



U.S. Department of Transportation



Federal Transit Administration

New Starts



NEW STARTS ROUNDTABLES 2003

CHICAGO, IL APRIL 23-25 | PORTLAND, OR MAY 14-16



BACKGROUND

The New Starts Roundtables (NSR) were initiated in 1999 to facilitate communication, discussion, and information exchange among the various parties involved in the FTA's New Starts Program. In particular, the roundtables were aimed at representatives of FTA Headquarters, FTA Regional Offices, and sponsors of transit projects seeking New Starts Funding. The NSR mission is to:

- ▶ Strengthen partnerships between FTA and local providers of public transit;
- ▶ Provide an effective and ongoing forum for training;
- ▶ Share information among parties;
- ▶ Discuss lessons learned from previous projects/experiences; and
- ▶ Solicit ideas to help improve the planning and project development process for major capital transit projects.

“Issues and Lessons Learned in the New Starts Criteria, Evaluation, and Rating Process,” was the theme of the first series of roundtables, which were held in the summer of 2000. The roundtables were held in Washington, DC, and in Las Vegas, Nevada. The 2001 roundtables were held in New Orleans, Louisiana, and in Los Angeles, California, with “Lessons Learned in Planning Project Development” as a theme. “Successes and Challenges in Local Financial Planning” was the topic of last year’s roundtables, which were held in Tampa, Florida and Denver, Colorado.

BACKGROUND

continued

The 2003 Roundtables are the second for Jennifer Dorn, FTA's 14th administrator. Ms. Dorn's priorities include, "meeting the demands caused by increasing transit ridership by leveraging federal investments, establishing vigilant oversight at all levels of government, developing transit projects that consider all reasonable alternatives, and working to encourage the development of the men and women employed in the transit industry while taking steps to attract highly qualified people to the public transportation field." She is already eager to begin brainstorming new ideas for the New Starts Program, 2003 New Starts Roundtable meetings, and NSR specialty workshops.

The Steering Committee selected Chicago, Illinois for the 2003 East Coast Roundtable and Portland, Oregon for the 2003 West Coast Roundtable. The Chicago Roundtable was held on April 23-25 for grantees from FTA Regions I through VI. The Denver Roundtable took place on May 14-16 for grantees from FTA Regions VII through X.

The theme of the 2003 Roundtable series was **Improving Planning and Project Development**. Each Roundtable was led by FTA staff from both Headquarters and the Regional offices. Presentations were made by FTA staff, private contractors specializing in risk assessment and management, project sponsors, the American Public Transportation Association, and Roundtable host agencies.

There were 90 participants at the east coast roundtable and 60 at the west coast roundtables. Participants included representatives from transit systems, Metropolitan Planning Organizations (MPOs), State Departments of Transportation (DOTs), city, county and regional governments, in addition to staff from FTA transit offices and headquarters.



Welcome and Introduction

Representatives of the New Starts Roundtables host agencies welcomed attendees to their respective cities. In Chicago, Frank Kruesi, the Chicago Transit Authority President, was joined by Joel Ettinger, the FTA Region V Administrator, in welcoming attendees to the Windy City. Kruesi used his opening remarks as an opportunity to emphasize the importance of working with local elected officials to present a unified front when conveying the benefits of transit to Congress. He also reminded attendees that when projects are not completed on time and on budget, that they do a disservice to transit projects everywhere. Mr. Ettinger discussed the growth of New Starts program from originally serving 10 to 15 states, to where there are now 120 projects in the New Starts pipeline, including 55 with Full Funding Grant Agreements. In Portland, Rod Park, a Portland Metro councilor, described the Metro concept and the work being done in the Portland area to create livable communities. Neil McFarlane, the Executive Director of Capital Programming at TRIMET, provided an overview of the transit system and the role of transit in the high growth rates experienced in the Portland area.

Charlotte Adams, the FTA Associate Administrator for Planning, gave the introductory remarks in Chicago. Ms. Adams passed along comments from FTA Administrator Jenna Dorn and Deputy Administrator Robert Jamison. She thanked the Steering Committee and FTA Staff for their efforts in organizing the Roundtable. Ms. Adams announced that 22 states were represented at the East Coast Roundtable including 8 FTA regions, 4 city governments, one county government, 7 Metropolitan Planning Organizations, 21 transit operators, and 6 state governments. The projects represented by those agencies included 16 in the Alternatives Analysis phase, 17 in Preliminary Engineering, and 5 in Final Design.

