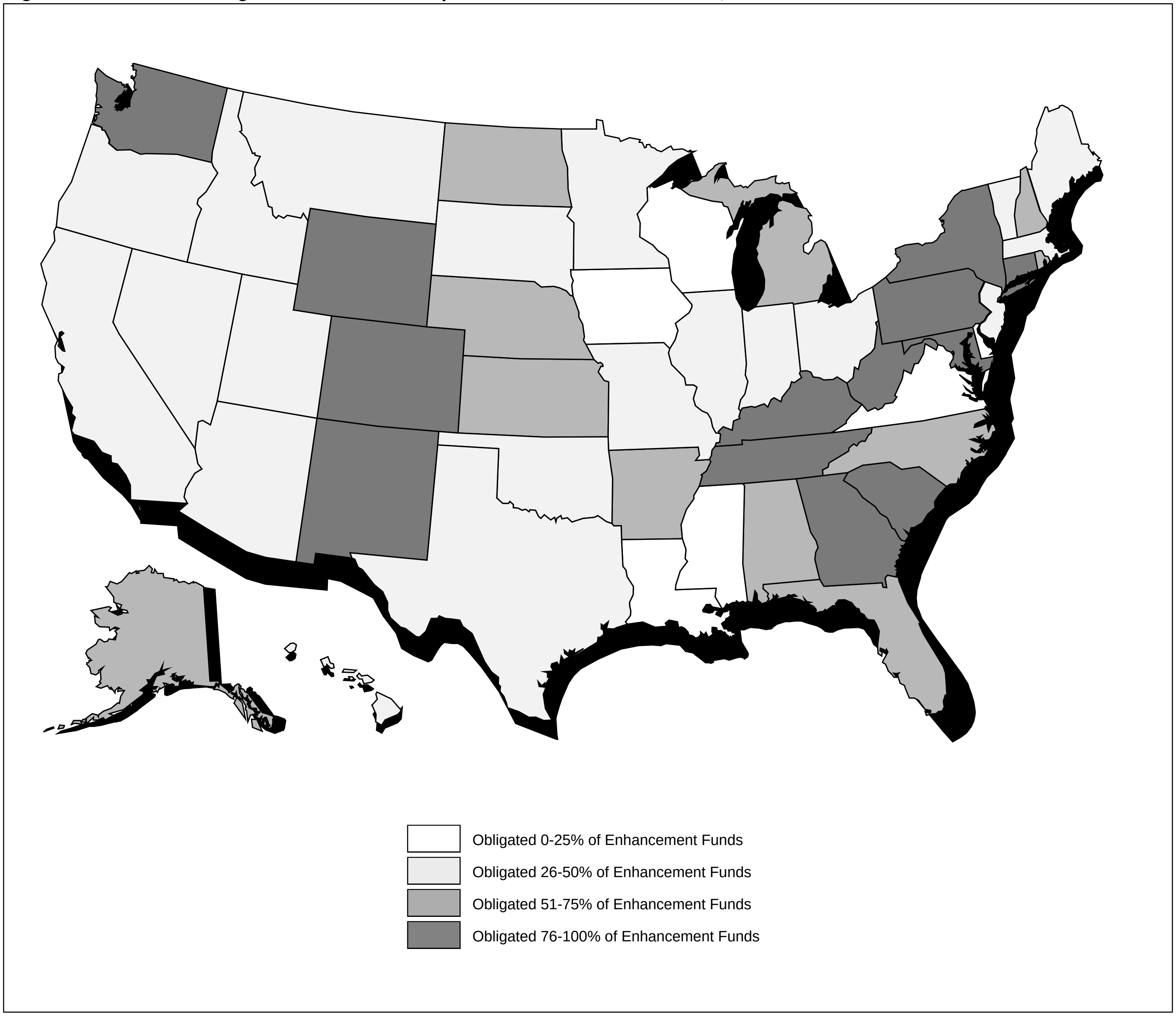
Note: The selected programs represent major federal-aid highway programs and account for approximately 70 percent of the highway funds authorized by ISTEA.

Source: GAO's presentation of data from FHWA's information system.

Obligation Rates Vary Among States for a Variety of Reasons

The obligation rates for transportation enhancements vary considerably from state to state. At the end of fiscal year 1995, Washington State had obligated 99 percent of its available funds, while Iowa had obligated 7 percent. Figure 2 groups and displays the states' obligation rates, and appendix IV provides the obligation rates for each state for fiscal years 1992-95.

Figure 2: Cumulative Obligation Rates for Transportation Enhancement Funds, Fiscal Years 1992-95



Source: GAO's presentation of data from FHWA's information system.

We asked transportation department officials from 16 states, as well as representatives from five interest groups and four sponsoring organizations, what difficulties they had encountered in obligating enhancement funds. They mentioned four major factors: (1) Local sponsors were unfamiliar with federal-aid highway programs' administrative procedures, (2) programs mandated by ISTEA took time to develop, (3) administering a large number of low-cost projects was perceived as burdensome, and (4) state transportation departments lacked the staff or expertise needed to administer enhancement projects, since such projects differed significantly in scope and nature from traditional highway construction projects. In addition, the Rails-to-Trails Conservancy mentioned a fifth factor—a limit imposed by federal budgetary constraints on the total amount a state can obligate in a given year. Because this limit applies to the federal-aid highway program as a whole and the states have the discretion to allocate their available authority among the individual highway programs, transportation enhancement projects are competing for funds with higher-priority traditional highway projects and find themselves at a disadvantage, according to Conservancy officials. A Wisconsin transportation enhancement program manager told us that because of the federal limit on obligations, the state has restricted its obligations for transportation enhancements to approximately 40 percent of the funds apportioned for enhancements in recent years. (App. V discusses these factors in more detail.)

The process for obtaining enhancement funds was eased through provisions of the National Highway System Designation Act of 1995, enacted in November of that year. This legislation permits the streamlining of environmental and historic preservation reporting requirements for transportation enhancement projects. It also gives sponsors the option of receiving advance payments for transportation enhancement projects. These payments, FHWA officials noted, are based on the projects' schedules of cash needs.

To promote transportation enhancement projects, FHWA is currently providing the states and local sponsors with additional guidance on federal-aid highway and other relevant federal regulatory requirements, according to an FHWA official. FHWA also helped sponsor a conference on transportation enhancements in 1994 that was attended by over 300 stakeholders from 49 states. The intent of the conference was to assess the achievements realized to date and brainstorm what changes might be needed to maximize the benefits of transportation enhancement funding. A second conference, held in June 1996, was intended to showcase successful enhancement projects and demonstrate why such efforts are essential for developing effective community-based transportation systems.

Data on Uses of Enhancement Funds

FHWA's data on the types of projects being funded with transportation enhancement moneys are limited and have significant problems. However, data collected by the Rails-to-Trails Conservancy indicate that nearly all of the projects for which funds were obligated from October 1, 1992, through February 1996 fell into 4 of the 10 eligible categories: bicycle/pedestrian facilities, rail-to-trail conversions, landscaping projects, and the rehabilitation of historic transportation buildings or facilities. In addition, the states and FHWA division offices have variously interpreted the link between transportation and the rehabilitation of historic buildings and facilities.

FHWA's Data on Transportation Enhancement Projects Raises Concerns

From fiscal year 1992 through fiscal year 1994, FHWA formally tracked information only on the states' overall obligations for transportation enhancement funds. FHWA did not track the obligations for specific projects, but it did ask the states to estimate the amounts they obligated to each of the 10 transportation enhancement categories beginning in fiscal year 1992. FHWA recognized that, because of incomplete and perhaps inaccurate reporting, the data were of limited use.[6]

In fiscal year 1995, however, FHWA began to collect data on the obligations for individual enhancement projects. Our analysis of these data showed that over 50 percent of the transportation enhancement funds had apparently been used for ineligible activities.[7] Specifically, according to FHWA's data, transportation enhancement funds were used for construction engineering, training, highway and bridge raw materials, and traffic signals, but these types of activities are not eligible for enhancement funding unless they are linked to one of the 10 categories listed in appendix II.

After we advised FHWA of this problem, FHWA began an investigation in four states where a high proportion of transportation enhancement funds had apparently been used for ineligible activities. According to a program

[6]We attempted, but were unable, to reconcile these data with the states' actual obligations of transportation enhancement funds.

[7]For closed projects, 57 percent of the obligations were listed as applied to apparently ineligible activities; for active projects, 55 percent of the obligations were listed as applied to such activities.

official, FHWA's preliminary findings, based on a sample of projects in each state, indicate that in most cases state and/or FHWA officials did not code the projects for the proper statistical category in FHWA's database. In other words, the projects were eligible, but they were coded in the wrong category. In one instance, funds were obligated to the wrong program category, but the responsible state has corrected this misobligation of funds. A program official stated that FHWA's review of this issue is now complete and the problems have been corrected for the projects sampled from the four states. However, the problem is not limited to the four states; it occurred nationwide and involved over 50 percent of the transportation enhancement funds obligated in fiscal year 1995.

