



November 2024

TRANSPORTATION GRANTS

Implementation of
Recommendations to
Improve
Documentation Would
Enhance Program for
Large, Complex
Projects

GAO Highlights

Highlights of [GAO-25-107102](#), a report to congressional committees

Why GAO Did This Study

The Mega program provides funding for large, complex projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits. Mega projects include highways, bridges, intercity passenger rail, and transit. DOT awarded \$1.2 billion in fiscal year 2022 funding to nine Mega applications.

The Infrastructure Investment and Jobs Act includes a provision for GAO to examine DOT's process for selecting Mega projects for award. This report discusses (1) the characteristics of Mega applications, and (2) the extent to which DOT's selection process aligned with specified DOT guidance and federal regulations for grants management.

GAO reviewed DOT's Notice of Funding Opportunity, evaluation guidelines, and documentation of the Mega selection process for fiscal year 2022; analyzed application and award data; and interviewed DOT officials. GAO also compared DOT's selection process with DOT guidance and federal regulations for discretionary grant programs.

What GAO Recommends

In previous reports, GAO recommended that DOT improve documentation of key decisions for other discretionary grant programs and that it defines how an application may qualify as an exemplary project. Implementing these recommendations would enhance the Mega program. GAO will continue to monitor DOT's progress on this issue as part of ongoing work.

View [GAO-25-107102](#). For more information, contact Elizabeth Repko at (202) 512-2834 or repkoe@gao.gov.

November 2024

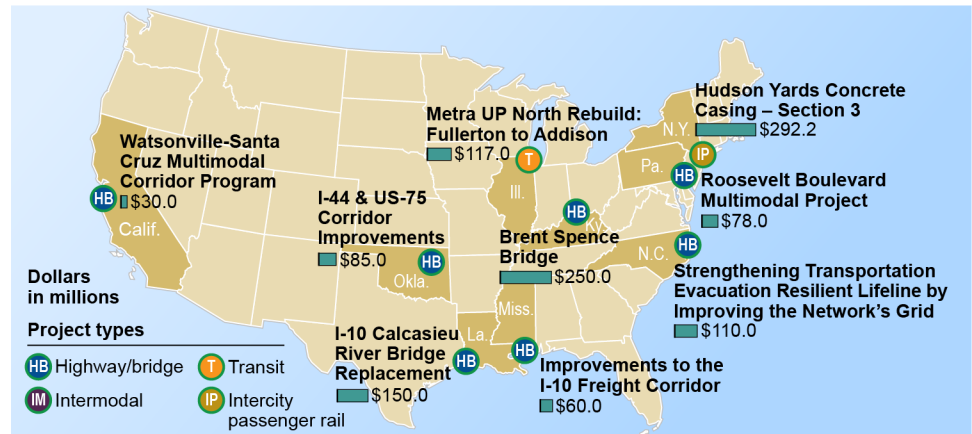
TRANSPORTATION GRANTS

Implementation of Recommendations to Improve Documentation Would Enhance Program for Large, Complex Projects

What GAO Found

In March 2022, the Department of Transportation (DOT) announced over \$1 billion available for award under its National Infrastructure Project Assistance (Mega) discretionary grant program. Mega provides grants on a competitive basis to support large, complex transportation projects. Of the 259 Mega applications received for fiscal year 2022, DOT advanced 128 for award consideration. Most of these applications were submitted by state governments. Approximately 70 percent of the applications requested a total of \$18.1 billion for highway or bridge projects, and the remaining applications requested a total of approximately \$10 billion primarily for intermodal, intercity passenger rail, or transit projects. The Secretary of Transportation selected nine applications for award.

Locations of Projects That Received National Infrastructure Project Assistance (Mega) Program Awards, Fiscal Year 2022



Source: GAO presentation of Department of Transportation information; Map Resources (map). | GAO-25-107102

GAO found that DOT's selection process for the Mega program generally aligned with specified DOT guidance and federal regulations for discretionary grant programs. For example, DOT followed up with applicants to obtain additional information as outlined in its evaluation guidelines. However, DOT did not fully document the rationale for key decisions, as required by DOT guidance. Specifically, DOT did not document how it determined some projects were "exemplary," a designation that applications are highly recommended. According to DOT officials, "exemplary" means standing out among peers as a model. Yet, DOT's documentation only stated that applications deemed "exemplary" were strong in a particular area and did not explain what distinguished them from other applications. DOT officials stated that they believed DOT had documented its determinations and explained how they related to the program criteria. GAO previously recommended that DOT more fully document key decisions for other DOT discretionary grant programs and clearly define how a project may qualify as exemplary. By implementing these recommendations, DOT can improve the transparency of the selection process for the Mega program.

