

## PART 611—MAJOR CAPITAL INVESTMENT PROJECTS

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#### APPENDIX A TO PART 611—DESCRIPTION OF MEASURES USED FOR PROJECT EVALUATION

AUTHORITY: § 49 U.S.C. 5309(g)(6) and 5334(a)(11); 49 CFR 1.51.

SOURCE: 78 FR 2031, Jan. 9, 2013, unless otherwise noted.

### Subpart A—General Provisions

#### § 611.101 Purpose and contents.

(a) This part prescribes the process that applicants must follow to be considered eligible for fixed guideway capital investment grants for a new fixed guideway, an extension to a fixed guideway, or a corridor-based bus rapid transit system (known as New Starts and Small Starts). Also, this part prescribes the procedures used by FTA to evaluate and rate proposed New Starts projects as required by 49 U.S.C. 5309(d) and Small Starts projects as required by 49 U.S.C. 5309(h).

(b) This part defines how the results of the evaluation described in paragraph (a) of this section will be used to:

(1) Rate projects as “high,” “medium-high,” “medium,” “medium-low” or “low” as required by 49 U.S.C. 5309(g)(2)(A) and 49 U.S.C. 5309(h)(6);

(2) Assign individual ratings for each of the project justification criteria specified in 49 U.S.C. 5309(d)(2)(B) and 49 U.S.C. 5309(h)(6);

(3) Determine project eligibility for Federal funding commitments, in the form of full funding grant agreements (FFGA) for New Starts projects and expedited grant agreements (EGA) for Small Starts projects; and

(4) Support funding recommendations for the New Starts and Small Starts programs for the President’s annual budget request.

(c) The information collected and ratings developed under this part will form the basis for the *Annual Report on Funding Recommendations*, required by 49 U.S.C. 5309(o)(1).

#### § 611.103 Applicability.

(a) This part applies to all proposals for Federal major capital investment funds under 49 U.S.C. 5309 for new fixed guideways, extensions to fixed guideways, and corridor-based bus rapid transit systems.

(b) This part does not apply to projects for which an FFGA or PCGA has already been executed, or to projects that have been approved into final design or project development unless the project sponsor requests to be covered by this part. The regulations in existence prior to the effective date of this rule will continue to apply to projects for which an FFGA or PCGA has already been executed and to projects approved into final design or project development unless a project sponsor requests to be covered by this part. New Starts projects approved for entry into final design shall be considered to be in the engineering phase of the New Starts process.

(c) A New Starts project which has been approved for entry into preliminary engineering under the regulations in existence prior to the effective date of this rule shall be considered to be in the engineering phase of the New Starts process. For the purpose of completing engineering, the regulations in existence prior to the effective date of this rule will continue to apply to a New Starts project approved into preliminary engineering until such time

as the sponsor requests an FFGA unless the project sponsor requests to be covered by this part prior to an FFGA.

#### §611.105 Definitions.

The definitions established by Titles 12 and 49 of the United States Code, the Council on Environmental Quality's regulation at 40 CFR parts 1500–1508, and FHWA-FTA regulations at 23 CFR parts 450 and 771 are applicable. In addition, the following definitions apply:

*Corridor-based bus rapid transit project* means a bus capital project where the project represents a substantial investment in a defined corridor as demonstrated by features such as park-and-ride lots, transit stations, bus arrival and departure signage, intelligent transportation systems technology, traffic signal priority, off-board fare collection, advanced bus technology, and other features that support the long-term corridor investment.

*Current year* means the most recent year for which data on the existing transit system and demographic data are available.

*Early system work agreement* means a contract, pursuant to the requirements in 49 U.S.C. 5309(k)(3), that allows some construction work and other clearly defined elements of a project to proceed prior to execution of a full funding grant agreement (FFGA). It typically includes a limited scope of work that is less than the full project scope of work and specifies the amount of New Starts funds that will be provided for the defined scope of work included in the agreement.

*EGA means an expedited grant agreement.*

*Engineering* is a phase of development for New Starts projects during which the scope of the proposed project is finalized; estimates of project cost, benefits, and impacts are refined; project management plans and fleet management plans are developed; and final construction plans (including final construction management plans), detailed specifications, final construction cost estimates, and bid documents are prepared. During engineering, project sponsors must obtain commitments of all non-New Starts funding.

*ESWA* means early system work agreement.

*Extension to fixed guideway* means a project to extend an existing fixed guideway or planned fixed guideway.

*FFGA* means a full funding grant agreement.

