New and Small Starts
Advance Notice
of Proposed Rulemaking

Outreach Sessions
June and July 2010

Agenda

- Welcome and Introductions
- Ground Rules for Session
- Introduction to New Starts and Context for ANPRM
- ANPRM Subjects and Questions
- How to Submit Comments
- Next Steps
Why an ANPRM?

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

ANPRM Outreach Session Ground Rules

- Not a public hearing
- FTA is listening and responding to questions
- Comments need to be submitted in writing to the Docket by the closing date of the comment period
Program Overview

- What is a New or Small Start?
  - New “fixed guideways” and extensions to existing systems
  - Corridor based bus systems
  - Includes light rail, heavy rail, commuter rail, bus rapid transit

- A Discretionary & Competitive Federal Grant Program
  - $1.99 billion appropriated in Fiscal Year 2010
  - Demand for funds exceeds supply
  - Historical average federal New Starts share = 50%
  - Largest discretionary Obama Administration Livability program

- Evaluation – As directed in law, FTA evaluates and rates projects:
  - Annually in a Report to Congress (due First Monday in February)
  - For entry into Preliminary Engineering
  - For entry into Final Design
  - Prior to Full Funding Grant Agreement (FFGA) and construction

- Record of Success – Over 100 major projects over 35 years

Program Goals

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

FTA rating and decision points

- Alternatives Analysis
  - Determine Locally Preferred Mode and Alignment

- Preliminary Engineering/NEPA
  - Complete Environmental Review Process (NEPA)

- Final Design
  - Finalize Scope, Cost and Schedule; Complete Third-Party Agreements

- Full Funding Grant Agreement

New Starts Rating

Summary Rating

- Project Justification Rating
  - Economic Development (20%)
  - Mobility Improvements (20%)
  - Environmental Benefits (15%)
  - Operating Efficiencies (15%)
  - Cost Effectiveness (20%)
  - Land Use (20%)

- Financial Rating
  - Non-Section 5309 Share (20%)
  - Capital Finances (50%)
  - Operating Finances (30%)

Other Factors
Small Starts
Project Development Process

FTA rating and decision points

Alternatives Analysis
Determine Locally Preferred Mode and Alignment

Project Development /NEPA
Complete Environmental Review Process (NEPA)
Finalize Scope, Cost and Schedule;
Complete Third-Party Agreements

Project Construction Grant Agreement

Small Starts Rating

Summary Rating

Project Justification Rating
Cost Effectiveness (1/2)
Laid Use (1/2)
Economic Development (1/2)

Other Factors

Financial Rating
Non-Section 5305 Share (25%)
Capital Finances (15%)
Operating Finances (20%)
Subjects in this ANRPM

- Cost Effectiveness
- Environmental Benefits
- Economic Development

Cost Effectiveness

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

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

Environmental Benefits

- Current approach:
  - EPA Air Quality Designation for the Metropolitan Area
- Former approach:
  - Reductions in emissions based on change in vehicle miles travelled
- FTA examination of different approaches:
  - October 2008 Colloquium
  - Funding ongoing research project
Environmental Benefits

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

Environmental Benefits

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

• Current FTA approach:
  - Defined as extent to which project enhances transit oriented development (TOD)
  - Evaluate transit supportive land use and development policies

• FTA examination of different approaches:
  - Convened 2007 Expert Panel
  - Published January 2009 discussion paper

Economic Development

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

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

How to Comment

- [www.regulations.gov](http://www.regulations.gov)
- Fax 202-493-2251
- By Mail to USDOT HQ
- Hand Deliver to USDOT HQ

- Cite Docket FTA-2010-0009
Next Steps

- Review of comments received
- Notice of Proposed Rulemaking
- Review of comments received
- Final Rule

Useful Background Information
Characteristics of a New Starts Project

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

Characteristics of a Small Starts Project

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

- Demand:
  - 25 New Starts projects in Preliminary Engineering and Final Design
  - 10 Small Starts projects in Project Development
  - Total cost of pipeline: \( \sim \$35 \) billion, \( \sim \$15 \) billion in New/Small Starts funding
  - FTA tracking >100 corridor focused planning studies considering major transit capital investments

- Supply: approximately \$1.8+ billion annually

New and Small Starts Program Information

- For more information about the current program, see FTA's webpage at:
  
  http://www.fta.dot.gov/planning/planning_environment_5221.html