

Highlights of [GAO-11-283](#), a report to the Chairman, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) appropriated \$8 billion for high and conventional speed passenger rail. The Federal Railroad Administration (FRA), within the Department of Transportation (the department), was responsible for soliciting applications, evaluating them to determine program eligibility and technical merits, and selecting awards, which were announced in January 2010.

This report examines the extent to which FRA (1) applied its established criteria to select projects, (2) followed recommended practices for awarding discretionary grants, and (3) communicated outcomes to the public, compared with selected other Recovery Act competitive grant programs. To address these topics GAO reviewed federal legislation, FRA documents, and guidance for other competitive grant programs using Recovery Act funds. GAO also analyzed data resulting from the evaluation and selection process and interviewed a cross-section of FRA officials and applicants.

What GAO Recommends

GAO recommends that FRA create additional records to document the substantive reasons behind award decisions to better ensure accountability for its use of federal funds. In commenting on a draft of this report, the department agreed to consider our recommendation. The department also provided technical comments, which were incorporated as appropriate.

View [GAO-11-283](#) or key components. For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

March 2011

INTERCITY PASSENGER RAIL

Recording Clearer Reasons for Awards Decisions Would Improve Otherwise Good Grantmaking Practices

What GAO Found

FRA applied its established criteria during the eligibility and technical reviews, but GAO could not verify whether it applied its final selection criteria because the documented rationales for selecting projects were typically vague. Specifically, FRA used worksheets and guidebooks that included the criteria outlined in the funding announcement to aid in assessing the eligibility and technical merit of applications. FRA also recorded general reasons for selecting applications and publicly posted broad descriptions of the selected projects. However, the documented reasons for these selection decisions were typically vague or restated the criteria listed in the funding announcement. In addition, there were only general reasons given for the applications not selected or for adjusting applicants' requested funding amounts. FRA subsequently provided GAO with more detailed reasons for several of its selection decisions, but this information was not included in the department's record of its decisions. Documentation on the rationales for selection decisions is a key part of ensuring accountability and is recommended by the department as well as other federal agencies. Without a detailed record of selection decisions, FRA leaves itself vulnerable to criticism over the integrity of those decisions—an important consideration, given that passenger rail investments have a very public profile.

FRA also substantially followed recommended practices when awarding grants, including communicating key information to applicants prior to the competition, planning for the competition, using a merit review panel with certain characteristics, assessing whether applicants were likely to be able to account for grant funds, notifying applicants of awards decisions, and documenting the rationale for awards decisions (albeit generally). For example, FRA issued a funding announcement that communicated key pieces of information, such as eligibility, technical review, and selection criteria. FRA officials also conducted extensive outreach to potential applicants, including participating in biweekly conference calls, providing several public presentations on the program, and conducting one-on-one site visits with potential applicants. According to FRA, officials used lessons from a number of other grant programs when developing its approach to reviewing and selecting projects.

FRA publicly communicated outcome information similar to other Recovery Act competitive grant programs we examined, including projects selected, how much money they were to receive, and a general description of projects and their intended benefits. Only one of the programs GAO examined communicated more outcome information on technical scores and comments; however, this program used a much different approach to select awards than FRA used to select intercity passenger rail awards. According to officials, FRA did not disclose outcome information from the technical reviews because officials were concerned that releasing reviewers' names and associated scores could discourage them from participating in future grant application reviews.