

Fact Sheet: Description and assessment of national support mechanisms for financing projects of urban transportation

UNITED STATES

Item	Year				
	1992	2002	2012	2022 est.	2032 est.
Population (millions) ¹	255	282	312	328	352
Share of population living in urban areas (%) ²	76	80	82	N/A	N/A
Gross domestic product per capita (US\$) ³	24,360	36,712	49,705	75,167	N/A
Vehicle ownership per 1,000 residents ⁴	N/A	812	820	N/A	N/A
Administrative Structure	Federal state divided in 50 states and a Federal District				
Sources: Current Population Survey Report, March 2002 Data: US California State Department of Finance, Demographic Research Unit; US Census Bureau; American Community Survey; U.S. Bureau of the Census , Current Population Reports, Series P25-1130, "Population Projections of the United States by Age, Sex, Race, and Hispanic Origin: 1995 to 2050," March 1996; The World Bank Group; UN Data http://data.un.org					

1. NATIONAL POLICIES

Trends in transportation

According to 2009 data, 76% of work-related trips are done in private motor vehicles, while only 5% are done in public transit. Carpooling has decreased by more than 25%, while biking in the largest cities has increased more than 58%. However the cycling share is low, according to the latest National Household Travel Survey about 1% (and less than 11% for walking). The highest share can be found with 5,4% in Portland, San Francisco counts 3%.

National Policies

The United States¹ does not have a National Policy of Urban Transportation. The US Department of Transportation (USDOT) is the highest-level transportation office. The Federal Transit Authority (FTA) branch of the USDOT compiles statistics and makes recommendations for U.S. mass transit. State and local governments can apply for USDOT funding mostly for highway improvements or FTA funding for mass transit improvements. States can also fund their own transit projects. In recent years, most increases in public transit funding support have come at the local level in the form of higher sales taxes approved by voters. The FTA's New Starts program is the federal government's primary financial resource for supporting locally-planned, implemented, and operated transit "guideway" capital investments.

¹ The **government of the United States of America** is the federal government of the constitutional republic of fifty states that constitute the United States of America, as well as one capitol district, and several other territories. Below the administration of the federal government are state governments, then local governments. Each state is sovereign and does not report in any constitutional way to the federal government. (Source: <http://govdocs.library.arizona.edu/research/govstruct.html>)

Level of Government	Institutions	Role
First	Department of Transportation Federal Transit Authority	Development and funding of national policies / programs
Second	States	Development and funding of programs
Third	Local/Municipal governments or planning departments	Project identification and development of locally-based urban transportation strategies Execute programs

2. PROJECT IDENTIFICATION AND DEVELOPMENT

Institutions in charge of the development of mass transit technical projects	Local governments.
Financial assistance at the national level	None
Technical assistance at the national level	None

Strengths	<ul style="list-style-type: none"> • Local-buy in • Participation from future transit users • City ownership
Weaknesses	<ul style="list-style-type: none"> • Lack of technical expertise • Quality of work • No clear framework • Lack of financial support

3. FUNDING FOR INFRASTRUCTURE

Program	New Starts and Small Starts program
Administering Entity	Federal Transit Authority
Objectives	<p>NEW STARTS</p> <ul style="list-style-type: none"> • Primary financial resource for supporting locally-planned, implemented, and operated transit "guideway" capital investments. • \$6.6 billion in funding through fiscal year 2009. Grant funding continued and Congress appropriated \$2 billion in New Starts funding. • Provides funds for construction of new fixed guideway systems or extensions to existing fixed guideway systems. <p>SMALL STARTS</p> <ul style="list-style-type: none"> • Annually, \$200 million of this funding is set-aside for projects costing less than \$250 million, and requiring less than \$75 million in Small Starts resources.² • Projects must meet certain requirements.

² http://www.fta.dot.gov/12304_2608.html

	Both programmes provide a small amount (8%) for operating costs .
Scope	Funds for construction of new fixed guideway systems or extensions to existing fixed guideway systems.
Eligible modes	Eligible fixed-guideway projects include, but are not limited to, rapid rail, light rail, commuter rail, automated guideway transit, people movers, and exclusive facilities for buses (such as bus rapid transit) and other high occupancy vehicles. Non-guideway bus-based projects that include a defined set of low-cost features may also qualify for support under the Small Starts and Very Small Starts project categories.
Eligibility	All cities
Authorization	Funds are available the year appropriated plus two years (total of three years)
Award types	Grants
Recipients	Public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states.

