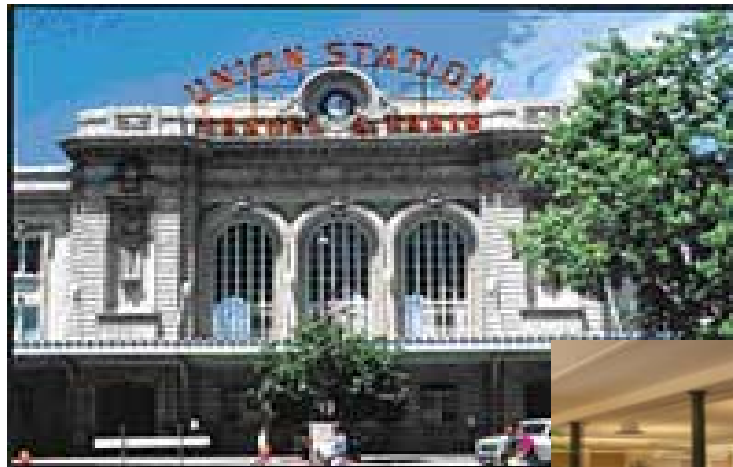




Chicago 2006

Understanding and Using Federal Legislation and Regulations: Power Through Knowledge



Denver Union Station





Rendering: Charlotte, NC

Brigid Hynes-Cherin
Federal Transit Administration
Office of Planning & Environment
November 7, 2006

Outline

- Existing New Starts Process
 - Purpose and Environment
 - Steps in the Process
 - Systems Planning
 - Alternatives Analysis
 - Preliminary engineering
 - Final Design
 - Construction
 - Operations
 - Ratings
- Simplified Small Starts Process
- SAFETEA-LU changes
- Regulations and Guidance