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Abbreviations

DOT	Department of Transportation
IIJA	Infrastructure Investment and Jobs Act
INFRA	Nationally Significant Multimodal Freight and Highway Projects grant program
Mega	National Infrastructure Project Assistance grant program
MPDG	Multimodal Project Discretionary Grant Program
NOFO	Notice of Funding Opportunity
OMB	Office of Management and Budget
RAISE	Rebuilding American Infrastructure with Sustainability and Equity grant program
Rural	Rural Surface Transportation Grant Program
SRT	Senior Review Team

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November 13, 2024

The Honorable Maria Cantwell
Chair
The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Sam Graves
Chairman
The Honorable Rick Larsen
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

In November 2021, the Infrastructure Investment and Jobs Act (IIJA) created a new discretionary grant program, the National Infrastructure Project Assistance program,¹ referred to by the Department of Transportation (DOT) as Mega. This program provides grants on a competitive basis to support large, complex transportation projects that are difficult to fund by other means and likely to generate national or regional benefits. Eligible Mega projects include highways, bridges, rail and highway grade separations, and multimodal combinations. State, local, and other public entities are eligible to apply for funding to complete such projects that are “in significant need of federal assistance.” The IIJA appropriated \$5 billion to DOT to carry out Mega program grants for fiscal years 2022 through 2026.²

In response to the IIJA, in March 2022, DOT published a Notice of Funding Opportunity (NOFO) that solicited applications for the Mega program along with two other discretionary grant programs: the Rural Surface Transportation Grant Program (Rural) and the Nationally Significant Multimodal Freight and Highway Projects grant program (INFRA).³ DOT refers to these three programs as Multimodal Project

¹IIJA, Pub. L. No. 117-58, div. B, tit. I, subtit. B, § 21201, 135 Stat. 429, 663 (2021).

²IIJA, div. J, tit. VII, 135 Stat. 429, 1412 (2021).

³87 Fed. Reg. 17108 (Mar. 25, 2022). For the period of fiscal years 2022 through 2026, the IIJA provided up to \$2 billion for the Rural program and up to \$8 billion for the INFRA program.

Discretionary Grant programs (MPDG). DOT plans to use a combined solicitation for the three programs through fiscal year 2026.

In our January 2024 report on the INFRA program, we found that the overall application review process for the MPDG consisted of three steps: (1) the combined solicitation process; (2) a combined evaluation process; and (3) a selection process. During the selection process, a Senior Review Team (SRT)—which consisted of senior officials selected by the Secretary of Transportation—conducted separate reviews for each of the three programs and assembled a list of applications to advance to the Secretary, who then selected applications to award from that list. In the report, we identified ways in which DOT could improve the evaluation processes for the MPDG programs.⁴ In addition, in an August 2024 report on the Rural program, we identified similar ways in which DOT could improve the Rural selection process.⁵ We will continue to monitor DOT’s administration of the MPDG solicitation, evaluation, and selection processes as part of our ongoing work.⁶

The IIJA includes a provision for us to examine DOT’s processes for evaluating and selecting Mega projects for award.⁷ This report discusses (1) the characteristics of Mega applications, and (2) the extent to which DOT’s selection process aligned with specified DOT guidance and federal regulations for grants management. To address these objectives, we reviewed DOT documentation of its selection process for the fiscal year 2022 Mega program, analyzed application data collected by DOT, and interviewed DOT officials.

To describe the characteristics of Mega applications, we analyzed the 128 applications that advanced to the SRT in fiscal year 2022. Specifically, we used data provided by DOT to identify the types of entities that submitted applications, the types of projects proposed, the

⁴GAO, *Discretionary Transportation Grants: DOT Should Improve Transparency in the Infrastructure for Rebuilding America Program*, [GAO-24-106378](#) (Washington, D.C.: Jan. 10, 2024).

⁵GAO, *Discretionary Transportation Grants: DOT Should Fully Document Key Decisions for its Rural Program*, [GAO-24-106882](#) (Washington, D.C.: Aug. 12, 2024).

⁶We are required to report annually on the INFRA and Rural grant programs, including on the characteristics of applications and awards, and to evaluate DOT’s evaluation and selection processes. See Pub. L. No. 117-58, div. A, tit. I, §§ 11110, 11132, 135 Stat. 429, 472, 514 (2021).

⁷IIJA § 21201, 135 Stat. 429, 670 (2021)).

amounts of funding requested, and the states in which the proposed projects were located, among other information. To assess the reliability of DOT's data, we interviewed DOT officials and conducted relevant data quality checks, such as looking for outliers, inconsistencies, and missing data. We found the data were sufficiently reliable for the purpose of producing descriptive statistics on the characteristics of Mega applications.

To assess the extent to which DOT's selection process aligned with specified DOT guidance and federal regulations for grants management, we analyzed DOT documentation, including DOT's NOFO and evaluation guidelines, that outlined the criteria and processes for advancing and awarding applications for the Mega program. We then compared this information with the regulations in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the guidance in DOT's Guide to Financial Assistance.⁸ These regulations and guidance collectively establish requirements for discretionary grant programs, including requirements related to consistency and transparency.

