



## **UNDERSTANDING THE FTA ANNUAL REPORT ON NEW STARTS**

***February 2006***

The Federal Transit Administration (FTA) delivered its *Annual Report on New Starts* to Congress on Tuesday, February 7. The questions and answers below provide insight into this report and what role it plays in the progression of the Dulles Corridor Metrorail Project.

### ***What is the New Starts program?***

New Starts is a FTA program through which the federal government funds new local transit projects.

Projects from across the country compete to become part of the “pipeline” of projects in the New Starts program. These projects advance through a federally required planning and development process.

The Dulles Corridor Metrorail Project is currently in the New Starts pipeline.

### ***What is the Annual Report on New Starts?***

The *Annual Report on New Starts* is a report produced by the FTA and sent to Congress as part of the President’s budget request. The report rates each project against FTA’s various criteria and provides a snapshot of where each project stands in its development process.

Projects that have advanced to the final stages of development are included in the FTA’s list of projects recommended to receive federal funding in the coming fiscal year.

### ***What does the report mean for the Dulles Metrorail Project?***

The report is a snapshot of where the Project stood in its development process at the end of 2005. It identifies areas of strength and areas that the Project must address as it continues on the path to federal funding.

It is a status report – not a determination as to whether or not projects will ultimately be funded. The Dulles Metrorail Project is expected to apply for final federal funding approval in the Spring.

### ***Does the Dulles Metrorail Project appear among the recommendations for funding in this year’s report?***

Yes. The report lists the Dulles Corridor Metrorail Project in the “other” category of proposed projects, or among those projects that will be eligible for full federal funding “in the near future.”

FTA has given an overall rating of “Medium” to the Dulles Corridor Metrorail Project in this new report.

The Dulles Metrorail is expected to complete a major milestone in its path to federal funding when it enters the final design stage in the next several months.

**What is the difference between “proposed” and “other” in the recommended budget?**

All projects rated a Medium or higher are eligible for federal funding. Projects listed as “proposed” are farther along in their development process than projects listed as “other.”

Projects on both lists may or may not receive federal funding in the coming fiscal year, depending on their progress in completing all other federal requirements, such as solidifying design, finalizing cost estimates and completing environmental reviews.

**How are New Starts Projects rated?**

In the *Annual Report on New Starts for FY2007*, the FTA will assign each project an overall rating of *High*, *Medium* or *Low*.

FTA uses a variety of criteria to rate projects, such as cost effectiveness, mobility improvements, environmental benefits, land use and the strength of the project’s funding plan.

The terminology the FTA uses to rate overall projects is new this year, as the FTA begins what will be a two-year transition of its ratings scale to meet requirements of recent federal legislation. Previously, FTA used the language *Highly Recommended*, *Recommended* or *Not Recommended*, as outlined in Figure 1.

**Figure 1: FTA’s Changing Rating Scale**

| Last Year’s FY2006 Report | This Year’s FY2007 Report |
|---------------------------|---------------------------|
| Highly Recommended        | High                      |
| Recommended               | Medium                    |
| Not Recommended           | Low                       |

**How has the Dulles Metrorail Project been rated in the past?**

For the last two years the *Annual Report on New Starts* has assigned the Dulles Corridor Metrorail Project an overall rating of Recommended, which equates to Medium on the FTA’s new scale.

Projects receiving a Medium rating or higher are eligible for federal funding, provided they meet all other federal requirements, such as solidifying design and cost estimates and completing environmental reviews.

**Are FTA’s ratings final?**

No. The ratings are updated annually and at other important project milestones and may change as the project advances.

The FTA underscores this evolution in the *FY 2007 New Starts Evaluation and Rating Process*:

*“As New Starts projects proceed through project development, the estimates of costs, benefits, and impacts are refined. The FTA ratings and recommendations will be updated at least annually to reflect new information, changing conditions, and refined financing plans.”*

**What impact do the ratings have on a project’s federal funding?**

Only projects receiving a Medium rating or higher are eligible for federal funding.

But Medium and High ratings do not guarantee federal funding. A project must also complete other requirements, such as solidifying design, finalizing cost estimates and completing all federal environmental reviews.