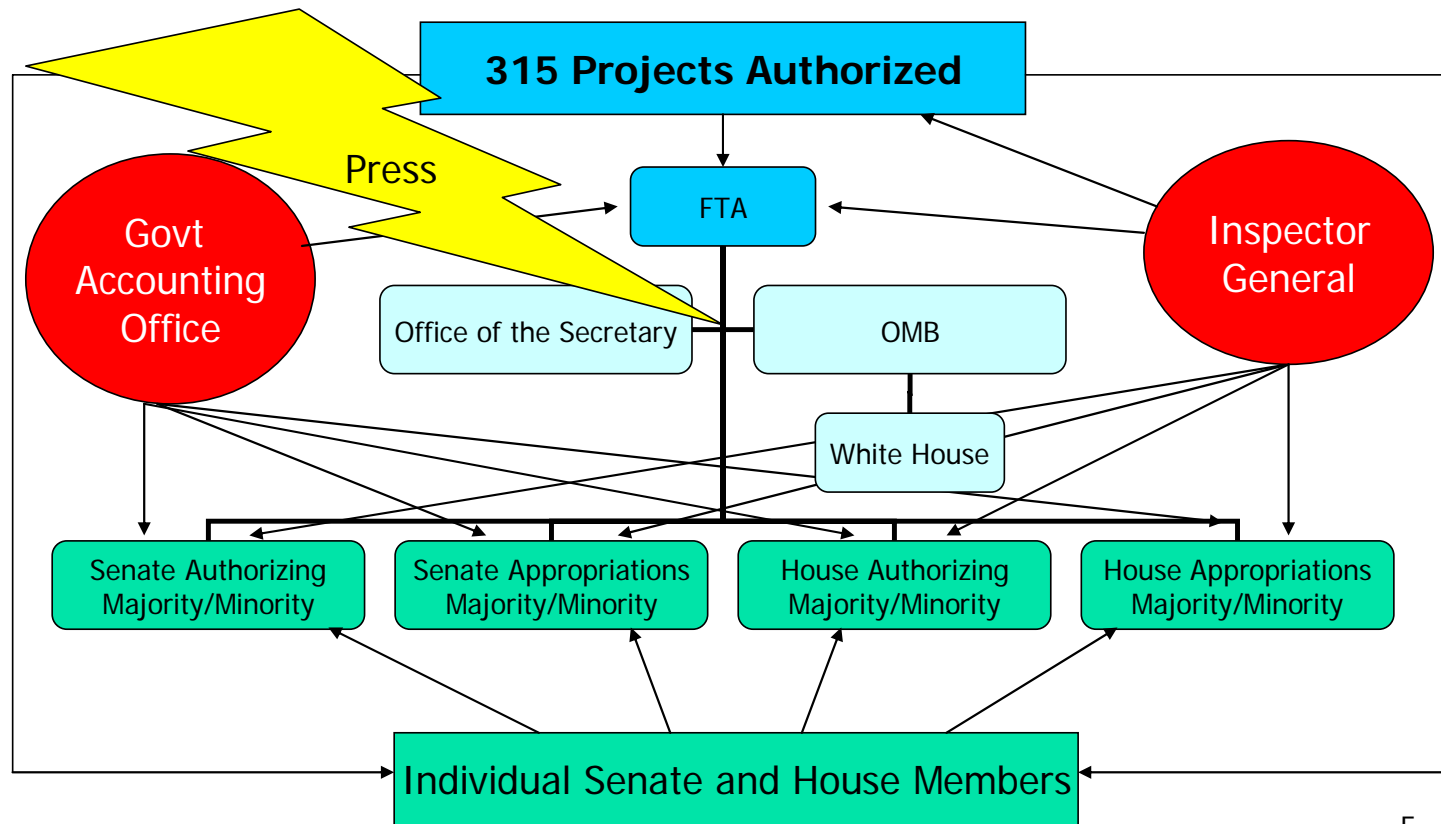
New Starts Program Goals

- Fund meritorious projects
- Develop reliable information for decision-making on project benefits and costs
- Ensure projects treated equitably nationally
- Facilitate communication between FTA, transit industry and Congress

How FTA Meets Its Goals