We conducted this performance audit from October 2023 to November 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Transportation Funding

Funding the nation's surface transportation system has been on our High Risk List since 2007, as an imbalance has persisted between revenues and spending.⁹ Accordingly, we have noted that it is important that federal funding for surface transportation be spent wisely and efficiently. Historically, much of the federal spending for surface transportation

⁸Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, and App. I to Part 200. DOT has adopted these provisions in regulation at 2 C.F.R. § 1201.1. DOT's Guide to Financial Assistance incorporates the OMB regulations. DOT, *Guide to Financial Assistance* (Washington, D.C.: October 2019).

⁹GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

programs has been through noncompetitive grants to states, with funds allocated based on distribution formulas prescribed by statute (formula grants). However, we have reported that formula grant funding for surface transportation, particularly for highways, poses challenges to meeting national goals.¹⁰

In contrast, discretionary grant programs, such as the Mega program, provide funding on a competitive basis. Applications are to be assessed based on applicable statutory requirements and published criteria before projects are selected to receive awards. In 2021, the IIJA established several new surface transportation discretionary grant programs and provided increased funding for many existing discretionary grant programs. In total, the IIJA authorized and appropriated approximately \$125 billion for DOT discretionary grant programs for fiscal years 2022 through 2026 for surface transportation infrastructure projects.

While we have identified benefits associated with discretionary grant programs, we have also raised concerns with DOT's management of them since 2011. For example, we previously found that DOT had not evaluated and selected grant applications for awards under various grant programs in a consistent and transparent manner and we made recommendations to DOT related to these issues. DOT has taken some

¹⁰GAO, *Surface Transportation: Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs*, [GAO-08-400](#) (Washington, D.C.: Mar. 6, 2008) and [GAO-23-106203](#).

steps related to these recommendations but has not yet completely addressed them.¹¹

Solicitation Process

To facilitate the evaluation and award of discretionary grants, DOT issues a NOFO announcing the availability of funds, as well as the program's funding priorities and the corresponding criteria by which DOT will evaluate applications. Applicants submit applications in response to the NOFO. OMB regulations address how federal agencies in the executive branch are to administer discretionary grant programs. Specifically, the OMB regulations address what information to include in the NOFO, how to design and execute a merit review process, and how to award grants in a consistent and transparent manner. DOT adopted the guidance by regulation and incorporated it into its Guide to Financial Assistance.¹²

In March 2022, DOT combined the solicitation for the Mega, Rural, and INFRA programs to streamline the process for applicants. Applicants could choose to apply to one, two, or all three programs, and DOT considered an application for all three programs unless applicants explicitly opted out of consideration for one or more. The NOFO also encouraged applicants to apply for multiple programs to maximize their potential for receiving federal funds. With respect to the Mega program's

¹¹For example, in our June 2019 report on the INFRA program, we recommended that DOT communicate in its evaluation guidelines and NOFO the circumstances under which DOT may ask applicants for additional information. In 2022, DOT provided some additional clarification in its INFRA evaluation guidelines. However, as of September 2024, DOT had not clarified in its NOFO the circumstances under which DOT may select applicants to receive requests for additional information. We also recommended that DOT document the rationale for requesting additional information from applicants and not affording similarly situated applicants an opportunity to do so. In 2022, DOT developed procedures to ensure it documents the rationale for requesting additional information from applicants. DOT has not developed procedures to ensure that it documents the rationale for not providing an opportunity for similarly situated applicants to provide additional information. GAO, *Discretionary Transportation Grants: Actions Needed to Improve Consistency and Transparency in DOT's Application Evaluations*, [GAO-19-541](#) (Washington, D.C.: June 26, 2019). In our November 2023 report on the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program, we made recommendations, among others, that DOT consistently document specific evaluation decisions and identify all selection factors used to facilitate award decisions. As of September 2024, DOT had not yet taken action to address these recommendations. By implementing these actions, DOT can better ensure consistency and transparency in the management of its discretionary grant programs. GAO, *Discretionary Transportation Grants: DOT Should Better Align Its Application Evaluation Process with Federal Guidance*, [GAO-24-106280](#) (Washington, D.C.: Nov. 6, 2023).

¹²*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 C.F.R. Part 200, and App. I to Part 200. DOT adopted these provisions in regulation at 2 C.F.R. § 1201.1.

funding opportunities, the MPDG NOFO solicited applications for up to \$1 billion in awards for fiscal year 2022.