Robert Jamison, FTA Deputy Administrator, was in attendance in Portland and provided the introductory remarks at that Roundtable. He explained the importance of having the West Coast Roundtable in Portland, because of Jenna Dorn's interest in the work being done in that metropolitan area to enhance mobility through transit investments. He reminded participants that the creation of partnerships between FTA and local project sponsors is what the Roundtables are all about. Mr. Jamison described the attention that the New Starts program gets in Congress, in spite of it representing only 20% of the FTA budget. He outlined four goals for the New Starts program:

- ▶ Leverage federal investment
- ▶ Focus on outcomes/capture benefits
- ▶ Manage risk more effectively
- ▶ Emphasize transparency

Mr. Jamison concluded his remarks with the announcement that the Administration's proposed Reauthorization package for TEA-21 was released just prior to the start of the West Coast Roundtable, and he briefly discussed some of its key components:

- ▶ Elimination of the fixed guideway requirement for New Starts
- ▶ Ensure all projects go through the ratings process
- ▶ Simplify funding delivery process for projects with less than \$75 million in federal funding
- ▶ Devote more resources to FTA Planning



Participant Issues

In both Chicago and Portland, Charlotte Adams asked participants to begin the Roundtable by listing the New Starts issues that were important to them, and which they hoped to address during the three-day events. Ms. Adams began by stating her own desire that the all of those involved with New Starts take a broader look at how transit projects can better compete, not with each other, but with autos, for both customers and funding. Issues that were raised by attendees include the following:

- ▶ Improved financial ratings
- ▶ Political support
- ▶ "Smaller Starts"
- ▶ Transit-oriented development
- ▶ User benefits
- ▶ NEPA
- ▶ Ridership estimates
- ▶ SUMMIT software
- ▶ Reauthorization
- ▶ Before/After study

Ms. Adams made note of these and other comments provided by attendees and explained that FTA would evaluate how the Roundtables addressed these issues over the following days.

New Starts Overview

Ron Fisher, FTA Director of Innovation and Analysis, presented an overview of the New Starts program in Chicago, with Charlotte Adams making the presentation in Portland. The presentations illustrated the growing disparity between available New Starts funding and the demand for that funding in the New Starts pipeline. While the ratio was roughly one to one in the early 1990s, demand outpaces availability by nearly four to one today.

Both Mr. Fisher and Ms. Adams reviewed the New Starts Project Development Process, highlighting the four points of the process where projects are rated by FTA:

- ▶ Entry into Preliminary Engineering
- ▶ Entry into Final Design
- ▶ Recommendation for a Full Funding Grant Agreement
- ▶ Annual New Starts Report

Presenters provided outline of the New Starts evaluation and ratings framework with particular attention paid to the cost effectiveness and land use factors and the overall financial rating. FTA goals for the ratings process were identified as:

- ▶ Provide Congress and the public with accurate portrayal of projects
- ▶ Ensure consistency of project benefit forecasts
- ▶ Ensure equitable treatment of all projects

Both presenters responded to questions from attendees regarding the relative weight of various New Starts factors and sub-ratings.

Highlights of the FY 2004 New Starts Report

James Ryan, the FTA Deputy Associate Administrator for Planning, reviewed highlights of the FY 2004 New Starts Report in both Chicago and Portland. His presentation was organized around the following five key changes from past New Starts Reports:

Maximum Federal Share: In response to a directive from Congress, the maximum proposed share of New Starts funding to be considered by FTA is 60%. Proposed shares greater than 60% will receive a financial rating of “low” and therefore a rating of “not recommended” overall. Projects with New Starts shares between 50% and 60% will receive a “medium” rating. The Administrator does encourage flexing federal highway funds (funds from the Congestion Mitigation Air Quality or Surface Transportation highway programs can be allocated or “flexed” to finance mass transit projects), and Mr. Ryan explained that the total federal share could still reach 80%.

Transit System User Benefits: This performance measure replaces the previous measure, which only considered the number of new riders attracted by a project. Mr. Ryan described the user benefits measure as one that gives FTA “a much more complete picture” of project benefits, and helps FTA describe to Congress what a good project looks like. He took attendees through the calculations used to arrive at the user benefit statistic. In response to a concern about user benefits changing the “rules of the game”, Mr. Ryan explained that the rules are not really changing, but they are getting better. He also provided an update on FTA contractor efforts to implement the Summit software into project sponsor travel models around the country.

Cost Effectiveness Warning: FTA is considering putting more emphasis on the cost effectiveness factor. Mr. Ryan suggested that this is a reason for project sponsors with projects currently rated “low” for this factor, to explore options for improving it. FTA does not want to be in the position of explaining to Congress why a project is “recommended” that has a “low” rating for cost effectiveness.



Overall Ratings Definition: A new five-rating system will be used:

- ▶ “Highly recommended” – minimum of med-high for both finance and project justification
- ▶ “Recommended” – minimum of med for both finance and project justification
- ▶ “Not recommended” – less than medium for either project justification or finance
- ▶ “Not rated” – FTA unable to confirm reliability of project benefits
- ▶ “Not yet available” – information not submitted

Quality Control: Mr. Ryan described the problems encountered with travel forecasts as that of unexplainable benefits. He illustrated the point with a pair of color-coded maps that showed the geographic location of beneficiaries of a new transit investment. The map developed from forecasts made before FTA evaluated the quality of models being used showed benefits accruing to residents of an area miles from the investment, while disbenefits were experienced along the corridor. After FTA assistance in identifying the flaws of the model, the new map distributed benefits and disbenefits in a much more logical and expected fashion.