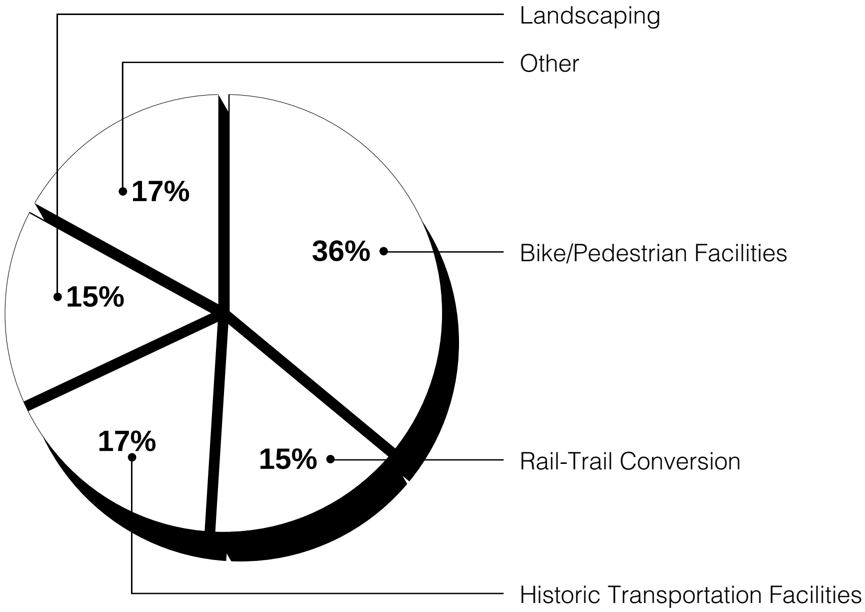
FHWA officials told us they will be sending a memorandum to their field offices instructing the staff to be more diligent in the future when coding transportation enhancement projects. They are also considering incorporating edit checks into the transportation enhancement coding process, if appropriate, after an FHWA task force completes an ongoing review of the entire financial information system. However, the officials implied that although they may consider incorporating edit checks, they will probably not do so, since the task force is expected to recommend a reduction in the number of codes requiring choices on the part of data entry clerks. FHWA expects this streamlining to improve the accuracy of the data throughout its information system. However, FHWA officials also observed that the streamlining could eliminate coding for transportation enhancement projects altogether.

Since FHWA has corrected the data for only the sampled projects in the four states it reviewed, reliable information on obligations for enhancement projects, from fiscal year 1995 (when FHWA began collecting the data) to the present does not exist. Therefore, FHWA will not have data to report to the Congress on how the funds authorized for transportation enhancements have been used.

Four Types of Projects Received Most of the Funding

According to data collected by the Rails-to-Trails Conservancy, projects involving facilities for bicyclists or pedestrians accounted for about 36 percent of the obligations for transportation enhancements during the 4-year period. (See fig. 3.) Rail-to-trail conversions, restorations of historic transportation facilities, and landscaping projects have each accounted for approximately 15 to 17 percent of the obligations. (See app. VI for examples of the types of transportation enhancement projects funded most frequently during fiscal years 1992-95.) Projects involving highway water runoff, billboard removal, and archeological planning and research accounted for the smallest proportions of the obligations. These projects received 1.5 percent, 1.3 percent, and 0.8 percent of the total enhancement funding, respectively.

Figure 3: Percentages of Federal Transportation Enhancement Funds, by Project Category, From October 1, 1991, Through February 1996



Note: "Other" includes historic preservation (7.0 percent), scenic/historic acquisitions (3.9 percent), scenic/historic highways (2.6 percent), highway water runoff (1.5 percent), billboard removal (1.3 percent), and archaeological planning and research (0.8 percent).

Source: GAO's presentation of data from the Rails-to-Trails Conservancy.

Projects for bicyclists and pedestrians received the bulk of transportation enhancement funds largely because they were very popular with community organizations, were much farther along in the design process than other projects, and were readily defined in statewide or urban area bikeway plans and trail systems. Although such projects were often eligible for federal-aid highway funding before the enactment of the enhancement set-aside—when, for example, they were incorporated as components of larger projects—the enhancement program dramatically increased the amounts designated specifically for them. Between 1973 and 1991, the states spent a total of $40.7 million on such projects; from fiscal year 1992 through February 1996, the states had awarded approximately $581 million, according to data from the Rails-to-Trails Conservancy.

As previously mentioned, FHWA helped sponsor a conference on transportation enhancements in June 1996 that was intended to showcase successful enhancement projects and demonstrate why such efforts are essential for developing effective community-based transportation systems. The conference featured 25 of the best projects, chosen from over 80 that were nominated. Some of these projects include the following:

- In San Francisco, California, transportation enhancement funds are being used to support preliminary engineering, design, and construction work on the long-neglected Ferry Building. This effort is intended to reestablish the building as a major intermodal transportation and mixed-use complex, emphasizing the historic and public nature of the building and improving connections between transportation by land and water.
- In rural Liberty County, Georgia, transportation enhancement funds are being used to link five heritage tourism sites of statewide and national historic significance. The sites, which commemorate African-American life from slavery through more recent times, are linked through directional and interpretive signage, a common travel brochure, and a joint marketing effort.
- In Minneapolis, Minnesota, transportation enhancement funds were used to rehabilitate a once-closed bridge as a short-line trolley, bicycle, and pedestrian corridor. A survey conducted last summer indicated that over 12,000 people per week were using the bridge; of these, nearly half were commuting to and from the downtown business district. The bridge also connects the downtown with the University of Minnesota.

Some Enhancement Projects May Not Have a Direct Link to Transportation

According to many of the state officials and some of the interest group representatives we contacted, the eligibility criteria for funding some enhancement projects—especially historic preservation projects—have been variously interpreted. ISTEA's definition of historic preservation is broad and general: It simply lists historic preservation as an activity eligible for enhancement funding. FHWA's implementing guidance requires that to be eligible for funding, any transportation enhancement project—including a historical preservation project—must have a direct link to an intermodal transportation system by function, proximity, or impact.[8] However, the states and FHWA's division offices have interpreted this link in different ways. According to a 1994 FHWA review of enhancement programs in nine states,[9]

> "[t]here was a rather wide variety of eligibility decisions made in the historic preservation category and it was not unusual to find actions that had been approved in one State and denied in another. This was generally due to varying interpretations of what constituted a direct relationship to the intermodal transportation system."

Some interpretations have resulted in the funding of historic preservation projects that appear to have little or no link to transportation. The questionable link to transportation is shown in the following examples, which we identified through discussions with state officials and interest group representatives.

- Rehabilitation of grandstands at the Iowa State Fair. Iowa's transportation department and FHWA's division office approved $750,000 to renovate the historic Iowa State Fair grandstand, built in 1927. This renovation, a $4.3 million project to be completed in four phases, will restore the grandstand to its original condition. According to a state transportation official, some groups within the state, such as bicycle advocates, opposed the use of enhancement funds for this project because they believed it had no direct link to transportation.
- Purchase and renovation of Oddfellows' Building in Griffin, Georgia. Georgia's transportation department and FHWA's division office approved $1 million to restore the Oddfellows' Building and convert it into an opera house and meeting hall in 1994. Local officials saw the rehabilitation as providing space for meetings and theater performances as well as boosting tourism in the downtown area. A Georgia transportation official suggests that this project would probably not be approved for funding today because more is known about the guidance requiring a direct link to transportation.

[8]According to ISTEA, "the term 'transportation enhancement activities' means, with respect to any project or the area to be served by the project, provision of facilities for pedestrians and bicycles . . .[and the other nine categories of eligible activities]." FHWA interpreted the overall context of the phrase "with respect to any project" to mean that the proposed transportation enhancement project or activity must have a direct relationship to the intermodal transportation system, but not necessarily to a currently planned highway project. The guidance specified that this relationship should be one of function, proximity, or impact but did not further define these terms except to give examples of eligible projects, such as an independent bike path and the removal of outdoor advertising.

[9]See The Implementation of Transportation Enhancements, FHWA, Office of Program Review and Office of Environment and Planning (Aug. 1994).

The written proceedings of a June 1994 workshop on transportation enhancements—attended by officials from over 300 federal, state, and local governments, as well as representatives of private organizations interested in transportation enhancements—highlighted stakeholders' concerns about the link to transportation. The document noted that during the workshop, questions arose about Maryland's justification for using enhancement funds to restore a Civil War battlefield. In response to a question about the link between the battlefield and transportation, a Maryland state representative explained that "you can see the battlefield when you drive down the road." Furthermore, this official's advice was to not worry about drawing the line on a project's eligibility, but rather to push until stopped by FHWA. During the discussion, a representative from the Office of the Secretary of Transportation concurred with the state official and noted the Department was encouraging creativity.

Although officials from the Rails-to-Trails Conservancy estimated that the problem extended to only a small fraction of the historic preservation projects, FHWA released additional guidance in June 1995 on the eligibility requirements for historic preservation projects. This guidance reads as follows:

"... In the case of non-transportation historic properties, the concept of direct relationship has been very widely interpreted. For example, some have interpreted it very broadly, allowing virtually any historic property to be rehabilitated using transportation enhancement funds. Others have interpreted this language more narrowly, requiring a substantial transportation linkage in order for an undertaking to be considered eligible. We believe this latter interpretation reflects the legislative intent."

Some stakeholders, however, believe that further guidance is still warranted. Among the state transportation officials and interest group representatives we contacted, several said additional clarification was needed because interpretations of what constitutes a direct link to transportation continue to vary. According to several officials, the criteria are still too subjective and each state or FHWA division office has its own opinion on how to interpret this requirement.

Views Are Mixed on Reauthorizing Transportation Enhancement Set-Aside

Twelve of the 16 state officials we interviewed favored greater flexibility in deciding how much federal aid to use for transportation enhancements. They wanted to see ISTEA's 10-percent set-aside modified. The other four state officials and all of the interest group representatives and project sponsors we contacted wanted to see the set-aside reauthorized to ensure continued support for enhancement activities.

Transportation officials who favored modification of the set-aside wanted to see it replaced with another funding mechanism. Many said it restricted their state's ability to spend surface transportation funds on other higher-priority infrastructure or highway projects, and they stressed the need to spend increasingly scarce resources on projects for improving highway capacity or mobility. The manager of Georgia's enhancement program said, for example, that the fixed-percentage requirement was diverting scarce resources from highway preservation and capacity-enhancement projects, which were 40-percent underfunded in his state.

