



Highlights of [GAO-09-926T](#), a testimony before the Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) included more than \$48 billion for the Department of Transportation's (DOT) investment in transportation infrastructure, including highways, rail, and transit. This testimony—based on GAO report GAO-09-829, issued on July 8, 2009 and updated with more recent data, in response to a mandate under the Recovery Act—addresses (1) the uses of Recovery Act transportation funding including the types of projects states have funded, (2) the steps states have taken to meet the act's requirements, and (3) GAO's other work on transportation funding under the Recovery Act.

In GAO-09-829, GAO examined the use of Recovery Act funds by 16 states and the District of Columbia (District), representing about 65 percent of the U.S. population and two-thirds of the federal assistance available through the act. GAO also obtained data from DOT on obligations and reimbursements for the Recovery Act's highway infrastructure funds.

## What GAO Recommends

In GAO-09-829, GAO recommended that the Secretary of Transportation develop clear guidance on identifying and giving priority to economically distressed areas. DOT agreed with this recommendation and is consulting with the Department of Commerce to develop additional guidance on criteria to classify distressed areas for Recovery Act funding.

[View GAO-09-926T](#) or [key components](#).

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## RECOVERY ACT

### States' Use of Highway Infrastructure Funds and Compliance with the Act's Requirements

#### What GAO Found

A substantial portion of Recovery Act highway funds have been obligated, with most funded projects focusing on pavement improvements. In March 2009, \$26.7 billion was apportioned to 50 states and the District for highway infrastructure and other eligible projects. As of July 17, 2009, \$16.8 billion of the apportioned funds had been obligated for over 5,700 projects nationwide. About half of the funds has been obligated for pavement improvements such as reconstructing or rehabilitating roads; 17 percent has been obligated for pavement-widening projects; and about 12 percent has been obligated for bridge projects. Remaining funds were obligated for the construction of new roads and safety projects, among other things.

States have generally complied with the act's three major requirements on the use of transportation funds: (1) Fifty percent of funds must be obligated within 120 days of apportionment. All states have met this requirement. (2) Priority for funding must be given to projects that can be completed within 3 years and are located in economically distressed areas, as defined by the Public Works and Economic Development Act. Officials from almost all of the states included in GAO's review said they considered project readiness, including the 3-year completion requirement, when making project selections. However, due to the need to select projects and obligate funds quickly, many states first selected projects based on other factors and only later identified whether these projects fulfilled the economically distressed area requirement. Additionally, some states identified economically distressed areas using data or criteria not specified in the Public Works or Recovery Act. In each of these cases, states told us that DOT's Federal Highway Administration (FHWA) approved the use of alternative criteria but it is not clear under what authority it did so as FHWA did not consult with or seek the approval of the Department of Commerce. (3) State spending on transportation projects must be maintained at the level the state had planned to spend as of the day the Recovery Act was enacted. With one exception, the states have certified that they will maintain their level of spending.

GAO will continue to monitor states' use of Recovery Act funds for transportation programs and their compliance with program rules. In the next report, in September 2009, GAO plans to provide information on the use of Recovery Act funds for transit programs and for highway programs. Previous GAO work on the act has addressed other transportation issues. For instance, GAO's work on discretionary transportation grants found that DOT followed key elements of federal guidance in developing selection criteria for awarding these grants, and GAO's work on intercity rail funding found that although DOT's strategic plan for high-speed rail generally outlines how the act's funds may be invested for high-speed rail development, the plan does not establish clear goals or a clear role for the federal government.