New Starts Outlook for 2005

Mr. Ryan explained that although in the short term the effort to refine travel forecasts will result in some revisions and delays, in the long run it will make FTA much more effective in “telling the whole story” when advocating for projects on Capitol Hill. The inconsistency between baseline and New Starts alternatives policies and service levels are the single largest problem confounding FTA’s ability to tell a project’s story. He suggested that if a project sponsor’s metropolitan area did not have sufficient expertise in travel demand forecasting, that they look to their peers for assistance. He also emphasized the importance of documenting technical methods and service plans.

Jim Ryan and Ron Fisher also gave attendees a sense for the direction the New Starts program was moving in with an eye towards FY 2005. Mr. Ryan outlined FTA’s goals for the upcoming year’s work on the FY 2005 New Starts Report:

- ▶ Full adherence to TEA 21 requirements
- ▶ Level playing field
- ▶ Full recognition and articulation of project benefits
- ▶ Transparency
- ▶ Best possible case is made for each project
- ▶ Early, continuing communication

He explained that there would be no changes with regard to the report ratings systems between FY 2004 and FY 2005. However, attendees still offered ideas for how the process could be improved, including a suggestion that a short narrative that further explained the project benefits beyond what was required for the New Starts ratings process be prepared.



Day One Breakout Sessions

Charlotte Adams announced that FTA staff had talked all morning, and “that’s not our style”. With that, she introduced the breakout sessions. These sessions were approached differently at each Roundtable. In Chicago, four groups discussed all three of the following topic areas: communications with FTA, Ratings process measures, and TSM/baseline. In Portland, attendees were split into three topic-specific groups around the same topics. At both Roundtables, spirited discussion of these issues took place over an hour, at the end of which group leaders reported back on the results of their conversations:

Baseline Alternative: Breakout sessions included a discussion of the pros and cons of using the Transportation System Management (TSM) alternative as the baseline for New Starts projects. The following comments were offered by attendees:

- ▶ There is a need for a clearly defined process for Baseline definition approval
- ▶ The roles of FTA headquarters and regional staff with regard to baseline approval need to be more clearly delineated
- ▶ Develop case studies to help guide project sponsors
- ▶ Differences between NEPA no build and New Starts baseline are confusing for policy makers
- ▶ There is a value to using baseline over the no build alternative

Communication: Most of the conversation in the breakouts focused on the need for early communications and clear expectations. Several recommendations emerged for ways to enhance communication between FTA and project sponsors:

- ▶ Communication at key decision points – baseline alternative, environmental documents, FFGA
- ▶ Documentation – circulate guidance changes early, format guidance so the new language is easier to identify, explore opportunities to use Federal Register
- ▶ FTA website – improve navigation, update information more frequently, ensure consistency between versions available online and hardcopies
- ▶ Calling tree – use at the regional level so that FTA staff and project sponsors can quickly disseminate information as it becomes available
- ▶ Three page essay – for project sponsors to further explain project benefits



Summary of Day One

Ratings Process: Several ideas were voiced as to how the New Starts ratings process could be improved, simplified, or made to provide Congress with a clearer picture of project benefits:

- ▶ Expand the criteria, either by combining all the ratings to create one number or including a narrative
- ▶ Ensure projects get credit in the land use factor for varying levels of development that will occur around transit stations
- ▶ Evaluate the increase in the tax base that will occur adjacent to new stations
- ▶ Ratings numbers should relate to something on the highway side to better understand project benefits
- ▶ Research arm of FTA should quantify these benefits and costs so they can be used to sell the industry

Charlotte Adams thanked attendees for their hard work and insightful comments during the breakout sessions. She reviewed the participant issues raised at the start of the day and highlighted those that had been discussed on the first day. While briefly outlining the agenda for Day Two, Ms. Adams also pointed out the participant issues that would be covered in those sessions.

In the evening, the Chicago and Portland host agencies organized evening events for attendees. In Chicago, CTA held a reception at the Signature Room at the John Hancock Center. In Portland, TriMet and Portland Metro held a reception at Wieden + Kennedy.



NEPA and New Starts

After a brief introduction of the Day Two agenda, Charlotte Adams introduced Susan Borinsky, Director of FTA's Office of Human and Natural Environment, to make a presentation about the National Environmental Policy Act (NEPA) process and its relationship to New Starts.

