

February 2009

# SURFACE TRANSPORTATION

## Clear Federal Role and Criteria-Based Selection Process Could Improve Three National and Regional Infrastructure Programs





Highlights of [GAO-09-219](#), a report to congressional requesters

## Why GAO Did This Study

To help meet increasing transportation demands, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) created three programs to invest federal funds in national and regional transportation infrastructure. As requested, this report provides (1) an overview of the goals, funding status, and types of projects and activities funded by the three programs; (2) advantages and challenges identified by program stakeholders; and (3) potential program enhancements. GAO reviewed pertinent federal laws and rules; examined plans for selected projects; conducted site visits; and interviewed officials, stakeholders, and experts.

## What GAO Recommends

GAO is not recommending executive action. However, to enhance these programs, Congress should consider the following matters: (1) defining the federal role in accordance with national and regional program priorities, (2) implementing a criteria-based, competitive project selection process, and (3) working with the Secretary of Transportation to develop any specific program enhancements that could help these programs meet priorities and achieve the highest possible return on federal investments.

To view the full product, including the scope and methodology, click on [GAO-09-219](#). For more information, contact Phillip R. Herr, 202-512-2834 or [herrp@gao.gov](mailto:herrp@gao.gov).

## SURFACE TRANSPORTATION

### Clear Federal Role and Criteria-Based Selection Process Could Improve Three National and Regional Infrastructure Programs

#### What GAO Found

The goals of the projects funded by the three national and regional infrastructure programs—Projects of Regional and National Significance (PNRS), the National Corridor Infrastructure Improvement Program (NCIIP), and the Coordinated Border Infrastructure (CBI) program—are varied, most projects have been reviewed and funded, most projects are for highway improvements, and funds have been applied toward various related activities. PNRS and NCIIP funds were distributed by congressional directive, and CBI funds were distributed by formula. The states GAO visited or whose officials GAO interviewed had established a variety of project goals, including increasing capacity and enhancing mobility. As of December 2008, the Federal Highway Administration had reviewed most projects submitted by states and had obligated \$1.2 billion, or about 33 percent of the \$3.6 billion authorized for the three programs through September 30, 2008. However, some states had not initiated efforts to obtain available funding. The officials GAO interviewed cited various reasons for not pursuing the funds, such as trying to complete an environmental impact statement and trying to identify a project that met the program's funding criteria. The programs' contributions to projects' estimated total costs varied, from less than 30 percent of the estimated total costs for the majority of reviewed PNRS projects and about half of the reviewed NCIIP projects to 80 percent or more of the estimated total costs for almost half of the reviewed CBI projects. Furthermore, for high-cost projects—those expected to cost over \$500 million—the programs' funding contributions ranged from about 4 to 13 percent of the estimated total project cost. States have used the program funds mainly for highway projects and for various related activities, such as conducting environmental studies and expanding ongoing projects.

In discussing the three programs, stakeholders cited advantages less often than challenges. The most frequently cited advantage was the funding the programs provided to support and move projects forward. The most commonly cited challenge also involved funding and included funding uncertainty. This was a challenge because project sponsors did not know whether they would receive additional federal funds to complete their projects—especially high-cost projects.

According to GAO's interviews and prior work, clearly defining the federal role in surface transportation is an important step in enhancing these programs. Two historical approaches could then be used to distribute federal funds—a criteria-based competition or a formula-based distribution. GAO's interviews and prior work suggest that a criteria-based competition could enhance these programs. Some interviewees also called for a wide range of other enhancements, from broad proposals to increase investment in different transportation modes to specific suggestions, such as using cost-benefit analysis in selecting projects. The Department of Transportation generally agreed with the report's information and conclusions and offered to work with Congress on GAO's three proposed matters.

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## Abbreviations

APGCI	Asia-Pacific Gateway and Corridor Initiative
CBI	Coordinated Border Infrastructure program
CREATE	Chicago Region Environmental and Transportation Efficiency program
DOT	Department of Transportation
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
GSA	General Services Administration
MARAD	Maritime Administration
NEPA	National Environmental Policy Act
NCIIP	National Corridor Infrastructure Improvement Program
PNRS	Projects of National and Regional Significance
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

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United States Government Accountability Office  
Washington, DC 20548

February 6, 2009

The Honorable James L. Oberstar  
Chairman  
Committee on Transportation and Infrastructure  
House of Representatives

The Honorable Peter A. DeFazio  
Chairman  
Subcommittee on Highways and Transit  
Committee on Transportation and Infrastructure  
House of Representatives

As traffic congestion increases and our nation's transportation infrastructure ages, governments at the federal, state, and local levels face growing demands for infrastructure improvements. To help address these demands, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted in August 2005, established three federal transportation programs to target funds to infrastructure projects that have high costs, involve national or regional impacts, and cannot easily or specifically be addressed within existing federal surface transportation programs. The programs, which the Federal Highway Administration (FHWA) administers, are as follows:

- The Projects of National and Regional Significance (PNRS) program provides funding for high-cost<sup>1</sup> transportation projects that are of national or regional importance in enhancing the surface transportation system.
- The National Corridor Infrastructure Improvement Program (NCIIP) provides funding for highway construction projects in corridors of national significance to promote economic growth and international or interregional trade by enhancing freight mobility.

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<sup>1</sup>SAFETEA-LU defines "high-cost" projects as those PNRS projects whose estimated total costs are generally \$500 million or more. In this report, we are also applying this same definition of "high-cost" to projects that are funded through the other two programs discussed in this report, the National Corridor Infrastructure Improvement Program and the Coordinated Border Infrastructure program.

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- The Coordinated Border Infrastructure (CBI) program provides funding to support the safe movement of motor vehicles across the land borders of the United States with Canada and Mexico.

To fund these three programs, SAFETEA-LU authorized spending of over \$4.5 billion from the federal Highway Trust Fund during fiscal years 2005 through 2009.<sup>2</sup> According to the latest data available from FHWA, these three programs have contributed federal funds to 153 projects in 35 states and the District of Columbia.<sup>3</sup> The act did not define the terms “projects of national or regional importance” or “corridors of national significance,” but it established a competitive, criteria-based process for FHWA to follow in selecting PNRs and NCIP projects. However, this process was never implemented because, in different sections of SAFETEA-LU, all of the available funds for these two programs were directed to 24 PNRs and 31 NCIP projects. CBI funds were distributed to 15 border states, by formula, for these states to allocate to projects that met CBI criteria described in SAFETEA-LU. As of September 30, 2008, states had allocated CBI funds to 98 projects. The projects that received federal funds through the three programs vary in complexity and size—from replacing a major highway bridge to rehabilitating a highway rest area. While CBI differs in some ways from PNRs and NCIP, we included it in our analysis at your request and because it provides federal funds to improve transportation infrastructure projects on our borders with Canada and Mexico. Such projects could have national and regional implications.

While demands for transportation infrastructure investment are increasing, the purchasing power of revenues to the Highway Trust Fund continues to erode with inflation and the introduction of more fuel-efficient and alternative-fuel vehicles. In addition, federal surface transportation programs are due for reauthorization at the end of fiscal year 2009. Hence, Congress will soon face the challenge of allocating federal resources to meet demands for a wide range of surface transportation infrastructure projects. You asked us to review the three

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<sup>2</sup>Pub. L. No. 109-95, 119 Stat. 1144 (2005).

<sup>3</sup>This number includes: 144 projects reviewed by FHWA, 2 projects under review by FHWA, and 7 projects for which states have not submitted project proposals to FHWA for review. For PNRs and NCIP projects, the latest available data on numbers of projects funded by FHWA are as of December 2, 2008. For CBI projects, the latest available data on numbers of projects funded by FHWA are as of September 30, 2008. According to FHWA officials, states can submit projects for federal CBI funding to FHWA, which updates its list of CBI projects quarterly.

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programs established in SAFETEA-LU and to identify possible enhancements that could be applied to future authorizations. To do so, we addressed the following questions: (1) What are the goals, funding status, and types of projects and activities funded for the three programs? (2) What advantages and challenges did stakeholders say were associated with these three programs? (3) What approaches are available for enhancing the three programs?

To address these questions, we (1) reviewed federal law, proposed regulations, and a Department of Transportation (DOT) report on the PNRS program; (2) reviewed pertinent documentation, including some of the project proposals, plans, and information submitted to DOT for projects funded by these programs; and (3) interviewed officials from 56 “stakeholder” entities to understand the programs’ advantages, challenges, and possible enhancements. Stakeholders broadly have interest and expertise in one or more of the three programs, in a specific transportation project funded by one of these programs, or in federal surface transportation policy generally. The stakeholders we interviewed included officials from the following entities:

- DOT headquarters in Washington, D.C., including the Office of the Secretary; FHWA; the Federal Railroad Administration (FRA); and the Maritime Administration (MARAD), as well as FHWA division offices in eight states for a total of 12 DOT entities; and
- 16 state transportation departments, 16 local government agencies, and 12 transportation associations or other expert organizations. We conducted some of these interviews as part of our site visits to eight states—California, New York, New Jersey, Connecticut, Illinois, Wisconsin, Washington, and Oregon—where we met with officials who manage projects funded through the three programs. The 16 state transportation departments we selected for interviews included 14 states that collectively accounted for 86 projects funded by the three programs and 2 states, Florida and Wyoming, that did not have projects funded by these three programs.

In selecting our sites, we considered geographic diversity, the funding authorized by states for these programs, and the characteristics of the projects funded. In addition, for comparison, we contacted Transport Canada, the transportation department of the federal Canadian government, and the Ministry of Transportation and Infrastructure of the Canadian province of British Columbia, to obtain information about similar infrastructure investment programs. (See app. I for a full list of the entities we contacted during our work on this report.)

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We also reviewed FHWA's data on amounts authorized, appropriated, and obligated for PNRS, NCIIP, and CBI. To assess the reliability and quality of FHWA's financial data, we analyzed related documentation and interviewed knowledgeable agency officials. Through these efforts, we determined that the data were sufficiently reliable for this report. We conducted this performance audit from December 2007 to February 2009 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. (See app. I for further details about our objectives, scope, and methodology.)

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## Results in Brief

The goals of the projects funded through the three national and regional programs are varied, with most projects having received FHWA's review and funding, and most projects are for highway improvements and various related activities. The 14 states we reviewed in our work, which had projects funded by these three programs, had established a variety of project goals, including increasing transportation capacity, enhancing passenger and freight mobility, reducing congestion, promoting economic development, and improving safety. According to the latest data available for the three programs, FHWA had reviewed most PNRS, NCIIP, and CBI projects submitted by states. A few states and the District of Columbia had not initiated efforts to obtain funds for certain projects authorized by SAFETEA-LU, including 3 of 24 PNRS projects and 4 of 31 NCIIP projects, and one state had not taken steps to spend its CBI funding. The transportation officials we interviewed cited different reasons for not pursuing the funds, such as trying to complete an environmental impact statement first and trying to identify a project that met CBI funding criteria. As of September 30, 2008, FHWA had obligated nearly \$1.2 billion, or about 33 percent of the \$3.6 billion authorized under the three programs.<sup>4</sup> Federal funding contributions to estimated total projects costs varied by program. Under PNRS, the federal funding contributions represented less than 30 percent of the estimated total project cost for the majority of reviewed projects (i.e., for 15 of 19 PNRS projects). Under

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<sup>4</sup>For the period through September 30, 2008, \$3.3 billion was appropriated for projects under the three programs. The amount appropriated was less than the amount authorized for reasons discussed in the background section of this report.

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NCIIP, the federal funding contributions represented less than 30 percent of the estimated total project cost for about half of the reviewed projects (i.e., for 13 of 27 NCIIP projects). For high-cost projects—those whose estimated total cost equals or exceeds \$500 million (11 of 19 PNRS projects, 11 of 27 NCIIP projects, and 1 of 98 CBI projects)—PNRS funds averaged about 8 percent of the estimated total project costs, NCIIP funds averaged about 4 percent of the estimated total project costs, and CBI funds averaged about 13 percent of the estimated total project costs. CBI funds represented 80 percent or more of the estimated total project costs for almost half (44 of 98) of reviewed CBI projects selected by the states. Generally, CBI funds were often used by states for smaller-scope, lower-cost projects—such as resurfacing highway pavement, rehabilitating rest areas, refurbishing tollbooths, or installing guardrails.

