



TRANSPORTATION PROGRAMS

Opportunities for Oversight and Improved Use of Taxpayer Funds

Highlights of [GAO-03-1040T](#), a testimony before the Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

It is important to ensure that long-term spending on transportation programs meets the goals of increasing mobility and improving transportation safety. In this testimony, GAO discusses what recently completed work on four transportation programs suggests about challenges and strategies for improving the oversight and use of taxpayer funds. These four programs are (1) the federal-aid highway program, administered by the Federal Highway Administration (FHWA); (2) highway safety programs, administered by the National Highway Traffic Safety Administration (NHTSA); (3) the New Starts program, administered by the Federal Transit Administration (FTA); and (4) the Essential Air Service (EAS) program, administered out of the Office of the Secretary of Transportation.

Differences in the structure of these programs have contributed to the challenges they illustrate. The federal-aid highway program uses formulas to apportion funds to the states, the highway safety programs use formulas and grants, the New Starts program uses competitive grants, and the EAS program provides subsidies. For each program, GAO describes in general how the program illustrates a particular challenge in managing or overseeing long-term spending and in particular what challenges and strategies for addressing the challenges GAO and others have identified.

www.gao.gov/cgi-bin/getrpt?GAO-03-1040T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Hecker at (202) 512-2834 or heckerj@gao.gov.

What GAO Found

The federal-aid highway program illustrates the challenge of ensuring that federal funds (nearly \$30 billion annually) are spent efficiently when projects are managed by the states. GAO has raised concerns about cost growth on and FHWA's oversight of major highway and bridge projects. Recent proposals to strengthen FHWA's oversight are responsive to issues and options GAO has raised. Options identified in previous GAO work provide the Congress with opportunities to build on recent proposals by, among other things, clarifying uncertainties about FHWA's role and authority.

NHTSA's highway safety programs illustrate the challenge of evaluating how well federally funded state programs are meeting their goals. Over 5 years, the Congress provided about \$2 billion to the states for programs to reduce traffic fatalities, which numbered over 42,000 in 2002. GAO found that NHTSA was making limited use of oversight tools that could help states better implement their programs and recommended strategies for improving the tools' use that NHTSA has begun to implement. The administration recently proposed performance-based grants in this area.

FTA's New Starts program illustrates the challenge of developing effective processes for evaluating grant proposals. Under the New Starts program, which provided about \$10 billion in mass transit funding in the past 6 years, local transit agencies compete for project funds through grant proposals. FTA has developed a systematic process for evaluating these proposals. GAO believes that FTA has made substantial progress by implementing this process, but our work has raised some concerns, including the extent to which the process is able to adequately prioritize the projects.

The Essential Air Service (EAS) program illustrates the challenge of considering modifications to statutorily defined programs in response to changing conditions. Under the EAS program, many small communities are guaranteed to continue receiving air service through subsidies to carriers. However, the program has faced increasing costs and decreasing average passenger levels. The Congress, the administration, and GAO have all proposed strategies to improve the program's efficiency by better targeting available resources and offering alternatives for sustainable services.

Key Challenges and Strategies for Managing Four Federal Transportation Programs

Program	Highway construction	Highway safety	New Starts transit	Essential Air Service
Challenges	Managing cost growth on major highway and bridge projects	Enhancing effectiveness of state safety programs	Selecting best projects for limited funds	Adjusting program to changing conditions
Strategies	Improve oversight and reporting	Improve use of monitoring tools	Establish sound selection process	Restructure program to improve viability