Ms. Borinsky began by reviewing the three classes of actions under NEPA:

Categorical exclusion – no significant impact

Environmental Impact Statement (EIS) – significantly affects the quality of the human and natural environment

Environmental Assessment – impacts are either not clear or they are already known

Regardless of the action to be taken under NEPA, the process has to be complete before a New Starts project can enter Final Design. Ms. Borinsky explained that although there is no mandatory starting point for NEPA, that the process should begin as soon as there is enough information to begin meaningful evaluation of social, economic and environmental impacts. She also discussed the relationship between the TSM alternative and the New Starts Baseline, noting that although it is possible for TSM and no-build to be the same, it is extremely rare.

Other issues cover during Ms. Borinsky's presentation were:

- ▶ FTA/FHWA issues: FTA has a legal precedent, because of Alternatives Analysis, which allows alternatives to be removed before NEPA. FHWA has not always had Alternatives Analysis, so on multimodal projects this can cause problems
- ▶ Shortened Projects: Ms. Borinsky reviewed three scenarios for how project sponsors should approach the NEPA process when their project has been shortened
- ▶ Updated Guidance: FTA is updating guidance in a way that will make it easier for small agencies and small projects to receive specific guidance that is more useful to them, and like wise for larger agencies and projects. She also noted that an attempt to develop joint guidance with FHWA had been unsuccessful
- ▶ Training: FTA has put a lot of effort into NTI training courses, and additional courses are in development to assist project sponsors learn more about NEPA
- ▶ Environmental Streamlining: Streamlining does not mean cutting corners, it means knowing the process and doing it right

Dwayne Weeks, of FTA Planning cautioned project sponsors not to rush through NEPA to meet political schedules. Instead, he encouraged them to take time early in the process to address NEPA rather than having to resubmit work later in the process under much greater pressure.



Leveraging Technology to Reshape Transportation Planning (Chicago only)

Michael Shiffer, Vice President of Planning and Development at CTA, gave a fast-paced and exciting presentation at the Chicago Roundtable. The focus of the presentation was the evolution of multimedia technology and its ability to effectively convey communicate the benefits and challenges of public transportation to employees, policy makers, and the public. The presentation highlighted several strategic uses of these emerging technologies in the context of recent or ongoing CTA projects.

Mr. Shiffer described the general challenges facing CTA in its communication with customers as:

- ▶ Changing customer habits
- ▶ Shifting land use/employment patterns
- ▶ Aging infrastructure
- ▶ Other significant externalities

He identified an additional set of challenges CTA formerly faced in planning:

- ▶ Staffing
- ▶ Disparate technical resources
- ▶ Reactive decision-making

Mr. Shiffer’s presentation demonstrated how leveraging technology can be a method by which to address these challenges. Examples from the presentation include imbedding photos of the station interior and exterior into the digital transit map, using sound effects to demonstrate the impacts of various solutions to track replacement work, and time-lapse photography of Blue Line bridge reconstruction.



Implications of a Weak Economy for Long Range Financial Plans

At both Roundtables, project sponsors were asked to share lessons learned from their agencies' approaches to financial planning during the economic downturn. Three presentations were made in Chicago, by Rich Feder of the Port Authority of Allegheny County (Pittsburgh), Edward Thomas of WMATA (Washington, DC) and Steve Salin of DART (Dallas). Brian Boudreau of Los Angeles County Metropolitan Transportation Authority presented in Portland.

Rich Feder Port Authority of Allegheny County

After providing a brief overview of Pittsburgh's transit system, Rich Feder described the challenges faced by PAAC in going forward with its capital program in the face of budget shortfalls. PAAC's budget woes were due to the combination of numerous factors:

- ▶ Reduced state and local contributions (partly due to decline of utility tax after deregulation)
- ▶ Lower sales tax and property tax receipts
- ▶ Lower ridership
- ▶ Higher insurance, fuel, security, workers comp and labor costs

PAAC has had some success in confronting this budgetary crisis by employing several of the recommended actions published in Passenger Transport:

- ▶ Use of small transit vehicles
- ▶ Single operator for 2-car light rail trains
- ▶ Use of bond financing for major capital projects
- ▶ Outsource drug and alcohol testing
- ▶ Increased use of managed health care in lieu of indemnity plan

Edward Thomas Washington Metropolitan Area Transit Authority

Edward Thomas provided a description of the WMATA transit system and said that the key to Metro's future given the current financial situation is to demonstrate to policy makers "why Metro matters to the region." He outlined WMATA's strategy for doing this using the following approaches:

Economic Development: Emphasize the success stories in Arlington County where development around Metro stations accounts for over 25% of county tax revenues.

Safety and Security: Remind policy makers that Metro proved its worth during the September 11th evacuation of Washington.

Mr. Thomas cautioned that the worst approach to a budget crisis is to increase fares and reduce services. WMATA has attempted to deal with the challenge by offering an early retirement program. The agency has also worked closely with APTA and FTA towards the reauthorization of TEA-21. He concluded by emphasizing the need for transit properties to effectively communicate the important role they play in their region.