In discussing the three programs, stakeholders discussed a wide variety of both advantages and challenges, but they cited advantages less often than challenges.<sup>5</sup> The most frequently cited advantage was that the federal funding provided support and helped move projects forward. The stakeholders who cited this feature saw it as an advantage because the program funds helped initiate some projects and advance other projects that were already under construction. Three other funding advantages included the opportunity the programs provided to address high-cost projects and transportation projects of national importance, the direction of PNRS funds to nonhighway projects, and the ability of the program funds to attract additional nonfederal funds. The most commonly cited challenges associated with the three programs were also related to funding issues, including funding uncertainty and the relatively limited amount of funding provided for large projects, and difficulties in complying with federal requirements for using the funds. Funding uncertainty was a challenge because project sponsors said that even with the SAFETEA-LU funds provided under these three programs, they did not know whether they would receive additional federal funds needed to complete their projects. As noted, for high-cost projects, PNRS funds averaged about 8 percent of the estimated total project costs, NCIIP funds averaged about 4 percent of the estimated total project costs, and CBI funds averaged about 13 percent of the estimated total project costs. Some stakeholders cited compliance with federal requirements as a challenge, in part, they said,

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<sup>5</sup>Specifically, in our interviews with 56 stakeholders, there were 47 instances in which program advantages were cited, and 66 instances in which program challenges were cited. A stakeholder could mention multiple advantages or challenges in an interview.

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because it entails additional time and expense—a concern that our work supports in some instances, but not in others. Finally, some stakeholders said that not using the criteria-based competitive process established in SAFETEA-LU to select projects made it difficult to determine whether the projects funded by congressional directive addressed national and regional priorities. DOT officials said that not using the criteria-based competitive process made it difficult to assess the entire transportation system across modes to determine where improvements should be made.

According to our stakeholder interviews and our prior work on federal surface transportation programs<sup>6</sup> clearly defining the federal role in surface transportation is an important first step in focusing these programs. Consistent with a newly clarified federal role, two approaches that have historically been used to distribute federal transportation funds could be used to fund projects under these three programs—a criteria-based competition or a formula-based distribution. These approaches have a range of characteristics, including both advantages and disadvantages; however, regardless of the approach taken, Congress could still direct funds to individual transportation projects as it did in two of the three programs. Our stakeholder interviews and our prior work suggest that a criteria-based competition may provide the best opportunity to enhance these programs by targeting federal investments toward achieving a more clearly defined federal role and achieving the programs' other stated objectives. Some stakeholders we interviewed also called for a wide range of program enhancements, from broad proposals to increase the programs' ability to invest in different transportation modes for these programs, to specific suggestions, such as, for using cost-benefit analysis in selecting projects.

Our work indicates that, to enhance these programs, Congress should consider defining the national and regional transportation priorities that these programs are supposed to address, and then linking the three programs directly to an identified federal interest and role in surface transportation when it is considering the reauthorization of federal surface

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<sup>6</sup>GAO, *Surface Transportation: Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs*, [GAO-08-400](#) (Washington, D.C.: Mar. 6, 2008); GAO, *Freight Transportation: National Policy and Strategies Can Help Improve Freight Mobility*, [GAO-08-287](#) (Washington, D.C.: Jan. 7, 2008); GAO, *Highlights of a Forum: Transforming Transportation Policy for the 21st Century*, [GAO-07-1210SP](#) (Washington, D.C.: Sept. 19, 2007); GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, [GAO-05-325SP](#) (Washington, D.C.: Feb. 1, 2005).

transportation programs. Congress should also consider allowing a criteria-based, competitive project selection process to be implemented and work with the Secretary of Transportation to determine any program enhancements that could help ensure that these programs meet those priorities and achieve the highest return on the federal investment.

We provided copies of a draft of this report to DOT for its review and comment. DOT officials generally agreed with the information in this report, and stated that the department would be happy to assist Congress on the proposed matters.

## Background

While PNRS, NCIIP, and CBI all provided federal funds for transportation infrastructure projects, they differed somewhat in their goals, methods used for selecting projects, and methods used for distributing the federal funds to states,<sup>7</sup> as indicated in table 1. (See app. V for a list and description of the 153 projects funded by the three programs.)

**Table 1: Selected Features of Selected Federal Transportation Programs**

Program	Program goals	Number of projects	Project selection method used	Method used to distribute funds to states
PNRS	To fund high-cost infrastructure projects of national and regional importance	24 <sup>a</sup>	Congressional directive	Congressional directive
NCIIP	To fund projects in corridors of national significance	31 <sup>b</sup>	Congressional directive	Congressional directive
CBI	To fund projects to facilitate cross-border movement of motor vehicles	98	State selection	Formula <sup>c</sup>

Sources: GAO analysis of SAFETEA-LU and FHWA documentation.

<sup>a</sup>SAFETEA-LU listed 25 directives to 24 different projects for PNRS. One project, the Alaskan Way Viaduct in Seattle, Washington, received two different directives.

<sup>7</sup>With one exception—the Port Authority of New York and New Jersey—states are the recipients of funds for projects under these three programs. Congress designated the Port Authority as the recipient of funds for the Cross Harbor Freight Movement Project in SAFETEA-LU. For convenience, we include the Port Authority when we refer to states in discussing PNRS.

<sup>b</sup>SAFETEA-LU listed 33 directives to 31 different projects for NCIIP. Two projects, I-49 North and State Route 1, both in Louisiana, each received two different directives.

<sup>c</sup>CBI's funding formula considers several factors, including numbers of incoming commercial trucks and the weight of their cargo, incoming personal motor vehicles and buses through land border ports of entry, and land border ports of entry. States must select projects within 100 miles of their international land border with Canada or Mexico, and the projects are to be selected for their ability to expedite cross-border movements of vehicles and cargo, among other things.

SAFETEA-LU authorized different funding levels for the three programs in each fiscal year of the 5-year authorization period, as shown in table 2; however, the amounts ultimately distributed to the states for those years were adjusted downward for several reasons.

**Table 2: Total Amounts Authorized for DOT's National and Regional Programs, Fiscal Years 2005 through 2009**

Dollars in millions

Program	Fiscal year					Total amount authorized
	2005	2006	2007	2008	2009	
PNRS	\$178	\$356	\$445	\$445	\$356	\$1,780
NCIIP	\$195	\$390	\$487	\$487	\$390	1,949
CBI	\$123	\$144	\$165	\$190	\$210	832
<b>Total</b>						<b>\$4,561</b>

Source: FHWA.

The funds authorized for these programs, which come from the federal Highway Trust Fund, represent funds that can be made available to the Secretary of Transportation, acting through FHWA, to carry out these programs. These funds are subject to limitation through the annual appropriations process and deductions may be made for rescissions, among other things. In fiscal years 2005 and 2006, the funding for these three programs was 14 percent less than the authorizations for those 2 years and in fiscal years 2007 and 2008 the funding was 8 percent less than the authorizations for those years. After funds are allocated for these programs and FHWA has reviewed project documentation for completeness and consistency with congressional language, funds may be obligated, or set aside, for the projects. These three programs, like most federal-aid highway programs, distribute federal funds by reimbursement to the states. States spend other funds for eligible project expenses and

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submit claims to FHWA for review and approval before they receive the federal funds under these programs as reimbursement.<sup>8</sup>

Before federal funds are distributed to a state for a project under these three programs, the state must submit a proposal for a PNRS or an NCIIP project, or a project eligibility form for a CBI project, to FHWA. FHWA compares information about the project against the project description included in SAFETEA-LU for PNRS or NCIIP projects and against eligibility criteria as defined in SAFETEA-LU for CBI projects.<sup>9</sup> In addition, FHWA follows the normal steps for reviewing a project application for the use of federal-aid highway program funds. For example, FHWA ensures that the state agrees to apply federal laws as a condition of receiving funds under these and other federal-aid highway programs, such as the environmental assessment provisions of the National Environmental Policy Act (NEPA)<sup>10</sup> and the Davis-Bacon Act's prevailing wage requirements.<sup>11</sup>

SAFETEA-LU directed all of the PNRS and NCIIP funds to specific projects. SAFETEA-LU also contained other provisions that set forth a criteria-based, competitive process for selecting PNRS and NCIIP projects; however, this process was superseded by the congressional directives. According to SAFETEA-LU's competitive process, PNRS projects selected for federal funding were to have national and regional significance and benefits that the act described as improving economic productivity by facilitating international trade and relieving congestion, among other

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<sup>8</sup>For more information on this process, see FHWA, *Financing Federal-Aid Highways* (Washington, D.C.: March 2007).

<sup>9</sup>Projects eligible for CBI funding include improvements to existing infrastructure, construction of new infrastructure, safety enforcement facilities, or operational improvements in a border region; or regulatory or international planning projects. All of these projects must support the cross-border movement of motor vehicles and cargo.

<sup>10</sup>NEPA requires that federal agencies consider, and if possible, avoid or mitigate the impact of proposed actions that would significantly affect the environment. For a detailed description of how the act affects highway planning, design, and construction, see GAO, *Highway Infrastructure: Stakeholders' Views on Time to Conduct Environmental Reviews of Highway Projects*, [GAO-03-534](#) (Washington, D.C.: May 23, 2003) and GAO, *Federal-Aid Highways: Federal Requirements for Highways May Influence Funding Decisions and Create Challenges, but Benefits and Costs Are Not Tracked*, [GAO-09-36](#) (Washington, D.C.: Dec. 12, 2008).

<sup>11</sup>Under the Davis-Bacon prevailing wage requirement, the wages for work on all federal-aid highway projects must at least equal the local prevailing wage for that work as determined by the Department of Labor.

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things.<sup>12</sup> The criteria for selecting NCIIP projects were that they be located in “corridors of national significance” and that their selection be based on the extent to which a corridor links two existing segments of the Interstate System, is able to facilitate major multistate or regional mobility, and promotes economic growth. Additional criteria for NCIIP funding included the value of commercial vehicle traffic cargo in the corridor and economic costs arising from congestion.

Federal funds distributed through the CBI program to states had to be used generally for infrastructure or operational improvements on highways within 100 miles of a border with Canada or Mexico. In addition, states can transfer up to 15 percent or \$5 million (whichever is less) of the state’s yearly amount of CBI funds to the General Services Administration (GSA), which owns and leases facilities at U.S. land border ports of entry.<sup>13</sup> GSA can use these funds for CBI-eligible projects on its property. Border states can also propose to use CBI funds on projects located in Canada or Mexico that facilitate cross-border movement at an international port of entry in the border region of the state.<sup>14</sup>

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<sup>12</sup>Other criteria and selection considerations specified in SAFETEA-LU for selecting PNRS projects included the ability of the project to garner support for nonfederal financial commitments; leverage the federal investment; provide evidence of stable and dependable financing for the construction, maintenance, and operation of the facility; use new technologies that enhance project efficiency; and help maintain or protect the environment.

<sup>13</sup>GSA is the lead agency on any road construction project or maintenance that occurs on GSA property, including land border port of entry facilities.

<sup>14</sup>As of December 8, 2008, no border state has proposed using CBI funds for a project in Canada or Mexico.

## Project Goals Vary, Most Projects Have Been Reviewed and Received Funding, Highway Projects Predominate, and Funds Are Used for Various Activities

States established goals for their projects to address capacity, congestion, economic and safety issues. According to the latest data available from FHWA, most PNRS, NCIIP, and CBI projects had been reviewed by FHWA, and funds had been distributed to states; however, some states had not initiated efforts to obtain federal funds for their projects under these programs. The federal contributions to estimated total project costs varied by program. States have used the program funds mainly for highway projects, although some rail and intermodal projects were funded under PNRS. Furthermore, states have used the project funds for various activities and purposes.

