



Highlights of [GAO-07-917](#), a report to congressional committees

Why GAO Did This Study

Through the New Starts program, the Federal Transit Administration (FTA) identifies and recommends new fixed-guideway transit projects for funding. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) created a separate program, commonly called Small Starts, which is intended to offer a streamlined evaluation and rating process for smaller-scale transit projects. FTA subsequently introduced a separate eligibility category within the Small Starts program for “Very Small Starts” projects. These are simple, low-risk projects that qualify for a simplified evaluation and rating process. SAFETEA-LU requires GAO to annually review FTA’s New Starts process. This report presents information on (1) FTA’s fiscal year 2008 funding recommendations, (2) the extent to which the New Starts pipeline has changed over time, and (3) future projected trends for the New Starts and Small Starts pipelines. To address these objectives, GAO surveyed 215 project sponsors—78 percent of which responded—and interviewed FTA officials, 15 project sponsors, and 3 industry groups.

What GAO Recommends

GAO recommends that FTA make several program improvements, including further streamlining the Small Starts application process. FTA officials agreed to consider GAO’s recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-917.

To view the full product, including the scope and methodology, click on the link above. To view the e-supplement online, click on www.gao.gov/cgi-bin/getrpt?GAO-07-927SP. For more information, contact Katherine Siggerud at (202) 512-2834 or siggerudk@gao.gov.

PUBLIC TRANSPORTATION

Future Demand Is Likely for New Starts and Small Starts Programs, but Improvements Needed to the Small Starts Application Process

What GAO Found

For the fiscal year 2008 evaluation cycle, FTA recommended to Congress 10 New Starts and 4 Small Starts projects for funding. The administration’s budget request of \$1.40 billion is primarily allocated to New Starts projects with existing and pending full funding grant agreements. SAFETEA-LU made several changes to the New Starts evaluation and rating process, which FTA is implementing.

Since the fiscal year 2001 evaluation and rating cycle, the New Starts pipeline—that is, projects in the preliminary engineering and final design phases—has changed in size and composition, responding to a variety of factors. The number of projects in the New Starts pipeline has decreased by more than one-half, and the types of projects in the pipeline have changed, with bus rapid transit replacing commuter or light rail as the most common type of project. FTA officials attributed the decrease in the number of projects to FTA’s increased scrutiny of applications to help ensure that only the strongest projects enter the pipeline, and to FTA’s efforts to remove projects from the pipeline that were not advancing or did not adequately address identified problems. Project sponsors that GAO interviewed cited other reasons for the pipeline’s decrease, including the complexity, lengthiness, and cost of the New Starts process. The lengthy nature of the New Starts process is due, in part, to the rigorous and systematic evaluation and rating process established by law—which GAO has previously noted could serve as a model for other programs. Other reasons cited by project sponsors for the decrease in the pipeline include finding alternative sources of funding or opting not to apply because they realize their projects are unlikely to receive funding. FTA is considering different ideas on how to improve the New Starts process, some of which may address the concerns identified by project sponsors.

Despite these concerns, GAO’s survey of project sponsors indicated future demand for New Starts funding. Project sponsors reported having 141 planned New Starts, Small Starts, and Very Small Starts projects and will likely seek New Starts funding for almost three-fourths of these projects. Of these planned projects, project sponsors indicated that they intend to seek New Starts funding for 57 New Starts projects, 30 Small Starts projects, and 14 Very Small Starts projects. Project sponsors GAO surveyed also reported considering a range of alternative project types in their planning. Although project sponsors expressed appreciation for the creation of the Small Starts program, noting it filled a funding gap, they said the Small Starts application process is not tailored to the Small Starts program and is time-consuming, costly, and duplicative. GAO also found that the application is not always tailored for Small Starts applicants and, in several instances, requests duplicative information. FTA officials acknowledged that the Small Starts application process could be further streamlined, and they are working to decrease the burden.