Many of the state officials who favored modification of the set-aside said that transportation enhancement projects were needed and would continue to receive some funding if the set-aside were lifted. Several said the enhancement program fostered good public relations and helped them forge new partnerships with organizations that often opposed transportation departments' actions on more traditional highway construction projects. The managers for the Delaware and Georgia enhancement programs said, for example, that their programs brought their departments together with many community, environmental, and other organizations to plan and develop enhancement projects. However, many of these officials acknowledged that if the set-aside were eliminated, the funding for transportation enhancements would be reduced.

Supporters of the set-aside indicated they were generally to very satisfied with it because it provides a fixed amount of funding to complement traditional highway projects. Almost one-half the supporters said it ensured that enhancements would retain a share of the increasingly scarce federal funds for transportation infrastructure. Without it, they said, the states' funding for enhancements would likely be curtailed significantly.

Interest group representatives said that enhancement projects have received strong public support, improved safety and mobility for pedestrians and cyclists, and provided various other benefits, such as a better quality of life, increased civic pride, and more livable communities.

As proof of the projects' popularity, a representative of the Rails-to-Trails Conservancy said that some 10,000 projects have been proposed nationwide and local sponsors have been willing to contribute an average of 29 percent of the projects' costs in local matching funds, well above the general minimum matching requirement of 20 percent.

FHWA found a similar split in opinion between state transportation officials, who generally opposed the fixed-percentage set-aside, and local sponsors and interest groups, who generally supported it.[10] FHWA interviewed representatives of 9 state transportation departments, 39 local governments or metropolitan planning organizations, and 16 special interest groups. The state transportation officials acknowledged that the set-aside would have to be retained to ensure that enhancement projects would be implemented. Although some enhancements would continue to be funded through other transportation projects, the funding for them would not be tracked separately from the overall funding for the projects. Furthermore, according to eight of the nine state transportation officials FHWA contacted, if the set-aside were eliminated, the states could not commit themselves to funding their enhancement programs at current levels because their infrastructure and highway capacity needs far exceed their financial resources. In contrast, virtually all of the local sponsors and interest groups contacted by FHWA favored continuing the set-aside beyond ISTEA's 6-year authorization period because they believe the program needs a longer incubation period.

Conclusions

The relatively slow rate of obligation for transportation enhancement funds may reflect the difficulty of implementing a new and nontraditional program. Also, as officials from the Rails-to-Trails Conservancy noted, this difficulty may be compounded by the fact that transportation enhancement projects have to compete with more traditional programs for available obligation authority, which is subject to an overall limitation imposed by budgetary constraints. Thus, obligations for transportation enhancements continue to be lower than for other transportation programs, although substantial progress has been made in obligating funds for enhancements.

Although transportation officials differed over whether the transportation set-aside should be continued, they agreed that without the set-aside, the funding for transportation enhancements would be reduced. Whether funding should continue to be reserved for transportation enhancements

[10]See the FHWA report cited in footnote 6.

and, if so, how much are policy questions for the Congress to consider in reauthorizing ISTEA.

State officials frequently point to the gap between infrastructure needs and available resources. In light of this gap, enhancement projects need to have a strong link to transportation to justify allocating surface transportation resources for them. Such a link has been tenuous for some historic preservation projects. Although FHWA has revised its guidance to clarify the link, its efforts may not be sufficient, since the key phrase "substantial transportation linkage" is not clearly defined in the revised guidance. Monitoring the field offices' implementation of the revised guidance and further clarifying the definition, if necessary, could encourage consistent interpretations by state and FHWA division office officials.

It is unclear whether a memorandum directing staff to be more diligent when coding transportation enhancement projects for entry into the data system will encourage greater accuracy. Changes to FHWA's coding or data entry procedures could help to limit miscoding in the future. Unless such changes are made and the data entered since the start of fiscal year 1995 are corrected, we see no point in continuing to collect data that appear to be largely inaccurate on transportation enhancement projects. One disadvantage of eliminating the data is that FHWA will not be able to report to the Congress on how funds are being used for transportation enhancements.

Recommendation

We recommend that the Secretary of Transportation require the Administrator of FHWA to (1) revise FHWA's coding or data entry procedures to ensure that transportation enhancement funds can be programmed only for eligible activities and (2) correct previous coding and misobligation information from fiscal year 1995 to the present. Alternatively, if action is not taken to improve the quality of the transportation enhancement data, we recommend that the collection of data on specific transportation enhancement projects be discontinued.

Agency Comments

We provided a draft of this report to FHWA for its review and comment. We also provided a draft to the Rails-to-Trails Conservancy, since we were relying in part on its information on transportation enhancements. To obtain FHWA's comments, we met with the Associate Administrator for Program Development, the former and current Chiefs of the

Environmental Programs Branch, and other FHWA officials. According to these officials, our statement that transportation enhancement funds are often being used for apparently ineligible activities is misleading, since FHWA's four-state review disclosed that the problem consisted largely of coding mistakes. We discuss the results of FHWA's four-state review and emphasize that the projects were generally eligible but coding errors were made. Whether the problem consisted largely of coding mistakes in the other 46 states remains to be determined.

In responding to our recommendation, FHWA officials said, as previously noted, that they would issue a memorandum directing their field offices to pay closer attention to the quality of the transportation enhancement data entered into the information system. However, these officials doubted that previously entered transportation enhancement data would be revised. They said that recoding all prior projects, especially those that predated the 1995 project coding requirements, would create an undue burden. We did not intend to suggest that projects predating FHWA's fiscal year 1995 coding requirements should be recoded, and we have explicitly limited our recommendation to data from fiscal year 1995 to the present. We believe that these data need to be corrected to comply with the reporting requirements in effect at that time. Furthermore, these data would furnish the Congress with information on the uses of transportation enhancement funds as it considers reauthorizing highway and related activities.

FHWA officials stated that they would consider installing edit checks after an FHWA task force completes its review of the whole information system. They further noted that the task force is trying to streamline the information system, and this streamlining may eliminate the collection of data on specific transportation enhancement projects.

One of the major concerns expressed by officials from the Rails-to-Trails Conservancy was that we were not adequately recognizing the progress made in obligating transportation enhancement funds by the end of fiscal year 1995. While our draft report did note this progress, our final report further highlights this information. Conservancy officials also identified another reason—a limit on obligations—that can impede the obligation of enhancement funds. We recognize this limit in our final report. Comments from the Rails-to-Trails Conservancy and our responses appear in appendix VII.

Technical and clarifying comments provided by FHWA and the Rails-to-Trails Conservancy have been incorporated where appropriate.

We performed our review from July 1995 through June 1996 in accordance with generally accepted government auditing standards.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days after the date of this letter. At that time, we will send copies to the Secretary of Transportation, the Administrator of FHWA, the President of the Rails-to-Trails Conservancy, and other interested parties. We will also make copies available to others on request.

Please call me at (202) 512-2834 if you or your staff have any further questions. Major contributors to this report are listed in appendix VIII.

John H. Anderson, Jr.

John H. Anderson, Jr.
Director, Transportation and
Telecommunications Issues

Contents

Abbreviations

FHWA	Federal Highway Administration
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991

Scope and Methodology

To determine how the obligation rates for transportation enhancement funds compared with the obligation rates for other major highway programs during fiscal years 1992-95, we analyzed fiscal data for federal-aid highway programs from the Federal Highway Administration's (FHWA) Office of Fiscal Services in Washington, D.C. For each federal fiscal year, from 1992 through 1995, we compared the obligation rates for the transportation enhancement program with the obligation rates for the congestion, mitigation, and air quality; surface transportation; bridge; national highway system; and interstate maintenance federal-aid highway programs. We selected these five federal-aid highway programs because (1) they represent a mix of established and newly created highway programs, (2) their funds have been used for a variety of traditional and nontraditional highway projects, and (3) they account for approximately 70 percent of the highway funds authorized by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

To determine how the obligation rates for transportation enhancements vary by state and what factors have affected the states' use of enhancement funds, we contacted state transportation enhancement officials in 16 states. Specifically, using cumulative enhancement obligation data as of July 1995, we selected the eight states with the highest obligation rates (Georgia, New Mexico, New York, Pennsylvania, South Carolina, Tennessee, Washington, and Wyoming) and the eight states with the lowest obligation rates (Arizona, Delaware, Hawaii, Iowa, Louisiana, Virginia, and Wisconsin) for transportation enhancement funds. We conducted an in-depth telephone interview with a transportation enhancement official in each state, using a standard series of questions about the organization of the state's transportation enhancement program, factors affecting the state's rates of obligation for enhancement funds, and future mechanisms for funding transportation enhancements.

To understand the views of interest groups that have been involved in proposing and implementing transportation enhancement projects, we contacted five national interest groups and four sponsors of local enhancement projects. We selected the five national interest groups—the Bicycle Federation of America, the National Trust for Historic Preservation, the Rails-to-Trails Conservancy, Scenic America, and the Trust for Public Land—because they comprise a cross-section of the national organizations involved in the transportation enhancement program. According to the manager of FHWA's transportation enhancement program, these five organizations represent a good mix of national organizations with several years' experience working with local organizations that have been implementing transportation enhancement projects.

To understand the concerns of local sponsors, we contacted the coordinators of transportation enhancement projects with local governments in Cheshire, Connecticut; Douglas, Georgia; Danville, Virginia; and Seattle, Washington. We selected these sponsors because their locations were geographically diverse and each had experience with a project in one of the four most frequently funded transportation enhancement categories. We asked the representatives of the five national organizations and the four local sponsors the same questions we asked the state transportation enhancement program managers about the factors affecting obligation rates for enhancement funds and future funding mechanisms for transportation enhancements.