## Projects Funded by the Programs Have a Variety of Goals

The 14 states we reviewed established a variety of goals for the national and regional projects funded by the three programs. In broad terms, these goals included increasing transportation capacity, enhancing passenger and freight mobility, reducing congestion, promoting economic development, and improving safety. Table 3 identifies more detailed goals for some projects.

**Table 3: Goals for Selected PNRS, NCIIP, and CBI Projects Reviewed by GAO**

Project and location	Program	Goal(s) <sup>a</sup>
Interstate I-5 Bridge Repair (Oregon)	PNRS	Improve freight flow by approximately 20 percent (as measured by average daily truck count) through bridge upgrades on the I-5 corridor. Avoid disruptions in traffic flow across bridges resulting from truck weight or height restrictions that could reduce the local economy's productivity by an estimated \$168 billion annually.
Liberty Corridor (New Jersey)	PNRS	Target funds in eight counties to transportation projects aimed at enhancing economic development, reclaiming "brownfields" <sup>b</sup> improving freight movement, creating more transit opportunities, and encouraging technological and workforce development. The projects are designed to build on the strength of existing transportation resources and advance a strategic marketing plan to attract businesses.
Chicago Region Environmental And Transportation Efficiency Program (CREATE) (Illinois)	PNRS	Improve freight velocity, thereby resulting in faster goods movement nationwide, improved travel times for intercity and regional rail passengers, and shifts from car to rail travel that will improve air quality. In addition, improve safety for rail and roadway users, reduce motorist delays, and reduce emissions through road-rail grade separations. Produce monetary benefits for the Chicago region, including an estimated \$595 million related to safety improvements and reduced delays for motorists and rail passengers; \$1.1 billion related to air quality improvements; and \$2.2 billion related to savings in construction contracts in the area.
Pearl Harbor Memorial Bridge (Connecticut)	NCIIP	Increase corridor capacity by adding a lane in each direction and allowing trucks to enter the highway at higher speeds, as well as create safer access ramps for trucks entering the highway from the Port of New Haven and provide shoulders for emergency vehicle access. At the cost of some increased noise, increase access to and from the port and reduce congestion and idling time at the I-95/I-91 interchange.

Project and location	Program	Goal(s) <sup>a</sup>
I-5/Blaine Exit-Interchange Improvements (Washington)	CBI	Keep congestion “acceptable” until 2030 through improvements that are expected to improve the flow of vehicles entering and exiting GSA’s reconstructed Peace Arch Port of Entry with Canada in Blaine, Washington. Any additional impact on national and regional transportation capacity will be determined after the project is complete.
State Route 905, from I-805 to the Otay Mesa Port of Entry with Mexico (California)	CBI	By constructing a new 6-lane highway, increase efficiency and capacity at the Otay Mesa Port of Entry with Mexico for commercial truck movement; improve mobility for existing and forecasted local, regional, interregional, and international traffic; alleviate congestion and provide consistency and reliability to freight movements; and achieve a net reduction in future vehicle emissions over the no-build alternative. According to state estimates, when completed, the project will realize an estimated average annual travel time savings worth \$71.6 million and eliminate over 9.9 million annual person-hours of delay.
Brawley Bypass (California)	CBI	Increase freight and passenger mobility and improve air quality and safety by constructing a new extension of State Route 111 that will bypass the town of Brawley in Imperial County and connect to State Route 78, thereby diverting trucks from Brawley’s local streets. Currently, trucks coming into the United States from Mexico and trash trucks heading from Los Angeles to an area landfill pass through Brawley. According to state estimates, when complete, the project will realize an estimated average annual travel time savings of \$16.3 million and eliminate over 2 million annual person-hours of delay.

Source: GAO summary and analysis of project documentation.

<sup>a</sup>GAO did not independently review or validate the estimated benefits of the projects listed in this table.

<sup>b</sup>The term brownfield generally refers to a site with a hazardous substance, pollutant, or contaminant that may complicate the expansion, redevelopment, or reuse of the property.

### Most Projects Have Been Reviewed and Funds Have Been Distributed, but Some States Have Not Requested Funds for Certain Projects

As of December 2, 2008, FHWA had received project descriptions for and reviewed and distributed funds for most of the projects funded by congressional directive (46 of 55 projects) under PNRS and NCIIP, as shown in table 4.

**Table 4: Funding Status of PNRS and NCIIP Projects, as of December 2, 2008**

National and regional program	Number of congressionally directed projects	Number of projects reviewed by FHWA and funds distributed to states	Number of projects under review by FHWA	Number of projects for which states have not submitted project proposals to FHWA for review
PNRS	24	19	2	3
NCIIP <sup>a</sup>	31	27	0	4
<b>Total</b>	<b>55</b>	<b>46</b>	<b>2</b>	<b>7</b>

Source: GAO analysis of FHWA data.

<sup>a</sup>For the NCIIP program, “states” includes the District of Columbia.

As of September 30, 2008, 14 of 15 border states had initiated efforts to obtain CBI funds by submitting required descriptions of proposed projects to FHWA. These 14 states had received funds for 98 CBI projects.

Since SAFETEA-LU was passed in August 2005, FHWA has distributed most of the funds appropriated for these programs to the states for use on reviewed projects; however, FHWA has set aside, or obligated, only a portion of these funds for specific projects. As shown in table 5, as of September 30, 2008, FHWA had obligated nearly \$1.2 billion, or about 33 percent of the \$3.6 billion authorized under the three programs through that period.

**Table 5: Authorizations, Appropriations, and Obligations for Fiscal Years 2005 through 2008, as of September 30, 2008**

Dollars in millions			
<b>National and regional program</b>	<b>Authorizations</b>	<b>Appropriations</b>	<b>Obligations</b>
PNRS	\$1,424	\$1,279	\$423
NCIIP	1,558	1,400	499
CBI	622	622	260
<b>Total</b>	<b>\$3,604</b>	<b>\$3,301</b>	<b>\$1,182</b>

Source: GAO analysis of FHWA data.

Although FHWA has obligated about a third of the authorized funds for reviewed projects, many of these projects are generally still in preliminary stages. As we have previously reported, FHWA has determined that it typically takes from 9 to 19 years to plan, gain approval for, and construct a new, major, federally funded highway project that has significant environmental impacts.<sup>15</sup> As many as 200 major steps can be involved in developing such a project, from identifying the need for it to starting construction.

While states have submitted complete project descriptions to FHWA for most projects and have received funds for them, some states have not done so, including the following:

<sup>15</sup>GAO, *Highway Infrastructure: Perceptions of Stakeholders on Approaches to Reduce Highway Project Completion Time*, [GAO-03-398](#) (Washington, D.C.: Apr. 9, 2003).

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- Three states had not submitted descriptions or requested funds for 3 of the 24 PNRS projects, as of December 2, 2008. Transportation officials in Michigan and Minnesota told us they were waiting to complete the environmental impact statement before submitting a project description and requesting PNRS funds for 2 of these projects (Blue Water Bridge Border/Port Huron Plaza project in Michigan and the Union Depot Multimodal Transit Facility in Minnesota). FHWA also did not receive a project description for the PNRS project involving improvements to I-80 in Pennsylvania.
  - Three states and the District of Columbia had not submitted project descriptions or requested funds for 4 of 31 NCIIP projects, as of December 2, 2008. Officials we interviewed in two of those states offered varied reasons for not using the funds. For example, Arizona DOT officials said they did not submit a description for the State Route 85 project because they were trying to identify an appropriate project segment that could meet the NCIIP funding criteria. Wisconsin DOT officials told us they had not yet requested the NCIIP funds for the U.S. 41 project since the NCIIP funds do not have to be used by a specified date. In addition, FHWA has not received NCIIP project descriptions for the Frederick Douglas Memorial Bridge in the District of Columbia and I-80 improvements in Indiana.
  - One of 15 border states (New Hampshire) had not used any of its distribution of CBI funds, as of September 30, 2008. An FHWA official told us that New Hampshire has only one border crossing, and it is not always open; therefore, the New Hampshire DOT is trying to identify a suitable project that meets CBI funding criteria.

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### Federal Share of Contributions to Total Project Costs Varies by Type of Program

The federal share of contributions relative to the estimated total project costs varies widely between the PNRS and NCIIP programs and the CBI program, as shown in table 6.<sup>16</sup> For example, under PNRS, the federal funding contributions represented less than 30 percent of the estimated total project cost for the majority of reviewed projects (i.e., for 15 of 19 PNRS projects). Under NCIIP, the federal funding contributions represented less than 30 percent of the estimated total project cost for about half of the reviewed NCIIP projects (i.e., for 13 of 27 NCIIP projects). The federal shares for the congressionally directed PNRS projects that received funding from FHWA varied widely, ranging from

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<sup>16</sup>The estimated total project costs are based on state DOT submissions to FHWA.

about 2 percent for the construction of I-73 between North and South Carolina to 104 percent for a project to relocate freight rail operations from El Paso, Texas, to New Mexico.<sup>17</sup> In contrast, CBI funds represented 80 percent or more of the estimated total project cost for almost half (44 of 98) of reviewed CBI projects selected by the states. Generally, CBI program funds were often used by states for smaller-scope, lower-cost projects—such as resurfacing highway pavement, rehabilitating rest areas, refurbishing tollbooths, or installing guardrails.

**Table 6: Federal Share of Contributions Relative to Estimated Total Project Costs, by Program and Cost Category**

Program	Number of reviewed projects with a federal share of less than 30%	Number of reviewed projects with a federal share of 30% to less than 80%	Number of reviewed projects with a federal share of 80% to 100%	Number of reviewed projects whose federal share is unknown <sup>a</sup>	Total number of reviewed projects
<b>PNRS</b>					
High-cost projects	11	0	0	0	11
Non-high-cost projects	4	2	2	0	8
Cost unknown	0	0	0	0	0
<b>NCIIP</b>					
High-cost projects	9	2	0	0	11
Non-high-cost projects	4	9	2	0	15
Cost unknown	0	0	0	1	1
<b>CBI</b>					
High-cost projects	1	0	0	0	1
Non-high-cost projects	18	33	44	0	95
Cost unknown	0	0	0	2	2
<b>Total projects—all three programs</b>	<b>47</b>	<b>46</b>	<b>48</b>	<b>3</b>	<b>144</b>

Source: GAO analysis of FHWA data.

<sup>17</sup>State DOT officials in New Mexico told us that the federal authorization exceeded 100 percent of the total cost estimate (i.e., 104 percent) on the project to relocate freight rail operations from Texas to New Mexico because state officials took into account actual and anticipated federal rescissions to the amount authorized in SAFETEA-LU for the project. Officials projected that actual and anticipated federal appropriations for the project will be 88 percent of the total estimated project costs. In commenting on this report, DOT officials stated that although the congressional directive exceeds 80 percent of the total estimated project cost, a match is required for using federal funds and FHWA monitors this match.

Note: The estimated total project costs are the amounts state DOT officials estimated they would need to complete their projects. The estimated total project costs for PNRs, NCIIP, and CBI are based on state DOT submissions to FHWA from fiscal year 2005 through fiscal year 2008.

<sup>a</sup>State DOT officials had not submitted project plans with estimated total project costs for these projects.

For high-cost projects—those whose estimated total costs equaled or exceeded \$500 million (11 of 19 PNRs projects, 11 of 27 NCIIP projects, and 1 of 98 CBI projects)—PNRS funds averaged about 8 percent of estimated total costs, NCIIP funds averaged about 4 percent of estimated total costs, and CBI funds averaged about 13 percent of estimated total costs. For non-high-cost projects, the range and the average federal share of contributions as a percentage of estimated total project costs is similar for each program. Table 7 presents information on the range and average percentage of estimated total project costs provided by federal funds, by program.

