



## **DEPARTMENT OF TRANSPORTATION**

### **Federal Railroad Administration**

**[Docket No. FRA-2016-0035]**

### **Capital Cost Estimating Guidance**

**AGENCY:** Federal Railroad Administration (FRA), Department of Transportation (DOT).

**ACTION:** Request for public comment on FRA's Capital Cost Estimating Guidance.

**SUMMARY:** FRA invites public comment on its Capital Cost Estimating Guidance, available on FRA's website at <https://www.fra.dot.gov/Page/P0926>.

**DATES:** Submit comments on or before **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** All comments must make reference to the "Federal Railroad Administration" and the title "Capital Cost Estimating Guidance." Submit comments by only one of the following methods:

*Electronic Docket:* Follow the instructions for submitting comments on the U.S. Government electronic docket site at <http://www.regulations.gov>.

*Delivery Service or Hand Delivery:* Submit two copies of comments to U.S. Department of Transportation, 1200 New Jersey Avenue SE, Docket Operations, M-30, Room W12-140 (first floor of the West Building), Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. For confirmation that the FRA has received the comments, include a self-addressed stamped postcard. Comments will be posted without change to [www.regulations.gov](http://www.regulations.gov), including any

personal information included in a comment. Refer to the Privacy Act in the Supplementary Information section below.

**FOR FURTHER INFORMATION CONTACT:** Susan Herre, Transportation Industry Analyst, Office of Program Delivery, Federal Railroad Administration, (202) 631-1825.

## **SUPPLEMENTARY INFORMATION**

FRA developed this guidance document on capital cost estimating for project sponsors and the industry as part of its continuing efforts to provide technical assistance and ensure successful project delivery. FRA's guidance emphasizes accuracy, comprehensiveness, and completeness of estimating materials, as well as credibility. These are all qualities highlighted by the U.S. Government Accountability Office (GAO) in its own capital cost estimating guidance, which describes the same primary capital cost estimating methodologies and activities as stated in this document.

FRA's guidance focuses specifically on railroad projects; it provides examples of common estimating shortfalls in railroad projects; and it defines agency-specific requirements for project sponsors regarding format and submission of cost estimate-related materials.

FRA recognizes that it is not always easy to persuade stakeholders and funders of a project's merit, or to withstand criticism for capital costs that seem "too high" and schedules that seem "too long." The pressures associated with project development and implementation can be immense. GAO recognized these pressures when it stated, "many organizations are not mature enough to acknowledge . . . cost risk realism because of the possible repercussions [and] . . . fear that the program could be canceled." With this in

mind, FRA's guidance asserts that true or "non-depressed" costs can get funded, and reminds us that delivering projects "as promised" increases industry credibility.

By following FRA's guidance, project sponsors should be better able to compensate for uncertainties, unforeseen conditions, and unknowns in capital cost estimates. Such should improve estimate reliability, and enable as-built costs to land within a reasonable range of the estimates generated at every project phase. With a consistent estimating approach, project sponsors should be better able to make useful comparisons among estimates, and to evaluate their own estimates.

This guidance will be incorporated by reference into FRA's Notices of Funding Availability/Opportunity and grant and loan agreements. FRA expects project sponsors to adhere to this guidance, and the principles and methods described herein.

#### Privacy Act

FRA wishes to inform all interested parties that anyone is able to search the electronic form of any written communications and comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). Interested parties may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000, 65 FR 19477, or see <http://www.regulations.gov/#!privacyNotice> for the privacy notice of regulations.gov.

Issued in Washington, DC, on July 7 2016.

**Paul Nissenbaum,**  
*Associate Administrator for Railroad Policy and Development.*

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