While the MPDG NOFO combined the solicitation of three programs, each program has specific programmatic statutory requirements. For example, under the Mega program statute, the Secretary may select a project for award only if the Secretary determines that an applicant's project meets five statutory project selection requirements. These requirements are that the proposed project (1) will likely generate national or regional economic, mobility, or safety benefits; (2) is in need of significant federal funding; (3) will be cost-effective; (4) with respect to related non-federal financial commitments, has stable and dependable sources of funding and financing available; and (5) has, or will have, sufficient legal, financial, and technical capacity.¹³

Evaluation Process

In addition to the combined solicitation process, DOT combined the evaluation process for all three MPDG programs, meaning that DOT evaluated applications for all three grant programs at the same time against the same evaluation criteria. This combined MPDG evaluation process included intake and analysis review phases, which DOT outlined in its evaluation guidelines. The evaluation guidelines—an internal guidance document—described how to rate applications, defined key terms, and outlined documentation requirements for the evaluation and selection processes.

Intake. DOT staff were first to conduct basic eligibility determinations, such as checking for eligible applicant and project types. If staff identified a potential eligibility concern, the Evaluation Management and Oversight Team—composed of staff from the Office of the Secretary—would make a final eligibility determination, though these final determinations may occur at later stages of the process.

Analysis review. DOT Analysis Review Teams were then to (1) rate applications based on a set of selection criteria, as identified in DOT's NOFO and evaluation guidelines, and provide narrative justifications for

¹³Additional Mega statutory requirements include that eligible Mega project costs are those (1) \$500 million or more, or (2) greater than \$100 million but less than \$500 million. Per statute, for each fiscal year of Mega funds, 50 percent of available funds are reserved for projects greater than \$500 million in cost, and 50 percent are reserved for projects between \$100 million and \$500 million in cost. DOT also determined whether applicant information met statutorily required data collection and analysis plan requirements.

the ratings; and (2) assess whether the applications met the statutory project selection requirements, described above.

To assess applications against the selection criteria, DOT Analysis Review Teams were to conduct

- a project outcome review, to evaluate the extent to which a project offered benefits for six component criteria;
- an economic analysis, to evaluate a project's expected benefits relative to its expected costs (cost-effectiveness);¹⁴ and
- a project readiness analysis, to evaluate environmental risk, technical capacity, and other financial criteria to determine the extent to which the project could begin construction and be fully completed in a timely manner.

See figure 1 for a full list of the selection criteria and possible ratings.

¹⁴The NOFO directed applicants to submit benefit-cost analyses as part of their applications so that DOT could assess the cost-effectiveness of projects.

Figure 1: DOT Selection Criteria for Evaluating Fiscal Year 2022 Multimodal Project Discretionary Grant Program Applications

Criteria and description	Possible ratings				
Project outcomes (6 components) <ul style="list-style-type: none"> ● Safety ● State of good repair ● Economic impacts, freight movement, and job creation ● Climate change, resiliency, and the environment ● Equity, multimodal options, and quality of life ● Innovation areas of technology, project delivery, and financing 	Ratings ranging from 0-3				
	Rating 0 The project negatively impacts this project outcome area.	Rating 1 The project's claimed benefits in the outcome area are plausible but minimal, or the project's claimed benefits in the area are not plausible.	Rating 2 The project produces non-trivial, positive benefits in this outcome area that are well supported by the evidence in the application.	Rating 3 The project produces significant, transformative benefits in this outcome area that are well supported by the evidence in the application.	
Cost-effectiveness <ul style="list-style-type: none"> ● Whether and the extent to which a project's benefits exceed its costs 	Low The project's costs will exceed its benefits.	Medium-low The project's costs are likely to exceed its benefits.	Medium The project's benefits are likely to exceed its costs.	Medium-high The project's benefits will exceed its costs.	High The project's benefits will exceed its costs, with a benefit-cost ratio of at least 1.5.
Project readiness (3 components) <ul style="list-style-type: none"> ● Technical assessment ● Financial completeness ● Environmental review and permitting risk 	Ratings ranging from 1-3				
	1) Uncertain	2) Somewhat certain	3) Certain		
	1) Incomplete	2) Partially complete	3) Complete		
	1) High risk	2) Moderate risk	3) Low risk		

Source: GAO analysis of Department of Transportation (DOT) documents. | GAO-25-107102

Note: For each project outcome component, DOT assigned ratings ranging from 0 to 3.

In addition, throughout the analysis review phase, DOT's Evaluation Management and Oversight Team was to use information from the applications and other analyses to determine the extent to which applications met all five statutory project selection requirements for Mega. Applications must meet these statutory requirements to be selected by the Secretary to be awarded funds.¹⁵ For each requirement, the Evaluation Management and Oversight Team was to document whether the application (1) met the requirement, (2) did not meet the requirement, or (3) needed additional information to make a determination.

Further, staff from the Analysis Review Teams were responsible for continually screening applications for other potential eligibility issues,

¹⁵See 49 U.S.C. § 6701(f)(1) (providing that the Secretary may select a project to receive a grant under the Mega program only if the Secretary determines that an applicant project meets the five statutory project selection requirements).

such as ineligible applicant and project types. According to DOT officials, the teams removed applications from the remainder of the evaluation and selection processes only after they had confirmed the applications to be fully ineligible.