**Table 7: Range of Federal Percentage of Estimated Total Project Cost and Average Federal Percentage of Estimated Total Cost for Projects That Received Funding, by Program and Cost Category**

<b>Program</b>	<b>Range of federal share of contributions as a percentage of estimated total project costs</b>	<b>Average federal share of contributions as a percentage of estimated total project costs</b>
<b>PNRS</b>		
High-cost projects	2%–19%	8%
Non-high-cost projects	11%–104%	32%
<b>NCIIP</b>		
High-cost projects	Less than 1%–61%	4%
Non-high-cost projects	7%–93%	35%
<b>CBI</b>		
High-cost projects	13%	13%
Non-high-cost projects	Less than 1%–100%	39%

Source: GAO analysis of FHWA data.

Notes: The federal share is the federal funding provided by each program. The estimated total project costs are the amounts state DOT officials estimated they needed to complete their projects. PNRs, NCIIP, and CBI estimated total project costs are based on state DOT submissions to FHWA from fiscal year 2005 through fiscal year 2008.

Percentages are rounded to the nearest whole number.

## Majority of Projects Are for Highway Improvements

States have used the funds from the three national and regional programs mainly for highway projects. As shown in table 8, 137 of 144 total reviewed projects, or 95 percent, involved highways.

**Table 8: Number of Reviewed PNRS, NCIIP, and CBI Projects, by Type**

National and regional program	Number of highway projects	Number of intermodal projects	Number of rail projects	Total
PNRS	12	4	3	19
NCIIP	27	0	0	27
CBI	98	0	0	98
<b>Total</b>	<b>137</b>	<b>4</b>	<b>3</b>	<b>144</b>

Source: GAO analysis of FHWA data.

While some sections of SAFETEA-LU restricted funds from all three programs to highway projects, another section of SAFETEA-LU directed some PNRS funds to nonhighway projects. (See app. V for complete lists of PNRS, NCIIP, and CBI projects.) These nonhighway PNRS projects included an intermodal project in Chicago (the CREATE program) and a rail project in New York (the Cross Harbor Freight Movement project).

## Project Funds Are Used for Various Activities and Purposes

States have used their PNRS, NCIIP, and CBI project funds for a variety of activities, including conducting environmental studies, planning, preliminary engineering, design, right-of-way acquisition, and construction. Moreover, these project funds can be used for diverse purposes, such as expanding ongoing projects, covering cost increases or revenue shortfalls, or initiating projects and attracting nonfederal funds. The following examples from projects in table 3 illustrate how states have used their project funds:

- Oregon DOT officials told us PNRS funds enabled the state to undertake additional I-5 bridge repair projects beyond those possible with the previous level of state funding. Because I-5 is the only north-south interstate highway linking Oregon to California and Washington, upgrading the bridges is expected to improve the flow of freight through all three states.

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- Connecticut DOT officials told us that NCIIP funds provide the necessary momentum to continue the Pearl Harbor Memorial Bridge<sup>18</sup> project. Without these federal funds, the officials said, other transportation projects would have had to be postponed until Connecticut could finish this project. Officials stated that Connecticut actively seeks federal funding for large transportation projects so that it can direct state funds to other transportation projects.
  - Finally, some states have used the program funds to initiate projects and attract other state and local funds. For example, the California DOT used a portion of its CBI funding to attract state funds for the Brawley Bypass project. According to California DOT officials, if federal funds had not been distributed to this project, it would have not have qualified for state funds—under California law, a project sponsor must obtain nonstate matching funds before it can obtain state funds—and the project would have been more difficult to complete.<sup>19</sup>

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## Stakeholders Cited Advantages Less Often Than Challenges Associated with DOT’s National and Regional Programs

In discussing the three programs, stakeholders discussed a wide variety of both advantages and challenges, but they cited advantages less often than challenges. Specifically, in our interviews with 56 stakeholders, there were 47 instances in which stakeholders cited advantages of these programs and 66 instances in which they cited challenges.<sup>20</sup> The advantages were primarily related to the benefits of the programs’ funding, while the more numerous challenges included funding issues but also addressed problems in complying with federal requirements and in not using the criteria-based competitive process established in SAFETEA-LU to select projects.

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<sup>18</sup>The Pearl Harbor Memorial Bridge in Connecticut is expected to increase capacity by adding a lane in each direction.

<sup>19</sup>California DOT officials told us that they applied for California bond funding for this project but did not have sufficient nonstate matching funds allocated to the project to qualify for state bond funds. Adding CBI funds to local funds that had been allocated to this project allowed the state DOT to secure state funds for this project.

<sup>20</sup>A stakeholder could mention multiple advantages or challenges in an interview.

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## Stakeholders Cited Advantages Related to the Programs' Funding

When asked about the advantages of the three programs, the stakeholders we interviewed focused primarily on the funding the programs provided.<sup>21</sup> (See app. II for a complete list of these advantages and the number of interviews in which each advantage was mentioned by a stakeholder group.) The most frequently cited advantage was the support the programs provided to initiate projects and to advance those that were already under construction. For example, as stated earlier, Connecticut DOT officials told us that NCIIP funds allowed them to continue work on the Pearl Harbor Memorial Bridge project without having to stop other transportation projects that would otherwise have had to be postponed until the bridge could be completed.

The second most frequently cited advantage was the opportunity the programs provided to address high-cost projects and issues the stakeholders considered to be of national importance. For example, one stakeholder said that PNRs funding enabled it to address a high-cost project that required multiple funding partnerships, and another stakeholder said the CBI funding allowed it to undertake a project that serves regional and national needs by facilitating cross-border commercial truck traffic.

Two additional advantages, both related to the programs' funding, were the third most frequently cited. These included the direction of PNRs funds to nonhighway projects and the ability of the program funds to attract additional nonfederal funds, as follows:

- Stakeholders viewed the direction of some PNRs funds to nonhighway projects as an advantage in addressing some states' transportation priorities because such projects would not otherwise have been eligible for PNRs funds under current law.
- Some stakeholders cited the ability of PNRs or NCIIP funds to attract additional nonfederal funds. For example, some stakeholders mentioned that because federal funds were directed toward a specific project,

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<sup>21</sup>We placed the stakeholders we interviewed into four groups: (1) DOT offices (mainly FHWA division offices in the states we visited), (2) state transportation departments, (3) local government agencies (including port authorities and metropolitan planning organizations (MPO), and (4) national associations and transportation experts.

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nonfederal funds were distributed by the state and local government to satisfy the state and local match requirements.<sup>22</sup>

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### Stakeholders Cited Several Challenges Associated with DOT's National and Regional Programs

While stakeholders cited some advantages, there were more instances in which stakeholders cited challenges associated with these three programs. (See app. III for the list of challenges and the number of instances that each challenge was cited in a stakeholder interview.) The challenges most frequently cited were related to funding, including the uncertainty of future federal funding, the relatively limited amounts of funding provided for large projects, and the impact of inflation.

- Funding uncertainty presents a challenge because almost all PNRS and NCIIP projects were funded below their full cost and project sponsors do not know whether they will receive additional federal funds beyond fiscal year 2009 to complete their projects. According to one stakeholder, states need a reliable funding stream in order to plan and obtain nonfederal funding. As a result, some stakeholders told us they planned to seek additional federal funds beyond fiscal year 2009 to complete their projects.
- The percentage of total estimated project costs provided by the three programs also presents a challenge to projects' completion. As noted, under the PNRS program, the federal funding contributions represented less than 30 percent of the estimated total project costs for the majority of reviewed projects. Under the NCIIP program, the federal funding contributions represented less than 30 percent of the estimated total project costs for about half of the reviewed projects. For high-cost projects, PNRS funds averaged about 8 percent of the estimated total costs, and NCIIP funds averaged about 4 percent of the estimated total costs. According to some stakeholders, certain projects will be placed on hold unless they receive additional federal funds.
- Inflation poses a challenge because it reduces the value of the federal funds from these programs over time. One stakeholder reported that the rising cost of right-of-way acquisition has increased project planning uncertainty. Some stakeholders reported that inflation has also greatly increased the cost of construction materials over time. According to the Bureau of Labor Statistics, the producer price index for highway and

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<sup>22</sup>Some stakeholders also said that they reprioritized nonfederal transportation funding to satisfy the state and local match requirements in order to obtain federal funding from these programs (see app. III).

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street construction increased by about 41 percent from August 2005 to August 2008 (the latest month for which these data are available).

The second most frequently cited challenge was difficulty in complying with federal requirements. For example, the stakeholders who cited compliance with federal and environmental requirements as a challenge noted the additional time and expense involved. In the view of some state and local transportation officials, these requirements may be too onerous to justify the use of the program funds. One stakeholder stated that the environmental review process, established under NEPA, takes a long time and that the Davis-Bacon prevailing wage requirements require higher-than-market wages, resulting in increased project costs.<sup>23</sup> Stakeholders also reported that it can be difficult to obtain state and local funds to match the federal funds, as required. One stakeholder reported that it was still trying to obtain enough state and local funding to meet the matching requirements.

The third most frequently cited challenge was not using the criteria-based competitive process in SAFETEA-LU to select PNRS and NCIIP projects. According to the stakeholders, it was difficult to determine whether the congressionally directed projects addressed national and regional priorities because the projects were not evaluated against the act's criteria. For example, DOT officials said not using the criteria-based competitive process made it difficult to assess the national transportation system across modes to determine where strategic improvements should be made.

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<sup>23</sup>Our work has shown that the stakeholders' views are, in some instances, warranted, but that in other instances, state requirements are as stringent or more stringent than the federal requirements or the federal requirements do not result in higher costs. In our December 2008 report on federal requirements for highway projects ([GAO-09-36](#)), we noted that a majority of state DOTs reported that, in the past 10 years, NEPA factored into their decision to use nonfederal funds for highway projects that were eligible for federal aid. We also found that some states' NEPA requirements are more stringent than the federal requirements. Furthermore, in some states, the Davis-Bacon prevailing wage requirement led to higher labor costs, but in other states the Davis-Bacon prevailing wage rate was lower than the state's prevailing wage rate.

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## Key Program Enhancements Include Defining a Clear Federal Role and a Criteria-Based, Competitive Project Selection Process

According to our interviews with program stakeholders and our prior work on federal surface transportation programs,<sup>24</sup> clearly defining the federal role in surface transportation is an important step toward focusing these three programs. Once the federal role has been clarified, two approaches that have been used in the past could be used to distribute federal transportation funds to projects that are consistent with that role—criteria-based competition or formula-based distribution. Both approaches have a range of characteristics; however, our interviews with stakeholders and our prior work suggest that a criteria-based competition could enhance these programs by targeting federal investments in accordance with a more clearly defined federal role and directing funds to stated program goals. In addition, Congress could still direct funds to specific projects as it did in two of the three programs.<sup>25</sup> Some stakeholders we interviewed also suggested a wide range of both broad and specific program enhancements (see app. IV).

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## The Federal Government Lacks a Clear Definition of Its Role in Surface Transportation

Stakeholders from all the groups we spoke with for this engagement said that a clear definition of the federal role in transportation could help guide federal investments toward achieving national transportation priorities.<sup>26</sup> Stakeholders mentioned several different ways the federal role could be better defined—from reducing the federal role in transportation infrastructure financing by giving more responsibility to individual states for the transportation system, to focusing more resources on fewer transportation programs, to concentrating federal resources on large transportation projects that affect multiple states.

In our prior work, we have frequently called for more clearly defining the federal role in surface transportation. We have found that multiple federal roles can be inferred from the variety of surface transportation programs the federal government funds, but there is no single definition or set of priorities to use to focus federal surface transportation spending. In 2008,

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<sup>24</sup>GAO-08-400, GAO-08-287, GAO-07-1210SP, GAO-05-325SP.

<sup>25</sup>For more information on congressional directives, see GAO, *Congressional Directives: Selected Agencies Processes for Responding to Funding Instructions*, GAO-08-209 (Washington, D.C.: Jan. 31, 2008).

