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# Highlights

Highlights of [GAO-05-674](#), a report to congressional committees

## Why GAO Did This Study

The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) and subsequent legislation authorized about \$13.5 billion in guaranteed funding for the Federal Transit Administration's (FTA) New Starts program, which is used to select fixed guideway transit projects, such as rail and trolley projects, and to award full funding grant agreements (FFGA). GAO assessed the New Starts process for the fiscal year 2006 cycle. GAO identified (1) the number of projects that were evaluated, rated, and proposed for new FFGAs and the proposed funding commitments in the administration's budget request; (2) changes FTA has made to the New Starts application, evaluation, rating, and oversight processes since the fiscal year 2001 evaluation cycle and how these changes have been communicated to project sponsors; and (3) how FTA developed the measures used to evaluate and rate projects from the criteria outlined in TEA-21 and how those measures are used in the rating process.

## What GAO Recommends

This report makes a number of recommendations intended to ensure that the New Starts regulations reflect FTA's current evaluation and rating process and ensure that FTA's New Starts evaluation process and policies are objective, transparent, and follow the spirit of federal statutes and regulations. FTA officials agreed with the findings and recommendations in this report.

[www.gao.gov/cgi-bin/getrpt?GAO-05-674](http://www.gao.gov/cgi-bin/getrpt?GAO-05-674).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine Siggerud at (202) 512-2834 or [siggerudk@gao.gov](mailto:siggerudk@gao.gov).

## PUBLIC TRANSPORTATION

# Opportunities Exist to Improve the Communication and Transparency of Changes Made to the New Starts Program

## What GAO Found

For the fiscal year 2006 evaluation cycle, FTA evaluated and rated 27 projects and identified 4 projects that were expected to be ready for new FFGAs before the end of fiscal year 2006 and an additional 6 projects that may be eligible for other funding outside of FFGAs. The administration's fiscal year 2006 budget proposal requests \$1.5 billion for the New Starts program, a request similar to that of the past 2 years.

FTA has made 16 changes to the New Starts application, evaluation, rating, and oversight processes since the fiscal year 2001 cycle that were primarily intended to make the process more rigorous and systematic. Seven of the 16 changes underwent rulemaking, including providing formal notice to the transit industry and soliciting comment, while 9 changes did not. FTA officials said that these nine changes are consistent with the existing regulations governing the New Starts process or relate to the project development oversight process rather than the evaluation and rating process and, therefore, in their opinion, do not need to undergo formal rulemaking. By not consistently soliciting public opinion, however, FTA is missing an opportunity to obtain stakeholder buy-in, increase the transparency of the New Starts process, and lessen potential difficulties project sponsors face in implementing the changes.

Many of the measures FTA uses to evaluate and rate New Starts projects have evolved over time, with industry input, through formal rulemaking and informal efforts, such as workshops and reports. Although both TEA-21 and FTA's New Starts program regulations emphasize the importance of using a multiple-measure approach for evaluating projects, FTA assigns weight to all three financial criteria but only two of the five project justification criteria in developing a project's rating. FTA officials said that they do not use the other three project justification criteria—which are specified in TEA-21—because the measures fail to distinguish among projects. Project sponsors we interviewed offered suggestions for improving all of the project justification measures, and FTA has efforts underway to improve some of the measures.

### Example of a New Starts Project with an Existing FFGA - Bay Area Rapid Transit Extension to San Francisco International Airport



Source: GAO.