

Why GAO Did This Study

FTA's Capital Investment Grants program is the primary source of federal financial assistance to support transit projects that are locally planned, implemented, and operated. FTA evaluates and rates projects seeking funding through this program according to statutory criteria and recommends to Congress which projects to fund. The funding that project sponsors receive is subject to congressional appropriation.

MAP-21 includes a provision for GAO to biennially review FTA's implementation of the Capital Investment Grants program. This report discusses: (1) FTA's progress in addressing statutory provisions contained in MAP-21 and the FAST Act and (2) how the evaluation and rating process FTA has established for Core Capacity Improvement projects enables FTA to verify that statutory requirements are met before recommending such projects for funding. GAO reviewed the relevant laws and FTA's guidance. GAO also interviewed FTA officials and six project sponsors, representing seven of the eight Core Capacity Improvement projects in the Capital Investment Grants program at the time of GAO's review.

What GAO Recommends

FTA should initiate a rulemaking regarding the evaluation and rating process for Core Capacity Improvement projects and take steps to address two other statutory provisions. FTA agreed with the recommendations but disagreed with certain findings on which they are based. GAO believes these findings are valid, as discussed in this report.

View [GAO-18-462](#). For more information, contact Mark L. Goldstein at (202) 512-2834 or GoldsteinM@gao.gov.

CAPITAL INVESTMENT GRANTS PROGRAM

FTA Should Address Several Statutory Provisions

What GAO Found

The Federal Transit Administration (FTA) has not addressed three statutory provisions concerning the Capital Investment Grants program contained in the Moving Ahead for Progress in the 21st Century Act (MAP-21) and the Fixing America's Surface Transportation Act (FAST Act). Specifically, FTA has not:

- issued regulations regarding the evaluation and rating process for Core Capacity Improvement projects, which are a category of eligible projects within the program;
- established a *program of interrelated projects* designed to allow for the simultaneous development of more than one transit project within the Capital Investment Grants program; or
- implemented a pilot program designed to create a fast-track approval process for transit projects that meet specific statutory criteria.

Throughout this review, FTA officials told GAO they do not have immediate plans to address these three statutory provisions. Officials cited a proposal by the President to phase out the Capital Investment Grants program as one of the factors influencing this decision. However, in March the Consolidated Appropriations Act, 2018, provided the program with more than \$2.6 billion and required FTA to continue to administer the program in accordance with the procedural and substantive requirements specified in statute. Subsequently, FTA officials told GAO that they are reviewing the Act and determining next steps. However FTA officials did not indicate that they intend to address these provisions. If FTA does not implement the outstanding provisions, FTA and project sponsors—that is, local transit agencies—may be missing opportunities to deliver transit projects more efficiently.

Based on a review of FTA's policy guidance, on FTA's instructions for applying to the Capital Investment Grants program, and on other documentation supporting the two Core Capacity Improvement projects that FTA has recommended for funding as of June 2017, GAO found that FTA has established a process to verify that proposed Core Capacity Improvement projects meet statutory requirements before recommending projects for funding. Core Capacity Improvement projects are capital investments designed to increase the capacity of an existing transit system and must meet specific statutory requirements to be eligible for funding through the program. GAO found that prior to recommending a project for funding FTA works with project sponsors to verify that their proposed project includes elements that will increase transit system capacity versus maintaining the current system, that the required amount of local funding is committed to the project, and that sponsors have the technical and financial capacity to complete the project they are proposing, among other statutory requirements.