

FY 2007 New Starts Projects and Ratings Contained in this Report

As noted previously, the *FY 2007 Annual Report on New Starts*, as with all previous annual reports, provides information on New Starts projects in different stages of development. For projects under an FFGA, the report includes a summary profile of the project scope, expected ridership, and implementation status. The report also includes detailed information, evaluations, and ratings for all candidate projects which have been approved by FTA for, and are actively engaged in, PE and final design and which are seeking more than \$25 million in New Starts funding. Finally, the report includes summary information on projects approved by FTA for, and actively engaged in, PE and final design which are exempt from project evaluation because they are requesting less than \$25 million in New Starts funding. The maps on pages 25 and 26 present the location of existing and pending FFGAs, and projects in PE and final design, respectively.

In the past year, several proposed New Starts projects which had been included in the *FY 2006 Annual Report on New Starts* no longer meet the conditions for inclusion in this year's report. Sponsors of these projects have either a) fully implemented the project scope described in last year's report; b) received the entirety of the New Starts funding requested to implement said scope; c) terminated or suspended project development activities; d) withdrawn from formal inclusion in the New Starts "pipeline" while they address outstanding issues which prevent their projects from advancing in development; or e) decided to no longer pursue New Starts funding.

Two projects under an FFGA received their final New Starts appropriation in FY 2006 and are thus not included in this year's report: the ***North Central Corridor Commuter Rail*** and the ***South West Corridor Commuter Rail*** projects, both in metropolitan Chicago. Among the projects reported in final design in the *FY 2006 Annual Report on New Starts*, the Kansas City Area Transit Authority implemented its 10-mile ***Southtown BRT*** line in July 2005, and in May 2005 the Regional Transit Commission (RTC) of Southern Nevada terminated further development of the ***Resort Corridor Downtown Monorail Extension***. RTC is currently looking at other alternatives, including bus rapid transit, in the corridor.

Several projects reported in preliminary engineering in last year's report are not included in the *FY 2007 Annual Report*. The Alaska Railroad Corporation confirmed that future pursuit of New Starts funding for the ***South Wasilla Track Realignment*** project in Wasilla, Alaska is uncertain; fixed guideway modernization funds are currently contemplated to complete the project. In April 2005 the Los Angeles County Metropolitan Transportation Authority decided not to pursue an FFGA for the ***Exposition Corridor LRT*** project. In July 2005 the Orange County Transportation Authority suspended further development of its ***CenterLine LRT*** project and is now considering other alternatives in the CenterLine corridor. In March 2005, the San Diego Association of Governments (SANDAG) decided to combine the implementation of both phases of its

Mid-Coast LRT extension to University City. SANDAG is thus preparing a PE request for the combined project, which is anticipated in 2006. The City of Ft. Collins withdrew its *Mason Transportation Corridor* project from formal PE status in late 2005. It intends to do further work on improving the local financial commitment for the project, and is contemplating advancing the project as a Small Start.

In February 2005 the Hillsborough Area Regional Transit Authority suspended further development of the *Tampa Bay Regional Rail* system and withdrew from PE status. In September 2005 the New Orleans Regional Transit Authority also suspended further development of its *Desire Streetcar* project. In September 2005, the Massachusetts Bay Transportation Authority withdrew from preliminary engineering status while it further considers the location of the western portal of the *Silver Line Phase III* project. In October 2005 the Sun Metro Area Rapid Transit Authority in El Paso, Texas, notified FTA that it is no longer pursuing New Starts funding for its proposed *Starter Line*. Finally, the Santa Clara Valley Transportation Authority (VTA) withdrew the *Silicon Valley Rapid Transit Corridor* project from PE in late 2005. Over the coming months, VTA will revise its data to create a more accurate model for the project, solidify local financing commitments, and work closely with FTA to create a realistic roadmap to revive the project with the intent to request re-entry into PE at a later date. FTA intends to work closely with VTA as they develop reliable modeling, travel forecasting, and cost effectiveness data to meet the required New Starts criteria as grandfathered by SAFETEA-LU.

All projects which have suspended project development activities must re-request FTA approval when and if they demonstrate readiness to advance.

Tables 2 A-B present the ratings for all projects currently advancing through the New Starts development process. Projects are rated against a number of measures which reflect the project justification and local financial commitment criteria established by statute. The FY 2007 project evaluation process is similar to the process used in the evaluation of projects included in the FY 2004-2006 *Annual Reports on New Starts*, and is consistent with FTA's *Final Rule on Major Capital Investment Projects* issued on December 7, 2000; this process is further documented in Appendix B of this report. However, this year's project evaluation process includes two changes established in SAFETEA-LU which FTA is implementing for the FY 2007 evaluation cycle without a rulemaking. As noted previously, SAFETEA-LU replaces the three-point rating scale established by TEA-21 ("Highly Recommended," "Recommended," and "Not Recommended") with a five-point scale of "Low," "Medium-Low," "Medium," "Medium-High," and "High." In addition, SAFETEA-LU, while continuing to require that a project's overmatch be evaluated, adds a clause that nothing in the Act shall be construed as authorizing the Secretary to require a non-Federal financial commitment for a project that is more than 20 percent of the net capital project cost. Consequently, FTA will no longer exercise its long-standing decision-rule to automatically rate local financial commitment as *Low* for any project which requests a greater than 60 percent share of total project costs.

In addition, with the TEA-21 rating scale convention superseded by SAFETEA-LU, FTA will no longer assign a designation of “Not Rated” to projects whose submitted project justification criteria are deemed by FTA to be unreliable and/or calculated in a manner which is not consistent with FTA guidance. Instead, such projects will be rated *Low* for the affected criteria. FTA will continue to work with sponsors of such projects to ensure that the estimates of project costs and benefits are reliable and accurately convey the merits of proposed New Starts investments.

As noted earlier, project evaluation is an ongoing process. The ratings contained in this report are based on project information available through November 2005. As proposed New Starts projects proceed through the project development process, the estimates of costs, benefits, and impacts are refined. The FTA ratings and recommendations are updated annually for purposes of this report, as well as at the time a request is made to enter into preliminary engineering, final design, or an FFGA. The *Annual Report on New Starts* provides a snapshot of each project in development. In addition to providing information to Congress, it serves as guidance to project sponsors, so that improvements can be made. Since projects can be expected to be refined as they progress through the development process, the ratings for projects that are not yet recommended for FFGAs should not be construed as a statement about the ultimate merits of the project, but rather an assessment of the project’s current strengths and weaknesses. It should be stressed, however, that the ratings reported in this document are final for purposes of the President’s Fiscal Year 2007 Budget. Updated project information and ratings will be reviewed as part of the budget development process for the next fiscal year.