*Fixed guideway* means a public transportation facility that uses and occupies a separate right-of-way or rail line for the exclusive use of public transportation and other high occupancy vehicles, or uses a fixed catenary system and a right of way usable by other forms of transportation. This includes, but is not limited to, rapid rail, light rail, commuter rail, automated guideway transit, people movers, ferry boat service, and fixed-guideway facilities for buses (such as bus rapid transit) and other high occupancy vehicles. A new fixed guideway means a newly-constructed fixed guideway in a corridor or alignment where no such guideway exists.

*FTA* means the Federal Transit Administration.

*Full funding grant agreement* means a contract that defines the scope of a New Starts project, the amount of New Starts funds that will be contributed, and other terms and conditions.

*Horizon year* means a year roughly 10 years or 20 years in the future, at the option of the project sponsor. Horizon years are based on available socioeconomic forecasts from metropolitan planning organizations, which are generally prepared in five year increments such as for the years 2020, 2025, 2030, and 2035.

*Locally preferred alternative* means an alternative evaluated through the local planning process, adopted as the desired alternative by the appropriate State and/or local agencies and official boards through a public process and identified as the preferred alternative in the NEPA process.

*Long-range transportation plan* means a financially constrained long-range plan, developed pursuant to 23 CFR Part 450, that includes sufficient financial information for demonstrating that projects can be implemented using committed, available, or reasonably available revenue sources, with reasonable assurance that the Federally supported transportation system is being adequately operated and maintained. For metropolitan planning areas, this

would be the metropolitan transportation plan and for other areas, this would be the long-range statewide transportation plan. In areas classified by the Environmental Protection Agency as “nonattainment” or “maintenance” of air quality standards, the long-range transportation plan must have been found by DOT to be in conformity with the applicable State Implementation Plan.

*Major capital transit investment* means any project that involves the construction of a new fixed guideway, extension of an existing fixed guideway, or a corridor-based bus rapid transit system for use by public transit vehicles.

*NEPA process* means those procedures necessary to meet the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended, at 23 CFR Part 771; the NEPA process is completed when the project receives a categorical exclusion, a Finding of No Significant Impact (FONSI) or a Record of Decision (ROD).

*New Starts* means a new fixed guideway project, or a project that is an extension to an existing fixed guideway, that has a total capital cost of \$250,000,000 or more or for which the project sponsor is requesting \$75,000,000 or more in New Starts funding.

*New Starts funds* mean funds granted by FTA for a New Starts project pursuant to 49 U.S.C. 5309(d).

*No-build alternative* means an alternative that includes only the current transportation system as well as the transportation investments committed in the Transportation Improvement Plan (TIP) (when the horizon year is 10 years in the future) or the fiscally constrained long-range transportation plan (when the horizon year is 20 years in the future) required by 23 CFR Part 450.

*Secretary* means the Secretary of Transportation.

*Small Starts* means a new fixed guideway project, a project that is an extension to an existing fixed guideway, or a corridor-based bus rapid transit system project, with a total capital cost of less than \$250,000,000 and for which the project sponsor is requesting less than \$75,000,000 in Small Starts funding.

*Small Starts funds* mean funds granted by FTA for a Small Starts project pursuant to 49 U.S.C. 5309(h).

*Small Starts project development* is a phase in the Small Starts process during which the scope of the proposed project is finalized; estimates of project costs, benefits and impacts are refined; NEPA requirements are completed; project management plans and fleet management plans are further developed; and the project sponsors obtains commitment of all non-Small Starts funding. It also includes (but is not limited to) the preparation of final construction plans (including construction management plans), detailed specifications, construction cost estimates, and bid documents.

#### §611.107 Relation to the planning processes.

All New Starts and Small Starts projects proposed for funding assistance under this part must emerge from the metropolitan and Statewide planning process, consistent with 23 CFR part 450, and be included in the fiscally constrained long-range transportation plan required under 23 CFR part 450.

### Subpart B—New Starts

#### §611.201 New Starts eligibility.

(a) To be eligible for an engineering grant under this part for a new fixed guideway or an extension to a fixed guideway, a project must:

- (1) Be a New Starts project as defined in §611.105; and
- (2) Be approved into engineering by FTA pursuant to §611.209.

(b) To be eligible for a construction grant under section 5309 for a new fixed guideway or extension to a fixed guideway, a project must:

- (1) Be a New Starts project as defined in §611.105;
- (2) Have completed engineering;
- (3) Receive a “medium” or better rating on project justification pursuant to §611.203;
- (4) Receive a “medium” or better rating on local financial commitment pursuant to §611.205;
- (5) Meet the other requirements of 49 U.S.C. 5309.

