June 4, 2024

The Honorable Veronica Vanterpool
Acting Administrator
Federal Transit Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Subject: FTA-2021-0010 Proposed Policy Guidance for the Capital Investment Grants Program

Dear Acting Administrator Vanterpool:

The American Public Transportation Association (APTA) represents a $79 billion industry that directly employs 430,000 people and supports millions of private-sector jobs. On behalf of the 1,500 public- and private-sector member organizations of the American Public Transportation Association (APTA), we write to provide comments on the Federal Transit Administration's (FTA) Proposed Policy Guidance for the Capital Investment Grants (CIG) Program published on April 5, 2024, in the *Federal Register* at 89 FR 24086.

APTA strongly supports the CIG program and the public benefits that it brings. We are grateful for the opportunity to provide this input. We appreciate that the FTA is seeking feedback from the industry and all interested parties and is considering a myriad of ways that the CIG program and processes could be improved. We thank the FTA for considering and incorporating comments submitted October 13, 2021 in response to the FTA's Request for Information. In developing this response, APTA surveyed its members and convened widely attended online meetings to develop the comments below regarding the FTA's CIG Program Proposed Policy Guidance. We are also pleased to see that the FTA's Proposed Policy Guidance considers the numerous changes in travel patterns that have occurred since the guidance was last updated eight years ago. We welcome the FTA's decision to formalize and clarify various aspects of the program and ongoing efforts to expand upon issues of equity, access to opportunity, human health, and other ways that transit can improve the lives of Americans.

Although APTA members believe that many of the FTA's proposed changes to the CIG policy guidance will improve the program, there are a few areas where the proposed changes could limit the CIG program or where additional changes could benefit it. We have outlined these recommendations in the following subsections of this response with the overall intent of supporting updates that are clear and enabling the most effective project analyses by FTA.

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Eligible CIG Applicants, Projects, and Costs and Getting Into and Through Steps in the CIG Process

We appreciate that the existing CIG program criteria and measures are largely transparent and clear. This approach allows project sponsors to determine whether potential projects could qualify for funding at early phases of planning and key decision points in project development. At a local level, this ability to determine feasibility allows for better plans to prioritize projects and funding mechanisms. Project sponsors must expend significant staff time and local funds to conduct early planning and analysis tasks before cost items and expenditures become eligible for federal reimbursement. Furthermore, we commend FTA for proposing to expand this transparency, specifically by including the following clarifications in the proposed guidance:

- Clarifying that only the FTA grant recipients may sign grant agreements.
- Specifying that the FTA will differentiate capital costs between intercity passenger rail projects and eligible public transportation project costs. This division will be on a project-by-project basis and should be developed and proposed by the project sponsor.
- Clarifying that requests for extensions to Project Development should be made three months prior to the end of the two-year Project Development period. By incorporating this clarification in the guidance as proposed, the FTA will provide project sponsors with confidence as to how the extensions will be evaluated throughout the country.
- Removal of the language "notify the FTA of their intent to enter Engineering," as we agree this has led to unnecessary confusion and additional work by project sponsors and likely, the agency.

In addition, APTA is encouraged to see FTA continue the path towards transparency with the additional details regarding Letters of Intent (LOIs). APTA members believe this is an underutilized resource and look forward to reviewing forthcoming details regarding their utilization.

Limiting the Extension of Project Development

APTA members are concerned that FTA's policy is proposing to add limitations on project sponsors that are not based in statute. Given that FTA has authority to grant extensions to the two-year time frame, it should not set arbitrary maximum time limits if the project sponsor meets the statutory extension requirements and demonstrates sufficient progress during the extension period.

Project Justification

Land Use

ATPA supports FTA's proposal to include the weighting of sub-criteria in the guidance. Furthermore, we support the proposed removal of the qualitative sub-criteria regarding pedestrian facilities and parking supply. The qualitative nature and lack of certainty regarding how FTA utilized the criteria led to confusion in the past. Although APTA supports expanding the land use criterion in a manner that makes it less commute focused, we do not support the inclusion of essential services as currently proposed by FTA. We support the addition of community risk and walkability to the land use criterion.

Essential Services

APTA members have concerns regarding the inclusion of essential services as currently proposed. First, the use of a one-mile buffer around stations for essential services and a 1/2-mile buffer around stations for population density, employment served, legally binding affordable housing, and community risk seems arbitrary. It appears to imply that people traveling to urgent care or public schools can expect to walk up to a mile; however, residents are not expected to walk more than 1/2 mile. APTA strongly encourages FTA to consistently utilize a 1/2-mile buffer around stations. Further, if FTA chooses to continue to include the essential service measure, it should adjust the proposed breakpoints to reflect that the area of a one-mile buffer is approximately 4 times the size of the 1/2-mile buffer.