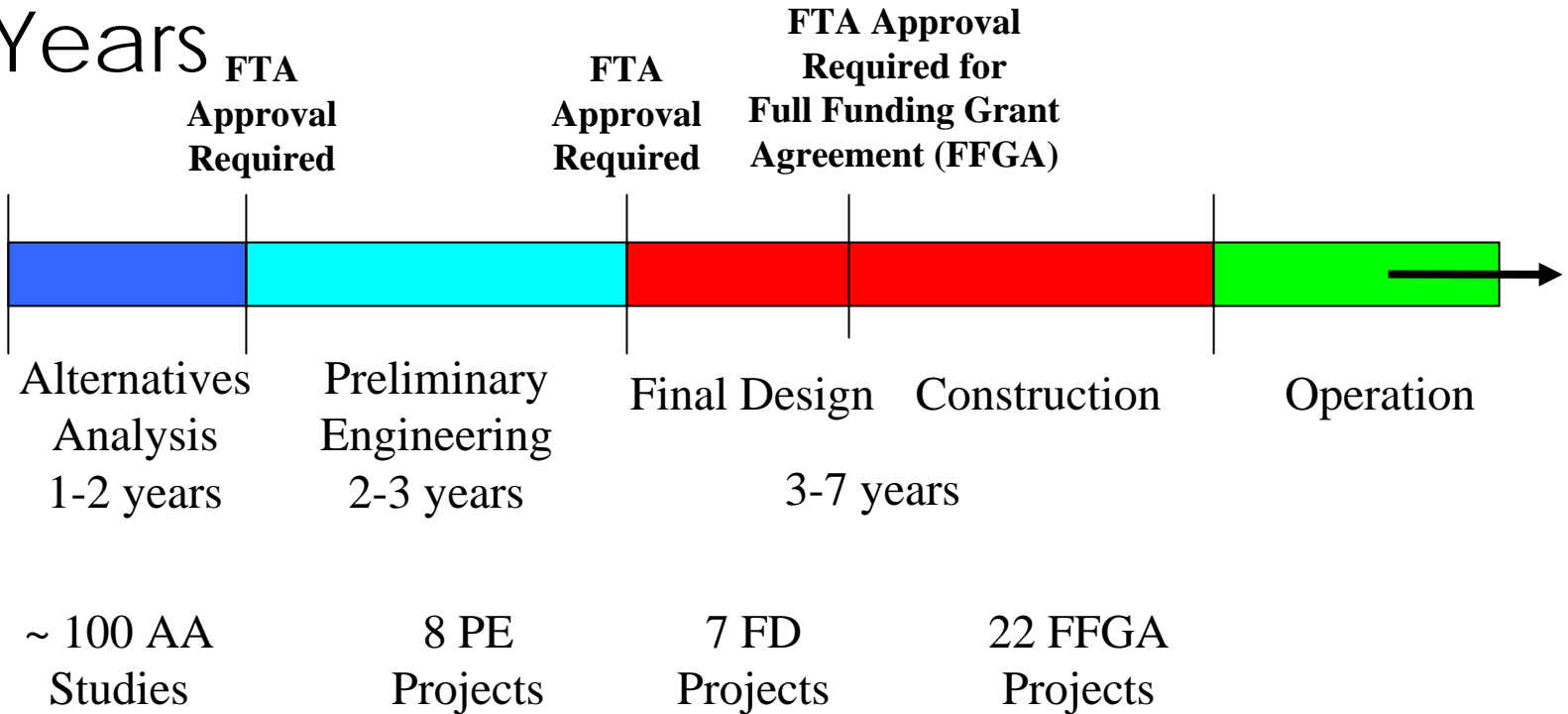
- Sound and rigorous management of the program
- Promote - and assist in - the development of reliable information on costs and benefits
- Transparent evaluation process
- Local decisions, project ratings, and funding recommendations are based on the best information available to both the public and decision-makers