Evaluation Process

New Starts projects must be justified based on several project justification criteria and financial rating. The Project Justification Rating is based on: Mobility Improvements – 20%, Environmental Benefits – 10 %, Operating Efficiencies – 10%, Cost Effectiveness – 20%, Transit Supportive Land Use Policies – 20%, and Economic Development – 20%.

New Starts project sponsors must also demonstrate adequate local support for the project, as measured by:

- The proposed share of total project costs from sources other than from the New Starts program, including federal formula and flexible funds and state and local funding – 20%
- The strength of the proposed project’s capital financing plan – 50%
- The ability of the sponsoring agency to fund operations and maintenance of the entire system – existing and planned – 30%

Candidate projects must have resulted from an **alternative analysis study**, which evaluates appropriate modal and alignment options for addressing mobility needs in a given corridor. Intended to provide information to local officials on the benefits, costs, and impacts of alternative transportation investments developed to address the purpose and need for an improvement in the corridor. Involvement of a wide range of **stakeholders** – including the general public – in the alternative analysis study process is strongly encouraged.

Small Starts projects are evaluated on the basis of cost effectiveness, transit oriented land use development, economic development, and other factors. This process is intended to be less complex than required for New Starts.

Cost-Benefit Analysis³

Economic	Transit Supportive Plans and Policies Performance and Impact of Policies
Environmental	Metropolitan area’s air quality status

³ EMBARQ. Evaluate, Enable, Engage. Principles to Support Effective Decision Making in Mass Transit Investment Programs

Service Quality	Mobility improvements (total trips and travel time savings per passenger mile, both for all users and for lowest regional socioeconomic stratum only)
Strategic	N/A
Distributional	Share of travel time benefits accruing to lowest socioeconomic stratum in metropolitan area relative to the stratum's concentration
Other (Health, road safety, etc.)	Existing land use characteristics Economic development effects (supportiveness and prior performance of land use plans and policies) Local financial commitment Operating efficiencies Compelling benefits not captured other under evaluation criteria

Funding Shares

Maximum national funding share	80%
Minimum private participation required	No
Minimum local governments participation required	20%

Evaluation and Participation

Are technical evaluators and funding decision makers separated?	Funding recommendations and funding approvals separated by branch of government
Who is in charge of technical evaluation?	FTA Government Agency
Are other public agencies involved in the evaluation and decision-making process?	No
How local governments are involved in the decision-making-process?	Local governments that request funds must assure local buy-in
How community is involved in the decision-making process?	No. However, agencies responsible for metropolitan transport planning must ensure that stakeholders' issues are addressed in the development of plans and projects, and that the public has opportunities to influence decision making. The agencies must make particular efforts to engage low-income and minority populations.

Strengths	<ul style="list-style-type: none"> Local communities and stakeholders are included in planning process Project is tailored to meet community needs
Weaknesses	Lack of technical expertise in creating technical planning documents

4. FUNDING FOR OPERATIONS

Program	Urbanized Area Formula Program
Administering Entity	Federal Transit Authority

Objectives	The Urbanized Area Formula Funding program makes Federal resources available to urbanized areas for transport related planning.
Scope	<ul style="list-style-type: none"> • Planning, engineering design and evaluation of transit projects and other technical transportation-related studies • For urbanized areas with populations under 200,000, funds may be used to finance transit operating costs • Fuel costs for vehicle operations, including utility costs for the propulsion of electrical vehicles up to \$100,000,000 • Capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software • All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs
Eligible modes	Bus, BRT, Rail, Pedestrian access, Bicycle access, access for persons with disabilities
Eligibility	Urbanized areas, which are incorporated areas with a population of 50,000 or more that are designated as such by the U.S. Department of Commerce, Bureau of the Census
Authorization	Multiple – year. Funds are available the year appropriated plus three years
Award types	Grant
Recipients	Public bodies with the legal authority to receive and dispense Federal funds

Funding Shares

Maximum national funding share	The Federal share may not exceed 50 percent of the net project cost of operating assistance.
Minimum private participation required	None
Minimum local governments participation required	50%
Are technical evaluators and funding decision makers separated?	No
Who is in charge of technical evaluation?	Federal Transit Authority