<sup>26</sup>Thirty of the 56 stakeholders we spoke with (2 of 12 DOT and FHWA state officials, 9 of 16 state transportation departments, 7 of 16 local governments, and 12 of 12 national associations or transportation experts) called for a better definition of the federal role in transportation funding.

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we called for a fundamental reexamination of the nation's surface transportation system, noting that the federal goals are unclear, the federal funding outlook for surface transportation is uncertain, and the efficiency of the transportation system is declining.<sup>27</sup> We have also found that the lack of a defined federal role in transportation is a reason why many current federal transportation programs are ineffective in addressing key transportation challenges, and we have identified federal transportation funding as a high-risk area.<sup>28</sup> Additionally, in a May 2007 forum convened by the Comptroller General on transportation policy, participating experts stated that the nation's transportation policy has lost focus and that a better definition of overall transportation goals is needed to better meet current and future infrastructure needs.<sup>29</sup>

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### Approaches Available for Restructuring Programs Have Advantages and Disadvantages

The two primary approaches that are available and have been used historically to distribute federal funds to transportation infrastructure projects—criteria-based competition and formula-based distribution—have a range of characteristics that include both advantages and disadvantages. Table 9 shows the characteristics of each approach as identified by stakeholders we interviewed and through our prior work.<sup>30</sup>

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<sup>27</sup> [GAO-08-400](#).

<sup>28</sup> GAO, *High Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

<sup>29</sup> [GAO-07-1210SP](#).

<sup>30</sup> GAO, *Federal Grants: Design Improvements Could Help Federal Resources Go Further*, [GAO/AIMD-97-7](#) (Washington, D.C.: Dec. 18, 1996); GAO, *Surface Transportation: Preliminary Observations on Efforts to Restructure the Current Program*, [GAO-08-478T](#) (Washington, D.C.: Feb. 6, 2008); [GAO-05-325SP](#); [GAO-07-1210SP](#); and [GAO-08-400](#).

**Table 9: Range of Characteristics of Available Approaches for Restructuring Federal Funding for the Three Programs, Based on Stakeholder Views and Prior GAO Reports**

Approach	Range of characteristics
Criteria-based competition	<ul style="list-style-type: none"> <li>• Federal government directs funds to projects that meet defined, merit-based criteria.</li> <li>• Provides opportunity to compare projects across states.</li> <li>• Selection criteria are transparent and can be used to measure program results and hold managers accountable.</li> <li>• Can reflect stakeholder input.</li> <li>• Competitive process may take more time to distribute funds to projects than directives or formulas.</li> <li>• Criteria can be biased, such as toward urban areas or specific modes.</li> </ul>
Formula-based distribution	<ul style="list-style-type: none"> <li>• Gives state most flexibility in selecting projects.</li> <li>• Can be an equitable way to distribute funds to states.</li> <li>• Process for distributing funds is transparent.</li> <li>• Funding can be more consistent and reliable.</li> <li>• Because most projects are selected by state and local governments, funds may not be targeted to projects that meet national priorities.</li> <li>• Depending on how the formula is constructed, funds may be distributed without regard to needs or performance.</li> </ul>

Source: GAO analysis of stakeholder interviews and prior GAO reports.

Regardless of the approach selected, Congress could still direct funds to individual transportation projects as it did in two of the three programs. According to some stakeholders, congressional directives circumvent the established state transportation planning process and may indirectly divert nonfederal resources as states and others reprioritize their funds in order to use the directed federal funds. However, other stakeholders described congressional directives as a way to distribute federal funds more quickly than through a competition and as a way to provide funds for projects that might otherwise not receive funding through the established state transportation planning process.

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## Criteria-Based Competition and a More Clearly Defined Federal Role in Transportation May Provide Best Opportunity to Enhance These Programs

According to stakeholders we interviewed and our prior work, a criteria-based, competitive approach, such as the competitive process included in SAFETEA-LU for PNRS and NCIIP, could provide the best opportunity to enhance these programs by better targeting federal investments in transportation infrastructure. Such targeting is important for these three programs because they were designed to direct federal funds toward projects for enhancing transportation infrastructure that has national and regional impacts. While this approach has a range of characteristics, including some disadvantages, stakeholders stated that it allows each project to be evaluated on its merits, and it incorporates stakeholders' views and input. We have previously testified that a fiscally sustainable surface transportation program will require targeted investments in the transportation system from federal and nonfederal stakeholders.<sup>31</sup> Moreover, with regard to freight transportation, we recommended in our prior work that DOT define the federal role for the use of federal funds, establish clear roles for stakeholders, and focus federal funding to support the federal role in a cost-effective manner.<sup>32</sup> In addition, we have found that having more federal programs operate competitively could help tie funds to performance.<sup>33</sup>

Canada's Asia-Pacific Gateway and Corridor Initiative (APGCI) offers an example of how the three programs discussed here could be restructured as criteria-based, competitive programs. The Canadian government's vision for its program is to invest in critical freight transportation projects that facilitate the movement of freight from Asia to Canada and through to the United States. Transport Canada, the federal Canadian government's transportation agency, identifies key transportation projects through analytical studies or decides to fund projects submitted by provinces or towns using program criteria and freight transportation data. The criteria that were developed focused on objectives in support of the program's vision, such as enhancing efficiency, safety, and security and minimizing environmental impacts. According to a Transport Canada official, using data on freight flows assisted Transport Canada in determining the extent to which specific projects would support international trade with Asia. The official further noted that the specific criteria enabled Transport Canada to take a rigorous approach, be selective, and thus deliver on the

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<sup>31</sup> [GAO-08-478T](#) (Washington, D.C.: Feb. 6, 2008).

<sup>32</sup> [GAO-08-287](#). DOT did not comment on this recommendation.

<sup>33</sup> [GAO-08-400](#).

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key objectives. Additionally, the official said, previous programs had less focused objectives, allowing a considerably wider variety of projects to be funded.

Transport Canada works with public and private stakeholders to define what a project will entail, identify other nonfederal funding sources, complete a cost-benefit analysis, monitor the project, and evaluate the impact of the project after it is complete. Since October 2006, APGCI has leveraged a federal investment of \$860 million into a total federal and nonfederal investment of \$2.3 billion in 20 transportation projects. The federal share for these projects has ranged between 33 and 50 percent of total project costs.

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## Conclusions

Our national transportation network faces many challenges. As demands for greater passenger and freight mobility increase and transportation infrastructure continues to show signs of age, fatigue, and congestion, governments at the federal, state, and local levels need to prioritize their limited resources to meet these demands. The three programs established in SAFETEA-LU were intended to address national and regional priorities by helping to fund a range of high-cost infrastructure projects or could not easily or specifically be addressed within existing federal surface transportation programs. As Congress prepares for the reauthorization of federal surface transportation programs in 2009, it will need to reexamine the relative contributions of these three programs and all other surface transportation programs to solving our nation's transportation problems and achieving federal goals. With regard to PNRS and NCIIP, the relatively small federal share, especially for higher-cost projects, the number of projects, and the distribution of projects across the country, have raised concerns that the federal government did not maximize the impact of its limited transportation funds. We have similar concerns about the CBI program in that it was used by states for smaller-scope, lower-cost projects. In addition, some of the program enhancements mentioned by stakeholders could also improve all three programs. However, without a clearly defined federal role and a competitive, criteria-based process for distributing federal funds, it is unclear whether or how these programs can meet national or regional transportation priorities or maximize the benefits of investing increasingly scarce federal funds in our transportation infrastructure.

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## Matters for Congressional Consideration

In order to enhance these three programs, we concluded that Congress should consider taking the following three actions when considering the reauthorization of federal surface transportation programs:

- Define the federal role in surface transportation in accordance with the national and regional transportation priorities that these three programs are designed to meet.
- Implement a criteria-based, competitive project selection process for these three programs, in concert with other selection criteria.
- Work with the Secretary of Transportation to develop any specific program enhancements that could help these programs meet identified priorities and achieve the highest return on federal investments.

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## Agency Comments

We provided a draft of this report to DOT for review and comment. On January 22, 2009, we received comments on the report from DOT officials, including FHWA, FRA, and MARAD officials, in an e-mail from DOT's Office of Audit Relations. The officials generally agreed with the information in this report and stated that the department would be happy to assist Congress as it considers the proposed matters. In addition, DOT provided technical clarifications, which we incorporated in the report as appropriate.

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We are sending copies of this report to congressional committees with responsibilities for transportation issues and to the Secretary of Transportation. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-2834 or [herrp@gao.gov](mailto:herrp@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 that made key contributions to this report are listed in appendix VI.

A handwritten signature in black ink that reads "Phillip R. Herr". The signature is written in a cursive style with a large initial "P" and a stylized "H".

Phillip R. Herr  
Director, Physical Infrastructure Issues

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# Appendix I: Objectives, Scope, and Methodology

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In this report, we assessed three federal transportation programs established by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted in August 2005, to target funds to infrastructure projects that have high costs, involve national or regional impacts, and cannot easily or specifically be addressed within existing federal surface transportation programs. The programs, administered by the Federal Highway Administration (FHWA), include the Projects of National and Regional Significance (PNRS), the National Corridor Infrastructure Improvement Program (NCIIP), and the Coordinated Border Infrastructure (CBI) program. As requested, we addressed the following questions: (1) What are the goals, funding status, and types of projects and activities funded for the three programs? (2) What advantages and challenges did stakeholders say were associated with these three programs? (3) What approaches are available for enhancing the three programs?

In addressing these questions, our overall approach was to (1) review federal law, proposed regulations, FHWA's program guidance and information, FHWA status reports on each program, and a Department of Transportation (DOT) report on the PNRS program;<sup>1</sup> (2) review pertinent documentation, including some of the project proposals, plans, and information submitted to DOT for projects funded by these programs; and (3) interview officials from 56 "stakeholder" entities to understand the programs' advantages, challenges, and possible enhancements. Stakeholders broadly have interest and expertise in one or more of the three programs, in a specific transportation project funded by one of these programs, or in federal surface transportation policy generally. The stakeholders we interviewed included officials from the following entities, which are also listed in table 10 at the end of this appendix:

- DOT headquarters in Washington, D.C., including the Office of the Secretary; FHWA; the Federal Railroad Administration (FRA); and the Maritime Administration (MARAD); as well as FHWA division offices in eight states, for a total of 12 DOT entities; and
- 16 state transportation departments, 16 local government agencies (including port authorities and metropolitan planning organizations), and 12 transportation associations or other expert organizations. We

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<sup>1</sup>Department of Transportation, *Projects of National and Regional Significance, 2007 Report to Congress, Project Information, December 2007* (Washington, D.C.: Feb. 11, 2008).

conducted some of these interviews as part of our site visits to eight states—California, New York, New Jersey, Connecticut, Illinois, Wisconsin, Washington, and Oregon—where we met with officials who manage projects funded through the three programs.

In selecting our sites, we considered geographic diversity, the funding authorized by states for these programs, and the characteristics of the projects funded. The 16 state transportation departments we selected for interviews included 14 states that collectively accounted for 86 projects funded by the three programs and 2 states, Florida and Wyoming, that did not have projects funded by these three programs. Also, for comparison, we contacted Transport Canada, the transportation department of the federal Canadian government, and the Ministry of Transportation and Infrastructure of the Canadian province of British Columbia, to obtain information about similar infrastructure investment programs.

In addition, to address the first question on funding status, we reviewed FHWA's data on amounts authorized, appropriated, and obligated for PNRS, NCIIP, and CBI. To assess the reliability and quality of FHWA's financial data, we analyzed related documentation and interviewed knowledgeable agency officials. Through these efforts, we determined that the data were sufficiently reliable for this report. We relied extensively on our interviews with transportation stakeholders and our prior work on surface transportation to identify not only the goals and types of projects and activities funded by these programs and the characteristics of individual restructuring approaches for them, but also a wide array of program enhancements. To address the second question on advantages and challenges, we analyzed our stakeholder interviews, and to respond to the third question, we relied on both our prior work and our stakeholder interviews to identify potential enhancements to the three programs.