Steve Salin
Dallas Area Rapid Transit

Steve Salin provided an honest assessment of the challenges confronting DART during the recent economic downturn. He described the recent past as a time when the 1% sales tax dedicated to DART generated enough revenue to operate the agency in the black. These receipts have now fallen to the point where DART needed to drop \$2 billion of proposed projects from its 20-year capital program to make up for the shortfall. Mr. Salin described one benefit of the challenges facing the agency—with the urgency surrounding the decision on what work to do and what to defer, the project management and finance departments sat down and discussed the options. This interaction was not always a common practice at DART prior to the capital program shortfall.

Brian Boudreau
**Los Angeles County Metropolitan
Transportation Authority**

Brian Boudreau described the challenges faced by LACMTA: California's general fund has projected deficits ranging from \$6 billion (FY 2003) to \$21 billion (FY 2004); associated cuts to LACMTA transportation funding totals \$2.36 billion through FY 2009; and the related loss of jobs, business output and personal income. LACMTA also faces the threat of losing nearly \$800 million in federal funds if certain commitments made by the state are not kept due to the general fund deficits. LACMTA put together a three-phase action plan for confronting these challenges which Mr. Boudreau outlined:

Resolve immediate issues: reduce operating costs, protect leveraged federal funding for the Eastside Light Rail transit extension, and increase fares.

Establish priorities for the entire program: reevaluate all projects in the Transportation Improvement Program for future funding, preserve state funding that is leveraging federal funds, and identify alternative funding sources for projects considered to be priorities.

Identify additional funds: Pursue Garvee bonds and a new fuel tax to respond to the reality of automobiles becoming more fuel-efficient at the fleet level.

Mr. Boudreau closed with a review of additional future risks at LACMTA, such as labor negotiations and fuel price fluctuations.

Coordination of Corridor and Land Use Planning

Sharon Kelly of Portland Metro, made presentations in both Chicago and Portland on the efforts being made in her city to coordinate transit corridor planning with land use planning. Her presentation featured several examples of transit-oriented development (TOD) success stories in the Portland area, with some interesting images of what can go wrong when transit and land use investments are not coordinated.

Ms. Kelly began by discussing the history of the regional government framework that is unique to Portland, and explained where responsibilities lie for different aspects of planning. She also presented maps that showed the region's urban growth boundaries against the backdrop of projected growth under the previous, "status quo" development pattern. Next, she described the goals that emerged from the recent Region 2040 Growth Concept:

- ▶ Maintain compact urban form by holding the urban growth boundary
- ▶ Focus growth in city and town centers
- ▶ Promote alternative transportation choices
- ▶ Cultivate and preserve safe and stable neighborhoods

She explained that the key to the 2040 Growth Concept is that transit investments are what allow the planned pattern of growth to occur. Ms. Kelly emphasized the importance of local jurisdiction involvement, and how working with urban renewal districts, local improvement districts and an existing and strong network of neighborhood organizations have been valuable to planning success.

Ms. Kelly concluded her presentation with a discussion of Portland Metro's transit oriented development (TOD) program. She explained that it was borne of a need to ensure that transit supportive projects get built in station areas because of the private sector's reluctance to take the lead on new development types and styles. She described three fundamental characteristics of TOD that enhance transit ridership:

- ▶ A mix of moderate to high intensity land uses
- ▶ A physical or functional connection to the transit system
- ▶ Design features that reinforce pedestrian relationships and scale

Project Development Insights from Lower Manhattan Post 9/11

Roundtable attendees in both Chicago and Portland were treated to a luncheon presentation on the ongoing work at FTA's Lower Manhattan Recovery Office. Dave Vozzolo, Deputy Director of that office, made the presentation in Chicago, and Carol Braegelmann, the Office's Environmental Protection Specialist, presented in Portland.

The presentation began with an overview of the New York regional transit system and a review of the September 11th impact on that system. Both Mr. Vozzolo and Ms. Braegelmann expressed their sensitivity to the events of September 11th and their hope that their presentation could educate attendees on the work ongoing in New York without distracting from the seriousness of that day's loss.

President Bush made a speech declaring that New York City would "come back, and come back strong," a goal that was bolstered by the initial federal response to September 11th for transit service:

- ▶ FEMA emergency funding: \$40 million in emergency funds and additional funds for restoration of PATH service. In the days following September 11th, FEMA was able to bring to the table different stakeholders who did not have a history of working together.

- ▶ FEMA and FTA funds were combined into "one pot of money" for planning and project development flexibility.
- ▶ In a remarkable achievement, USDOT and FEMA signed an agreement giving FTA responsibility for the \$4.55 billion federal transportation recovery program
- ▶ 2002 Supplemental Appropriations Act provided for \$1.8 billion totally separate from typical FTA/New Starts funding, with the flexibility for the Secretary to apply whichever DOT requirements he chooses, with the exception of ADA, CAA, and NEPA.