**§ 611.203 New Starts project justification criteria.**

(a) To perform the statutorily required evaluations and assign ratings for project justification, FTA will evaluate information developed locally through the planning and NEPA processes.

(1) The method used by FTA to evaluate and rate projects will be a multiple measure approach by which the merits of candidate projects will be evaluated in terms of each of the criteria specified by this section.

(2) The measures for these criteria are specified in appendix A to this part and elaborated on in policy guidance. This policy guidance, which is subject to a public comment period, is issued periodically by FTA whenever significant changes to the process are proposed, but not less frequently than every two years, as required by 49 U.S.C. 5309(g)(5).

(3) The measures will be applied to projects defined by project sponsors that are proposed to FTA for New Starts funding.

(4) The ratings for each of the criteria in § 611.203(b)(1) through (6) will be expressed in terms of descriptive indicators, as follows: “high,” “medium-high,” “medium,” “medium-low,” or “low.”

(b) The project justification criteria are as follows:

- (1) Mobility improvements.
- (2) Environmental benefits.
- (3) Congestion relief.
- (4) Economic development effects.
- (5) Cost-effectiveness, as measured by cost per rider.
- (6) Existing land use.

(c) In evaluating proposed New Starts projects under these project justification criteria:

(1) As a candidate project proceeds through engineering, a greater level of commitment will be expected with respect to transit supportive plans and policies evaluated under the economic development criterion and the project sponsor’s technical capacity to implement the project.

(2) For any criteria under paragraph (b) of this section that use incremental measures, the point for comparison will be the no-build alternative.

(d) FTA may amend the measures for these project justification criteria. Any such amendment will be included in policy guidance and subject to a public comment process.

(e) From time to time FTA may publish through policy guidance standards based on characteristics of projects and/or corridors to be served. If a proposed project can meet the established standards, FTA may assign an automatic rating on one or more of the project justification criteria outlined in this section.

(f) The individual ratings for each of the criteria described in this section will be combined into a summary project justification rating of “high,” “medium-high,” “medium,” “medium-low,” or “low,” through a process that gives comparable, but not necessarily equal, weight to each criterion. The process by which the project justification rating will be developed, including the assigned weights, will be described in policy guidance.

**§ 611.205 New Starts local financial commitment criteria.**

In order to approve a grant under 49 U.S.C. 5309 for a New Starts project, FTA must find that the proposed project is supported by an acceptable degree of local financial commitment, as required by 49 U.S.C. 5309(d)(4)(iv). The local financial commitment to a proposed project will be evaluated according to the following measures:

(a) The proposed share of the project’s capital costs to be funded from sources other than New Starts funds, including both the non-New Starts match required by Federal law and any additional state, local or other Federal capital funding (also known as “overmatch”);

(b) The current capital and operating financial condition of the project sponsor;

(c) The commitment of capital and operating funds for the project and the entire transit system including consideration of private contributions; and

(d) The accuracy and reliability of the capital and operating costs and revenue estimates and the financial capacity of the project sponsor.

(e) From time to time FTA may publish through policy guidance standards

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based on characteristics of projects and/or corridors to be served. If a proposed project can meet the established standards, FTA may assign an automatic rating on one or more of the local financial commitment criteria outlined in this section.

(f) As a candidate project proceeds through engineering, a greater level of local financial commitment will be expected.

(g) FTA may amend the measures for these local financial commitment criteria. Any such amendment will be included in policy guidance and subject to a public comment process.

(h) For each proposed project, ratings for paragraphs (a) through (d) of this section will be reported in terms of descriptive indicators, as follows: “high,” “medium-high,” “medium,” “medium-low,” or “low.” For paragraph (a) of this section, the percentage of New Starts funding sought from 49 U.S.C. 5309 will be rated and used to develop the summary local financial commitment rating, but only if it improves the rating and not if it worsens the rating.

(i) The ratings for each measure described in this section will be combined into a summary local financial commitment rating of “high,” “medium-high,” “medium,” “medium-low,” or “low.” The process by which the summary local financial commitment rating will be developed, including the assigned weights to each of the measures, will be described in policy guidance.

## § 611.207 Overall New Starts project ratings.

(a) [Reserved]

(b) FTA will assign overall project ratings to each proposed project of “high,” “medium-high,” “medium,” “medium-low,” or “low” as required by 49 U.S.C. 5309(g)(2)(A).

(1) These ratings will indicate the overall merit of a proposed New Starts project at the time of evaluation.