We conducted this performance audit from December 2007 to February 2009, 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.

Finally, table 10 identifies the stakeholder entities included in our study.

**Table 10: Names and Locations of Entities Interviewed**

<b>Name</b>	<b>Location</b>
<b>Department of Transportation</b>	
Office of the Secretary	Washington, D.C.
Federal Highway Administration	Washington, D.C.
Federal Railroad Administration	Washington, D.C.
Maritime Administration	Washington, D.C.
<b>FHWA division office</b>	
Connecticut	Glastonbury, Conn.
Illinois	Springfield, Ill.
New Jersey	Trenton, N.J.
New York	Albany, N.Y.
Texas <sup>a</sup>	San Diego, Calif.
Oregon	Salem, Ore.
Washington	Olympia, Wash.
Wisconsin	Madison, Wisc.
<b>State department of transportation</b>	
Arkansas	Little Rock, Ark.
Arizona	Phoenix, Ariz.
California	Sacramento, Calif.
Connecticut	Newington, Conn.
Florida	Tallahassee, Fla.
Illinois	Springfield, Ill.
Louisiana	Baton Rouge, La.
Michigan	Lansing, Mich.
Minnesota	Minneapolis, Minn.
New York	Albany, N.Y.
New Jersey	Trenton, N.J.
Oregon	Salem, Ore.
Texas	Austin, Tex.
Washington	Olympia, Wash.
Wisconsin	Madison, Wisc.
Wyoming	Cheyenne, Wyo.
<b>Local government</b>	
Alameda Corridor East Joint Powers Authority	Los Angeles, Calif.
Chicago Metropolitan Agency for Planning	Chicago, Ill.
City of Bakersfield, California	Bakersfield, Calif.

**Appendix I: Objectives, Scope, and Methodology**

<b>Name</b>	<b>Location</b>
Kern Council of Governments	Bakersfield, Calif.
Kern County Roads Department	Bakersfield, Calif.
Los Angeles Metropolitan Transportation Authority	Los Angeles, Calif.
Port Authority of New York and New Jersey	New York, N.Y.
Port of Long Beach, California	Long Beach, Calif.
Puget Sound Regional Council	Seattle, Wash.
New Jersey Transit	Trenton, N.J.
New York City Economic Development Corporation	New York, N.Y.
New York Metropolitan Planning Council	New York, N.Y.
San Bernardino Associated Governments	San Bernardino, Calif.
Seattle Department of Transportation	Seattle, Wash.
South Central Regional Council of Governments	North Haven, Conn.
Southern California Association of Governments	Los Angeles, Calif.
<b>Association or other organization with experts</b>	
Association of American Railroads	Washington, D.C.
Association of State Highway and Transportation Officials	Washington, D.C.
Chicago Transportation Coordination Office, Chicago Region Environmental and Transportation Efficiency Program	Chicago, Ill.
Coalition for America's Gateways and Trade Corridors	Washington, D.C.
Greg Cohen, American Highway Users Alliance	Washington, D.C.
Martin Wachs, RAND Corporation	Santa Monica, Calif.
Move New York New Jersey	New York, N.Y.
National Association of Regional Councils	Washington, D.C.
Tim Lomax, Texas Transportation Institute	College Station, Tex.
Robert Poole, The Reason Foundation	Los Angeles, Calif.
Ron Utt, Heritage Foundation	Washington, D.C.
Transportation Choices Coalition	Seattle, Wash.
<b>Canada</b>	
Transport Canada	Ottawa, Ontario, Canada
Ministry of Transport and Infrastructure, British Columbia	Victoria, British Columbia, Canada

Source: GAO.

<sup>a</sup>We interviewed an official based in San Diego, California, from FHWA's Southern Border Liaison for the FHWA Divisional Offices in FHWA's Texas Division.

# Appendix II: Stakeholder-Identified Advantages of the National and Regional Infrastructure Programs

Advantages	Number of instances in which the advantage was identified in an interview (number in parenthesis is the total number of interviewees in the group)				
	DOT (12) <sup>a</sup>	States (16)	Local governments (16)	Associations and experts (12)	Total (56)
Supported and moved projects forward.	2	5	2	0	9
Addressed high-cost projects and issues of national importance.	1	3	0	2	6
Directed some PNRS funds to nonhighway projects.	3	0	1	1	5
Attracted additional nonfederal funds.	1	1	3	0	5
Made a broad array of project costs eligible for PNRS and NCIIP funds.	2	1	1	0	4
Distributed CBI funds by formula or ability to use funds in Canada.	0	2	0	2	4
Federal involvement helped enable interstate cooperation.	0	1	2	0	3
Made DOT think system wide instead of locally.	3	0	0	0	3
Funds do not expire.	0	2	0	0	2
Funds did not reduce a state's distribution of formula funds or funding for other high-cost projects.	0	0	1	0	1
Allowed for geographically targeted funding.	0	1	0	0	1
Useful criteria in SAFETEA-LU.	1	0	0	0	1
Congressional directives reduce time to get funds to projects.	1	0	0	0	1
States could use other funds for the state and local match requirement.	1	0	0	0	1
Established no maintenance of effort requirement for states.	1	0	0	0	1
<b>Total</b>					<b>47</b>

Source: GAO analysis of stakeholder interviews.

<sup>a</sup>We interviewed DOT headquarters officials, including officials with the Office of the Secretary of Transportation, FHWA, FRA, and MARAD; and FHWA field officials in the eight states we visited.

# Appendix III: Stakeholder-Identified Challenges of the National and Regional Infrastructure Programs

Challenges	Number of instances in which the challenge was identified in the an interview (number in parenthesis is the total number of interviewees in the group)					Total (56)
	DOT (12) <sup>a</sup>	States (16)	Local governments (16)	Associations and experts (12)		
Funding issues (such as uncertainty, small funding amounts for large projects, and inflation).	2	12	7	3		24
Compliance with federal requirements.	0	7	6	1		14
Criteria-based competitive process in SAFETEA-LU for PNRS and NCIIP was not used to select projects.	5	1	1	3		10
States had to reprioritize projects to use program funds.	1	4	2	1		8
Funds can only be used as indicated in the project description for PNRS and NCIIP congressionally directed projects.	1	2	0	0		3
Public opposition to projects.	0	0	3	0		3
Use of cost-benefit analysis and performance measures is limited.	0	0	1	1		2
Coordination among multiple stakeholders.	0	1	0	0		1
Project descriptions were not submitted for some PNRS and NCIIP projects which delayed the release of funds.	1	0	0	0		1
<b>Total</b>						<b>66</b>

Source: GAO analysis of stakeholder interviews.

<sup>a</sup>We interviewed DOT headquarters officials, including officials with the Office of the Secretary of Transportation, FHWA, FRA, and MARAD; and FHWA field officials in the eight states we visited.

# Appendix IV: Stakeholder-Identified Enhancements

Enhancement	Number of interviews in which the enhancement was identified (number in parenthesis in the heading is the total number of interviewees in the group)			
	DOT <sup>a</sup> (12)	States (16)	Local governments (16)	Associations and experts (12)
Better define the federal role.	2	9	7	12
Implement PNRS and NCIIP as written in SAFETEA-LU using a criteria-based competition with DOT recommending to Congress which projects should be funded.	3	5	2	4
Use cost-benefit analysis to evaluate projects before investment and performance metrics after investments.	1	0	0	8
Make the full amount of the authorization available in the first year to get projects completed faster.	1	1	2	1
Retain or increase the program's ability to invest in different modes.	1	0	2	0
Distribute more federal funds to the programs.	1	2	2	0
Reduce the number of federal programs.	1	2	1	2
Use a formula-based distribution.	0	3	2	0
Have different areas compete for different pots of funds to introduce more equity between different-sized states or metro areas.	0	1	2	0
Establish a multimodal Highway Trust Fund account.	1	1	0	1
Require projects to be included in federally mandated state and local transportation improvement plans.	1	0	0	2
Make directives more flexible.	0	3	0	0
Reduce the amount of nonfederal matching funds required to obtain federal funds.	0	2	0	0
Use full funding grant agreements to increase the certainty of federal funds for selected projects.	2	0	0	1
Allow CBI funds to be used for environmental reviews and for multimodal projects and increase the amount of CBI funds that can be transferred to the General Services Administration (GSA) in any given year.	0	2	0	0
Focus more on core federal-aid highway programs.	0	1	0	0
Reduce federal rescissions to increase the amount of federal funds that will go toward the selected projects.	0	1	1	0
Make some amount available for congressional directives.	0	1	0	1
Fund fewer projects with the same amount of funds.	2	0	0	1
Allow funds to be transferred between projects during the authorization period as long as the full authorized amount is allocated by the end of the authorization period to increase the flexibility of the funds.	0	1	0	0
Use a consistent definition of the border area to ensure states use CBI funds consistently.	0	1	0	0

**Appendix IV: Stakeholder-Identified Enhancements**

Enhancement	Number of interviews in which the enhancement was identified (number in parenthesis in the heading is the total number of interviewees in the group)			
	DOT <sup>a</sup> (12)	States (16)	Local governments (16)	Associations and experts (12)
Freight fees, taxes, or tolls could go to a commission that would identify freight projects.	0	1	0	1
Coordinate more with GSA.	0	1	0	0
Allow more states to conduct environmental impact statements.	0	1	0	0
High-cost projects need funding that spans acts.	0	1	0	0
High-cost projects should submit finance plans.	0	2	0	0
Increase the federal reimbursement rate to states.	0	0	1	0
Provide incentives to consider more than just "pavement."	0	0	1	0
Establish an expiration date for federal funds to help ensure that projects with firm plans and nonfederal commitments are selected and to get projects completed faster.	0	0	0	1

Source: GAO analysis of stakeholder interviews.

<sup>a</sup>We interviewed DOT headquarters officials, including officials with the Office of the Secretary of Transportation, FHWA, FRA, and MARAD; and FHWA field officials in the eight states we visited.

# Appendix V: PNRS, NCIIP, and CBI Projects and Their Funding

**Table 11: Projects of National and Regional Significance**

Dollars in millions

State	Project name and summary	PNRS funds authorized	Estimated total project cost <sup>a</sup>	PNRS share of total costs	Status of funding (as of Nov. 17, 2008)
Calif.	Alameda Corridor East—Construct 131 highway grade crossing separations and make other improvements in Los Angeles metro area.	\$125	\$4,600	2.7%	Funding distributed
Calif.	Bakersfield Beltway—Construct or improve a system of highways around Bakersfield.	140	336	41.7%	Funding distributed
Calif.	Desmond Bridge—Replace the current Gerald Desmond Bridge and its interchanges connecting the Port of Long Beach with I-710.	100	851	11.8%	Funding distributed
Calif.	Inland Empire Goods (Norton Air Force Base)—Add a mixed flow and high-occupancy vehicle lane to I-215 and a new interchange on I-10 in San Bernardino County.	55	556	9.9%	Funding distributed
Calif.	Sacramento Intermodal—Create a multimodal transportation center out of the current Sacramento Valley Passenger Rail Station.	3	300	1.0%	Under review
Calif.	Transbay Terminal—Create a new multimodal transit center, extending a commuter rail line and redeveloping property in downtown San Francisco.	27	3,600	0.8%	Under review
Colo.	Union Station, Denver—Construct transit improvements to the station including light rail and passenger and regional bus facilities.	50	435	11.5%	Funding distributed
Ill.	CREATE—Implement a series of railroad and grade separation projects intended to speed freight, commuter and intercity passenger rail traffic through Chicago’s rail network.	100	1,054	9.5%	Funding distributed
Ill.	Mississippi River Bridge—Constructing a new 8-lane bridge over the Mississippi River in the St. Louis, Mo. area, realign I-70 in Ill., and a partial reconstruction of the I-70/I-64 interchange.	150	910	16.5%	Funding distributed
Ill.	O’Hare Bypass-Elgin/O’Hare Extension—Extending the Elgin-O’Hare Expressway west of O’Hare International Airport and build a new highway across the western and southern borders of O’Hare.	140	2,171	6.4%	Funding distributed
Mich.	Blue Water Bridge Border Plaza—Construct a new bridge plaza and improvements to adjacent roads.	20	<sup>b</sup>	<sup>b</sup>	No application received
Minn.	Union Depot Multimodal Transit—Renovate the Union Depot in downtown St. Paul as an intermodal transit center.	50	<sup>b</sup>	<sup>b</sup>	No application received

