



Highlights of [GAO-06-819](#), a report to congressional committees

Why GAO Did This Study

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorized about \$7.9 billion in commitment authority, through fiscal year 2009, 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 (FFGAs). The New Starts program serves as an important source of federal funding for the design and construction of transit projects throughout the country.

SAFETEA-LU requires GAO to report each year on FTA's New Starts process. As such, GAO examined (1) the number of projects that were evaluated, rated, and proposed for FFGAs for the fiscal year 2007 evaluation cycle and the proposed funding commitments for the fiscal year 2007 budget; (2) procedural changes that FTA proposed for the New Starts program beginning with the fiscal year 2008 evaluation cycle; and (3) changes SAFETEA-LU made to the New Starts program and FTA's implementation of these changes. GAO reviewed New Starts documents and interviewed FTA officials and project sponsors, among other things, as part of its review. GAO is not making recommendations in this report. In commenting on a draft of this report, FTA provided technical clarifications, which we incorporated as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-06-819.

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.

PUBLIC TRANSPORTATION

New Starts Program Is in a Period of Transition

What GAO Found

For the fiscal year 2007 evaluation cycle, FTA evaluated and rated 20 projects, recommended 5 projects for new FFGAs and 2 projects with pending FFGAs. FTA also identified 5 other projects that may be eligible for funding outside of FFGAs. The administration's fiscal year 2007 budget proposal requests \$1.47 billion for the New Starts program, which is about \$200 million more than the amount received last year.

FTA proposed nine procedural, or nonregulatory, changes for the New Starts program beginning with the fiscal year 2008 evaluation cycle that were generally intended to improve the management of the New Starts process. These changes include linking the New Starts and National Environmental Policy Act planning requirements and processes and capping New Starts funding when projects enter the final design phase. As required by SAFETEA-LU, FTA published these proposals in policy guidance and sought public input. Members of the transit community supported changes that they thought would make the New Starts process more efficient, but many commenters expressed strong opposition to other changes, citing, for example, the time and resources required to analyze ridership and cost uncertainties. Consequently, FTA implemented only 4 of the proposed procedural changes, but indicated that a final decision on the other 5 proposed changes would be made through the rulemaking process.

SAFETEA-LU introduced eight statutory changes to the New Starts program that include establishing the Small Starts program and identifying new evaluation criteria. FTA has taken some initial steps to implement these changes, including issuing an Advanced Notice of Proposed Rulemaking (ANPRM) for the Small Starts program and proposed policy guidance for the New Starts program, both in January 2006. The Small Starts program is a new component of the New Starts program and is intended to offer an expedited and streamlined application and review process for small projects. The transit community, however, questioned whether the Small Starts program, as outlined in the ANPRM, would provide such a process. In July 2006, FTA introduced a new eligibility category called Very Small Starts, which is for the simplest and least costly projects. Very Small Starts projects will qualify for an even simpler and more expedited evaluation process. FTA also identified and sought public input on possible changes to the New Starts program that would have an impact on traditional New Starts projects, such as revising the evaluation process to incorporate the new evaluation criteria identified by SAFETEA-LU. According to FTA, a potential challenge in moving forward is incorporating both land use and economic development as separate criteria in the evaluation process, including developing appropriate measures for the criteria and avoiding duplication in counting benefits.