We also reviewed several studies on transportation enhancements, including an August 1994 study of transportation enhancement programs in nine states conducted by FHWA's Office of Program Review; the proceedings of a June 1994 National Transportation Enhancements Workshop attended by representatives of 328 federal, state, and local governments, as well as private organizations or companies with an interest in transportation enhancements; several national studies on the implementation of transportation enhancements by the Rails-to-Trails Conservancy, which included detailed state-by-state data on enhancement projects, funding, and policies and procedures obtained through contacting each state's transportation enhancement coordinator; and a book published jointly in 1995 by FHWA and the National Trust for Historic Preservation, Building on the Past—Traveling to the Future: A Preservationist's Guide to the ISTEA Transportation Enhancement Provision.

In addition, we discussed FHWA's policies, plans, and activities for the transportation enhancement program with the official responsible for administering the transportation enhancement program in FHWA's Environmental Programs Branch, Environmental Operations Division, Office of Environment and Planning. We also discussed FHWA's policies and procedures for reporting fiscal data for transportation enhancements and other major federal-aid highway programs with the Chief, Information Management and Systems Control Branch, Office of Fiscal Services, FHWA.

Categories of Transportation Enhancement Projects

Category	Example of a funded project
Provision of facilities for pedestrians and bicyclists	Construction of a freeway pedestrian overpass or bike trail
Acquisition of scenic easements and scenic or historic sites	Construction of a scenic highway parking area overlooking a Civil War battlefield
Scenic or historic highway programs	Construction of a turnout along a scenic byway
Landscaping and other scenic beautification	Planting of wildflowers to beautify a highway
Historic preservation	Renovation of a historic building
Rehabilitation and operation of historic transportation buildings, structures, or facilities	Renovation of a historic train depot or subway/trolley car
Preservation of abandoned railway corridors, including their conversion into walking or biking trails	Conversion of an abandoned railway into a walking and biking trail
Control and removal of outdoor advertising	Removal of billboards along a scenic highway
Archaeological planning and research	Development of a database of statewide archeological sites and survey boundaries to aid highway planning
Mitigation of water pollution due to highway runoff	Restoration of a wetland or renovation of a storm drainage system.

Source: ISTEA and the Rails-to-Trails Conservancy's database.

Cumulative Obligation Rates for Transportation Enhancement Funds and Other Selected Federal-Aid Highway Programs, Fiscal Years 1992-95

Dollars in millions

Federal-aid highway program	Fiscal year 1992			Fiscal year 1993		
	Total available	Total obligated	Percent	Total available	Cumulative obligations	Percent
Transportation enhancements	$353	$79	22	$772	$193	25
Congestion, mitigation, and air quality improvement	$810	$340	42	$1,777	$940	53
National highway system	$3,079	$2,894	94	$6,624	$6,189	93
Bridge[a]	$17,090	$16,242	95	$19,298	$17,878	93
Interstate maintenance	$2,125	$1,899	89	$4,705	$4,076	87
Surface transportation	$4,376	$3,036	69	$9,322	$6,979	75

Fiscal year 1994			Fiscal year 1995		
Total available	Cumulative obligations	Percent	Total available	Cumulative obligations	Percent
$1,193	$459	38	$1,617	$887	55
$2,739	$1,755	64	$3,695	$2,706	73
$9,927	$9,428	95	$13,408	$12,885	96
$21,463	$19,760	92	$23,621	$21,807	92
$7,292	$6,518	89	$9,870	$8,909	90
$14,510	$11,869	82	$19,738	$16,819	85

Note: The “total available” category represents the cumulative funds provided but not obligated. The “percent” category represents the cumulative obligations as a percentage of the total available funds.

[a]Includes the funds available prior to ISTEA’s enactment.

Source: GAO’s presentation of data from FHWA.

Cumulative Obligation Rates for Transportation Enhancement Funds, by State, Fiscal Years 1992-95

	Fiscal year 1992			Fiscal year 1993		
State	Total available	Cumulative obligations	Percent	Total available	Cumulative obligations	Percent
Alabama	$7,203,463	$4,171,360	58	$15,509,678	$4,908,259	32
Alaska	$11,188,772	$381,800	3	$23,167,375	$7,028,786	30
Arizona	$5,542,257	$2,243,771	40	$12,244,294	$4,157,644	34
Arkansas	$3,881,586	$275,178	7	$8,700,264	$1,597,987	18
California	$29,537,926	$4,491,567	15	$64,343,824	$788,240	1
Colorado	$5,740,023	$3,329,653	58	$12,544,976	$10,042,961	80
Connecticut	$4,560,527	$4,418,993	97	$12,326,608	$8,814,772	72
Delaware	$2,519,008	$1,016,623	40	$5,143,453	$720,863	14
Dist. of Columbia	$1,730,362	$378,973	22	$3,749,531	$1,313,139	35
Florida	$17,303,634	$696,644	4	$38,289,491	$11,684,615	31
Georgia	$10,966,160	$10,964,730	100	$23,731,723	$11,855,400	50
Hawaii	$5,614,054	$7,200	0	$12,481,770	$1,023,836	8
Idaho	$4,433,230	$9,266	0	$8,823,297	$977,121	11
Illinois	$16,613,425	$179,002	1	$36,915,775	$4,774,950	13
Indiana	$9,284,580	$897,610	10	$19,945,370	$1,935,517	10
Iowa	$5,728,767	$731,123	13	$12,803,342	$731,123	6
Kansas	$5,487,822		0	$10,935,591	$1,319,287	12
Kentucky	$6,166,844	$784,572	13	$13,419,843	$1,489,929	11
Louisiana	$5,160,346	$2,400,000	47	$11,684,099	$3,968,720	34
Maine	$2,414,977	$811,073	34	$5,417,105	$1,688,829	31
Maryland	$4,935,338	$545,200	11	$11,105,362	$8,227,992	74
Massachusetts	$1,373,045		0	$1,871,934	$1,629,720	87
Michigan	$8,116,795	$1,470,507	18	$17,634,605	$8,166,512	46
Minnesota	$7,591,523		0	$15,583,803	$2,367,563	15
Mississippi	$4,378,804		0	$9,128,045		0
Missouri	$6,743,740		0	$14,238,619		0
Montana	$5,337,954	$16,000	0	$11,036,853	$332,494	3
Nebraska	$4,856,146	$440,000	9	$9,727,793	$199,587	2
Nevada	$3,281,753	$1,552,194	47	$7,324,747	$1,528,178	21
New Hampshire	$2,655,185	$680,000	26	$5,565,379	$753,600	14
New Jersey	$5,754,465	$5,550,000	96	$13,065,299	$12,844,895	98
New Mexico	$6,463,730	$1,354,521	21	$12,980,313	$4,203,348	32
New York	$11,855,426	$11,173,204	94	$27,146,337	$27,146,337	100
North Carolina	$11,361,189	$6,054,384	53	$23,784,304	$10,124,524	43
North Dakota	$4,110,272	$792,100	19	$8,444,084	$1,300,838	15
Ohio	$9,944,767	$1,608,000	16	$22,928,074	$3,282,166	14

Fiscal year 1994			Fiscal year 1995		
Total available	Cumulative obligations	Percent	Total available	Cumulative obligations	Percent
$24,233,237	$13,086,824	54	$32,373,541	$23,106,576	71
$35,432,036	$19,015,196	54	$47,886,234	$31,267,354	65
$19,049,868	$4,650,299	24	$25,516,836	$7,044,393	28
$14,062,598	$9,283,062	66	$19,378,962	$11,560,028	60
$99,315,279	$18,664,381	19	$133,730,336	$51,001,852	38
$19,439,151	$13,322,573	69	$26,013,491	$20,639,214	79
$20,578,745	$14,274,966	69	$30,410,542	$25,439,092	84
$7,803,297	$1,566,172	20	$10,598,079	$2,611,583	25
$5,840,164	$2,115,904	36	$8,041,853	$2,383,653	30
$59,405,504	$22,142,121	37	$80,029,195	$59,035,769	74
$36,193,667	$27,472,018	76	$49,078,441	$48,288,671	98
$18,961,408	$3,212,201	17	$25,200,685	$7,783,142	31
$13,408,191	$3,522,085	26	$18,335,918	$5,640,273	31
$56,711,984	$12,235,200	22	$77,904,322	$32,362,560	42
$29,945,615	$5,179,546	17	$39,895,383	$16,745,479	42
$19,952,643	$1,214,123	6	$27,160,681	$1,902,123	7
$16,463,406	$9,136,528	55	$22,519,376	$13,778,740	61
$20,897,336	$9,112,462	44	$27,646,735	$26,572,511	96
$18,517,207	$4,335,952	23	$24,426,960	$5,332,977	22
$8,245,703	$3,897,311	47	$11,084,644	$5,231,025	47
$16,353,133	$12,187,550	75	$22,298,920	$22,054,848	99
$3,435,054	$1,489,163	43	$6,087,940	$1,855,963	30
$27,012,856	$16,874,785	62	$36,483,760	$25,240,429	69
$23,546,110	$8,033,378	34	$34,436,793	$16,572,525	48
$13,808,197		0	$18,919,847	$4,389,440	23
$21,289,934	$3,222,000	15	$27,960,143	$8,410,928	30
$16,474,346	$3,847,804	23	$22,478,578	$11,040,608	49
$14,545,463	$5,766,064	40	$19,415,905	$10,098,140	52
$11,399,721	$2,727,400	24	$15,727,488	$6,224,474	40
$8,511,086	$4,038,194	47	$11,499,480	$8,251,078	72
$23,460,587	$13,613,399	58	$33,551,037	$16,579,265	49
$19,617,899	$11,543,045	59	$26,486,721	$23,243,224	88
$42,096,346	$36,134,734	86	$60,347,551	$59,395,434	98
$36,116,055	$16,027,268	44	$48,819,762	$26,729,994	55
$12,832,740	$5,445,230	42	$17,420,151	$11,036,111	63
$36,053,956	$6,447,428	18	$49,310,543	$18,471,578	37