**Appendix V: PNRS, NCIIP, and CBI Projects  
and Their Funding**

Dollars in millions

State	Project name and summary	PNRS funds authorized	Estimated total project cost <sup>a</sup>	PNRS share of total costs	Status of funding (as of Nov. 17, 2008)
Multiple (Ohio, Va., W.Va.)	Heartland Corridor—Remove overhead obstructions that prevent the handling of double-stack trains from Columbus, Ohio, and Walton, Va.	90	150	60.0%	Funding distributed
N.J.	Liberty Corridor—Implement 10 transit, rail, road and highway bridge projects in eight counties in northern N.J.	100	601	16.6%	Funding distributed
N.Mex.	Relocate El Paso rail—Plan, design and construct transportation improvements to relocate freight rail operations from El Paso, Tex. to N.Mex. <sup>c</sup>	14	13	104.0%	Funding distributed
N.Y.	Cross Harbor Freight Movement Project—Proposes the rehabilitation and long-term improvement of the New York City freight rail infrastructure east of the Hudson River.	100	125	80.0%	Funding distributed
Ore.	I-5 Bridge repair—Resolve low clearance and width issues on highway bridges on I-5 to increase truck freight mobility.	160	864	18.5%	Funding distributed
Pa.	I-80 improvements—Rehabilitate and reconstruct I-80 including roadways, bridges, interchanges, and Intelligent Transportation Systems. <sup>d</sup>	15	<sup>b</sup>	<sup>b</sup>	No application received
Pa.	U.S. 28 widening—Widen and make safety improvements along a 1.8-mile stretch of U.S. 28 in western Pa.	15	120	12.5%	Funding distributed
Pa.	U.S. 422 improvements—Safety and operational improvements on U.S. 422 near Valley Forge National Historical Park in eastern Pa.	20	169	11.8%	Funding distributed
S.C.	I-73 construction—Construct a new Interstate highway to provide access between N.C. and S.C.	40	2,526	1.6%	Funding distributed
Va.	Portsmouth Rail Relocation—Relocate existing rail lines serving two intermodal terminals in Portsmouth to increase train speeds and eliminate grade crossings.	15	60	25.0%	Funding distributed
Wash.	Alaskan Way Viaduct and Seawall—Replace earthquake damaged sections of State Route 99 and related seawall through downtown Seattle.	220	<sup>b</sup>	<sup>b</sup>	Funding distributed
Wisc.	Marquette Interchange—Rebuild the interchange between I-43, I-94, and I-794 in downtown Milwaukee.	\$30	\$810	3.7%	Funding distributed

Source: GAO analysis of FHWA data and project documentation.

<sup>a</sup>Figures represent total project cost estimates submitted by states to FHWA for distribution of federal program funds. Figures represent nominal dollar amounts as of the year the project plan was submitted.

<sup>b</sup>Not available.

**Appendix V: PNRS, NCIIP, and CBI Projects  
and Their Funding**

<sup>c</sup>The total cost estimate for this project takes into account the annual federal obligation limitation. This limitation decreases the estimated amount of federal funds available for the project.

<sup>d</sup>As amended by the SAFETEA-LU Technical Corrections Act of 2008.

**Table 12: National Corridor Infrastructure Improvement Program**

Dollars in millions

State	Project name and summary	NCIIP funds authorized	Estimated total project cost <sup>a</sup>	NCIIP share of total costs	Status of funding (as of Nov. 17, 2008)
Alaska	Knik Arm Bridge—Use funds originally designated for construction of Knik Arm and Gravinia Island bridges in Alaska for any eligible transportation purpose. <sup>c</sup>	\$30	<sup>b</sup>	<sup>b</sup>	Funding distributed
Ark.	I-69 and Great River Bridge—Construct a 185-mile 4-lane highway in Ark. This length includes the southeast Ark. I-69 Connector and Great River Bridge.	75	\$1,523	4.9%	Funding distributed
Ark.	I-530 (I-69 Connector)—Construct the I-69 southeast connector, a 38.6-mile, 4-lane highway from I-530 near Pine Bluff to Highway 278 in Wilmar.	40	401	10.0%	Funding distributed
Ark.	I-49 Bella Vista Bypass—Construct a 20-mile 4-lane highway from Bentonville, Ark., to Pineville, Mo.	20	198	10.1%	Funding distributed
Ariz.	State Route 85—Expand the 37 mile corridor to 4 lanes.	3	<sup>b</sup>	<sup>b</sup>	No application received
Calif.	Centennial Loop—Build the Centennial Corridor South, a new 6-to 8-lane highway, and construct an elevated bypass for Hageman Road over State Route 99 in Bakersfield.	330	539	61.2%	Funding distributed
Calif.	State Route 178—Extend and widen three sections of State Route 178 in northeast Bakersfield.	100	144	69.4%	Funding distributed
Calif.	I-405—Add a high-occupancy vehicle carpool lane to northbound I-405 from I-10 to U.S.101 in Los Angeles area.	100	950	10.5%	Funding distributed
Calif.	Rosedale Highway—Widen Rosedale Highway (State Route 58) and State Route 178 in Bakersfield.	60	105	57.1%	Funding distributed
Calif.	I-80 Capacity Improvements—Add a lane and other improvements to I-80 in Sacramento and Placer Counties.	50	123	40.8%	Funding distributed
Calif.	State Route 4 East Upgrade—Widen and make other improvements to State Route 4 in Contra Costa County.	20	142	14.1%	Funding distributed

**Appendix V: PNRs, NCIIP, and CBI Projects  
and Their Funding**

Dollars in millions					
State	Project name and summary	NCIIP funds authorized	Estimated total project cost <sup>a</sup>	NCIIP share of total costs	Status of funding (as of Nov. 17, 2008)
Colo.	U.S. 287 Ports-to-Plains—Replace the U.S. 40/U.S. 287 highway bridge over the Union Pacific railroad tracks in Kit Carson.	3	7	42.9%	Funding distributed
Conn.	Pearl Harbor Memorial Bridge—Reconstruct the I-95 bridge and its interchange with I-91 in New Haven.	35	2,000	1.8%	Funding distributed
D.C.	Frederick Douglass Memorial Bridge—Renovate and repair of existing structures.	75	<sup>b</sup>	<sup>b</sup>	No application received
Ill.	I-80 to I-88 Connector—Construct a highway between I-80 and I-88 in northeastern Ill.	152	1,013	15.0%	Funding distributed
Ill.	State Route 34 interchange—Construct an interchange between State Route 34 and a new highway connecting I-80 with I-88 in northeastern Ill.	55	76	72.4%	Funding distributed
Ill., Iowa	I-74 Bridge—Plan, design, and acquire right-of-way for construction of the I-74 bridge between Bettendorf, Iowa, and Moline, Ill.	15	774	1.9%	Funding distributed
Ind.	State Route 312—Improve State Route 312 in Hammond. <sup>d</sup>	10	<sup>b</sup>	<sup>b</sup>	No application received
La.	I-49 North—Build a new 35-mile Interstate from I-220 from Shreveport to the Ark. state line.	178	500	35.6%	Funding distributed
La.	I-49 South—Continual upgrading of U.S. 90 (from the point where I-49 terminates at I-10 in Lafayette to the Westbank Expressway in Orleans Parish) to Interstate standards.	28	34	80.9%	Funding distributed
La.	State Route 1 replacement—Design, acquire right-of-way for, and construct the first phase of a new State Route 1.	25	361	6.9%	Funding distributed
Md.	Intercounty Connector—Build an 18-mile tolled highway between Montgomery and Prince George's Counties.	10	2,456	0.4%	Funding distributed
Minn.	Falls to Falls Corridor—Construct and extend Trunk Highway 53 in northern Minn.	50	79	63.2%	Funding distributed
Multiple	I-69—Plan, design, and construct a new I-69 highway over 1,600 miles through Tex., La., Ark., Miss., Tenn., Ky. and Ind.	50	9,023 <sup>e</sup>	0.6%	Funding distributed
Okla.	I-44 Tulsa—Add 2 lanes to the existing 4-lane I-44 highway through Tulsa.	110	330	33.3%	Funding distributed
Okla.	Ports-to-Plains Corridor—Upgrade U.S. 287 in Cimarron County to a 4-lane highway.	35	61	57.1%	Funding distributed
S.C.	I-73 Corridor of National Significance—Construct a new Interstate highway between coastal S.C. and N.C.	10	2,300	0.4%	Funding distributed

**Appendix V: PNRs, NCIIP, and CBI Projects  
and Their Funding**

Dollars in millions

<b>State</b>	<b>Project name and summary</b>	<b>NCIIP funds authorized</b>	<b>Estimated total project cost<sup>a</sup></b>	<b>NCIIP share of total costs</b>	<b>Status of funding (as of Nov. 17, 2008)</b>
Tenn.	I-69—Design, acquire right-of-way for, and construct a new interstate (I-69) highway through Tenn.	100	107	93.3%	Funding distributed
Va.	I-81 Truck Lanes—Construct dedicated truck climbing lanes in mountainous areas of I-81 in western Va.	100	137	73.1%	Funding distributed
Wisc.	U.S. Hwy 41—Improve U.S. 41 between Milwaukee and Green Bay.	30	835	3.6%	No application received
W.Va.	I-73/I-74 Corridor—Reconstruct U.S. 52 into a 4-lane highway between U.S. 119 near Williamson and I-77 at Bluefield.	\$50	\$1,610	3.1%	Funding distributed

Source: GAO analysis of FHWA data and project documentation.

<sup>a</sup>Figures represent total project cost estimates submitted by states to FHWA for distribution of federal program funds. Figures represent nominal dollar amounts as of the year the project plan was submitted.

<sup>b</sup>Not available.

<sup>c</sup>As modified by the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, Pub. L. No. 109-115, § 186, 119 Stat 2396, at 2429 (2005).

<sup>d</sup>As amended by the SAFETEA-LU Technical Corrections Act of 2008.

<sup>e</sup>This estimate does not include any cost estimates from Texas.