The New Starts Environment

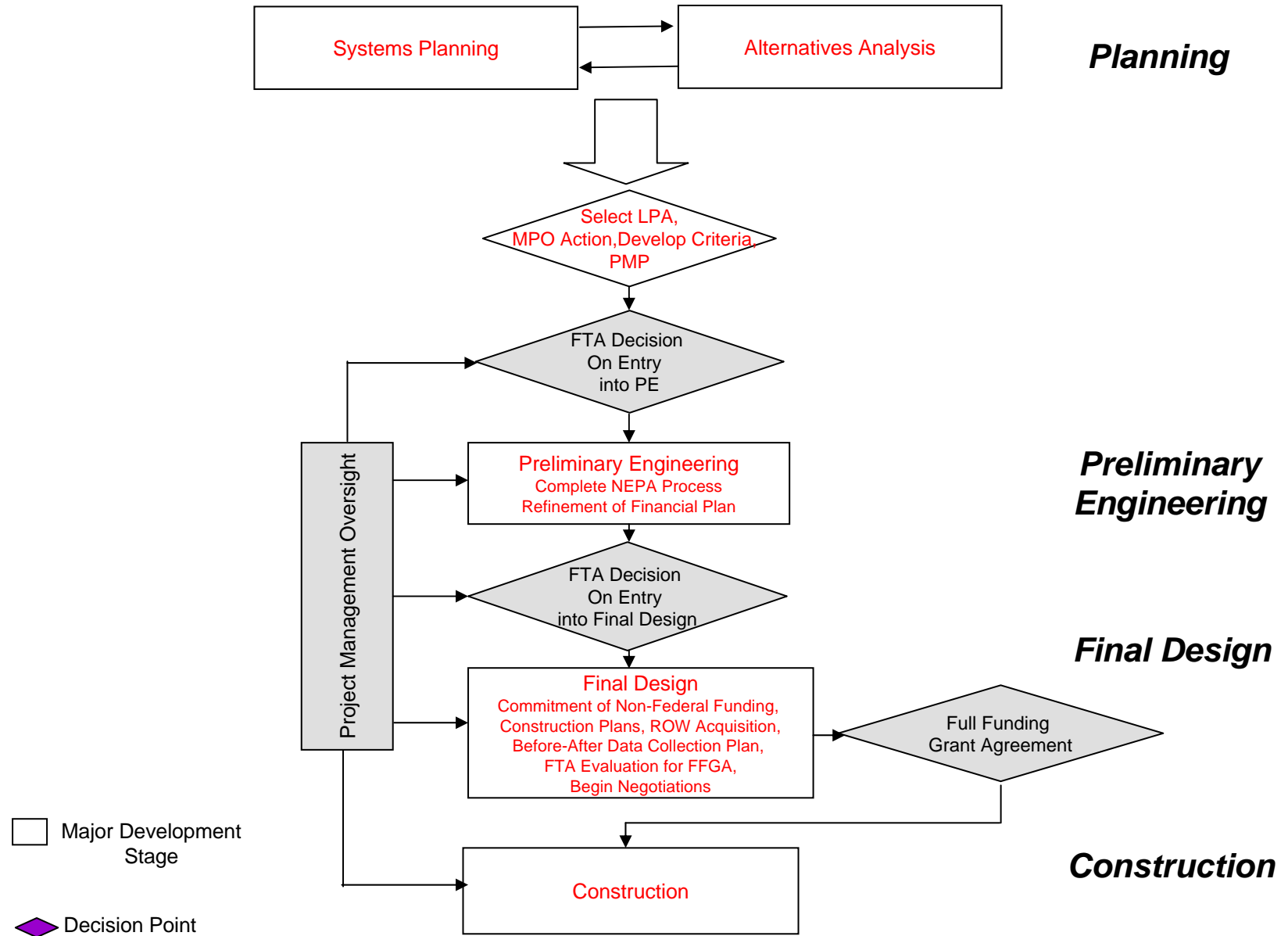


New Starts Process

Project Development: Typically 6-12 Years



New Starts Planning and Project Development Process



Key Decisions for Each Phase of Project Development

- Systems planning: needs, policies, priority corridor(s)
- Alternatives analysis: mode and alignment, realistic financial plan, supportive land use
- Preliminary engineering: final scope/cost, completion of NEPA, firm up financial plan and land use
- Final design: construction documents, commitment of funds
- Full Funding Grant Agreement: FTA share, ROD, commitment to pay overruns
- Construction: schedule/budget adherence
- Operations: Before & After study

Planning: Lessons Learned

- Good planning = *good decisionmaking*
- Pay attention to the early decisions
- Don't plan to deal with planning issues in PE
- Acknowledge, manage, and minimize risk
- Need for consideration of a wide range of alternatives *with consistent policy assumptions*
- Need to invest the time and resources to do it right
- FTA should be involved early on and throughout the process
- FTA can add value!

Preliminary Engineering - What is it?

- All environmental impacts are identified with adequate provisions for their mitigation
- All major project elements are designed to a level where no significant uncertainties relative to cost will occur
- All cost estimating is complete to the level of confidence necessary for the project sponsor to implement the financial plan, including establishing the maximum New Starts amount

Final Design – What is it?

- Refine project definition and eliminate risks related to design scope
- Prepare bid packages and schedule taking into account market risks
- Commit all non-New Starts funds
- Mitigate any remaining uncertainties (i.e., geotechnical, real estate, utility relocations, freight railroad ROW)
- Adopt project management plans that address contingency and risk management

Full Funding Grant Agreement (FFGA)

– What is it?

- Formal Agreement signed by FTA and Grantee, following detailed review by DOT, OMB and Congress
- Agreement on Project Scope, Budget, and Schedule (ROD)
- Terms and Conditions of Federal Participation, including a cap on 5309 funds
- Multi-year Funding Commitment (subject to Congressional Appropriations)

Full Funding Grant Agreement

- To receive an FFGA a project must:
 - Be Authorized in Law
 - Complete the Planning, Project Development, and NEPA Processes
 - Meet Project Readiness Requirements (technical capacity, firm and final cost estimate and funding)
 - Receive a “Medium” or higher overall rating
 - Receive a “Medium” or higher cost effectiveness rating
 - Meet all other Federal Requirements