(continued)

	Fiscal year 1992			Fiscal year 1993		
State	Total available	Cumulative obligations	Percent	Total available	Cumulative obligations	Percent
Oklahoma	$5,622,879	$2,942,431	52	$12,089,269	$3,065,188	25
Oregon	$4,435,371	$947,170	21	$9,388,049	$807,089	9
Pennsylvania	$4,645,047		0	$14,215,818	$8,636,800	61
Rhode Island	$2,169,231	$1,146,400	53	$4,476,354	$1,146,400	26
South Carolina	$5,413,861	$920,550	17	$11,693,357	$1,154,550	10
South Dakota	$4,178,720	$1,861,733	45	$8,289,573	$2,889,136	35
Tennessee	$7,104,954	$354,025	5	$14,967,313	$658,025	4
Texas	$25,886,612		0	$57,001,662		0
Utah	$3,833,665		0	$7,105,678		0
Vermont	$2,321,911	$22,000	1	$4,643,537	$884,510	19
Virginia	$6,285,910		0	$13,735,849		0
Washington	$3,627,113	$173,000	5	$11,751,893	$7,540,409	64
West Virginia	$2,878,693	$16,000	1	$6,072,310	$1,433,018	24
Wisconsin	$9,332,605	$400,000	4	$20,435,573	$400,000	2
Wyoming	$3,504,018	$356,611	10	$7,206,539	$1,655,484	23
Puerto Rico	$2,349,317		0	$4,909,653		0
Total	**$353,427,802**	**$78,565,169**	**22**	**$771,725,387**	**$193,200,340**	**25**

Fiscal year 1994			Fiscal year 1995		
Total available	Cumulative obligations	Percent	Total available	Cumulative obligations	Percent
$19,152,311	$4,649,946	24	$26,063,763	$9,675,837	37
$13,655,507	$3,138,119	23	$18,269,982	$9,133,082	50
$23,740,114	$11,297,666	48	$28,295,974	$23,131,252	82
$6,567,081	$5,610,000	85	$8,659,645	$6,059,532	33
$18,233,812	$13,023,454	71	$23,917,887	$19,825,976	83
$12,962,965	$4,480,740	35	$17,757,850	$8,895,242	50
$23,170,305	$15,204,615	66	$31,909,637	$27,258,500	85
$87,895,662	$18,899,969	22	$118,181,498	$44,730,961	38
$10,526,567	$3,422,306	33	$13,849,245	$3,851,115	28
$6,903,194	$1,743,673	25	$9,340,187	$3,216,889	34
$20,952,579	$2,358,722	11	$28,266,107	$6,729,105	24
$19,448,104	$15,508,881	80	$23,379,017	$23,273,313	100
$9,602,361	$5,471,539	57	$13,726,337	$10,489,910	76
$31,326,907	$3,056,632	10	$42,124,050	$9,549,792	23
$10,843,469	$6,261,680	58	$14,590,850	$11,317,298	77
$7,468,149	$168,000	2	$10,209,801	$2,349,317	23
$1,193,459,609	**$459,132,307**	**38**	**$1,617,018,663**	**$886,808,175**	**55**

Source: FHWA's information system.

Factors That Slowed the Use of Enhancement Funds

We asked the 16 state transportation department officials and the five interest group and four sponsoring organization representatives we interviewed what difficulties they encountered in obligating transportation enhancement funds. They mentioned four major factors: (1) local sponsors were unfamiliar with federal-aid highway administrative procedures, (2) programs mandated by ISTEA took time to develop, (3) administering a large number of low-cost projects was perceived as burdensome, and (4) state transportation departments lacked the staff or expertise to administer nontraditional transportation projects. The following sections discuss these factors in more detail.

Local Sponsors Were Unfamiliar With Federal-Aid Highway Administrative Procedures

The factor mentioned most frequently,[1] and the one cited as the greatest hindrance to obligation,[2] was the lack of familiarity on the part of local sponsors, mainly local governments, with the administrative procedures required for transportation enhancement projects. Although many enhancement projects are smaller and less costly than traditional highway projects, the same administrative rules and requirements apply to a $10,000 enhancement project as to a multimillion-dollar highway project. Such administrative or regulatory requirements include compliance with the National Environmental Policy Act, the National Historic Preservation Act, and federal regulations for property acquisition, competitive bidding, and FHWA's oversight of project approvals. Also, the timing of payments was confusing to some local sponsors, since the federal-aid highway program operates on a reimbursement basis. This meant that sponsors had to be prepared to pay most, if not all, of their projects' costs up front and then receive reimbursement from the federal government. FHWA's reviews have also identified these requirements as hindering the obligation of transportation enhancement funds.

Some of these concerns were addressed in the National Highway System Designation Act of 1995. This legislation allows for relaxing or streamlining the environmental and historic preservation reporting requirements for transportation enhancement projects. The legislation also gives sponsors the option of receiving an advance payment for a transportation enhancement project based on the project's schedule of cash needs. In addition, FHWA is developing additional guidance on the

[1]Fifteen of the 16 states, all five interest groups, and three of the four project sponsors said that this factor hindered the states' obligation of enhancement funds.

[2]Nine of the 16 states, two of the five interest groups, and all four of the project sponsors said that this factor hindered the states' obligation of enhancement funds to a great or very great extent.

regulatory requirements associated with enhancement funding for state and local sponsors.

Washington, the state with the highest percentage of enhancement funds already obligated, was little affected by the concerns that hampered other states in their use of these funds. The state has a history of passing federal-aid highway funds directly through to metropolitan planning organizations and local governments. Hence, the local sponsors were very familiar with the regulatory requirements involved in administering enhancement projects, according to a Washington official. In Iowa, however, where the lowest percentage of enhancement funds has been obligated, the local sponsors did not initially understand the complexities of the program. As a result, they needed more time to get their projects up and running, according to the state's enhancement program manager.

ISTEA-Mandated Programs Took Time to Develop

Most of those interviewed[3] said the amount of time required to implement the new programs mandated by ISTEA, such as the transportation enhancement program, hindered the states' obligation of enhancement funds. While this factor hindered the states with low and high obligation rates more or less equally, the states with higher obligation rates tended to implement their programs faster than the states with lower obligation rates. The eight high-obligation states had, on average, fully implemented their enhancement programs in 13 months, compared with an average of 18 months for the low-obligation states.[4] For example, Washington State's program was established in 9 months, according to the state's enhancement program manager. In contrast, Iowa took 2 years to implement its program because, according to the state's enhancement program manager, considerable time was spent seeking public input on how the program should be structured, among other factors.

[3]Eleven of the 16 states, three of the five interest groups, and all four project sponsors said that this factor hindered the states' obligation of enhancement funds.

[4]This figure does not include Hawaii, one of the eight low-obligation states, which had not fully implemented its enhancement program as of September 1995.

Administering a Large Number of Low-Cost Projects Was Burdensome

Most of the persons[5] we interviewed said the length of time required to administer so many enhancement projects was a hindrance in obligating funds. The states fund a large number of enhancement projects that are relatively small in scope compared with more traditional highway projects. According to FHWA's data for fiscal years 1992-95, 2,300 (or about 61 percent) of the 3,786 projects that used funds from the enhancement set-aside were projects costing less than $50,000. While traditional highway projects also include a relatively large number of projects costing less than $50,000, the percentage is somewhat lower than for the enhancement set-aside. For instance, during the same period of time, 3,282 (or 43 percent) of the 7,632 more traditional highway projects that received National Highway System funds cost less than $50,000. Respondents said the nature of transportation enhancement projects created a burden on state transportation departments, which were not used to administering, or lacked sufficient staff to effectively administer, a large number of low-cost enhancement projects. Unlike large highway projects, small enhancement projects have a small financial base for supporting the necessary administrative overhead.

State Transportation Departments Lacked Staff or Expertise to Administer Nontraditional Projects

Most of those[6] we interviewed said the nontraditional nature of enhancement projects hindered the states' obligation of funds. Because many enhancement projects differed significantly in scope and type from traditional highway construction projects, several of the 16 state officials we contacted said their transportation departments lacked sufficient staff, or staff with the necessary technical expertise, to review or approve certain types of enhancement projects, especially those involving historic preservation or building renovation. State enhancement program managers in Georgia and Wisconsin said, for example, that their transportation departments had to bring in specialists from outside the department to review historic preservation projects because they did not have this ability in-house. When local enhancement projects came on line, the Delaware transportation department had to hire a consultant to help its staff get up to speed on FHWA's administrative requirements because it lacked in-house staff to manage the program.

[5]Eleven of the 16 states, four of the five interest groups, and all four project sponsors said that this factor hindered the states' obligation of enhancement funds.

[6]Ten of the 16 states, four of the five interest groups, and two of the four project sponsors said that this factor hindered the states' obligation of enhancement funds.

Examples of Transportation Enhancement Projects

As we previously noted, most of the funds for transportation enhancement projects have been obligated in 4 of the 10 project categories: facilities for pedestrians and bicyclists, rail-to-trail conversions, rehabilitation of historic transportation buildings or facilities, and landscaping. This appendix provides examples of transportation enhancement projects in these four commonly funded categories.

Facilities for Pedestrians and Bicyclists

- In Everett, Washington, $1.6 million in federal enhancement funds was used to build a 9-mile multiuse trail that connects two park-and-ride lots to mass transit service. This trail is expected to alleviate increasing vehicular congestion by providing an alternative, contiguous connection between retail and employment centers and a number of parks and other trails in the area north of Seattle. The trail, as shown in figure VI.1, is part of the Interurban Trail Project, a multijurisdictional effort to design and construct missing pieces of a regional trail system that, when completed, will span an 18-mile stretch that runs largely within the historic Interurban Railroad right-of-way, for which the trail is named.

