



# **Fresh Start for New Starts: FTA Perspective**

**October 2010**



## Outline

- Program Overview
- Recent Policy Initiatives
- Advance Notice of Proposed Rulemaking
- Process Streamlining Issues



# Program Overview

- **What is a New or Small Start?**
  - New “fixed guideways” and extensions to existing systems
  - Corridor based bus systems
  - Includes light rail, heavy rail, commuter rail, bus rapid transit
- **A Discretionary & Competitive Federal Grant Program**
  - \$1.99 billion appropriated in Fiscal Year 2010
  - Demand for funds exceeds supply
  - Historical average federal New Starts share = 50%
  - Largest discretionary Obama Administration Livability program
- **Evaluation** – As directed in law, FTA evaluates and rates projects:
  - Annually in a Report to Congress (due First Monday in February)
  - For entry into Preliminary Engineering
  - For entry into Final Design
  - Prior to Full Funding Grant Agreement (FFGA) and construction
- **Record of Success** – Over 100 major projects over 35 years

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## Characteristics of a New Starts Project

- New fixed guideway systems and extensions
- New Starts funding sought is  $> \$75M$  and/or costs  $\geq \$250M$
- Fixed guideway is either:
  - rail OR
  - a separate right-of-way for the use of public transportation or high occupancy vehicles OR
  - a catenary and right-of-way usable by other forms of transportation



# Characteristics of a Small Starts Project

- Total cost <\$250 million and Small Starts share <\$75 million
- Fixed guideway along at least 50 percent of the project length in the peak period. Fixed guideway is:
  - rail OR
  - a separate right-of-way for the use of public transportation or high occupancy vehicles OR
  - a catenary and right-of-way usable by other forms of transportation OR
- Corridor bus project including at least:
  - Substantial transit stations
  - Traffic signal priority or pre-emption
  - Low floor buses or level boarding
  - Branding of the proposed service
  - 10 min peak/15 min off-peak headways or better while operating at least 14 hours a day



# Funding Supply and Demand

- Demand:
  - 25 New Starts projects in PE and Final Design
  - 10 Small Starts projects in Project Development
  - Total cost of pipeline: ~\$35 billion, ~\$15 billion in New/Small Starts funding
  - FTA tracking >100 corridor focused planning studies considering major transit capital investments
- Supply: approximately \$1.8+ billion annually

