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Transit Advocates: Is the White House Purposefully Delaying Project Funds?

Advocates say the Federal Transit Administration is sitting on nearly $1.8 billion that's supposed to help build light rail lines, streetcars and subway improvements. Delaying these projects, they argue, could increase costs for local transit agencies.

Transit advocates are becoming increasingly alarmed that the Trump administration may be intentionally slowing down the process for local agencies to get the money they need to build new projects, like light rail, streetcars and bus rapid transit.

The U.S. Department of Transportation is sitting on nearly $1.8 billion for projects that are ready or nearly ready for final federal approval, according to Transportation for America, a group that promotes local transportation improvement efforts. Specifically, the group is concerned that the Federal Transit Administration (FTA) is not distributing money from its New Starts, Small Starts and Core Capacity programs, which all help local transit agencies pay for big-ticket construction projects.

The delays at the FTA affect rail projects in and around Chicago, Dallas, Minneapolis and New York City. They could impact new streetcar service in Sacramento, Calif.; Tempe, Ariz.; and Orange County, Calif. And new rapid bus service in El Paso, Jacksonville, Fla., Reno, Nev., Seattle and St. Petersburg, Fla. could be delayed as well.

The backlog may actually be even bigger than that, says Beth Osborne, a former Obama administration official who now works for Transportation for America. It's hard to know exactly how much money is waiting to be distributed, she says, because the Trump administration has released fewer details than previous administrations about the status of projects. (The Obama administration's 2016 report, for example, was 189 pages long, while the Trump administration's corresponding 2018 report is just 20 pages long. The FTA says it no longer includes information on individual projects in those reports, because details are available online.)

Transit officials are reluctant to complain publicly, Osborne says, because they don't want to jeopardize funding for their projects.

Osborne worries that the Trump administration is deliberately trying to "slow walk" the grant process, because it opposes the federal government spending on money on local transit projects. "I take this administration at its word," she says. "This administration has made very clear that they don't believe that federal government should put any money to transit. They've told us that repeatedly. Then there seems to be surprise when we [connect] those beliefs to this action. But it's hard to see any other way."

But the FTA says the reason the projects haven't received funding is because they aren't yet ready. "Transportation for America fails to recognize that projects must be eligible to receive funding by meeting the established requirements and criteria. FTA cannot give out funding for proposed projects that have not met the established requirements to be eligible for consideration to receive

[capital] funding," said an FTA spokesperson in a statement to Governing. "Any characterization of FTA delaying the funding of grants is inaccurate as the majority have not met eligibility requirements."

The process can be a lengthy one. Transit agencies have to round up funding for the rest of the project, get agreements with contractors and other third parties, develop cost estimates and prove that they can manage a project of its scope. Then the FTA reviews the projects and rates them. Projects must earn a "medium" rating to obtain funding.

Other hiccups can slow down the processes even further. A bus rapid transit system in Seattle, for example, has to be redesigned because the vehicles the city planned to use can't make the climb up steep hills on the route. A lawsuit is holding up one light rail project in Minneapolis, and another one is on hold because a freight railroad won't grant the transit agency right of way. A legal challenge is also threatening the funding of a riverfront streetcar in Sacramento.

Clearly, the FTA's own review processes can also be a factor. The agency, for example, has asked for more financial information about tunnel repairs on New York City's 'L' line between Manhattan and Brooklyn. And it is conducting risk assessments for platform extensions for Dallas' light rail.

One of the most common problems among the applicants, though, appears to be that they haven't secured all of their non-federal funding. That is an issue for bus rapid transit projects in both St. Petersburg and Jacksonville in Florida, along with the Sacramento streetcar and a bus rapid transit project in El Paso.

Meanwhile, the Tempe streetcar and Minneapolis orange line are near the end of the FTA review process.

It is true, though, that the Trump administration has repeatedly tried to reduce the federal government's spending on infrastructure projects, particularly for mass transit. In explaining the president's infrastructure package in February, the White House said an "unhealthy dynamic" had developed in which local governments delayed projects to try to get more federal support for them. Then, the administration opted not to request any money from Congress to fund the transit-building programs in next year's budget. "Future investments in new transit projects would be funded by the localities that use and benefit from these localized projects," the president's budget proposal stated. Congress added funding for those programs anyway.

On the other hand, President Trump has repeatedly chafed at how long it takes for public infrastructure projects to be built. He signed an executive order to speed along federal reviews of major infrastructure projects, with the goal of giving local officials a decision within two years.

But delays with the federal funding process could wreak havoc with transit agencies' plans to upgrade or expand their systems.

Earlier this year, for example, Los Angeles-area officials broke ground on a subway route extension that will connect downtown to Beverly Hills, Century City and the neighborhood around the University of California, Los Angeles. Organizers hope the new stations will be ready by 2025, well in advance of the 2028 Summer Olympic Games that the city will be hosting.

But the Purple Line Extension could get a lot more expensive — $200 million more, according to the Los Angeles Times — and could take up to two years longer if Los Angeles Metro does not receive a federal sign-off on the final portion of the project by Oct. 3. That's the date that a bid from construction companies to dig the western portion of the tunnel expires, so going beyond that date

could require the agency to put the work out to bid again. LA Metro is not explicitly looking for FTA funds at this point, but it wants the federal government's permission to spend its own money for the time being and still be eligible for reimbursement later.

LA Metro asked for the FTA to respond by Sept. 30, and the FTA is currently reviewing that request.

The administration's slow progress on transit grants has also caused problems for the FTA on Capitol Hill.

In March, the Republican-led Congress ignored the president's request to eliminate new funding for the transit projects. In fact, in its spending package, it specifically directed FTA to obligate 85 percent of the transit capital plans by Oct. 1, 2019. That's an unusual arrangement, especially for programs where there is usually more interest than money available.

The U.S. Government Accountability Office (GAO), though, later reported that the FTA did not intend to comply with that provision. The FTA "did not indicate that they have any immediate plans to address those provisions," the oversight agency wrote in a May report to Congress . "Moving forward, if FTA does not take steps to address the outstanding provisions, FTA runs the risk of violating federal law."

It's not clear, though, what would happen if the Trump administration does not meet the congressional mandate, says Transportation for America's Osborne. Normally, unspent money goes back to the federal treasury, but that's exactly the outcome that Congress sought to avoid.

Congress could pick projects itself, but its members have been loathe to insert specific earmarks after a series of earmark-related scandals in the mid-2000s. Republicans banned earmarks when they took control of Congress in 2011.

Meanwhile, the GAO auditors also determined that the FTA had not been working on other regulations required by recent federal laws, such as issuing rules for grants that improve existing transit systems, creating a process for transit agencies to apply for grants for more than one project at the same time and creating a quicker process that would allow certain types of projects to get funding faster.

FTA officials disputed the auditors' findings that it had not addressed those needs, but they agreed to work on the issues raised by the auditors.

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