(2) Ratings for individual projects will be developed upon entry into engineering and prior to an FFGA. Additionally, ratings may be updated while a project is in engineering if the project scope and cost have changed materially since the most recent rating was assigned.

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(c) These ratings will be used to:

(1) Approve or deny advancement of a proposed project into engineering ;

(2) Approve or deny projects for ESWAs and FFGAs; and

(3) Support annual funding recommendations to Congress in the *Annual Report on Funding Recommendations* required by 49 U.S.C. 5309(o)(1).

(d) [Reserved]

## § 611.209 [Reserved]

## § 611.211 New Starts Before and After study.

(a) During engineering, project sponsors shall submit to FTA a plan for collection and analysis of information to identify the characteristics, costs, and impacts of the New Starts project and the accuracy of the forecasts prepared during development of the project.

(1) The Before and After study plan shall consider:

(i) Characteristics including the physical scope of the project, the service provided by the project, any other changes in service provided by the transit system, and the schedule of transit fares;

(ii) Costs including the capital costs of the project and the operating and maintenance costs of the transit system in appropriate detail; and

(iii) Impacts including changes in transit service quality, ridership, and fare levels.

(2) The plan shall provide for:

(i) Documentation and preservation of the predicted scope, service levels, capital costs, operating costs, and ridership of the project;

(ii) Collection of “before” data on the transit service levels and ridership patterns of the current transit system including origins and destinations, access modes, trip purposes, and rider characteristics;

(iii) Documentation of the actual capital costs of the as-built project;

(iv) Collection of “after” data two years after opening of the project, including the analogous information on transit service levels and ridership patterns, plus information on operating costs of the transit system in appropriate detail;

(v) Analysis of the costs and impacts of the project; and

(vi) Analysis of the consistency of the predicted and actual characteristics, costs, and impacts of the project and identification of the sources of any differences.

(vii) Preparation of a final report within three years of project opening to present the actual characteristics, costs, and impacts of the project and an assessment of the accuracy of the predictions of these outcomes.

(3) For funding purposes, preparation of the plan for collection and analysis of data is an eligible part of the proposed project.

(b) The FFGA will require implementation of the plan prepared in accordance with paragraph (a) of this section.

(1) Satisfactory progress on implementation of the plan required under paragraph (a) of this section shall be a prerequisite to approval of an FFGA.

(2) For funding purposes, collection of the “before” data, collection of the “after” data, and the development and reporting of findings are eligible parts of the proposed project.

(3) FTA may condition receipt of funding provided for the project in the FFGA upon satisfactory submission of the report required under this section.

### Subpart C—Small Starts

#### § 611.301 Small Starts eligibility.

(a) To be eligible for a project development grant under this part for a new fixed guideway, an extension to a fixed guideway, or a corridor-based bus rapid transit system, a project must:

(1) Be a Small Starts project as defined in § . 611.105; and

(2) Be approved into project development by FTA pursuant to § 611.309.

(b) To be eligible for a construction grant under this part for a new fixed guideway, an extension to a fixed guideway, or a corridor-based bus rapid transit system, a project must:

(1) Be a Small Starts project as defined in § 611.105;

(2) Receive a “medium” or better rating on project justification pursuant to § 611.303;

(3) Receive a “medium” or better rating on local financial commitment pursuant to Sec. 611.305; and

(4) Meet the other requirements of 49 U.S.C. 5309.

#### § 611.303 Small Starts project justification criteria.

(a) To perform the statutorily required evaluations and assign ratings for project justification, FTA will evaluate information developed locally through the planning, NEPA and project development processes.

(1) The method used by FTA to evaluate and rate projects will be a multiple measure approach by which the merits of candidate projects will be evaluated in terms of each of the criteria specified by this section.

(2) The measures for these criteria are specified in Appendix A and elaborated on in policy guidance. This policy guidance, which is subject to a public comment period, is issued periodically by FTA whenever significant changes are proposed, but not less frequently than every two years, as required by 49 U.S.C. 5309(g)(5).

(3) The measures will be applied to projects defined by project sponsors that are proposed to FTA for Small Starts funding.

(4) The ratings for each of the criteria in § 611.303(b)(1) through (6) will be expressed in terms of descriptive indicators, as follows: “high,” “medium-high,” “medium,” “medium-low,” or “low.”

(b) The project justification criteria are as follows:

(1) Cost-effectiveness, as measured by cost per rider.

(2) Economic development effects.

(3) Existing land use.

(4) Mobility improvements.

(5) Environmental benefits.

(6) Congestion relief.