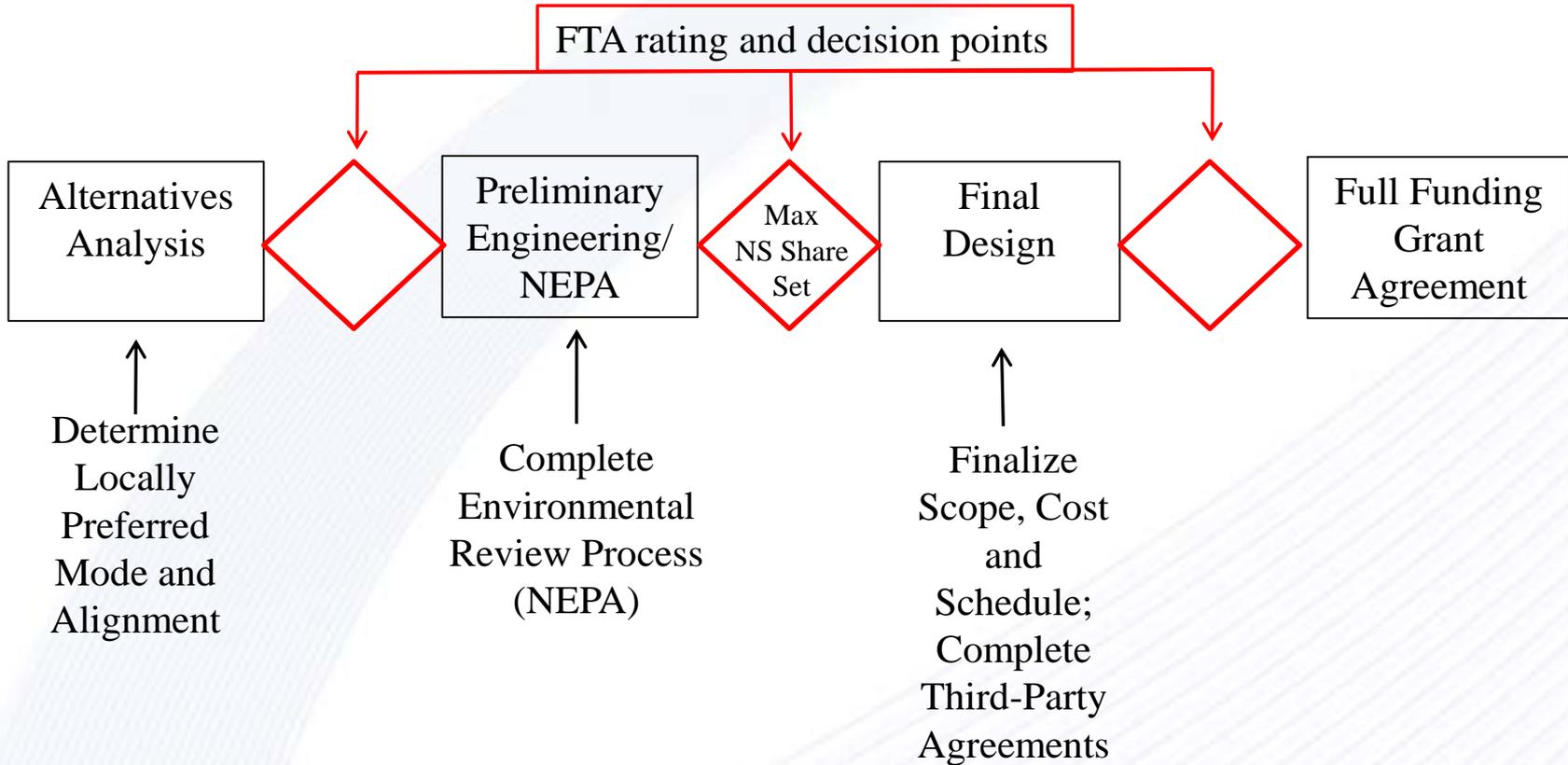


## Program Goals

- Fund meritorious projects
  - Develop reliable information on project benefits and costs
  - Ensure projects treated equitably nationally
  - Transparent evaluation process
  - Local decisions, project ratings, and funding recommendations are based on the best information available to both the public and decision-makers
  - Facilitate communication between FTA, transit industry and Congress