Priority projects were identified where the majority of the \$4.55 billion would be spent. These projects restore the service that was lost on September 11th, while also creating new connections that had not been made primarily due to historical competing subway ownership interests. The projects are:

World Trade Center Transportation Hub: \$2 billion project led by the Port Authority of New York and New Jersey. Project would recreate PATH station, improve circulation and serve as gateway for future World Trade Center memorial.

Fulton Street Transit Center: \$750 million project overseen by New York City Transit to connect formerly competing subway lines.

South Ferry Station Improvements: \$400 million project improves connections between subway and ferry service, while creating full-length subway platforms.

The Lower Manhattan Recovery office (LMRO) was created because of the obvious need to have a dedicated FTA office with technical expertise to perform oversight over these recovery projects. LMRO has been charged with the following responsibility:

- ▶ Speedy implementation of recovery projects
- ▶ Deliver projects on schedule and within budget
- ▶ Minimize scope creep
- ▶ Avoid waste, fraud and abuse (Inspector General office emphasized this point)

Although both presenters acknowledged that lessons learned were complicated by the unique nature and size of the LMRO efforts and funding, the creation of a focused team or office has been beneficial in that it has brought different disciplines together—environmental, procurement, financial—that do not typically approach problems or projects the same way. In this way, the multi-disciplinary approach has been a healthy education for all involved.

Mr. Vozzollo and Ms. Braegelmann also emphasized the central role of risk analysis in the LMRO. There has been an early and ongoing application of risk analysis, and the LMRO is monitoring the results of this approach to learn more about what it costs FTA and what FTA gains from it. They both concluded their presentations by reemphasizing the President's commitment to New York's recovery and the key role that transit will need to play in the economic revitalization of lower Manhattan.

Capital Costing and Risk Assessment

William Roberds and Dwight Sangrey of Golder Associates made presentations on how transit agencies can use risk assessment to improve management of projects and public expectations. The presentations began with examples of high profile cost overruns such as Boston's Big Dig or London's Jubilee Line that have created skeptical stakeholders and citizens with regard to large transportation projects. The skepticism is due in large part to the traditional approach to cost estimates: single value estimates rather than ranges based on cost and schedule estimates that could be much more informative.

Both Mr. Roberds and Dr. Sangrey emphasized the need to quantify uncertainty. They cautioned against using a set factor for uncertainty across projects. Uncertainty varies across projects and using estimates that are too conservative can make a project less attractive than it should be, while an overly optimistic estimate can result in severe problems when real costs prove to be much higher.





Their recommendation for attendees was to deal with inevitable uncertainty better by adequately quantifying uncertainty and separating technical aspects of that uncertainty from policy aspects. The benefits of robust uncertainty quantification are:

- ▶ Reduction in controversy, which can lead to consensus
- ▶ The best decision possible
- ▶ Honest communication of uncertainty with management and stakeholders to ensure reasonable expectations

Mr. Roberds and Dr. Sangrey suggested that the costs of this expanded risk assessment approach are small considering the reduction in controversy. Risk management can then be used to plan and take cost-effective actions to reduce risks to more acceptable levels. They explained that although nobody can tell you exactly what a problem will cost, a range can be developed through anticipation and evaluation. If done correctly, both argued that this approach is the best that can be done in uncertain world by:

- ▶ Providing better project estimates through the replacement of lumped contingencies
- ▶ Adequately quantifying the inevitable uncertainties in project cost and schedule
- ▶ Promoting internal and external project communication and understanding

They concluded by emphasizing the need to not simply diagnose where the problems or uncertainties are, but to also recommend strategies for mitigating them.

Reauthorization Update

Richard Weaver of APTA provided attendees at both Roundtables with a summary of APTA's objectives for the reauthorization of TEA-21. He explained that recent polls showed that popular opinion supports growing investment in transit and this evidence will be part of APTA's message as it makes its case to Congress. APTA's goals for reauthorization are based on three themes:

Grow the program: APTA is calling for Congress to double federal spending on the federal transit program to \$14.3 billion a year by FY 2009. This would include almost doubling the New Starts program to \$6.3 million in FY 2004.

Maintain the guarantees: Funding guarantees in TEA-21 have allowed transit systems to leverage federal investment, lower project costs and develop public/private partnerships.

Expedite program delivery: APTA has recommended 40 proposals for improving project delivery, many dealing with the planning process. Specific recommendations include:

- ▶ Strengthen MPOs by increasing their financial resources
- ▶ Strengthen public involvement procedures to make them early and continuous
- ▶ Eliminate the need to reopen NEPA planning decisions unless there is a significant change in the project

- ▶ Encourage the coordination of land use planning and transportation planning
- ▶ Add the words “for funding” to the “highly recommended”, “recommended”, “not recommended” ratings
- ▶ Create a simplified rating system for small starts (projects involving less than \$100 million in New Starts funding)

Mr. Weaver suggested that these goals and recommendations could be funded by continuing the 80/20 split between trust funds and general funds for the Federal Transit Program, and indexing the motor fuel tax to account for inflation. He concluded by asking for attendee support on behalf of APTA in delivering the message to Congress.