(c) In evaluating proposed Small Starts projects under these criteria:

(1) As a candidate project proceeds through project development, a greater level of commitment will be expected with respect to transit supportive land use plans and policies and the project sponsor’s technical capacity to implement the project.

(2) For any criteria under paragraph (b) of this section that use incremental measures, the point for comparison will be the no-build alternative.

(d) FTA may amend the measures for these project justification criteria. Any such amendment will be included in

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policy guidance and subject to a public comment process.

(e) From time to time FTA may publish through policy guidance standards based on characteristics of projects and/or corridors to be served. If a proposed project can meet the established standards, FTA may assign an automatic rating on one or more of the project justification criteria outlined in this section.

(f) The individual ratings for each of the criteria described in this section will be combined into a summary project justification rating of “high,” “medium-high,” “medium,” “medium-low,” or “low” through a process that gives comparable, but not necessarily equal, weight to each criterion. The process by which the project justification rating will be developed, including the assigned weights, will be described in policy guidance.

### § 611.305 Small Starts local financial commitment criteria.

In order to approve a grant under 49 U.S.C. 5309 for a Small Starts project, FTA must find that the proposed project is supported by an acceptable degree of local financial commitment, as required by 49 U.S.C. 5309(h)(3)(c). The local financial commitment to a proposed project will be evaluated according to the following measures:

(a) The proposed share of the project’s capital costs to be funded from sources other than Small Starts funds, including both the non-Small Starts match required by Federal law and any additional state, local, or other Federal capital funding (known as “overmatch”);

(b) The current capital and operating financial condition of the project sponsor;

(c) The commitment of capital and operating funds for the project and the entire transit system including consideration of private contributions; and

(d) The accuracy and reliability of the capital and operating costs and revenue estimates and the financial capacity of the project sponsor.

(e) From time to time FTA may publish through policy guidance standards based on characteristics of projects and/or the corridors to be served. If a proposed project can meet the estab-

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lished standards, FTA may assign an automatic rating on one or more of the local financial commitment criteria outlined in this section.

(f) FTA may amend the measures for these local financial commitment criteria. Any such amendment will be included in policy guidance and subject to a public comment process.

(g) As a candidate project proceeds through project development, a greater level of local financial commitment will be expected.

(h) For each proposed project, ratings for paragraphs (a) through (d) of this section will be reported in terms of descriptive indicators, as follows: “high,” “medium-high,” “medium,” “medium-low,” or “low.” For paragraph (a) of this section, the percentage of Small Starts funding sought from 49 U.S.C. 5309 will be rated and used to develop the summary local financial commitment rating, but only if it improves the rating and not if it worsens the rating.

(i) The ratings for each measure described in this section will be combined into a summary local financial commitment rating of “high,” “medium-high,” “medium,” “medium-low,” or “low.” The process by which the summary local financial commitment rating will be developed, including the assigned weights to each of the measures, will be described in policy guidance.

### § 611.307 Overall Small Starts project ratings.

(a) The summary ratings developed for project justification and local financial commitment (§§ 611.303(f) and 611.305(i)) will form the basis for the overall rating for each project.

(b) FTA will assign overall project ratings to each proposed project of “high,” “medium-high,” “medium,” “medium-low,” or “low,” as required by 49 U.S.C. 5309(e)(8).

(1) These ratings will indicate the overall merit of a proposed Small Starts project at the time of evaluation.

(2) Ratings for individual projects will be developed prior to an EGA.

(c) These ratings will be used to:

(1) Approve or deny projects for EGAs; and

(2) Support annual funding recommendations to Congress in the *Annual Report on Funding Recommendations* required by 49 U.S.C. 5309(k)(1).

(d) FTA will assign overall ratings for proposed Small Starts projects by averaging the summary ratings for project justification and local financial commitment. When the average of these ratings is unclear (e.g., summary project justification rating of “medium-high” and summary local financial commitment rating of “medium”), FTA will round up the overall rating to the higher rating except in the following circumstances:

(1) A “medium” overall rating requires a rating of at least “medium” on both project justification and local financial commitment.

(2) If a project receives a “low” rating on either project justification or local financial commitment, the overall rating will be “low.”