Selection Process

Following the combined evaluation process—after each application had received its ratings—the Mega Senior Review Team (SRT) was to assign an overall rating to each application and advance applications to the Secretary for consideration. The Secretary, in turn, selected applications for award.¹⁶

Senior Review Team. The SRT was to decide which applications to advance to the Secretary after reviewing the Analysis Review Team ratings and statutory project selection requirement determinations. In reviewing the applications, the SRT was to identify projects that had strengths in the outcome criteria but would require additional follow-up on the statutory project selection requirements. For example, an application might need additional documentation to demonstrate that the project met the statutory project selection requirement of being cost-effective. Subsequently, the SRT assigned applications an overall rating of Highly Recommended, Recommended, or Not Recommended (see table 1). An application that met all statutory project selection requirements for award could earn an overall rating of Highly Recommended either by receiving high ratings in all selection criteria, or by the SRT deeming the application to be “exemplary.” The SRT then advanced “Highly Recommended” applications to the Secretary for selection.

Table 1: Department of Transportation’s (DOT) Criteria for Assigning Overall Application Ratings to Fiscal Year 2022 Multimodal Project Discretionary Grant Applications

Application rating	Criteria
Highly Recommended	DOT determines the project meets all statutory project selection requirements for award, and the application receives high ratings in all of the project outcomes, cost-effectiveness, and project readiness selection criteria; or DOT determines the project meets all statutory project selection requirements for award, and the Senior Review Team determines the project to be an exemplary project of national or regional significance that generates significant benefits in one of the six project outcome criteria.
Recommended	DOT determines the project meets all statutory project selection requirements for award, and the project is not assigned a Highly Recommended or Not Recommended rating.

¹⁶The INFRA and Rural programs each had separate selection processes that also included an SRT phase in which SRT members had similar responsibilities.

Application rating	Criteria
Not Recommended	DOT determines the project does not meet one or more statutory project selection requirements for award, or additional information is required for one or more statutory project selection requirements; or The application receives one or more low ratings for the project outcome, cost-effectiveness, or project readiness selection criteria; or is otherwise identified by the Senior Review Team to not be suitable for a grant award based on its weakness within a project outcome area.

Source: GAO analysis of DOT information. | GAO-25-107102

Secretary’s selection. The NOFO stated that following the SRT process, the Secretary would select applications for award. In doing so, the Secretary must identify the applications that best address program requirements and are most worthy of funding. Following the grant awards, DOT would provide feedback, upon request, to unsuccessful applicants about their applications.

Most Applications Were Submitted by State Governments and Requested Funds for Highway or Bridge Projects

Characteristics of the 128 Mega Applications That Advanced to the Senior Review Team

DOT received 493 applications for all three MPDG grant programs (Mega, INFRA, and Rural) in response to the fiscal year 2022 NOFO. Of those applications, 234 opted out of consideration for Mega. DOT considered the remaining 259 applications for Mega grants and found that 153 were potentially eligible for Mega. Of those 153 applications, DOT removed 25 because they had either already been funded under a different MPDG grant program or were determined to be ineligible after the intake but before the SRT phase.¹⁷ The remaining 128 applications advanced to the SRT for review and are characterized below.

Applicant types. The 128 applicants fit in several categories, including state and local governments, special district governments, regional organizations, and others (such as Amtrak and U.S. Army Corps of

¹⁷Of the 259 MPDG applicants that DOT considered for Mega grants, DOT found 153 (or 58 percent) were eligible for Mega during the intake phase. DOT removed 25 of these applications from further consideration during the analysis review phase, because these applications had either already been funded under another MPDG or DOT grant program (10 applications) or failed to meet key criteria such as statutory requirements (15 applications).

Engineers). State governments submitted most of the applications. (See table 2.)

Table 2: Number and Percentage of Applications, by Applicant Type, for the National Infrastructure Project Assistance (Mega) Program, Fiscal Year 2022

Applicant type	Number of applications	Percentage of applications
State government	67	52%
County/city/township government	30	23%
Special district government/regional organization	21	16%
Other	10	8%
Total	128	100%

Source: GAO analysis of Department of Transportation data. | GAO-25-107102

Note: Numbers may not add up to 100 percent due to rounding.

States from which the applications originated. The 128 applications reviewed by the SRT originated from 39 states and Washington, D.C.

- California accounted for 20 percent (26) of all applications.
- New York, Texas, and Virginia accounted for about 16 percent of all applications (seven each).
- Illinois and Pennsylvania accounted for nearly 8 percent of all applications (five each).
- Oregon and West Virginia accounted for about 6 percent of all applications (four each).
- 32 states accounted for the remaining, approximately 49 percent (63) of applications.
 - Nine states submitted three applications.
 - Thirteen states submitted two applications.
 - Ten states submitted one application.