**Appendix V: PNRs, NCIIP, and CBI Projects  
and Their Funding**

**Table 13: Coordinated Border Infrastructure Program**

Dollars in thousands

<b>State</b>	<b>Project name and description</b>	<b>CBI funds authorized</b>	<b>Total estimated cost</b>	<b>CBI share of total costs (as of Sept. 30, 2008)</b>
Alaska	Alaska Highway Milepost 1308—Reconstruct the Tok weigh station.	\$4,504	\$5,934	75.9%
Ariz.	Construction of Area Services Highway (Robert A. Vaughn Expressway)—Construction of a new road leading to the New San Luis II Port of Entry.	28,019	56,025	50.0%
Ariz.	Intelligent Transportation System for commercial vehicle operators at Nogales Port of Entry.	220	1,261	17.4%
Calif.	The proposed State Route 78/111 expressway will supersede the existing route segments of State Route 78 and State Route 111 in the City of Brawley (Brawley Bypass).	10,000	226,500	4.4%
Calif.	State Route 905 from I-805 to the Otay Mesa Port of Entry with Mexico, a distance of approximately 10 kilometers (6.2 miles).	80,000	618,400	12.9%
Calif.	San Ysidro Intermodal Rail Yard.	600	40,460	1.5%
Idaho	Bridge #18795, U.S. 95 Milepost 536 to Canadian Border—Replace bridge and reconstruct roadway.	15,100	16,300	92.6%
Maine	Route 1 in Perry—Resurface highway.	3	130	2.3%
Maine	Route 27 in Eustis—Resurface highway.	188	229	82.0%
Maine	Route 1 in East Machias—Resurface pavement.	217	271	80.0%
Maine	Route 1 in Pembroke—Resurface highway.	221	275	80.3%
Maine	Route 1A in Limestone—Resurface pavement.	256	356	72.0%
Maine	Route 1 in Perry—Resurface highway.	3	408	0.7%
Maine	Fort Road in Mars Hill—Resurface pavement.	345	486	71.1%
Maine	Route 1 in Northport—Resurface highway.	466	576	80.9%
Maine	Eustis to Jim Pond Township, Route 27—Resurface highway.	364	596	61.1%
Maine	Airline Road in Clifton—Resurface pavement.	383	601	63.7%
Maine	Route 11 in Winterville to Eagle Lake—Resurface pavement.	626	804	77.9%
Maine	Route 201 in Caratunk—Resurface pavement.	633	829	76.4%
Maine	Route 11 from Township 14 to Route 6—Resurface pavement.	692	922	75.1%
Maine	U.S. 1 from Belfast to Searsport—Resurface highway.	769	989	77.8%
Maine	Route 2 in Canaan—Reconstruct pavement.	520	2,260	23.0%
Maine	Route 2 in Canaan, Junction Route 23—Reconstruct pavement.	861	2,500	34.4%

**Appendix V: PNRS, NCIIP, and CBI Projects  
and Their Funding**

Dollars in thousands

<b>State</b>	<b>Project name and description</b>	<b>CBI funds authorized</b>	<b>Total estimated cost</b>	<b>CBI share of total costs (as of Sept. 30, 2008)</b>
Maine	Route 11 in Wallagrass—Resurface pavement.	2,140	2,985	71.7%
Maine	Highway 2A in Houghton—Reconstruct highway.	154	5,575	2.8%
Maine	Route 163 in Castle Hill—Reconstruct highway.	3,589	6,043	59.4%
Maine	Highway 161, north of T17-R4 in Cross Lake—Reconstruct highway.	3,611	6,150	58.7%
Maine	Route 27, Eustis-Jim Pond-Alder Street—Reconstruct highway.	\$6,926	\$9,955	69.6%
Mich.	Blue Water Bridge Plaza—Reconstruct plaza.	<sup>a</sup>	<sup>a</sup>	<sup>a</sup>
Mich.	Detroit River International Crossing project.	<sup>a</sup>	<sup>a</sup>	<sup>a</sup>
Minn.	Trunk Highway 11 from Clementson, east to county line—Rehabilitate pavement, improve safety.	1,040	1,300	80.0%
Minn.	Grand Portage Rest Area in Cook County—Rehabilitate rest area.	1,800	1,800	100.0%
Minn.	Baptism River Rest Area on Trunk Highway 61 north of Silver Bay—Rehabilitate rest area.	2,200	2,200	100.0%
Minn.	Trunk Highway 11 from County State Aid Highway 4 to County Road 83 in Koochiching County—Improve safety and reconstruct pavement.	2,821	5,456	51.7%
Minn.	Trunk Highway 11 from Trunk Highway 72 east of Baudette to Bridge 5557 in Clemenston—Reconstruct roadway grade and surface.	6,000	7,500	80.0%
Minn.	Trunk Highway 11 from County State Aid Highway 4 to County Road 83 in Koochiching County—Improve safety and reconstruct pavement and repair roadway and bridge.	7,050	8,813	80.0%
Mont.	Stillwater River-north, Reconstruct existing 2-lane section of U.S. 93 to a 4-lane divided facility.	8,063	9,313	86.6%
Mont.	Four kilometers north of Stillwater River—Reconstruct existing 2-lane section of U.S. 93 to a 4-lane divided facility.	4,187	12,225	34.2%
N.Dak.	I-29 from Bathgate to Canadian line, northbound—Resurface pavement.	5	6	90.0%
N.Dak.	U.S. 52, Flaxton Overpass.	47	58	81.0%
N.Dak.	U.S. 83, 6 miles north of Max north to 9 miles south of State Route 23—Resurface pavement.	1,165	2,530	46.1%
N.Dak.	U.S. 83, Snake Creek Embankment—Resurface pavement.	2,449	3,026	80.9%
N.Dak.	State Route 1 from Nekoma north to junction with State Route 5—Resurface pavement.	2,598	3,190	81.4%
N.Dak.	State Route 5 from junction of State Route 1 at Langdon, east 10 miles—Resurface pavement.	2,921	3,609	80.9%

**Appendix V: PNRs, NCIIP, and CBI Projects  
and Their Funding**

Dollars in thousands				
<b>State</b>	<b>Project name and description</b>	<b>CBI funds authorized</b>	<b>Total estimated cost</b>	<b>CBI share of total costs (as of Sept. 30, 2008)</b>
N.Dak.	I-29 Joilette to Canadian Border, southbound—Resurface pavement.	3,254	3,616	90.0%
N.Dak.	U.S. 81 from north junction with State Route 66, north to junction with State Route 5—Resurface pavement.	4,147	5,124	80.9%
N.Mex.	Columbus bypass at the Columbus Port of Entry project—Construct a truck lane further east of the Port of Entry, alleviating congestion and conflicts.	567	3,067	18.5%
N.Mex.	State Route 273 (McNutt Road)—Phase 3 Expansion and Improvements.	925	3,330	27.8%
N.Mex.	State Route 460/State Route 478 (Anthony Drive)—Improve highways near the Tex./N. Mex. state line.	993	4,631	21.4%
N.Mex.	State Route 273 (McNutt Road)—Phase 2 Expansion and Improvements.	1,099	7,133	15.4%
N.Mex.	Project outside the Santa Teresa Port of Entry—Replace inefficient, temporary commercial inspection facilities with modernized, permanent facilities.	1,000	12,500	8.0%
N.Y.	County Road 52, Chateauquay to the Canadian border—Reconstruct pavement.	4,800	6,000	80.0%
N.Y.	I-87 Truck Inspection facility.	12,500	15,625	80.0%
N.Y.	Route 11 over I-87—Replace bridge to increase vertical clearance.	13,400	16,750	80.0%
N.Y.	County Road 26 over I-87—Bridge replacement/low clearance for trucks.	8,382	8,382	100%
Tex.	New FAST lane exit plus two exit booths at the Bridge of the Americas in El Paso.	160	200	80.0%
Tex.	Los Indios—Construct parking lot to take parked trucks out of travel lane at bridge.	256	425	60.2%
Tex.	Hidalgo International Bridge.	800	1,000	80.0%
Tex.	Progreso International Bridge—Concrete perimeter road.	800	1,000	80.0%
Tex.	Spur 241—Widen highway.	1,280	2,000	64.0%
Tex.	Del Rio International Bridge—Replace tollbooth.	2,320	2,930	79.2%
Tex.	Del Rio Roadway Port of Entry to Industrial Park—Construct off-system roadway improvements.	2,400	3,030	79.2%
Tex.	Del Rio Roadway Qualia Dr. to Spur 239 and Aldrete Ln—Construct off-system roadway improvements.	2,200	2,785	79.0%
Tex.	Bravo Extension (Roma).	2,640	3,300	80.0%
Tex.	World Trade Bridge—Add seven tollbooths.	3,233	4,091	79.0%

**Appendix V: PNRS, NCIIP, and CBI Projects  
and Their Funding**

Dollars in thousands

<b>State</b>	<b>Project name and description</b>	<b>CBI funds authorized</b>	<b>Total estimated cost</b>	<b>CBI share of total costs (as of Sept. 30, 2008)</b>
Tex.	Farm to Market Road 755—Realign highway.	3,440	4,300	80.0%
Tex.	Commercial Vehicle Demo project for Intelligent Transportation System/Clean Air.	3,583	4,479	80.0%
Tex.	Eagle Pass II—Improve infrastructure.	3,600	4,535	79.4%
Tex.	Pharr/Reynosa International Bridge—Widen bridge.	4,000	5,000	80.0%
Tex.	Los Tomates—Widen bridge.	5,000	6,250	80.0%
Tex.	Farm to Market Road 1015—Widen to 4 lanes.	5,637	7,046	80.0%
Tex.	Cuatro Vientos—Acquire right-of-way.	5,600	7,037	79.6%
Tex.	U.S. 57 passing lane project.	5,712	7,139	80.0%
Tex.	U.S. 281-Military Highway—Construct a new 4-lane highway.	7,000	13,000	53.8%
Tex.	Spur 115—Widen highway.	7,200	13,400	53.7%
Tex.	Aguilera Hwy—Tornillo/Guadalupe—Construct a 2-lane highway from relocated Port of Entry to I-10.	17,223	32,731	52.6%
Tex.	Industrial Parks Recreation Project—Rehabilitate city streets within industrial parks.	15,200	19,050	79.8%
Tex.	U.S. 281-Military Highway—Widen to 4 lanes.	8,400	20,500	41.0%
Tex.	Farm to Market Road 396—Extend to a new 4-lane road.	8,000	22,000	36.4%
Tex.	Interchange Loop 20/Spur 400—Construct a grade separation.	22,376	27,970	80.0%
Tex.	I-35 at Milepost 8 (San Isidro)—Reconstruct interstate.	12,800	40,000	32.0%
Tex.	Farm to Market Road 511—Widen highway.	8,310	55,653	14.9%
Vt.	State Route 243 in Troy—Resurface pavement.	12	300	4.1%
Vt.	State Route 105 in Troy—Resurface pavement.	24	1,300	1.9%
Vt.	State Route 101 in Troy—Resurface pavement.	24	1,400	1.7%
Vt.	Williamstown-Montpelier, I-89—Resurface highway.	1,145	1,432	80.0%
Vt.	Montgomery-Berkshire, State Route 118—Pave highway.	3,448	4,309	80.0%
Vt.	Brighton and Warren Gore State Route 114—Resurface pavement.	65	4,600	1.4%
Vt.	Maidstone-Bloomfield State Route 102—Pave highway.	3,962	4,952	80.0%
Vt.	Belvidere-Montgomery State Route 118—Pave highway.	4,671	5,839	80.0%
Vt.	Highgate-Franlin Rown Highway 3—Reconstruct highway.	5,323	6,653	80.0%

**Appendix V: PNRS, NCIIP, and CBI Projects  
and Their Funding**

Dollars in thousands

<b>State</b>	<b>Project name and description</b>	<b>CBI funds authorized</b>	<b>Total estimated cost</b>	<b>CBI share of total costs (as of Sept. 30, 2008)</b>
Wash.	Okanogan County Road 9425/Loomis-Orville guardrail project—Install guardrail and spot widening.	250	250	100.0%
Wash.	U.S. 97 border—Make vicinity improvements and safety improvements.	723	740	97.7%
Wash.	U.S. 97—Improve intersection safety.	725	799	90.7%
Wash.	U.S. 97 south of Orville to Canadian border—Restore pavement.	1,700	1,700	100.0%
Wash.	State Route 25 Bossburg to Canadian border—Restore pavement, improve safety.	6,928	7,266	95.4%
Wash.	I-5/Blaine Exit—Improve interchange.	13,457	22,607	59.5%
Wash.	State Route 543/I-5 to Canadian border—Add lanes.	\$14,751	\$50,796	29.0%

Source: GAO analysis of FHWA data and project documentation from individual states.

<sup>a</sup>Not available.

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# Appendix VI: GAO Contact and Staff Acknowledgments

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## GAO Contact

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## Staff Acknowledgments

In addition to the individual named above, Rita Grieco, Assistant Director; Amy Abramowitz; Derrick Collins; Elizabeth Eisenstadt; Gregory Hanna; Carol Henn; Susan Irving; Bert Japikse; Thanh Lu; Sara Ann Moessbauer; Michelle Sager; and Laura Shumway made key contributions to this report.

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