#### § 611.309 [Reserved]

### APPENDIX A TO PART 611—DESCRIPTION OF MEASURES USED FOR PROJECT EVALUATION

#### PROJECT JUSTIFICATION

##### *New Starts*

##### New Starts Project Justification

FTA will evaluate candidate New Starts projects according to the six project justification criteria established by 49 U.S.C. 5309(d)(2)(A)(iii). From time to time, but not less frequently than every two years as directed by 49 U.S.C. 5309(g)(5), FTA publishes for public comment policy guidance on the application of these measures, and the agency expects it will continue to do so. Moreover, FTA may choose to amend these measures, pending the results of ongoing studies regarding transit benefit and cost evaluation methods. In addition, FTA may establish warrants for one or more of these criteria through which an automatic rating would be assigned based on the characteristics of the project and/or its corridor. FTA will develop these warrants based on analysis of the features of projects and/or corridor characteristics that would produce satisfactory ratings on one or more of the criteria. Such warrants would be included in policy guidance issued for public comment before being finalized.

(a) *Definitions.* In this Appendix, the following definitions apply:

(1) *Enrichments* mean certain improvements to the transit project desired by the grant recipient that are non-integral to the basic functioning of the project, whose benefits are not captured in whole by other criteria, and are carried out simultaneous with grant execution and may be included in the Federal grant. Enrichments include but are not limited to artwork, landscaping, and bicycle and pedestrian improvements such as sidewalks, paths, plazas, site and station furniture, site lighting, signage, public artwork, bike facilities, and permanent fencing. Enrichments also include sustainable building design features of up to 2.5 percent of the total cost of the facilities (when such facilities are designed to achieve a third-party certification or to optimize a building’s design to use less energy, water and reduce greenhouse gas emissions that may not lead directly to an official certification).

(2) *Transit dependent person as used in this context* means either a person from a household that owns no cars or a person whose household income places them in the lowest income stratum of the local travel demand model. For those project sponsors choosing to use the simplified national model “transit dependent persons” will be defined as individuals residing in households that do not own a car. Project sponsors that choose to continue to use their local travel model rather than the FTA developed simplified national model to estimate trips will define transit dependent persons as individuals in the lowest socioeconomic stratum as defined in the local model, which is usually either households with no cars or households in the lowest locally defined income bracket.

(3) *Trips* mean linked trips riding on any portion of the New Starts or Small Starts project.

(b) *Mobility Improvements.* (1) The total number of trips using the proposed project. Extra weight may be given to trips that would be made on the project by transit dependent persons in the current year, and, at the discretion of the project sponsor, in the horizon year. The method for assigning extra weight is set forth in policy guidance.

(2) If the project sponsor chooses to consider project trips in the horizon year in addition to the current year, trips will be based on the weighted average of current year and horizon year.

(c) *Environmental Benefits.* (1) The monetized value of the anticipated direct and indirect benefits to human health, safety, energy, and the air quality environment that are expected to result from implementation of the proposed project compared to:

(i) The existing environment with the transit system in the current year or, (ii) at the discretion of the project sponsor, both the



existing environment with the transit system in the current year and the no-build environment and transit system in the horizon year. The monetized benefits will be divided by the annualized capital and operating cost of the New Starts project, less the cost of enrichments.

(2) Environmental benefits used in the calculation would include:

- (i) Change in air quality criteria pollutants,
- (ii) Change in energy use,
- (iii) Change in greenhouse gas emissions and
- (iv) Change in safety.

(3) If the project sponsor chooses to consider environmental benefits in the horizon year in addition to the current year, environmental benefits will be based on the weighted average of current year and horizon year.

(d) *Congestion Relief*. [Reserved]

(e) *Cost-effectiveness*. (1) The annualized cost per trip on the project, where cost includes changes in capital, operating, and maintenance costs, less the cost of enrichments, compared to:

- (i) The existing transit system in the current year, or
- (ii) At the discretion of the project sponsor, both the existing transit system in the current year and the no-build transit system in the horizon year.

(2) If the project sponsor chooses to consider cost-effectiveness in the horizon year in addition to the current year, cost-effectiveness will be based on the weighted average of current year and horizon year.

(f) *Existing Land Use*. (1) Existing corridor and station area development;

(2) Existing corridor and station area development character;

(3) Existing station area pedestrian facilities, including access for persons with disabilities;

(4) Existing corridor and station area parking supply; and

(5) Existing affordable housing in the project corridor.

(g) *Economic Development*. (1) The extent to which a proposed project is likely to enhance additional, transit-supportive development based on a qualitative assessment of the existing local plans and policies to support economic development proximate to the project including:

- (i) Growth management plans and policies;
- (ii) Local plans and policies in place to support maintenance of or increases to affordable housing in the project corridor; and
- (iii) Demonstrated performance and impact of policies.