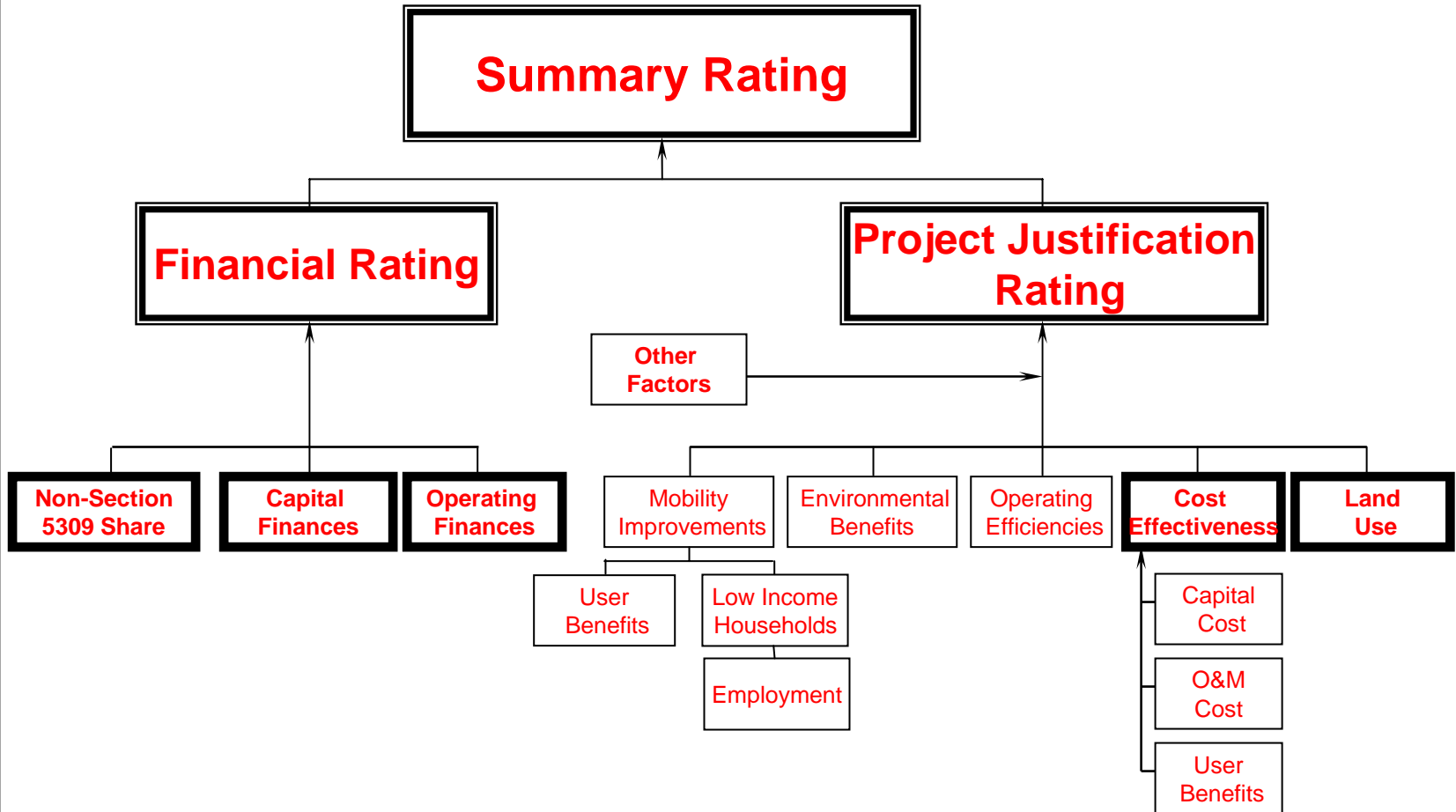
Construction Requirements

- Work closely with FTA Regional office and PMOC
- Advise FTA immediately if any slippage in schedule or cost increases
- Use contingency and risk management plans to manage cost increases
- Develop recovery plan, if needed

Operations Requirements

- Conduct Before and After study two years after opening
- Submit report within 30 months of opening

The FTA New Starts Evaluation and Rating Framework



Minimum Project Development Requirements:

Metropolitan Planning and Programming Requirements	Project Management Technical Capability	NEPA Approvals	Other Considerations
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Cost Effectiveness Measure

- Cost per unit of benefit equals
 - Cost measure: Annualized incremental capital (federal and local) plus annual operating cost
 - divided by
 - Benefit measure: hours of transportation system user benefits