None of the applications originated from Georgia, Hawaii, Idaho, Kansas, Maine, New Hampshire, Ohio, Vermont, Washington, Wisconsin, or Wyoming.¹⁸

¹⁸Some applications were for multistate projects such as the Brent Spence Bridge (Kentucky and Ohio) and the Hood River Bridge (Oregon and Washington).

Project types and funding requested. The 128 applications requested funding for the following project types: (1) highway/bridge; (2) intermodal; (3) intercity passenger rail; (4) transit; and (5) rail and highway grade separation.

Approximately 70 percent of the applications requested a total of \$18.1 billion in funding for highway/bridge projects. The remaining projects were primarily intermodal, intercity passenger rail, or transit projects that requested a total of approximately \$10 billion in funding. (See table 3.)

Table 3: Number and Percentage of Applications, and Amount Requested, by Project Type, for the National Infrastructure Project Assistance (Mega) Program, Fiscal Year 2022

Project type	Number of applications	Percentage of applications	Grant funds requested (billions)
Highway/bridge	90	70%	\$18.1
Intermodal	22	17%	\$4.9
Intercity passenger rail	9	7%	\$3.5
Transit	4	3%	\$1.5
Rail and highway grade separation	3	2%	\$.29
Total	128	100%	\$28.3

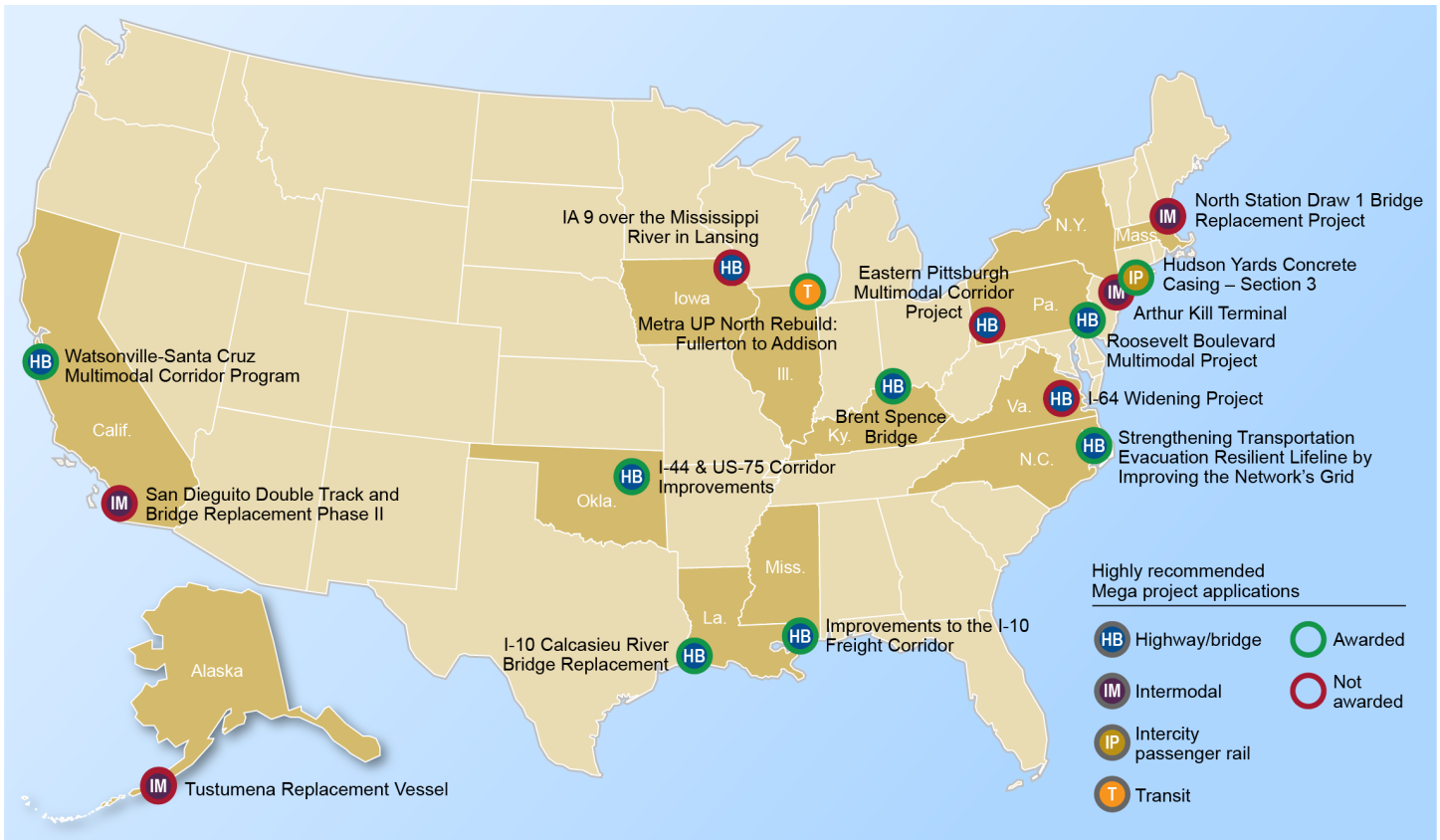
Source: GAO analysis of Department of Transportation data. | GAO-25-107102

Note: Numbers may not add up to 100 percent due to rounding.