(2) At the option of the project sponsor, an additional quantitative analysis (scenario-based estimate) of indirect changes in VMT resulting from changes in development patterns that are anticipated to occur with im-

plementation of the proposed project. The resulting environmental benefits from the indirect VMT would be calculated, monetized, and compared to the annualized capital and operating cost of the New Starts project in a manner similar to that under the environmental benefits criterion. Such benefits are not included in the environmental benefits measure.

#### New Starts Local Financial Commitment

From time to time, but not less than frequently than every two years as directed by U.S.C. 5309(g)(5), FTA publishes policy guidance on the application of these measures, and the agency expects it will continue to do so. Moreover, FTA may choose to amend these measures, pending the results of ongoing studies. In addition, FTA may establish warrants for one or more of these criteria through which an automatic rating would be assigned based on the characteristics of the project and/or its corridor. FTA will develop these warrants based on analysis of the features of projects and/or corridor characteristics that would produce satisfactory ratings on one or more of the criteria. Such warrants would be included in draft policy guidance issued for comment before being finalized.

FTA will use the following measures to evaluate the local financial commitment of a proposed New Starts project:

(a) The proposed share of total project costs from sources other than New Starts funds, including other Federal transportation funds and the local match required by Federal law;

(b) The current financial condition, both capital and operating, of the project sponsor;

(c) The commitment of funds for both the proposed project and the ongoing operation and maintenance of the existing transit system once the project is built including consideration of private contributions.

(d) The reasonableness of the financial plan, including planning assumptions, cost estimates, and the capacity to withstand funding shortfalls or cost overruns.

#### Small Starts

##### Small Starts Project Justification

FTA will evaluate candidate Small Starts projects according to the six project justification criteria established by 49 U.S.C. 5309(h)(4). From time to time, but not less than frequently than every two years as directed by 49 U.S.C. 5309(g)(5), FTA publishes for public comment policy guidance on the application of these measures. Moreover, FTA may choose to amend these measures, pending the results of ongoing studies regarding transit benefit and cost evaluation methods. In addition, FTA may establish warrants for one or more of these criteria through which an automatic rating would be

assigned based on the characteristics of the project and/or its corridor. Such warrants would be included in the policy guidance so that they may be subject to public comment.

(a) *Mobility Improvements.* (1) The total number of trips using the proposed project with extra weight given to trips that would be made on the project by transit dependent persons in the current year, and, at the discretion of the project sponsor, in the horizon year.

(2) If the project sponsor chooses to consider project trips in the horizon year in addition to the current year, trips will be based on the weighted average of current year and horizon year.

(b) *Environmental Benefits.* (1) The monetized value of the anticipated direct and indirect benefits to human health, safety, energy, and the air quality environment that are expected to result from implementation of the proposed project compared to:

(i) The existing environment with the transit system in the current year or,

(ii) At the discretion of the project sponsor, both the existing environment with the transit system in the current year and the no-build environment and transit system in the horizon year. The monetized benefits will be divided by the annualized federal share of the project.

(2) Environmental benefits used in the calculation would include:

(i) Change in air quality criteria pollutants,

(ii) Change in energy use,

(iii) Change in greenhouse gas emissions, and

(iv) Change in safety.

(3) If the project sponsor chooses to consider environmental benefits in the horizon year in addition to the current year, environmental benefits will be based on the weighted average of current year and horizon year.

(c) *Congestion Relief.* [Reserved]

(d) *Cost-effectiveness.* (1) The annualized federal share per trip on the project where federal share includes funds from the major capital investment program as well as other federal funds, compared to:

(i) The existing transit system in the current year, or

(ii) At the discretion of the project sponsor, both the existing transit system in the current year and the no-build transit system in the horizon year.

(2) If the project sponsor chooses to consider cost-effectiveness in the horizon year in addition to the current year, cost-effectiveness will be based on the weighted average of current year and horizon year.

(e) *Existing Land Use.* (1) Existing corridor and station area development;

(2) Existing corridor and station area development character;

(3) Existing station area pedestrian facilities, including access for persons with disabilities;

(4) Existing corridor and station area parking supply; and

(5) Existing affordable housing in the project corridor.

(f) *Economic Development.* (1) The extent to which a proposed project is likely to enhance additional, transit-supportive development based on the existing plans and policies to support economic development proximate to the project including:

(i) Growth management plans and policies;

(ii) Policies in place to support maintenance of or increases to the share of affordable housing in the project corridor; and

(iii) Demonstrated performance and impact of policies.