Scott Biehl, Assistant Chief Counsel for Legislation at FTA, also made presentations at both Roundtables on the President’s proposal for reauthorization. That proposal—Safe Accountable Flexible Efficient Transportation Equity Act (SAFETEA)—was posted during the Portland roundtable and includes the following elements:

- ▶ \$201 billion for federal highway and \$45 billion for public transportation (\$37 billion guaranteed)
- ▶ Shift from “transit” to “public transportation”
- ▶ FTA funding should be focused on three populations: large urban areas with significant maintenance and repair issues, rapidly growing areas such as the sunbelt states, and rural areas—one of Jenna Dorn’s goals is to decrease the percentage of rural counties unserved by public transportation from 40% to 20%.

One of the most significant changes embodied in the proposal is the combination of several FTA programs into three main programs:

Urban Formula: including 5307 urban area formula and 5309 fixed guideway modernization, and the urban portion of 5309 bus)

State Administered/Managed funds: 5311 rural, 5310 elderly, JARC, New Freedom Initiative, and the remainder of 5309 bus)

Discretionary: 5309 New Starts only

Additional impacts to the New Starts program include the expansion of funding eligibility to non-fixed-guideway facilities (more BRT projects) and altering the New Starts Report system to include one annual report with follow-up reports every four months including only information on projects where there have been significant changes, or the rating has changed.

Mr. Biehl outlined the schedule of Congressional hearings at which the Administration will testify on its proposal. He referred to FAA’s reauthorization and any decisions on the future of Amtrak as potential complications in the reauthorization bill moving forward on schedule. He provided attendees with a sense of the political landscape among the relevant Congressional committee chairpersons. He also identified the level of the gas tax and the debate between donor and donee states as two issues that will have to be resolved before the authorization bill is passed.

Overview of the New FFGA Circular/Guidance on Before and After Studies

Scott Biehl gave attendees a brief overview of the new FTA Circular with Full Funding Grant Agreement guidance. This included a history of FTA's management of the New Starts pipeline and the highlights of Chapter 2, which covers FTA expectations for environmental, quality control, safety/security management plans, finance, and the before after study.

James Ryan provided guidance to attendees at both Roundtables on before and after studies. He asked project sponsors to think of the studies as an opportunity rather than a requirement. He described the study as a way for the project sponsor to highlight successes and “tell the story”, in addition to allowing FTA to identify the best practices in technical work and procedures. Mr. Ryan outlined some of the primary benefits of the before and after study:

- ▶ Highlight the successes of individual transit capital investments
- ▶ Generate information that can be used to improve travel demand forecasting practices
- ▶ Improve the documentation of data and analyses which measure project costs and impacts

He stressed that the purpose of the studies is not to embarrass project sponsors—a big concern voiced by some agencies—nor is it a purely academic exercise. He explained that FTA simply wants to defend itself from its critics, and the information provided through the studies will be an important tool in doing so.

Mr. Ryan briefly recounted the experiences of the three project sponsors, which have been developing before and after studies. These are the Utah Transit Authority (the first FFGA committed to completing the before and after study), LACMTA, and the North County Transit Line in San Diego. One benefit that has already accrued to these agencies is that their taxpayers now have a better sense of what they are getting for their investment.

Mr. Ryan concluded by identifying upcoming work in the area of before and after studies, including the finalization of guidance and the dissemination of model study plans.

Day Two Breakouts (Portland only)

Due to time constraints, Day Two breakouts were held only in Portland. As with the Day One breakouts, attendees selected topic-oriented groups in which to participate. The topics were: NEPA and New Starts, Capital Costing, and Before and After Studies. Reports back from the breakouts featured the following ideas and suggestions.

NEPA and New Starts: Attendees raised several concerns or challenges encountered in the NEPA process. Specific challenges identified were the three-year shelf life of NEPA documents, making the decision on when to start the process and the risks of starting too early, and the reality of local politics sponsors must face. The group suggested that since FTA has political issues as well, that stronger partnerships between sponsors and FTA were needed. Additional FTA staff to provide guidance to project sponsors during the NEPA process was also recommended.

Capital Costing: This group liked the concept of focusing attention on risk items, and was very interested in pursuing it further in the future. They identified several concerns about working with cost ranges—possibility that this can be used to provide political cover, compatibility of ranges with five-year capital programs and transportation plans, and that ranges would create a false sense of security. One suggestion was to use the 50th or 60th percentile in plans and programs.

Before and After Study: One concern was that this requirement would result in a document similar to a “four-inch thick EIS” rather than a thin summary report, although FTA staff assured them that the latter was what they intended. The difficulty in comparing line items from early points in the process with those in the FFGA stage, and the issue of overhead being constant regardless of project scope were some of the other issues raised by attendees.





