

How U.S.DOT is slow walking transit grants & why it matters

The problem: Despite strong and sustained bipartisan congressional support for the transit Capital Investment Grant (CIG) program, the USDOT, through the Federal Transit Administration (FTA) has been slow to release or “obligate” funds to communities across the country. These funding delays harm local communities by increasing project costs, halting construction in places with small fair-weather windows, and potentially jeopardizing projects altogether.

What is CIG? The Capital Investment Grant (CIG) program supports local communities that have chosen to expand or build new public transit systems. Projects include rapid rail (subway systems), commuter rail, light rail, streetcars, and bus rapid transit. Participating in the CIG program requires significant local political and financial commitment and years of dedicated work - all premised on the promise of a reliable federal partner.

Transit manufacturers and their workers nationwide fear for their jobs. Bulldozers and heavy machinery are sitting idle at project sites. Steel and other materials are getting more expensive by the day. Potential construction teams are waiting to hear about work that should have materialized yesterday. And everyday travelers counting on improved transit service are left wondering when the FTA will get these projects moving.

What is FTA doing (or not doing)?

- **The Trump administration has proposed eliminating the program** through budget requests that end or limit funding. Congress has repeatedly ignored this request and funded the program, however, even as the administration has worked to undermine it.
- **A lack of transparency** makes it challenging for local communities, transit agencies, Congress, and the public to understand project status. FTA has broken with precedent and no longer provides Congress (and the public) annual reports clearly detailing which new projects will receive funding that year. This makes it impossible for communities to hold FTA accountable for keeping to their timeline. FTA has ignored congressional requirements to produce these reports.
- Local communities have described **poor communication, unexplained delays, and bizarre requests**. One community described regional FTA career staff informing them that they just didn't know why their project was delayed, requiring personal inquiries from their House and Senate delegations before FTA provided information and ultimately advanced the project. Others describe situations where FTA staff would highlight flaws in an application without providing instructions or a timeline for addressing them.
- **Misleading Congress & the public.** As an example, in a self-congratulatory [press release](#) on April 9, USDOT Secretary Elaine Chao touted the agency's efforts to “strengthen our country's transit infrastructure and improve mobility” and “announced a total of \$1.36 billion in federal funding *allocations* to 16 new and existing transit projects.” In reality, no dollars for new transit projects were awarded or obligated. “Funding allocations” are simply internal plans to award money, eventually. This misleading press release (and [a more recent one](#) in July like it) led to dozens of local media stories suggesting the FTA had

awarded funding when, in reality, it has not. FTA also took credit for funding to two projects that had *already* received funding and took credit for a project that had already been cancelled

- **Letters of No Prejudice (LONP)** are not funding agreements. Several communities have received LONPs, leading to press reports that funding has been awarded. In reality, all this means is that USDOT is “allowing” cities to move ahead with construction on transit capital projects and incur costs that might one day be reimbursed by USDOT, but there is no guarantee of this.
- **Changing the rules during the game.** Under previous administrations, local funds used to repay federal loans were allowed to be counted toward the local match that is needed for projects. With little explanation, the FTA has decided that those loans do not count as local dollars, undermining local community financial planning. The FTA has also changed how it calculates the risk of cost overruns, raising costs and harming long-term local planning.

Public transit has local support, regional impacts, and requires a reliable federal partner. Local communities chose to invest in public transit because it is an efficient way to connect people to jobs and services, it encourages economic development, and benefits entire regions.

Public transit drives our economy and is essential to economic opportunity. Federal investment in public transit supports thousands of manufacturing jobs, in communities small and large, in nearly every state across the country. 91 percent [396 of 435] of congressional districts have at least one transit manufacturer and, as just a snapshot, recent capital improvements made in just four transit systems—San Francisco, Denver, Chicago, and Portland—supported jobs in 21 states. A 2015 report found that a 10 percent increase in public transit seats per capita results in wage increases “between \$1.5 million and \$1.8 billion per metropolitan area”, depending on the size of the region.¹ As the Amazon HQ2 search highlighted, companies of all sizes are relocating to walkable and transit-accessible downtown areas to ensure access to a high quality workforce.²

Transit agencies are caught in the middle. They can’t speak up for fear of jeopardizing their only source of federal funding. The CIG program requires a significant local match of federal dollars and a yearslong commitment from the community to get the project off the ground. These projects are the product of years of local community work, and the FTA is putting that work at risk.

Both sides of the aisle constantly talk about a need for more infrastructure funding. The funding for transit infrastructure has already been appropriated by Congress, the FTA just needs to give it out in a timely and transparent manner.

See what projects are Stuck In The Station and learn more funding delays:

<http://t4america.org/transitfundingdelays/>

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¹ <https://journals.sagepub.com/doi/abs/10.1177/0042098013494426?papetoc=>

² <https://smartgrowthamerica.org/resources/core-values-why-american-companies-are-moving-downtown/>