Characteristics of the Mega Applications Selected for Award

Of the 128 project applications that advanced to the SRT, the SRT assigned 16 an overall rating of Highly Recommended and advanced them to the Secretary for consideration. The Secretary selected nine of the 16 projects for award. (See fig. 2.)

Figure 2: Locations of Projects for the National Infrastructure Project Assistance (Mega) Program That Were Highly Recommended and That Received Awards, Fiscal Year 2022



Source: GAO presentation of Department of Transportation information; Map Resources (map). | GAO-25-107102

These nine applications, which together requested about \$3.2 billion in funding, originated from nine different states and were submitted by state governments (six); a city government (one); a special district government (one); and a for-profit government entity (Amtrak). Most of the awarded applications were for highway or bridge projects (seven), in addition to one for a transit project and one for an intercity passenger rail project. To meet the Mega statutory requirements that DOT ensure among grant recipients both geographic diversity and a balance between urban and rural communities,¹⁹ DOT awarded grants to five projects (56 percent) in urban areas and four projects (44 percent) in rural areas. (See table 4.)

¹⁹49 U.S.C. § 6701(e).

Table 4: Selected Characteristics of the Applications Selected for National Infrastructure Project Assistance (Mega) Program Awards, Fiscal Year 2022

Project name	State	Rural/ urban	Applicant type	Project type	Award (millions)
Brent Spence Bridge	KY	Urban	State government	Highway/bridge	\$250.0
Hudson Yards Concrete Casing – Section 3 ^a	NY	Urban	Other	Intercity passenger rail	\$292.2
I-10 Calcasieu River Bridge Replacement	LA	Rural	State government	Highway/bridge	\$150.0
I-44 & US-75 Corridor Improvements	OK	Urban	State government.	Highway/bridge,	\$85.0
Improvements to the I-10 Freight Corridor	MS	Rural	State government	Highway/bridge	\$60.0
Metra UP North Rebuild: Fullerton to Addison	IL	Urban	Special district government	Transit	\$117.0
Roosevelt Boulevard Multimodal Project	PA	Urban	City government	Highway/bridge	\$78.0
Strengthening Transportation Evacuation Resilient Lifeline by Improving the Network’s Grid	NC	Rural	State government.	Highway/bridge	\$110.0
Watsonville-Santa Cruz Multimodal Corridor Program	CA	Rural	State government.	Highway/bridge	\$30.0
Total					\$1.172

Source: GAO analysis of Department of Transportation data. | GAO-25-107102

^aThe Hudson Yards Concrete Casing award is a multiyear grant award for fiscal years 2022 through 2025. Multiyear grant agreements are expressly authorized under the Mega program statute. See 49 U.S.C. § 6701(b).

DOT’s Selection Process Generally Aligned with Specified DOT Guidance and Federal Regulations for Discretionary Grant Programs, but DOT Did Not Fully Document Key Decisions

We found that DOT implemented a selection process for advancing and awarding Mega applications that generally aligned with specified DOT

guidance and OMB regulations for discretionary grant programs.²⁰ However, in advancing Mega applications for award consideration, DOT did not fully document how it determined which projects were “exemplary” in comparison to the other eligible applications.

DOT guidance and federal regulations for discretionary grant programs generally allow agencies flexibility to develop their own policies and procedures for selecting applications for award. OMB regulations state that agencies must design and execute a merit review process, in accordance with written standards set forth by the federal awarding agency, with the objective of selecting recipients most likely to be successful in delivering results based on the program’s objectives. DOT’s Guide to Financial Assistance also states that DOT’s review process gives it discretion to determine which applications best address program requirements and are most worthy of funding. According to the Guide to Financial Assistance, DOT’s review process must include, at a minimum, a narrative summarizing the results of the merit review; be based on criteria; and be justified by program policy factors.