What's a "user benefit"

- A measure of changes in travel time which reflects locally-derived values for trip components
- Captures value of the following components
 - In-vehicle time
 - Walk and wait time
 - Number of transfers
 - Modal constants

Cost Effectiveness

■ Rating Values:

■ Low	>\$29 per hour
■ Medium-low	\$23 - \$28.99 per hour
■ Medium	\$15 - \$22.99 per hour
■ Medium-high	\$11.50 - \$14.99 per hour
■ High	< \$11.49 per hour

- Original Medium Low of \$25 Based on:
 - National Value of time (\$10.00)
 - + 25% for Highway Congestion (\$2.50)
 - + 100% for all other benefits (\$12.50)

SAFETEA-LU Small Starts

- Capital for New or Extensions to Fixed Guideway Systems or substantial Bus Corridor Improvements
- Total project cost must be less than \$250 million and New Starts Funds must be less than \$75 million
- Separate funding category beginning in FY 07
- Streamlined criteria and process
 - Project Justification
 - Cost Effectiveness based on opening year estimates
 - Land Use & Local Economic Development
 - Reliability of cost and ridership estimates
 - Local Financial Commitment
 - Local Share, Capital Finance Plan, Operating Finance Plan but for opening year

SAFETEA-LU's New Starts Changes

- Ridership/cost estimate incentives – higher Federal match where cost and ridership estimates within 10% range of PE forecasts
- Cost control incentive – grantees keep portion of savings
- New Criteria – reliability of ridership and cost forecasts, economic development
- Before and After” Studies required

SAFETEA-LU Other 5309 Changes

- Contractor Performance Assessment Report
 - FTA annual report on consistency and accuracy of cost and ridership estimates
 - Grantees must consult CPAR in selecting contractors
- Alternatives Analysis funding provided under a new discretionary grant program 5339 (\$25M/year)

SAFETEA-LU Penta-P

Public-Private Partnership Pilot Program

- Open to projects that:
 - Do not yet have an FFGA
 - Do not have all financing committed & available yet
 - Participation of private sector partner would help complete financing plan
- Expression of interest (5): Georgia DOT w/ Regional Transit Authority; BART, Raleigh-Durham; Houston Metro; and Dulles Rail Corridor (VA)
- Selection criteria under development

New Starts Policy Guidance

- NEPA interface with New Starts
 - Complete scoping prior to entry into PE
 - Include New Starts information in DEIS/FEIS/ROD
- CEO certification of technical methods – connection between MPO certification reviews and certification in the New Starts process
- Preservation of information for before and after study at entry into PE/FD/FFGA
- Analysis of uncertainties of cost and ridership estimates
- Cap New Starts funding at entry into Final Design
- Cannot use modal constant unless have mode in your area

Metropolitan and Statewide Planning Regulation (23 CFR 450)

- Status of Regulatory Process
 - NPRM issued on June 9, 2006
 - Final rule by January 2007, effective July 2007
- TIPs and STIPs are 4 or 5 year (fiscally constrained)
- Transportation plan/program must “promote consistency” with planned growth and economic development
- Provides for linking planning and NEPA (project must be in plan)
- Must discuss potential environmental mitigation activities (at policy or strategic level – *not* project)
- Participation Plan required
 - Developed in consultation with interested parties
 - Identifies procedures, strategies, and desired outcomes

Environmental Streamlining (6002)

- Status of Regulatory Process
 - Issued Guidance for comment in June,
 - Issue final guidance later this month
 - Issue changes to 23 CFR 771 next year
- Formalized joint lead agencies
- New scoping requirements (purpose and need, range of alternatives, likely impacts)
- Must come to the table or out
- Statue of limitations after FR Notice

Joint Development Guidance

- SAFETEA-LU added intercity bus and rail stations and terminals
- Status of Guidance Process
 - Issued draft guidance in August
 - Issue final guidance by end of year
- Key features
 - Flexibility, provides examples not standards, does not set revenue sharing basis
 - Provide certification process for leases
 - FTA will focus review on transfer of property – grantee can negotiate terms and conditions – and assuring continuing use and control