



DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Pilot Program for Expedited Project Delivery

AGENCY: Federal Transit Administration, DOT.

ACTION: Request for Expressions of Interest to Participate.

SUMMARY: The Federal Transit Administration (FTA) announces establishment of the Pilot Program for Expedited Project Delivery (Pilot Program) authorized by Section 20008 of the Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law 112-141, July 6, 2012, and solicits expressions of interest to participate. The Pilot Program is aimed at increasing innovation, improving efficiency and timeliness of project implementation, and encouraging new revenue streams for new fixed guideway projects and core capacity improvement projects. FTA plans to use the lessons learned from the Pilot Program to assist other project sponsors to develop more effective approaches to project planning, project development, finance, design, and construction. Additionally, FTA anticipates that the Pilot Program will help to identify impediments in current laws, regulations, and practices to the greater use of innovative project development and delivery methods or innovative financing arrangements.

Participants selected for the Pilot Program may receive enhanced technical assistance and expedited FTA reviews to speed up planning, development, and delivery of eligible Capital Investment Grant (CIG) program projects and ultimately receive Full Funding Grant Agreements under that program. Should legislation be enacted for the Pilot Program that would allow projects to proceed outside of the normal CIG program processes and criteria, participants also

may be able to receive a Full Funding Grant Agreement under the terms of that legislation. Lastly, participants selected for the Pilot Program also may benefit from technical assistance provided by the Department of Transportation's Build America Transportation Investment Center (BATIC). This announcement is available on the FTA's Web site at: www.fta.dot.gov.

DATES: Expressions of interest to become one of the three selected participants in the Pilot Program for Expedited Project Delivery must be submitted to FTA by mail, email or facsimile by August 1, 2015. Mail submission must be addressed to the Office of Planning and Environment, Federal Transit Administration, 1200 New Jersey Avenue, SE, Room E45-119, Washington, DC 20590 and postmarked no later than August 1, 2015. Email submissions must be sent to ExpeditedProjectDevliery@fta.dot.gov by 11:59 p.m. EDT on August 1, 2015. Facsimile submissions must be submitted to the attention of Expedited Project Delivery Pilot Program at 202-493-2478 by 11:59 p.m. EDT on August 1, 2015. If there are insufficient candidate projects that are able to meet the requirements of the Pilot Program, FTA may conduct additional application rounds in the future.

FOR FURTHER INFORMATION CONTACT: Brian Jackson, FTA Office of Planning and Environment, telephone (202) 366-8520 or email Brian.Jackson@dot.gov.

SUPPLEMENTARY INFORMATION:

1. Background

Each year FTA, together with its transit industry partners, invests billions of dollars in capital projects designed to improve public transportation by reinvesting in existing assets to expand capacity or by increasing the extent and quality of public transportation service by making new investments. These projects take considerable time to plan, develop, design, approve and deploy.

While it is important for FTA to ensure that it selects only well-conceived projects for funding and that they are implemented in the most efficient and effective manner, too long a process delays the delivery of the intended benefits to the riding public.

2. Pilot Program

Section 20008(b) of MAP-21 establishes a Pilot Program for new fixed guideway or core capacity projects as defined under the Section 5309 Capital Investment Grant (CIG) program that demonstrate innovative project development and delivery methods or innovative financing arrangements. Section 20008(b) specifies that FTA must select three eligible projects for the Pilot Program: (1) at least one project must request greater than \$100 million in Section 5309 CIG funds; (2) at least one project must request less than \$100 million in CIG funds; and (3) a project that requests any amount of CIG funds. Section 20008(b) requires that the CIG share of the total cost of selected projects must not exceed 50 percent. It also specifies that projects already in receipt of an FFGA are not eligible.

Section 20008(b) requires that project sponsors applying to participate must submit: (1) information identifying the proposed eligible project; (2) a schedule and finance plan for the construction and operation of the project; (3) an analysis of the efficiencies of the proposed project development and delivery methods or innovative financing arrangements for the project; and (4) a certification that the project sponsor's existing public transportation system is in a state of good repair. FTA may not award a full funding grant agreement until after the project sponsor has completed necessary planning activities and the National Environmental Policy Act (NEPA) process, and the recipient has demonstrated the necessary legal, technical, and financial capacity to successfully complete the project.

The law requires participants in the program to develop a Before and After Study Report that describes and analyzes the impacts of the project on public transportation services and ridership, describes and analyzes the consistency of predicted and actual benefits and costs of the innovative project development and delivery or innovative financing, and identifies reasons for any differences between the predicted and actual outcomes. The law requires the project sponsor submit the Before and After Study Report to FTA not later than nine months after the initiation of revenue service of the project.