DOT implemented a selection process for advancing and awarding Mega applications that generally aligned with specified DOT guidance and OMB regulations for discretionary grant programs. For example, we found that the SRT conducted the following activities as outlined in the evaluation guidelines:

- **Following up with the applicants.** The SRT may identify applications needing additional follow-up on the five statutory project selection requirements based on strengths in project outcome areas. For example, one SRT meeting summary memorandum we reviewed identified 21 applicants that needed to provide clarifying information on questions related to the data collection plans, financial capacity, or cost-effectiveness of projects, among other things.
- **Assigning overall ratings.** The SRT was to assign eligible applications an overall rating of Highly Recommended, Recommended, or Not Recommended based on criteria and guidance established in DOT’s MPDG NOFO and the evaluation guidelines, as discussed above. The SRT rated 16 applications as Highly Recommended. Two of the 16 applications automatically earned this

²⁰*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 C.F.R. Part 200, and App. I to Part 200. DOT has adopted these provisions in regulation at 2 C.F.R. § 1201.1. DOT’s Guide to Financial Assistance incorporates the OMB regulations at 2 C.F.R. Part 200, and App. I to Part 200.

rating because they met all five statutory project selection requirements and received all high ratings in the analysis review phase (i.e., for project outcomes, cost-effectiveness, and project readiness). The SRT deemed the remaining 14 applications “exemplary projects of regional or national significance,” thus conferring on them a rating of Highly Recommended.

- **Assembling a list of projects for the Secretary’s consideration.** Once the SRT had assigned a rating to every eligible application, it was to assemble a list of Projects for Consideration for the Secretary. To do so, the SRT was to review the list of Highly Recommended applications and determine if the list was sufficient to satisfy geographic diversity requirements for the Mega program. If the list was not sufficient, then the SRT could add Recommended applications to the list. The SRT determined that the 16 Highly Recommended applications were sufficient to send to the Secretary for award consideration. As noted earlier, the Secretary then selected nine of the 16 applications on the list for award.

DOT’s documentation of its ratings decisions for the applications it selected for the Secretary’s list included each project’s strengths (e.g., any high scores in the project outcome criteria), as well as a general description of each project’s anticipated benefits. However, the documentation did not list the factors or criteria the SRT members used to determine that 14 of the 16 applications they forwarded to the Secretary were “exemplary” in comparison to the other eligible applications—and therefore more worthy of being considered for award consideration. DOT officials told us that the basic definition of exemplary means standing out among peers as a model. Yet, the documentation only stated that an application was strong in a particular outcome area, and did not explain what distinguished the application as “exemplary” in comparison to other applications.

According to DOT’s Guide to Financial Assistance, written justification of the program policy factors used should be included as a part of the federal record when making award decisions. The Guide to Financial Assistance also states that grant documentation should include an explanation for why the selected applications were chosen over other applications. When we asked why DOT did not have full documentation, DOT officials stated that they believed DOT had documented its determinations and explained how they related to the program criteria.

We have previously made several recommendations related to DOT's documentation of key decisions for its discretionary grant programs.²¹ Specifically:

- In December 2016, we found that DOT's administration of discretionary grants should be more transparent and recommended that DOT develop a department-wide approach for documenting key decisions for its discretionary grant programs. DOT agreed with this recommendation but has not implemented it.
- In a January 2024 report on the INFRA program, we recommended that DOT clearly define in its combined MPDG NOFO and evaluation guidelines how an application may qualify as an "exemplary project of national or regional significance that generates significant benefits in one of the project outcome areas." DOT disagreed with this recommendation, stating that the NOFO provided clear direction for applicants, but that ultimately DOT had discretion to determine which projects were exemplary.
- In August 2024, we recommended that DOT fully document the rationale for key decisions when advancing and selecting Rural applications for award. DOT disagreed with this recommendation, stating that its documentation was complete.

As discussed above, we similarly found that DOT had not fully documented key decisions in advancing Mega applications for award consideration. However, we are not making a recommendation to DOT in this report, because implementing the prior recommendations described above—particularly the recommendations from December 2016 and January 2024, which directly apply to Mega—would address this concern.²² By implementing these recommendations, DOT can improve the transparency of its selection process for the Mega program. Moreover, such documentation can position decision-makers to make better-informed selection decisions in support of national goals.

Agency Comments

We provided a draft of this report to DOT for review and comment. DOT provided technical comments, which we incorporated as appropriate.

²¹GAO, *DOT Discretionary Grants: Problems with Hurricane Sandy Transit Grant Selection Process Highlight the Need for Additional Accountability*, [GAO-17-20](#) (Washington, D.C.: Dec. 14, 2016); [GAO-24-106378](#); and [GAO-24-106882](#).

²²We will continue to monitor DOT's progress on these issues as part of our ongoing work on MPDG.

We are sending copies of this report to the appropriate congressional committees and the Secretary of Transportation. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or RepkoE@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix I.

A handwritten signature in black ink, appearing to read "Elizabeth Repko", followed by a long horizontal line extending to the right.

Elizabeth Repko
Director, Physical Infrastructure

Appendix I: GAO Contact and Staff Acknowledgments

GAO Contact

Elizabeth Repko, (202) 512-2834 or RepkoE@gao.gov

Staff Acknowledgments

In addition to the contact named above, Brandon Haller (Assistant Director), Nick Nadarski (Analyst in Charge), Lindsay Bach, Geoffrey Hamilton, Grant Mallie, Josh Ormond, Laurel Voloder, and Elizabeth Wood made key contributions to this report.

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