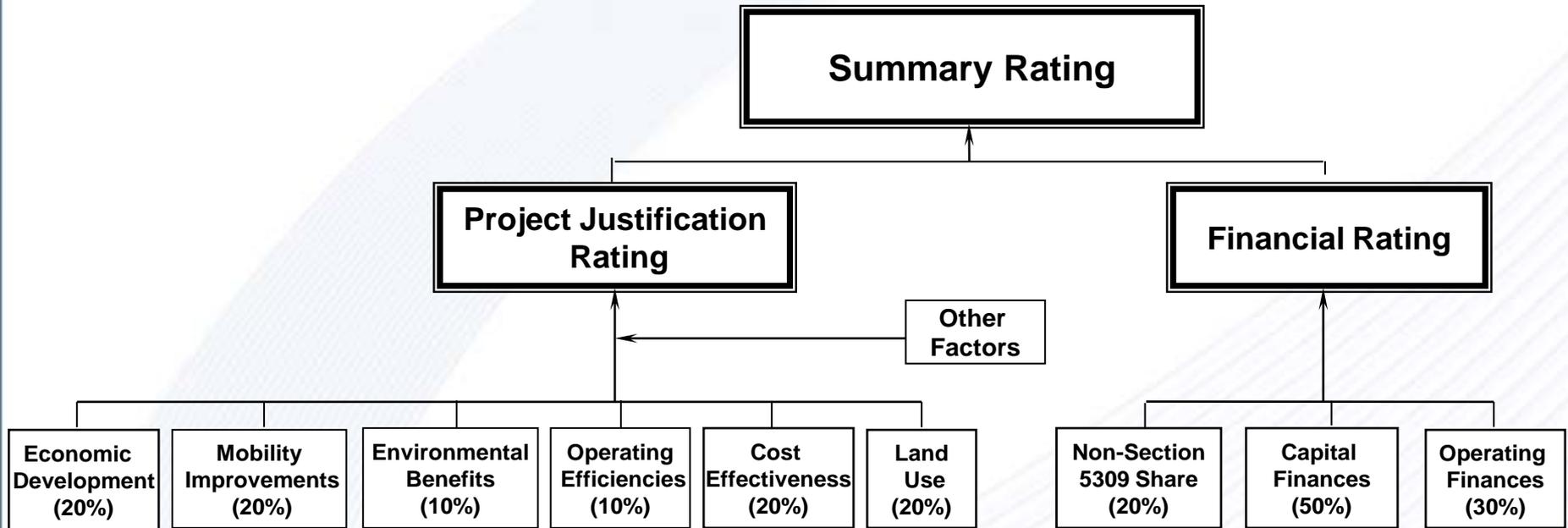


# New Starts Project Development Process





# New Starts Rating





## Recent Policy Initiatives

- Policy Guidance (July and September 2009):
  - Reweighted the evaluation criteria
  - Expanded automatic pre-award authority
  - Streamlined FTA Letter of No Prejudice approvals
  - Made submission of some data voluntary rather than mandatory
  - Allowed simplified travel forecasting methods



## Recent Policy Initiatives (continued)

- January 2010 - Rescinded cost-effectiveness budget decision rule; committed to
- June 2010 - Publication of ANPRM, public outreach sessions
- August 2010 – ANPRM Comment Period Closed



## Why an ANPRM?

- More fully realize the livability and sustainability goals of the Obama Administration
- Give more meaningful consideration to the full range of benefits that transit can provide
  - mobility benefits and other important economic development, environmental, social, and congestion relief benefits
- Encourage participation and comment on potential approaches



## **Subjects in the ANRPM**

- Cost Effectiveness
- Environmental Benefits
- Economic Development



## Cost Effectiveness

- Current Calculation:
  - annualized capital and operating cost per hour of travel time savings
  - costs and benefits of proposed project compared to “Baseline Alternative” (usually a lower cost bus option)
- Rating thresholds based on value of time
- Non-mobility benefits are not calculated individually, but instead assumed to be directly proportional to mobility benefits
- An allowance is made within the cost-effectiveness thresholds for non-mobility benefits



## Cost Effectiveness

- How should FTA measure the benefits of transit investments?
- What benefits other than mobility should be calculated?
- How best to quantify the other benefits?
- Are there simpler benefit measures?
- How to address baseline alternative?
- Consider additional benefit categories?
- Use opening year or forecast year?



## Environmental Benefits

- Current approach:
  - EPA Air Quality Designation for the Metropolitan Area
- Former approach:
  - reductions in emissions based on change in VMT
- FTA examination of different approaches:
  - October 2008 Colloquium
  - Funding ongoing TCRP Project
  - EO 13514 – Federal Leadership in Environmental, Energy, and Economic Performance



## Environmental Benefits

- How should FTA measure the environmental benefits of transit investments?
- Should FTA use a broad definition of the environment or focus on specific areas such as air quality or greenhouse gas emissions?
- Should FTA consider project specific impacts or the project's relationship to the broader context?
- Should mitigation of project construction impacts be considered?
- Is vehicle usage reduction a good measure?



## Environmental Benefits

- Should FTA evaluate factors such as LEED certification, use of low impact implementation measures, or use of “green energy”?
- How should FTA take into account the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance?
- How could FTA measure and compare technology improvements in assessing projects?
- Should environmental benefits be counted in cost-effectiveness and/or incorporated in funding decisions?



# Economic Development

- Current FTA approach:
  - Defined as extent to which project enhances transit oriented development (TOD)
  - Evaluate transit supportive land use and development policies
- FTA examination of different approaches:
  - Convened 2007 Expert Panel
  - Funding ongoing TCRP Research
  - Published January 2009 discussion paper



## Economic Development

- How should FTA address project impacts on land use and/or economic development?
- Should FTA continue its current approach?
- Should FTA define economic development differently?
- Should FTA use quantitative or qualitative approaches or both?
- What scale should be used to measure economic development – corridor or region?