Figure VI.1: Multiuse Trail in Everett, Washington

Source: Puget Sound Regional Council, Seattle, Washington.

- Another project, shown in figure VI.2, involved the installation of bicycle racks in neighborhood business districts in Tacoma, Washington. Washington State used $7,000 in enhancement funds on this project in fiscal years 1992-93. The bicycle racks are the first phase of a project to revitalize neighborhood business districts through streetscape projects that also include the installation of benches, trash receptacles, and other amenities for pedestrians.

Figure VI.2: Bicycle Racks Installed in Tacoma, Washington

Source: Puget Sound Regional Council, Seattle, Washington.

Rail-To-Trail Conversions

- In Cheshire, Connecticut, $900,000 in federal enhancement funds was used to convert the abandoned Farmington Canal and Boston and Main Railroad right-of-way into a recreational and open space corridor. This project included the construction of a 3.3-mile path for bicyclists and pedestrians with stone edging, split-rail fences, benches, and other landscaping amenities. The converted trail parallels the historic

Farmington Canal, which was originally built in 1828 and was replaced 20 years later by a railroad line that was used continuously until 1982. Figure VI.3 illustrates the site before the trail was constructed, and figure VI.4 depicts the site after the project was completed. The renovated trail now connects the town center of Cheshire with the Farmington Canal Lock 12 Historic Park and serves residents who work in town and commute by bicycle or on foot. The trail and adjacent linear park also serve as a greenway for wildlife, marshes, and native vegetation.

Figure VI.3: Site Before the Railroad Right-Of-Way Was Converted to a Trail in Cheshire, Connecticut

Milone and MacBroom, Inc., Cheshire, Connecticut.

Figure VI.4: Site After the Railroad Right-Of-Way Was Converted to a Trail in Cheshire, Connecticut

Source: Milone and MacBroom, Inc., Cheshire, Connecticut.

Rehabilitation of Historic Transportation Buildings or Facilities

- In Greensburg, Pennsylvania, $1.4 million in federal enhancement funds was used to rehabilitate the Greensburg train station, originally built in 1911 and now listed on the National Register of Historic Places. The project's activities included the rehabilitation of the station's exterior and interior and the construction of a glassed-in concourse connecting the main station and the baggage-handling area. Approximately 13,000 passengers pass through the station each year; however, Amtrak expects the ridership to triple after the station is renovated. The project's total cost is $2.6 million. Large contributions from state and local sources, as well as from private corporations, supplemented the federal funding.

Landscaping

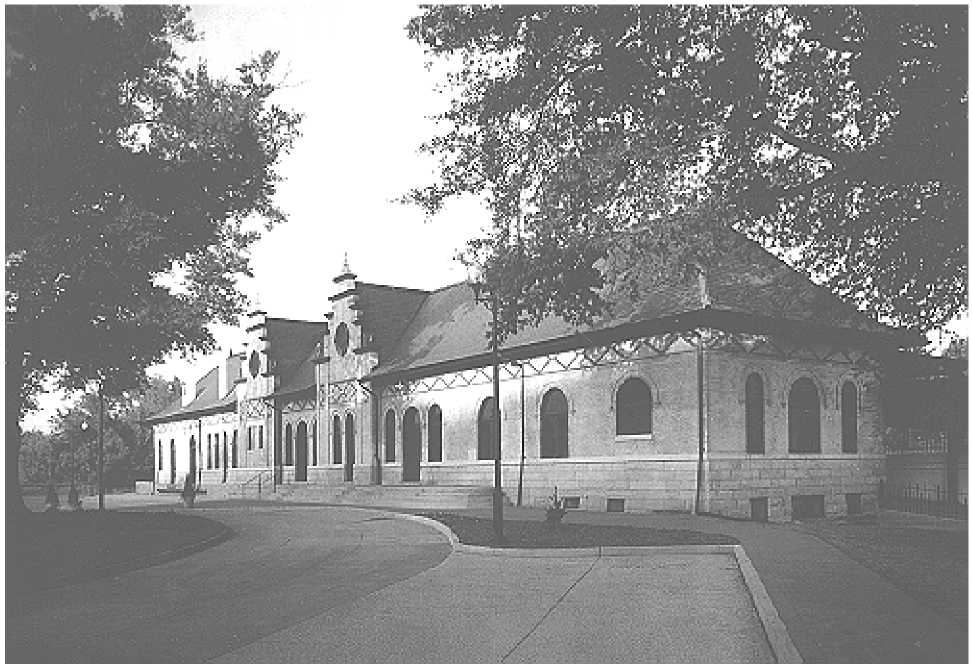
- In Douglas, Georgia, $800,000 in federal enhancement funds was used to improve the streetscapes in the Douglas Downtown Historic District, which covers three blocks and six intersections. Enhancement activities included landscaping and installing street furniture and lighting that complemented the district's historic character. Also included were the development of urban spaces, or "pedestrian courts," on the corners of each block and at midblock locations. The project's total costs were just over $1 million. The Downtown Development Authority contributed a local match of about $217,300 to the federal funding.

Enhancement Projects That Include Elements From Several Categories

Many enhancement projects include elements from more than 1 of the 10 eligible categories. For example, the Stone Arch Bridge in Minneapolis, Minnesota, a 2,100-foot-long historic rail bridge across the Mississippi River, was rehabilitated and opened for use by a short-line trolley, bicyclists, and pedestrians. It also improved local residents' and tourists' access to the nearby St. Anthony Falls area. The funding for this $2.8 million project came from several categories, including those for bikeways and pedestrian facilities, historic preservation, the rehabilitation of historic transportation facilities, and rail-to-trail conversions.

Similarly, the renovation of the 94-year-old Danville, Virginia, rail passenger station includes enhancements from several funding categories. Connections to the site for pedestrians and bicyclists have been improved, and local businesses have raised funds to create a Science Center at the station, a satellite facility for the Science Museum of Virginia. A second phase of the enhancement project will convert a nearby freight depot into a farmers' market and festival area. Funding for this $2.6 million project, shown in figure VI.5, came from the categories for bikeways and pedestrian facilities, scenic easements, historic preservation, and the rehabilitation of historic transportation facilities. According to the Rails-to-Trails Conservancy, up to 20 percent of all enhancement projects obtain funding through more than one category.

Figure VI.5: Renovation of Danville, Virginia, Rail Passenger Station



Source: Department of Community Development, Danville, Virginia.

Comments From the Rails-To-Trails Conservancy

Note: GAO comments supplementing those in the report text appear at the end of this appendix. References to specific individuals have been deleted.

RAILS - to - TRAILS CONSERVANCY

July 2, 1996

Mr. John H. Anderson, Jr.
Director, Transportation Issues
Resources, Community, and
Economic Development Division
US General Accounting Office
441 G. St., NW
Washington, D.C. 20548

RE: GAO-RCED-96-156

Dear Mr. Anderson,

Rails-to-Trails Conservancy appreciates greatly the opportunity to review the GAO report titled Transportation Enhancements: The Status of the $2.4 Billion Authorized for Nonmotorized Transportation (GAO/RCED-96-156). Our initial comments have already been expressed orally.

See comment 1.

While we can appreciate GAO's desire and need to complete this report as soon as possible, we are compelled to also provide the enclosed written comments on the draft report. The Transportation Enhancements Program is under considerable scrutiny at this time and we are quite concerned that some of the conclusions and examples used in the draft report are inaccurate or inconclusive and may lead to misinterpretation by Members of Congress.

Attached to our comments are a number of documents and reports that we reference in our comments. We would be happy to meet with you to further discuss our comments or the attached reports.

Again, we sincerely appreciate the opportunity to review the June 17 draft report and hope you find our comments helpful.

Sincerely,

Hal Hiemstra

Hal Hiemstra
Vice President for National Policy

cc: Senator John Chafee, Chair, Environment and Public Works Comm.
Rodney Slater, Adminstrator, Federal Highway Administration

Rails-to-Trails Conservancy response to the June 17, 1996 Draft GAO Report on the Transportation Enhancements Program (GAO/RCED-96-156)

The following comments include concerns about specific facts and quatitative data, as well as the general tenor of the report, its findings, conclusions and recommendations.

Data Tables and Appendices:

See comment 2.

- The table on page 6 is confusing. It appears to document ISTEA program funding by year when, in fact, it reflects the cumulative obligation rates. Rates should not be shown with bar graphs which suggest volumes. A tabel of rates would be more appropriate.

See comment 3.

- Appendix 4 appears to be very jumbled. First, it is collated backwards. Second, the state statistics seem to have a lot of errors in them. For example the data on the State of Washington appears to say the cumulative obligation is only 24% when we know it is much higher. The cumulative obligation total also declines from 1994 to 1995, isn't that impossible? It appears that many of the numbers for a variety of states were entered in this table incorrectly.

Substantive Comments

1) Focus on Positive Progress.

See comment 4.

On pages 4-5, in the Section titled: States' Obligation of Enhancement Funds Has Been Relatively Slow, we suggest you add the following before the last sentence in the paragraph at the top of page 5: *In the first year of the program only $78.5 million was obligated, 22% of that year's apportionment, however in 1995 over 100% of the apportionment was obligated, $437.6 million. (See chart attached that would make a nice figure to illstrate this fact.)*

See comment 5.

The report should emphasize more the improvements states have made in their obligation rates over time, rather than the low cummulative obligation total.

2) GAO's current focus on "bad projects" distorts the real picture.

See comment 7.

