



March 26, 2012

U.S. Department of Transportation
1200 New Jersey Avenue, SE
Docket Operations, M-30
West Building Ground Floor
Room W12-140
Washington, DC 20590-0001

RE: Docket No. FTA-2010-0009

Dear Docket Clerk:

On behalf of the more than 1,500 member organizations of the American Public Transportation Association (APTA), I write to provide comments on the Federal Transit Administration's (FTA) Proposed New Starts/Small Starts Policy Guidance, which was released for comment on January 25, 2012.

About APTA

APTA is a non-profit international trade association of more than 1,500 public and private member organizations, including public transit systems; high-speed intercity passenger rail agencies; planning, design, construction and finance firms; product and service providers; academic institutions; and state associations and departments of transportation. More than ninety percent of Americans who use public transportation are served by APTA member transit systems.

General Comments

We commend FTA for its efforts to streamline the ratings, approval, and implementation process for New Starts/Small Starts. We strongly support the move towards simplified, more comprehensible measures, and we believe the changes outlined in the proposed policy guidance will support those goals. We offer the comments below to assist FTA in completing the final guidance.

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Section by Section Comments

I. Introduction

Rating of Small Benefits

- FTA proposes rating a small amount of positive benefits on a particular criterion as “medium”, as opposed to applying a “low” or “medium low” rating. While we agree that small benefits are important, we are concerned that by only using “low” or “medium-low” ratings when a project actually has disbenefits, will make it more difficult to clearly differentiate among projects. For this reason, we recommend that FTA continue to use all five ratings.

Establishing Breakpoints for Ratings

- In the absence of FTA issuing guidance that sets forth the proposed breakpoints and the basis for them, it is difficult to submit specific comments at this time. We look forward to working with the FTA to review future draft guidance on the breakpoints. We suggest that FTA consider the projects already approved into preliminary engineering (PE) or project development (PD) for benchmarks. All of those projects have achieved at least a medium rating for project justification and local financial commitment.
- Moreover, we believe there should be different breakpoints for different categories of projects, such as urban circulators and line haul projects.

Time Horizons for Calculating Measures

- While we greatly appreciate the effort of FTA to simplify the project evaluation process, a new requirement to develop additional forecasts based on current conditions and 10-year horizons makes the process more burdensome, and does not provide information useful to project sponsors.
- For New Starts, a 10-year horizon is inconsistent with basic planning practices and requirements in metropolitan areas, and inconsistent with the National Environmental Policy Act (“NEPA”), where the horizon is twenty or more years in the future.
- For Small Starts, this is inconsistent with current law, which specifies projections based on opening year. Project sponsors must forecast riders into the future in order to properly size their projects, and to address NEPA requirements. The proposed approach would ignore other planned facilities in the project corridor, as well as planned growth and development.

Basis for Comparison

- When a basis of comparison is needed for an incremental measure, FTA proposes using the existing system in the current year, or the No Build, plus the Transportation Improvement Program (“TIP”), and horizon year. APTA commends the move to replace “baseline alternative” with the No Build measure.

- If a 20-year planning horizon is used, as recommended above, we recommend that the No Build alternative still be used as the baseline, and that the No Build include projects in the fiscally constrained plan. All forecasts should be based on assumptions used by the Metropolitan Planning Organization.

Weighting of Criteria and Measures

- APTA supports giving equal weight to the six project justification criteria.

Use of Standard Factors Rather than Detailed Analysis

- APTA reiterates its support for streamlining the New Starts/Small Starts project development process through simplified standard factors based on national data for certain measures. We believe FTA must remain open to consideration of demonstrable regional differences in favoring one project over another.

II. Project Justification

Mobility Improvements

Measure

- APTA supports measurement of mobility improvements. We recommend that the measure record both passengers using the new project and passenger miles, not boardings.
- While assigning some credit for improved access to transit dependent riders is appropriate, assigning a factor of two to weight these benefits appears arbitrary. The proposed measure doesn't account for household size and eligible drivers, local policies to incentivize one and/or no car households in a project corridor, or differing definitions regarding household income. Moreover, there is a lack of consistent definition among regions of the country regarding who is a transit dependent rider. Instead, we propose that FTA invite project sponsors to report on benefits to the transit dependent riders as an "other factor." APTA suggests, for simplicity, that the "transit dependent trips" mobility measure be defined as "the absolute number of existing low income households located within 1/2-mile of boarding points associated with the proposed system increment."