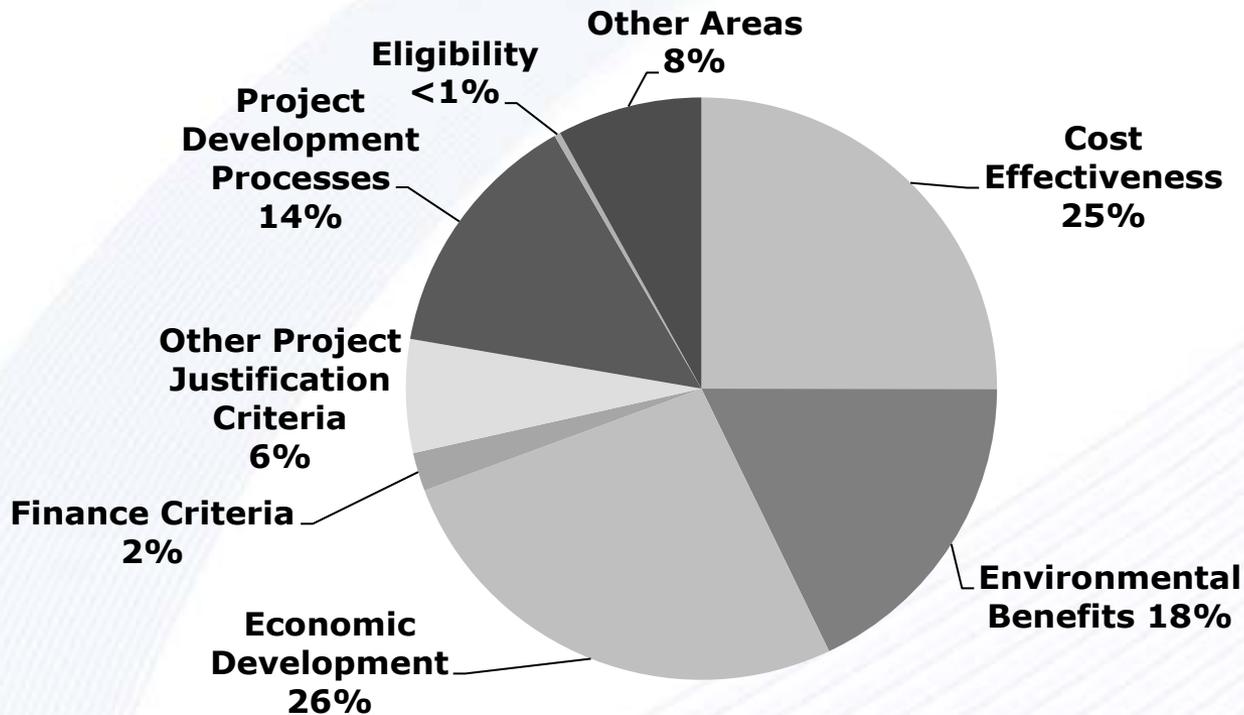
## Economic Development

- How can FTA distinguish between land use and economic development effects?
- How can FTA distinguish between development new to a region caused by the project and development relocated due to the investment?
- Should FTA assess how plans, policies, and incentives are likely to lead to employment increases?
- Are land value increases a good measure of economic development potential?
- Should economic development benefits be part of the cost-effectiveness measure?



# Comments Received

2,066 distinct suggestions from 164 non-duplicate submissions





## **Process Streamlining Issues**

- **Can We Rely on Other Processes?**
  - National Environmental Policy Act (NEPA) Process
  - Metropolitan Planning Process
  - Local Decision-making
- **Can We Make FTA Decisions More Expeditiously?**
  - Earlier Funding Decisions to Reduce Uncertainty
- **Can We Tailor Oversight and Reviews?**
  - Scale and Scope of the Project
  - Project Sponsor Characteristics/Experience



## How Can We Speed Up the Process?

- Could we allow more projects to pre-qualify?
  - Develop automatic medium or better rating if certain thresholds are met
- Could we develop different “tracks”, with different timeframes?
  - Complexity of the project
  - Experience of project sponsor
  - Amount of New Starts funding requested
- Could we intensify FTA’s use of concurrent rather than sequential reviews to the maximum extent possible?



# How Can We Better and More Clearly Define “Worthy” Projects?

- Can we simplify the data submitted by project sponsors
- Can we simplify the evaluation methods?
- How can we better incorporate the Administration’s livability initiative?



## How Could We Get to Decisions Sooner?

- Is it possible to provide earlier funding commitments?
- Could we determine that if the project stays within the “envelope” then FTA will not need to re-evaluate the project?



## Next Steps

- Notice of Proposed Rulemaking
- DOT Legislative Proposal
- Reauthorization
- New/Final Rulemaking