In pages 12-14 there is too much emphasis placed on "bad" enhancement projects--Iowa and Georgia examples given. With regard to the Iowa project, with which we are very familiar, the funding of this "fringe" project was not a failure of the project selection process or the TE program--both the State DOT and the FHWA rejected the project based on its merits. It was approved due to political interference It is known by many that the Grandstand project as proposed, did not meet TEP criteria.

We believe the conclusion GAO should be suggesting is that the process needs to be protected from political influence, not that the TE program is bad, or the FHWA guidance is not good enough. Given the flexibility that ISTEA and Congress grants the states, and an overall political environment that is not supportive of heavy-handed federal oversight--it is remarkable that very few TE projects are "bad" or questionable. Out of more than 6000 funded projects the fact than ten or fifteen should have been considered ineligible and denied funding, but weren't, suggests to us the opposite picture than what you paint: Here is a brand new program oriented around projects essentially alien to the agencies charged with their implementation, and very little of the money has been mis-spent, and that mis-spending represents not graft or corruption, but mearly too liberal interpretation of the guidelines. On top of this, the state DOTs, who are most concerned about highway funds being diverted to frivolous projects unrelated to transportation, have all the power necessary to keep this from ever happening in their state.

3) States have the authority to establish 90% of TE program policy and project selection critieria, only 10% is established federally.

See comment 6.

States have been given a large amount of flexibility with regard to TE program implementation, creation of project selection critieria, etc. and are totally in control of their own destiny regarding the spending of these funds. They can set their own goals and objectives for Enhancements and ensure that the projects they fund fulfill those goals.

Their only federal constraint is that the activities funded are within the bounds of the ten categories established by Congress, and that these activities have a direct and rational connection to the transportation system.

We believe that any state disatisfaction with project outcomes can be directly traced to the state DOT (or transportation commission where relevant) and we recommend that the GAO report make this clear. The primary restraint FHWA has placed on a few states is that the DOT cannot simply charge the routine highway development expenses for landscaping, paved shoulders, sidewalks, or runoff mitigation to the Enhancements account and say they fulfilled the intent of the law.

Enhancements funding must be used for eligible activities that would not have been routinely included in traditional highway development projects.

4) If "bad" or ineligible projects are funded, these funding decisions should be laid at the foot of the state DOT, not FHWA.

See comment 7.

ISTEA and FHWA have given the state DOT all the power it needs to to ensure that "bad" projects don't get funded, or that "good" projects do get funded. Arguing over questionable projects or specific "eligibility calls" is primarily a matter of **who** thinks what kind of activity is "bad" or "good" and thus worthy or not worthy of funding. The most powerful players that influence funding decisions typically include: Congressmen and women, state Governors, state Transportation Commissions, state Legislators, and state DOT CEOs. The politics in most states operates in such a way that if one or more of these players really wants a certain project they can get it. In most states the Enhancements program represents a change from this traditional way of doing transportation project funding, and the outcomes represent greater sensitivity to community needs at a grassroots and local level, more fairness and objectivity in the process, more public participation, and greater potential for customer satisfaction.

We suggest strongly that the GAO report clarify that "bad" project funding decisions are the responsibity of the state DOT, and not a result of any structural problem with the Transportation Enhancement Program or inappropriate direction from the FHWA.

5) Add a key reason to the list of reasons why obligations rates vary among the states.

See comment 8.

On pages 6-8, in the Section Titled: *Obligation Rates Vary Among States for a Variety of Reasons*, a fifth reason (described in the following paragraph) should be added to the list of factors contributing to slow obligation rates:

> *In a few states, theDOT, Legislature, state Transportation Commission and/or Governor has demonstrated its disfavor with the program by denying Enhancements projects access to obligation authority. This is true for many of the states ranking in the bottom third in obligations, including the following states: Wisconsin, Ohio, Arizona, Hawaii, Louisiana, Massachusetts, Idaho, Missouri, Oklahoma, Utah, Virginia, and California.*

GAO should make clear that the state's governing authorities (often simply the DOT) have complete control over which ISTEA programmed projects are allowed to actually use obligation authority. When annual state obligation ceilings are lowel than the sum total of all ISTEA program apportionments (which has been the case from 1993-1996), it is not mathematically feasible for 100% of all apportionments to be obligated.

In states where the gatekeepers of obligation authority do not support the Enhancements program, TE projects have borne an inordinate share of necessary cuts and TE obligations have been kept to a bare minimum. Moreover, in some states, most of what has been obligated are those TE projects sponsored by the state DOT on DOT managed facilities, or those few that have secured significant favor in the eyes of the Governor or a key legislator.

6) Tell the whole story of why reporting is a problem.

See comment 9.

As a result of agreements made when ISTEA was passed (and possibly explicit language in ISTEA explains this), FHWA gave up its responsibility to monitor all Surface Transportation Program spending on a project by project basis. This initial agreement severly compounded the problems that GAO uncoverd, namely that FHWA's FMIS system was not organized to effectively account for TE projects in 1995 when FHWA attempted to begin doing project or activity-based accounting at that time.

GAO should also note than FHWA's lack of data is further compounded by the fact that over half the states do not report even to to their own citizens, with a simple understandable document, explaining how the money is spent.

Despite such inadequate accounting and reporting practices it is amazing that so little mis-spending on ineligible projects has in fact occured. The bigger problem is that the public at the local, state and national levels is largely uninformed as to how the money is spent, and that program detracters can easily make it sound as if mis-appropriations are a much larger problem than they are (unfortunately, your report appeared to us to fall more into that category). As the only source of nationwide data, RTC does what it can, with limited resources, to fill this information void.

7) Streamlining measures have been provided to state DOTs but appear to be little used.

See comment 10.

FHWA and State officials complain about the burdensome compliance process, but GAO does not mention the FHWA guidance (May and August 1991) which attempts to streamline approval of bike/ped projects through such things as categorical exemptions from NEPA, approval on the basis of sketch designs, and "bundling" of several projects for approval. These mechanisms have been available for years to state DOTs to reduce overhead and get the bike projects out the door, they just won't take advantage of these procedures. We suggest that the GAO report should be critical of *both* FHWA and the states for (1) not providing more and better training on how to get quick approval of TEP projects, and (2) not utilizing these procedures.

Moreover, the Congress passed additional streamlining provisions in the 1995 National Highway System Designation Act. FHWA did little to interpret and promote these provisions before the June 1996 National Enhancements Conference. See attachments.

With the NHS provisions, states have been given additional flexibility with regard to program implementation, and RTC's view is that states (and sometimes FHWA) have largely failed to use available mechanisms for streamlining the process and making it easier for project sponsors to get their projects through the project pipeline. In fact, they have often established unnecessary roadblocks (full NEPA review, Uniform Act compliance even when land is donated, unnecessary detail required in project plans and specifications, etc.)

Among many state DOTs and a few FHWA division offices there appears an active desire to undermine the program. Conversely, among a few states whose TEPs are performing quite well, use of streamlining procedures have been a key factor in achieving that performance. Within the context of the streamlining discussion, the GAO report should take both the offending state DOTs and FHWA division offices to task for "malign neglect" of this program. And, GAO references to the streamlining provisions should emphasize the potential positive impacts of these legislative changes.

8) Use our updated data.

See comment 11.

We encourage you to update your figures on pages 10 and 11 to include Rails-to-Trails Conservancy's February 1996 data. (see attached June 1, 1996 report entitled "Enhancing America's Communities: A status report on the implementation of the Transportation Enhancements Provisions of ISTEA)

9) Talk about the impacts of the projects on local communities.

See comment 12.

There is very little in this report that attempts to look at the actual, positive impact of any of these projects once they are implemented. To local communities and neighborhoods, these projects bring significant, transportation, econmic development, community uplift, and livability benefits. We encourage you to include some of the projects showcased by the June 1996 conference.

Moreover, we encourage you to use the data in our report *ISTEA and Trails* and the report, *Building on the Past, Traveling to the Future,* produced by FHWA and the National Trust for Historic Preservation. (See enclosures.)

10) Include the following points in the Conclusions and Recommendations section.

See comment 13.

Conclusions:

- We believe that the effectiveness and impact of the TEP can be evaluated by combining the data provided by RTC, FHWA, your own research for this report and other organizations. Your conclusions should rely on this data, use it to illustrate where the problems lie, and point out areas where data collection could be improved for better accountability in the future.

- Despite project implementation difficulties, the program has proven to be immensely popular among state and local agencies and non-profit public interest groups involved with historic preservation, scenic beautification and non-motorized transportation.
  How popular?
  --Virtually every state that has put out a call for projects routinely gets 2-4 times the requests for funding of worthy project than it has available funding--over 10,000 project funding requests, nationwide.
  --The sponsors' have been willing to overmatch by 7%--providing 27% in local matching funds when ISTEA calls for only 20%. This is proof positive of the benefits of this program, especially since the project sponsors have to front all of the costs and then get reimbursement. Also, the fact that few if any states apply state gas tax dollars to the match, but instead require sponsors to find the money, shows enormous popularity even in the face of such funding obsticles. The GAO report should clarify that states have failed to support the program with state gas tax funds even though they support other ISTEA programs with such funds.

- While the program may have started slowly in many states, is now going much better in the majority of states. If Congress reauthorizes the program with a set-aside, many states and local project sponsors will be able to improve their programs even more and realize the intended benefits for local communities.

- Where it is not going strong, or could be going stronger, the problem is largely a failure to communicate. ISTEA said TEP projects are important--so much so they were made a set-aside. The demand is there as well (number of projects, overmatch offers etc.) Despite Congressional direction and grassroots demand, some state DOTs have *been largely unresponsive to both Congress and local sponsors.*

Recommendations:

See comment 14.

