



Highlights of [GAO-05-172](#), a report to congressional committees

## Why GAO Did This Study

Mobility is critical to the nation's economy. Projections of future passenger and freight travel suggest that increased levels of investment may be needed to maintain the current levels of mobility provided by the nation's highway and transit systems. However, calls for greater investment in transportation come amid growing concerns about fiscal imbalances at all levels of the government. As a result, careful decisions will need to be made to ensure that transportation investments maximize the benefits of each federal dollar invested.

In this report GAO identifies (1) the categories of benefits and costs that can be attributed to new highway and transit investments and the challenges in measuring them; (2) how state, local, and regional decision makers consider the benefits and costs of new highway and transit investments when comparing alternatives; (3) the extent to which investments meet their projected outcomes; and (4) options to improve the information available to decision makers. To address these objectives, we convened an expert panel, surveyed state departments of transportation and transit agencies, and conducted site visits to five metropolitan areas that had both a capacity-adding highway project and transit project completed within the last 10 years. DOT generally agreed with the report's findings and offered technical comments, which were incorporated as appropriate.

[www.gao.gov/cgi-bin/getrpt?GAO-05-172](http://www.gao.gov/cgi-bin/getrpt?GAO-05-172).

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

# HIGHWAY AND TRANSIT INVESTMENTS

## Options for Improving Information on Projects' Benefits and Costs and Increasing Accountability for Results

### What GAO Found

A range of direct and indirect benefits, such as savings in travel time and positive land-use changes, and costs can result from new highway and transit investments. The extent to which any particular highway or transit investment will result in certain benefits and costs, however, depends on the nature of the project and the local economic and transportation conditions where the investment is being made. In addition, measuring project benefits and costs can be challenging and is subject to several sources of error. For example, some benefit-cost analyses may omit some benefits or double-count benefits as they filter through the economy.

Officials we surveyed and visited said they considered a project's potential benefits and costs when considering project alternatives but often did not use formal economic analyses to systematically examine the potential benefits and costs. Even when economic analyses are performed, the results are not necessarily the most important factor considered in investment decision making. Rather, our survey responses indicate that a number of factors, such as public support or the availability of funding, shape transportation investment decisions. Officials we interviewed indicated that they often based their decision to select a particular alternative on indirect benefits that were often not quantified in any systematic manner, such as desirable changes in land use or increasing economic development.

Available evidence indicates that highway and transit projects do not achieve all projected outcomes; in addition, our case studies and survey show that evaluations of the outcomes of completed projects are not frequently conducted. A number of outcomes and benefits are often projected for highway and transit investments, including positive changes to land use and increased economic development. These projected outcomes were often cited as reasons why the projects were pursued. However, because evaluations of the outcomes of completed highway and transit projects are not typically conducted, officials have only limited or anecdotal evidence as to whether the projects produced the intended results.

Several options exist to improve the information available to decision makers about new highway and transit investments and to make analytic information more integral to decision making. These options, such as improving modeling techniques and evaluating the outcomes of completed projects, focus on improving the value this information can have to decision makers and holding agencies accountable for results. Even if steps are taken to improve the analytic information available to decision makers, however, overarching issues, such as the structure of the federal highway and transit programs, will affect the extent to which this information is used. Nevertheless, the increased use of economic analysis, such as benefit-cost analysis, could improve the information available, and ultimately, lead to better-informed transportation investment decision making.