Making Design-Build Work— An Alternative to Planning and Constructing New Starts Projects (Chicago only)

Sam Carnagghio, FTA’s Director of Engineering, provided Chicago Roundtable attendees with an overview of the pros and cons of the design-build approach to building public transportation projects. He stressed that FTA was not promoting the approach, but rather presenting the realities of design-build so project sponsors could make educated decisions.

Mr. Carnagghio began by relating the history of design-build and transit beginning with ISTEA. The push provided by ISTEA resulted in FTA’s solicitation for demonstration projects. Of 17 letters of intent to participate, four projects were selected. The four projects had varying levels of success with the design-build:

Baltimore Central Light Rail Extensions: on time and slightly under budget

San Juan, Puerto Rico Tren Urbano: currently \$1 billion over budget, due in part to the project owner having too much involvement.

Bay Area Rapid Transit San Francisco International Airport Extension: \$400 million over budget, completed 11 months late

New Jersey Hudson-Bergen Light Rail Transit System: on time and on budget

In order to make design-build work, project sponsors must decide which risk factors to maintain control over (environmental mitigation and right of way acquisition are two recommended by Mr. Carnagghio), and which to pass onto the contractor. He reminded attendees that any risks passed on to the contractor will be included in their budget assuming a worst-case scenario.

He explained that the primary benefits of design-build are expedited procurement and accelerated schedules for the project. Saving time should be the goal when using this approach, not necessarily saving money. He also emphasized the importance of project owners distancing themselves from an oversight role—every time they touch the project the cost will go up. He recommended a definitive scope and cautioned that the further into design project sponsors go, the greater the cost due to sacrificing contractor creativity. Mr. Carnagghio concluded by recommending that any project sponsor interested in pursuing this construction method first contact those agencies with FFGAs for projects employing this approach. He listed New Jersey Transit, WMATA, BART and Denver RTD as examples.

Walking Tour: Success Stories of Exceptional Land Use Planning (Portland only)

Several representatives from Portland Metro and TriMet led small groups in an afternoon walking tour of Portland. The tours focused on success stories in land use planning in Portland's downtown and beyond. Highlights of the tour included Pioneer Square, where a surface parking lot has been transformed into the central gathering place downtown, and new development in the Lloyd District across the Willamette River from downtown, where growth has been focused along TriMet's light rail line.



Summary of Roundtable and Next Steps

In Chicago, Charlotte Adams closed the Roundtable by reviewing the list of participant issues identified on Day One. She summarized them into three principal groups: process and substance, communications, and specific topics. Nearly all of these issues had been covered in some depth through either a formal session or through the informal question and answer sessions. She thanked attendees for their attendance, their participation, and most of all for contributing their insight and unique ideas to the New Starts program. She gave special thanks to the hosts from CTA. She looked forward to seeing everyone again at the 2004 Roundtable.

Jim Ryan summarized the West Coast Roundtable in Portland with a similar review of participant issues. Most of these had been addressed during the two-day Roundtable, and he provided staff contact information to learn more about one issue that had not been covered—innovative finance. He outlined the next steps, which were the Roundtable proceedings, the update of FTA's New Starts action plan, and the formation of Roundtable committees to ensure that this event was part of an ongoing conversation. He thanked the hosts—Metro and TriMet—staff, participants and Deputy Director Robert Jamison for their attendance and hard work throughout the Roundtable.

Day Three Tours

On the final day of the Roundtables, the host agencies led tours of a local New Starts corridor. In Chicago, CTA gave attendees a bus tour of the Blue Line's Cermak Branch reconstruction. The tour focused on bridge replacement, ADA issues, maintaining service through construction, and the use of New Starts funding for reconstruction purposes. In Portland, TriMet and Metro gave a tour of Portland's Westside corridor. The focus of this tour was the future implementation of commuter rail in the corridor, and transit oriented development projects that are in various stages of construction in Beaverton and Orenco.

Rating the New Starts Roundtables

Participants unanimously recommended the 2003 New Starts Roundtable series with the overwhelming number of respondents giving the series a "Highly Recommended" rating in the post-conference evaluation forms.



Participants were asked to categorize the content of the Roundtables, with specific questions requesting feedback on the usefulness of information, knowledge of presenters, and presentation aids. The responses were overwhelmingly positive. Well over ninety percent of responses on these questions were either "excellent" or "very good".

Participants were also asked to share their thoughts on the strong points of the New Starts Roundtable series. Some of the most frequently mentioned strengths of the program included:

- ▶ Information update on the New Starts program
- ▶ Breakout sessions
- ▶ Access to FTA staff
- ▶ Access to peer agencies

The depth of topics covered, the presentations, and the opportunities for discussion were other frequently cited strong points.

Participants also looked ahead and offered a variety of suggestions for locations for the 2003 Roundtable series, with New York City, Boston and San Francisco being the most frequently named locations.

NEW STARTS ROUNDTABLES 2003

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