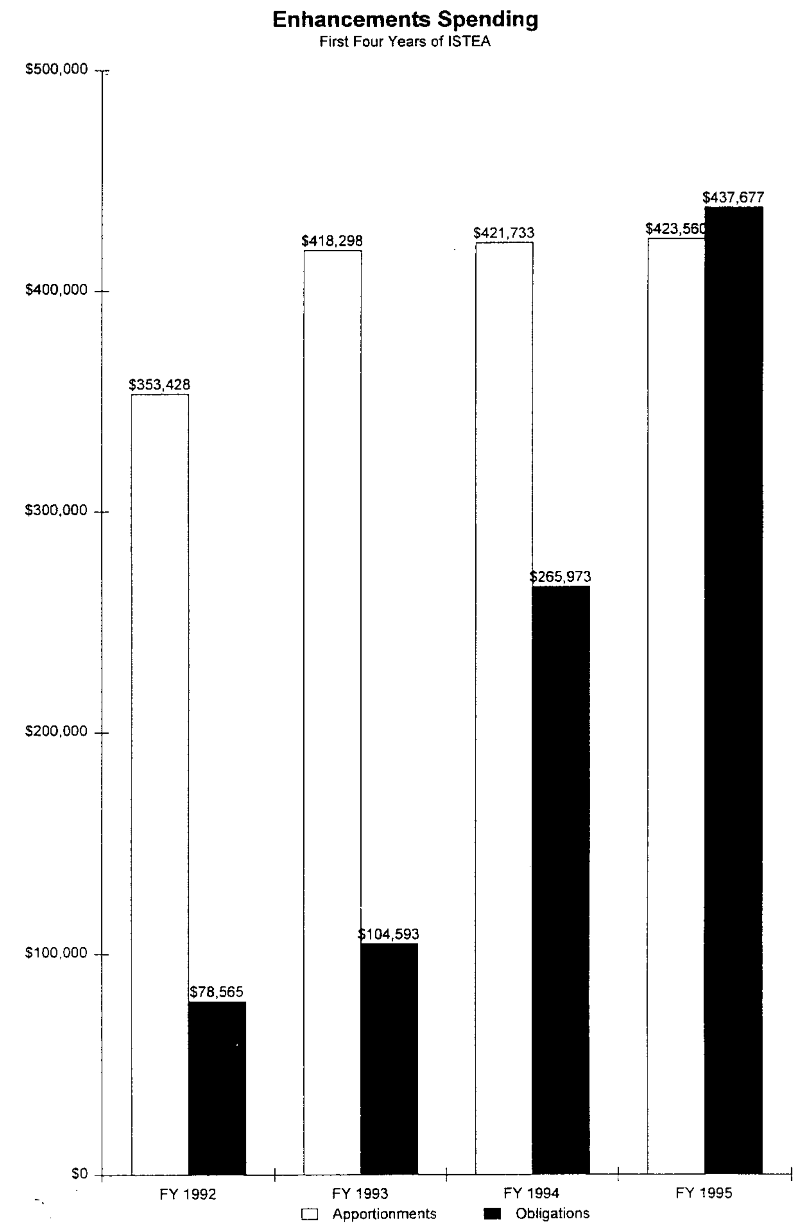
- The Transportation Enhancements Program needs at least six more years of <u>honest and aggressive implementation</u> to be effectively tested. Interestingly, there are a significant number of state DOTs, including New York, Maryland, West Virginia, Oregon, and Washington) that agree that a designated-share for enhancements should be retained in a reauthorized ISTEA; and an even larger number who could easily live with the decision even though their formal policy position currently supports "eligibility only". The equivocal attitude of states towards this program has hurt its effectiveness.

- We agree that FHWA should fix its coding system and provide good data for Congress to evaluate the effectiveness of the program. Additionally, the states should be required to provide annual reports to the interested public listing the projects funded and the summarizing the benefits brought to local communites and the transportation system.

- The occurance of differing interpretations about what should or should not be funded with TE funds is not a problem, it is exactly the flexibility that states have been asking Congress for. *A once-size fits all fix, as you suggest on page 17, second paragraph, is not needed for the enhancements program and should not be recommended by this report.*

- Rather than the above "one size fits all approach," FHWA should be empowered to strive for consistent eligibility calls among the states under the current guidance and understanding of what constitutes a linkage to the transportation system. States have the power now to apply more stringent criteria to tailor their TEPs to state needs.

- GAO should recommend that Congress consider requiring or encouraging that state DOTs involve citizens with expertise in the enhancements areas to participate with state, MPO and local governments in determining those criteria, and using them to make project selections. The states and MPOs currently using this model appear to have the greatest effect in achieving customer satisfaction.


Enhancements Spending
First Four Years of ISTEA
$500,000
$400,000
$300,000
$200,000
$100,000
$0
$353,428
$78,565
$418,298
$104,593
$421,733
$265,973
$423,560
$437,677
FY 1992
FY 1993
FY 1994
FY 1995
Apportionments
Obligations

The following are GAO's comments on the Rails-to-Trails Conservancy's letter dated July 2, 1996.

GAO Comments

1. According to the Rails-to-Trails Conservancy, some of the examples and conclusions in our draft report are inaccurate or inconclusive. In its more detailed comments, the Conservancy suggests that we broaden our effort to address other enhancement issues and concerns. The examples are based on findings from our audit work. The conclusions are drawn from our principal findings and cannot be broadened beyond the scope of our work.

2. Figure 1 illustrates the statement, made on the previous page, that by the end of fiscal year 1995, the states had obligated $887 million, or 55 percent, of the $1.6 billion available since the enhancement program's inception. While this statement refers to the cumulative nature of enhancement obligations, we have further clarified the content of the graph by indicating in the figure title that the obligations represent cumulative rates. Since the numbers reflected in a bar graph or presented in a table would be the same, we continue to display the cumulative data in a bar graph. However, we also refer to the annual data depicted in the Rails-to-Trails Conservancy's graph in appendix VII.

3. A typographical error, causing the misalignment of data for some states in appendix IV, has been corrected.

4. Because the funds obligated in fiscal year 1995 include funds apportioned in earlier years, we continue to present information on cumulative obligations. Furthermore, the cumulative obligation rates for transportation enhancement funds shown in figure 1 of our report exhibit the same relative increase over time as the annual information displayed in the alternative chart. However, we refer in our final report to the annual information presented in the chart suggested by the Rails-to-Trails Conservancy (see comment 2).

5. Our report does recognize the improvement that states have made in their obligation rates over time. As both our draft and final reports observe, by the end of fiscal year 1995, after 4 fiscal years, the states had more than doubled the percentage of funds obligated for transportation enhancements. To further emphasize this progress, we have added the statement in our final report that the fiscal year 1995 obligation rate represents a significant improvement over earlier obligation rates.

Nevertheless, the obligation rate for transportation enhancement funds remains relatively low compared with the obligation rates for other highway programs. This fact was recognized by the Rails-to-Trails Conservancy in its June 1, 1996, report entitled Enhancing America's Communities. According to this report, "compared to other programs within ISTEA, the [transportation enhancement] obligation rate remains one of the lowest."

6. The examples are presented to show that the eligibility criteria for funding some enhancement projects—especially historic preservation projects—have been variously interpreted. In 1994, FHWA arrived at the same finding after reviewing enhancement programs in nine states. However, we have modified our report to include the Rails-to-Trails Conservancy's estimate that eligibility problems extended to only a small fraction of the historic preservation projects.

7. The background section of our report recognizes that each state's department of transportation is responsible for administering the state's transportation enhancement program. Nonetheless, FHWA remains responsible for overseeing the states' uses of transportation enhancement funds.

8. We have added to our final report a fifth factor that the Rails-to-Trails Conservancy noted could hamper the obligation of enhancement funds—a limit on the total amount that a state can obligate in a given year.

9. Our intent was not to determine why FHWA did not initially collect transportation enhancement project information. However, our final report does recognize that while FHWA did not initially track information on obligations for specific projects, it did ask the states to estimate the amounts they obligated to each of the 10 transportation enhancement categories beginning in fiscal year 1992. FHWA later recognized that this information was of limited use because of incomplete and possibly inaccurate reporting. Therefore, in fiscal year 1995, FHWA began to collect data on obligations for individual enhancement projects. As our report explains, this information has also proved problematic: According to the data, over 50 percent of the enhancement funds have apparently been used for ineligible activities. As our report further points out, FHWA's assessment of a sample of projects in four states has shown that these projects were generally eligible; however, they were incorrectly coded and therefore appeared ineligible in FHWA's database.

It was not within the scope of our review to address the transportation enhancement data collected and disseminated by states to citizens.

10. Our report notes that one of the factors that slowed the rate of obligation for transportation enhancement funds was the lack of familiarity on the part of local sponsors, mainly local governments, with the administrative procedures required for transportation enhancement projects. Our report further notes that some of the concerns we identified were addressed in the National Highway System Designation Act of 1995. Whether the states are taking advantage of the opportunities for streamlining afforded by this act's provisions is an open question, but the much-improved obligation rate for transportation enhancement funds suggests that progress is being made.

11. We have updated our data on the types of enhancement projects funded from fiscal years 1992-95 to include data through February 1996.

12. Our objectives did not include evaluating the impact of enhancement projects; therefore, we did not address this issue in the report.

13. The conclusions in our report are based on the findings we developed in response to our objectives; they cannot be broadened beyond their factual base.

14. Similarly, our recommendation is limited to the scope of our work. Furthermore, neither our draft report nor our final report advocates a "one size fits all approach." Instead, our report recognizes that FHWA has revised its guidance for historic preservation projects but has not clearly defined the key phase "substantial transportation linkage." We are therefore suggesting that FHWA monitor its field offices' implementation of the revised guidance and provide further clarification if needed.

Major Contributors to This Report

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