(2) At the option of the project sponsor, an additional quantitative analysis (scenario-based estimate) to estimate indirect changes in VMT resulting from changes in development patterns that are anticipated to occur with implementation of the proposed project. The resulting environmental benefits would be calculated, monetized, and compared to the annualized federal share of the project.

#### Small Starts Local Financial Commitment

If the Small Starts project sponsor can demonstrate the following, the project will qualify for a highly simplified financial evaluation:

(a) A reasonable plan to secure funding for the local share of capital costs or sufficient available funds for the local share;

(b) The additional operating and maintenance cost to the agency of the proposed Small Starts project is less than 5 percent of the project sponsor's existing operating budget; and

(c) The project sponsor is in reasonably good financial condition, as demonstrated by the past three years' audited financial statements.

Small Starts projects that meet these measures and request greater than 50 percent Small Starts funding would receive a local financial commitment rating of "Medium." Small Starts projects that request 50 percent or less in Small Starts funding would receive a "High" rating for local financial commitment.

FTA will use the following measures to evaluate the local financial commitment to a proposed Small Starts project if it cannot meet the conditions listed above:

(a) The proposed share of total project costs from sources other than Small Starts funds, including other Federal transportation funds and the local match required by Federal law;

(b) The current financial condition, both capital and operating, of the project sponsor;

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(c) The commitment of funds for both the proposed project and the ongoing operation and maintenance of the project sponsor's system once the project is built.

(d) The reasonableness of the financial plan, including planning assumptions, cost estimates, and the capacity to withstand funding shortfalls or cost overruns.

**PART 613—METROPOLITAN AND STATEWIDE AND NONMETROPOLITAN PLANNING**

**Subpart A—Metropolitan Transportation Planning and Programming**

Sec.

613.100 Metropolitan transportation planning and programming.

**Subpart B—Statewide and Nonmetropolitan Transportation Planning and Programming**

613.200 Statewide and nonmetropolitan transportation planning and programming.

**AUTHORITY:** 23 U.S.C. 134, 135, and 217(g); 42 U.S.C. 3334, 4233, 4332, 7410 *et seq.*; 49 U.S.C. 5303–5306, 5323(k); and 49 CFR 1.91(a) and 21.7(a).

**SOURCE:** 81 FR 34164, May 27, 2016, unless otherwise noted.

**Subpart A—Metropolitan Transportation Planning and Programming**

**§ 613.100 Metropolitan transportation planning and programming.**

The regulations in 23 CFR part 450, subpart C, shall be followed in complying with the requirements of this subpart. The definitions in 23 CFR part 450, subpart A, shall apply.

**Subpart B—Statewide and Nonmetropolitan Transportation Planning and Programming**

**§ 613.200 Statewide and nonmetropolitan transportation planning and programming.**

The regulations in 23 CFR part 450, subpart B, shall be followed in complying with the requirements of this subpart. The definitions in 23 CFR part 450, subpart A, shall apply.

**49 CFR Ch. VI (10–1–22 Edition)**

**PART 622—ENVIRONMENTAL IMPACT AND RELATED PROCEDURES**

**Subpart A—Environmental Procedures**

Sec.

622.101 Cross-reference to procedures.

**Subpart B [Reserved]**

**Subpart C—Requirements for Energy Assessments**

622.301 Buildings.

**Subpart A—Environmental Procedures**

**AUTHORITY:** 42 U.S.C. 4321 *et seq.*; 49 U.S.C. 303 and 5323(q); 23 U.S.C. 139, 326, 327, and 330; Pub. L. 109–59, 119 Stat. 1144, Sections 6002 and 6010; 40 CFR parts 1500–1508; 49 CFR 1.81; Pub. L. 112–141, 126 Stat. 405, Sections 1315, 1316, 1317, and 1318; and Pub. L. 114–94, Section 1309.

**§ 622.101 Cross-reference to procedures.**

The procedures for complying with the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 *et seq.*), and related statutes, regulations, and Executive Orders are set forth in part 771 of title 23 of the CFR. The procedures for complying with 49 U.S.C. 303, commonly known as “Section 4(f),” are set forth in part 774 of title 23 of the CFR. The procedures for complying with the Surface Transportation Project Delivery Program application requirements and termination are set forth in part 773 of title 23 of the CFR. The procedures for participating and complying with the program for eliminating duplication of environmental reviews are set forth in part 778 of title 23 of the CFR.

[85 FR 84229, Dec. 28, 2020]

**Subpart B [Reserved]**

**Subpart C—Requirements for Energy Assessments**

**AUTHORITY:** Sec. 403(b), Pub. L. 95–620; E.O. 12185.