



Highlights of [GAO-09-154](#), a report to congressional committees

## Why GAO Did This Study

As part of a broad congestion relief initiative, the Department of Transportation awarded about \$848 million from 10 grant programs to five cities (Miami, Minneapolis, New York, San Francisco, and Seattle) in 2007 as part of the Urban Partnership Agreements (UPA) initiative. The UPA initiative is intended to demonstrate the feasibility and benefits of comprehensive, integrated, and innovative approaches to relieving congestion, including the use of tolling (congestion pricing), transit, technology, and telecommuting (4Ts). Congestion pricing involves charging drivers a fee that varies with the density of traffic.

This report addresses congressional interest in (1) how well the department communicated UPA selection criteria, (2) whether it had discretion to allocate grant funds to UPA recipients and consider congestion pricing as a priority selection factor, and (3) how it is ensuring that UPA award conditions are met and results are assessed. GAO reviewed departmental documents, statutes and case law, and interviewed department officials and UPA applicants.

## What GAO Recommends

The department should provide applicants with information about selection criteria in similar initiatives and follow statutory priority consideration of grant selection factors. For the most part, the department agreed with the draft report and agreed to consider its recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-154](#). For more information, contact Katherine A. Siggerud at (202) 512-2834 or [siggerudk@gao.gov](mailto:siggerudk@gao.gov) and Susan Sawtelle at (202) 512-6417 or [sawtelles@gao.gov](mailto:sawtelles@gao.gov).

# URBAN PARTNERSHIP AGREEMENTS

## Congestion Relief Initiative Holds Promise; Some Improvements Needed in Selection Process

### What GAO Found

Although GAO did not assess the merits of the UPA initiative's design, it has reported on its support for integrated approaches to help reduce congestion.

With minor exception, the department did a good job communicating the criteria it would use to select urban partners and how much funding was available, but it did not clearly communicate the relative priority of the criteria or extend the same outreach to all applicants. The department clearly communicated 10 of the 11 selection criteria—such as the political and technical feasibility of projects—that it used to decide which cities to select as urban partners, but it did not publicize which criteria, other than the 4Ts, were most important. In addition, over time, the department provided information indicating that about \$852 million was available for these projects—a figure short of the actual \$1.02 billion but sufficient to give applicants a rough idea of the program's size. Clearly communicating selection criteria, their relative priority, and the available funding allows applicants to make informed decisions when preparing their applications. GAO also found that the department told two semifinalists for being named urban partners how to revise their applications to make them more competitive, but did not do so for the other semifinalists. Both were ultimately selected as urban partners. However, in the absence of government-wide or departmental guidance, it is unclear how to assess the appropriateness of this assistance.

The department acted within its authority to allocate about \$848 million of its fiscal year 2007 appropriation under 10 grant programs to five UPA cities. Typically these funds have been awarded through congressional direction (earmarks) to thousands of jurisdictions; but the department's 2007 funds were not subject to such directives. In addition, the department had authority to consider congestion pricing as a priority selection factor when awarding funds because the underlying statutes either explicitly permit it or provide the department with the authority to do so. However, GAO found that the department likely did not comply with statutory requirements of the Transportation, Community, and System Preservation program by failing to require applicants to meet all five statutory factors in order to receive "priority consideration," but this may not have affected the selection outcome.

The department has developed a framework to ensure that UPA award conditions are met and the initiative's results will be evaluated. The department is monitoring urban partners' completion of award conditions, such as obtaining congestion-pricing authority, and has already acted when conditions have not been met, such as by taking away New York City's funding when it could not obtain congestion pricing authority from the state. In addition, the department plans to evaluate urban partners' strategies for, and results in, reducing congestion. The evaluation, to be conducted by Battelle Memorial Institute, is in its early stages.