FTA recently issued Proposed CIG Interim Policy Guidance to fully implement the changes made by MAP-21 to the program, and expects to finalize this guidance shortly, thereby facilitating the implementation of this Pilot Program. At present, there is no separate funding for the Pilot Program. Instead, the projects in the Pilot Program must compete for CIG funding. In addition, the provisions of Section 20008(b) also do not provide for any exemption from the requirements of the CIG program, including the rating and evaluation of projects under the project justification and local financial commitment criteria specified in law. In the absence of such an exemption, projects selected for the Pilot Program must meet the requirements of Section 5309 to be eligible for funding. If in the future, legislation is enacted that exempts projects in the Pilot Program from procedural and/or project evaluation requirements of the CIG program, participants in the Pilot Program could be eligible to receive a Full Funding Grant Agreement under the terms of the exemption.

FTA believes there may be alternative approaches sponsors could propose to expedite the delivery of CIG projects. Accordingly, FTA is soliciting expressions of interest to participate in the Pilot Program. Specifically, CIG project sponsors who are considering becoming a candidate for CIG funding by requesting entry into the Project Development phase or who are already in

the Project Development or Engineering phases of the CIG process may request to be selected for the Pilot Program. Selected projects may: (1) receive enhanced technical assistance on aspects of developing and delivering CIG projects; and/or (2) be allowed alternative, expedited ways of proceeding through the steps required by law in the CIG project development process.

For example, the Department of Transportation has established the Build America Transportation Investment Center to provide technical assistance on innovative financing approaches, and participants selected for the Pilot Program may receive assistance from the Center. With respect to expediting ways projects selected for the Pilot Program may proceed through steps in the CIG process, FTA may be able to better tailor the requirements for Project Management Oversight to the scope of the project, its delivery method, and/or the characteristics of the project sponsor.

Project sponsors submitting information to FTA for consideration for the Pilot Program are invited to propose alternative ways that FTA might satisfy the requirements established by law for CIG projects. For example, FTA expects that it will be necessary to establish the cost, scope, and schedule for CIG projects to a reasonable level of confidence, which is now accomplished in a number of ways, such as risk assessments and other oversight reviews, at several steps in the process. However, there may be ways to achieve the same goals in a manner which may take less time and effort. Project sponsors submitting expressions of interest to the Pilot Program also may suggest alternate approaches to any other aspect of the CIG evaluation process that the sponsor believes will save time and effort, while still assuring compliance with the CIG program requirements outlined in law. FTA is particularly interested in receiving expressions of interest from project sponsors who are considering pursuing Value Capture techniques as part of their innovative project financing arrangements. FTA would like to explore what Value Capture mechanisms might be used, and how FTA could facilitate such arrangements.

3. Expression of Interest Submission Process

Project sponsors must submit the required information by mail, email or facsimile by August 1, 2015, as specified in the DATES section of this Notice above. FTA reserves the right to request additional clarifying information from any and all project sponsors before making a selection to participate in the Pilot Program.

Project sponsors wishing to participate in the Pilot Program must submit an expression of interest to FTA no longer than 20 pages in length including any supporting documentation. While there is no specific format that must be followed for the expression of interest, the narrative provided by the project sponsor to FTA should include the following information:

- a. A description of the proposed project that provides sufficient information to demonstrate its eligibility for the CIG program;
- b. The proposed project schedule and an outline of the proposed financing plan for the project, including the amount of CIG funding sought;
- c. The proposed innovative project development and delivery method or innovative financing technique for the proposed project and an explanation of the efficiencies intended to be achieved by the proposed methods or techniques;
- d. How the project sponsor intends to analyze the efficiencies of the proposed project development or delivery methods or innovative financing arrangements, in order to complete the Before and After Study required by Section 20008(b);
- e. Evidence in support of the required certification that the project sponsor's existing public transportation system is in a state of good repair, including an explanation of how the sponsor expects to reach that conclusion;

- f. Documentation that the project has completed the steps required by the Metropolitan Planning process to be included in the Metropolitan Transportation Plan and Transportation Improvement Program, or a schedule demonstrating the project will complete the process in the foreseeable future;
- g. Documentation that the project has completed the NEPA process or a schedule demonstrating the project will complete the NEPA process in the foreseeable future.

4. Candidate Project Evaluation and Selection

FTA will evaluate the proposals to determine which proposed projects best meet the intent of Section 20008(b). FTA will select three projects from the submitted expressions of interest to be part of the Pilot Program: one seeking less than \$100 million in CIG funds, one seeking more than \$100 million in CIG funds, and one additional project. Before awarding a Full Funding Grant Agreement, planning and NEPA requirements must be completed, and FTA will evaluate the legal, technical, and financial capacity of the project sponsor to ensure that the project will be carried out successfully. Unless legislation is enacted that provides for an exemption from the other requirements of Section 5309 CIG program in the future, projects in the Pilot Program will be subject to the procedural and evaluation and rating requirements of the CIG program. FTA may announce final selections on its Web site and in the Federal Register.

Therese W. McMillan,
Acting Administrator.

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