Sources of Information

- We are unable to evaluate the FTA proposed default model since the model was not explained or defined in this iteration of the draft guidance. In concept we support this approach. We offer our assistance to FTA in the process of defining the proposed model and offer to work with FTA in the development and testing of the model.

Breakpoints

- See Section I, Introduction, above.

Operating Efficiencies

Measure

- APTA recommends that FTA retain its existing measure of operating efficiency, “forecast change in operating cost per passenger mile,” and not adopt the proposed “cost per place-mile”. The proposed measure implies that the desired outcome of transit projects is capacity, whether that capacity is used or not. We would not expect highway agencies to evaluate projects in terms of lane miles, with more lane miles being better than fewer lane miles, regardless of the demand for that capacity.

Breakpoints

- See Section I, Introduction, above.

Economic Development

Measures

- We support the proposed measure.
- Longer term, we urge FTA to undertake research that would allow it to take into account broader measures of economic development, beyond simply land use plans and policies and direct job creation. To the extent that projects can enhance the opportunities for a corridor or a metropolitan area to attract new growth and jobs, the rating system should take that into account.
- This is another area where we believe warrants could be employed to acknowledge that many projects serve to retain existing levels of development rather than attract new development.

Calculation

- We support including the option for a project sponsor to conduct a scenario-based analysis of indirect changes to vehicle miles travelled ("VMT") resulting from changes in development patterns that are expected to occur with the implementation of the project.

Breakpoints

- See Section I, Introduction, above.

Environmental Benefits

Measures

- We urge the FTA to avoid turning the environmental benefits measure into a “catch-all” category.
- “Warrants” could be readily applied to this category to acknowledge that many transit projects in dense urban areas do not result in VMT reduction, but do serve to retain existing

densities and energy-efficient land use patterns that also support walkable and bikeable communities, which result in benefits to human health. The environmental benefit of dense land use is documented in work conducted through the APTA Standards Program and is currently being explored through the Transportation Cooperative Research Program's H-46 study.

- APTA supports monetization of environmental benefits. However, given the many variables and potential subjectivity of inputs, the monetization of benefits should not be presented in a way that it could be misperceived as forming part of a cost-benefit analysis.
- While we support this approach, we note environmental effects and their benefits are typically subjective and most directly relate to their local settings. Attempting to monetize or uniformly quantify all measures for national ranking may prove contrary to the overall goal of encouraging projects that provide environmental benefits as one of their key elements. Such an approach could ignore regional differences in projects since the environmental needs of one region (and the corresponding environmental goal of their project) may vary greatly from the regional needs of another project. FTA must take a measured approach to monetization to account for these benefits without losing the objective nature of FTA's overall approach to project evaluation.

Calculation

- APTA suggests FTA develop standard local factors drawn from common, recognized sources to recognize the differing value placed on these various measures included in monetization in different regions, particularly pertaining to the value of time.
- To calculate VMT reduction, we support the use of the simplified ridership forecast estimating mechanism and the FTA standardized spreadsheet approach applied to projects. It is important that sponsors retain the option to use a locally-developed transit demand model.
- FTA should not use VMT reduction as the primary driver of environmental benefits. This could create an uneven playing field since areas that already have high density development and a high transit/walk/bike mode share or projects that alleviate transit congestion are unlikely to exhibit significant VMT reduction. To account for projects that support existing densities and/or address transit congestion and do not show VMT reduction, we suggest that FTA utilize a "warrant-based" approach where projects serving areas with a population density over a certain threshold or a transit mode share over a certain threshold could receive an automatic "medium" rating for environmental benefits.
- While reductions in VMT and emissions are a benefit of many transit projects, emission reductions have greater value in those metropolitan areas, like Los Angeles, that are in non-attainment of the National Ambient Air Quality Standards. Thus, the FTA's environmental benefits rating should continue to take into account a metropolitan area's non-attainment status and classification. The higher value of emission reductions in areas like Los Angeles might be factored into the proposed monetization of environmental benefits, or FTA could simply raise the environmental benefits rating by one or two levels for those projects that are in metropolitan areas with the most severe air quality conditions.
- Alternatively, greenhouse gas (GHG) emissions per passenger mile or energy use per passenger mile could be used to measure environmental performance for projects that may or may not exhibit VMT reductions. These types of inputs are easily obtainable, and normalizing

through the use of passenger miles would better reflect the relative scale and utilization of projects.

Breakpoints

- See Section I, Introduction, above.

Cost Effectiveness

Measures

- We generally support the change to measure the mobility benefits of a project in terms of trips made on the project, though we suggest that FTA define mobility benefits in the final guidance to also include passenger miles.
- Since cost effectiveness is based around “cost per trip” and does not account for the other benefits addressed in Economic Development, Environmental Benefits, and elsewhere, we suggest clarifying the measure by naming it “Mobility Cost Effectiveness”.
- We disagree with FTA’s proposal to evaluate projects on the basis of current conditions or, at most, a 10 year forecast based on the projects in the TIP. This is inconsistent with basic planning practices and requirements in metropolitan areas, where the horizon is twenty or more years in the future. Project sponsors will find it necessary to forecast riders into the future in order to properly size their projects, and to address NEPA requirements. The proposed approach would ignore other planned facilities in the project corridor, as well as planned growth and development. While we greatly appreciate the effort of FTA to simplify the project evaluation process, a new requirement to develop additional forecasts based on current conditions and 10 year horizons makes the process more burdensome, and does not provide information useful to project sponsors.
- Further, we restate our support the use of the current system and funded improvements in the TIP as the No Build alternative to which the proposed project is compared. We support the calculation of ridership based on the proposed project compared to the No Build as greatly simplifying the information used to evaluate projects.
- The measure does not capture the travel-time savings of riders in parts of the existing system for major capital investment projects whose goal is to relieve transit congestion. This benefit was clearly captured in the transportation system user benefit measure. We suggest that this benefit clearly be called out as a benefit that can be captured in “other factors” at the option of the project sponsor.

Calculation

- We believe FTA should specifically state that this list is illustrative only. A finite list of “betterments” would unduly limit the ability of transit agencies to propose that certain project costs not be considered in the ratings. For instance, the cost of concurrent non-project activities as defined in FTA Circular 5010.1D would appropriately be excluded from the cost effectiveness calculation owing to their separate funding sources. Moreover, projects in certain areas of the country could have betterments that are not applicable nationwide and are therefore not likely to make a finite “betterment” list. Finally, in areas such as energy

efficiency, fuel usage, customer information systems, etc., technology is advancing quickly and emerging technologies may end up being excluded because they do not appear on the FTA list of betterments. To minimize the need for FTA review, we suggest that FTA prepare a list of categories of betterments to serve as examples but that are not strictly limiting.

Categories could include:

- pedestrian or bicycle access and safety improvements;
- allowance for alternative fuel vehicles or station access improvements;
- sustainability improvements for buildings, including stormwater management;
- cultural, aesthetic, or historically appropriate information, art, or design details;
- transit work that would enhance the primary project, such as low vibration track, additional signalization beyond what's necessary to operate the project, station improvements; and
- concurrent non-project activities and other locally funded project features that do not contribute to project benefits accounted for in the project justification criteria and measures.

Sources of Information

- FTA proposes the discount rate for transit investments to be 2.0 percent or a rate that is consistent with the useful life on the capital proposed for funding. APTA supports this change.

Breakpoints

- See Section I, Introduction, above.

Land Use

Measures

- We support the revised measure.

Breakpoints

- APTA is concerned about the proposed breakpoints as they fail to consider total project cost and size of a community. Applying these breakpoints in small communities or to Small Starts projects is very problematic and does not recognize the benefits of those projects relative to the cost or scope of a project. We urge FTA to gear breakpoints to the cost of the project and level of density relative to the population served.

Other Factors

- FTA is proposing to continue its current approach that “other factors” may raise or lower the project justification rating one level. APTA supports this policy.

III. Local Financial Commitment

Measures

- We support the proposed changes to the financial commitment rating measures. Combining the capital plan rating and the operating plan rating makes sense to us, as does the “extra step” given to those projects that have a New Starts or Small Starts share of 50 percent or less. When assessing a transit agency’s degree of financial commitment, however, FTA should also consider the amount of non-5309 funds that the agency is committing to other capacity projects in its capital program.
- APTA supports FTA developing warrants for New Start projects similar to those used for the Small Starts warrants. We also support the increased flexibility regarding when monies need to be "committed" and the percentage of monies committed for entry into preliminary engineering and entry into final design.

We appreciate the opportunity to assist FTA in this important endeavor. For additional information, please contact James LaRusch, APTA’s chief counsel and vice president corporate affairs, at (202) 496-4808 or jlarsch@apta.com.

Sincerely yours,



Michael P. Melaniphy
President & CEO