Second, the data source that FTA proposes to utilize for this analysis is not trustworthy. For example, a review of a sample of data provided by Department of Homeland Security's Homeland Infrastructure Foundation-Level Data (HIFLD)[1] led us to question whether this data is accurate enough to use as a criterion for awarding billions of taxpayer dollars annually. Specifically, we used Google Maps[2] as a basis of comparison with the dataset for pharmacies. The table below shows that that this dataset produced numerous false positives, false negatives, and otherwise erroneous details. This dataset and its HIFLD companions should be reviewed further before being used to evaluate CIG projects. Given these data quality concerns, we do not believe this database is reliable enough to be the basis of decisions that will shape the development of communities for decades to come. APTA does recognize that the pharmacy data is particularly inaccurate in HIFLD; other datasets (e.g., hospitals and universities) appear to have fewer issues.

Location	**Pharmacies in HIFLD Database Only**	**Pharmacies Identified in Google Maps Only**	**Pharmacies in HIFLD Database and Google Maps***
NSBRT Chapel Hill	5	3	7*
West Broad Columbus	5	14	23*
Southwest LRT Minneapolis	8	7	20*
*All pharmacies in this dataset had incorrect feature data (e.g., the name field says CVS when the actual pharmacy is a Walgreens, the address fields present a location in Raleigh when the point feature maps to Chapel Hill, etc.).			

Third, regarding the essential services criterion focusing on health care and education. APTA members believe however, that access to other resources, such as grocery stores and daycare centers are also a key determinant of health outcomes and an essential service.

Walkability

In general, APTA supports the inclusion of walkability as a sub-criterion of land use because a dense, walkable urban fabric is key to the success of transit. Furthermore, we support the use of the Environmental Protection Agency's (EPA) walkability index as suggested in the Notice of Availability. Prior to inclusion of walkability as a sub-criterion, however, APTA believes it would be beneficial to have an industry-wide discussion regarding how walkability, including access for persons of all abilities, should be measured and breakpoints. APTA encourages FTA to continue to explore walkability as a sub-criterion to be included in future updates of the policy guidance.

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[1] https://hifld-geoplatform.hub.arcgis.com/pages/hifld-open
[2] https://www.google.com/maps

Weighting of Sub-Criteria

APTA supports publishing the weighting of sub-criteria within the land use criterion. APTA supports equally weighting four sub-criteria: population density, employment served, share of legally binding affordable housing, and community risk.

Station Area

APTA strongly encourages FTA to use a consistent definition of station area. Although we support the traditional 1/2-mile in general, APTA believes that a 1/2-mile buffer as determined through a pedestrian network assessment opposed to Euclidean distance is the appropriate definition of station area. Defining a station area through a pedestrian network assessment can be determined relatively quickly and more accurately reflects the catchment area for a transit station. If project sponsors plan, however, to include pedestrian improvements within the scope of the project, those improvements should be included for the purposes of the pedestrian network assessment. We believe this approach will encourage project sponsors to include those pedestrian improvements that will provide the greatest benefit to transit ridership within the scope of the project. The details regarding calculating the pedestrian network assessment should be presented in the Reporting Instructions as opposed to the policy guidance, similar to the current methodology for calculating station area.

Cost Effectiveness

Green infrastructure

APTA agrees with FTA that incentivizing "green" elements is important to ensure that CIG projects are designed and implemented in a manner that reduces environmental impacts.

Expansion of Enrichments to All Capital Improvement Grant Projects

If FTA wants to encourage project sponsors to utilize "green" elements, the enrichments program should be expanded to all CIG projects, including Core Capacity and Small Starts projects. APTA understands that FTA received similar comments on previous proposed rulemaking, but FTA's response is unconvincing:

> *In other words, the measure is not based on the total project cost. Rather it is based only on the Section 5309 CIG share of the project cost. It does not include operating and maintenance costs. Thus, excluding the cost of enrichments is not reasonable. The FTA allows enrichments for New Starts projects because it wants to encourage project sponsors to consider green building design, alternative fueled vehicles, joint development, and bicycle and pedestrian access when planning a project, but these items can add to the project cost, making the project fare worse on the evaluation criteria. Thus, the FTA allows the cost of these enrichments to be excluded from the cost-effectiveness and environmental benefits calculations as a matter of policy to encourage sponsors to consider including these types of elements. Because the Core Capacity cost-effectiveness calculation does not look at the total project cost but only the Section 5309 CIG share, there is no need to remove costs from the calculation. The calculation*

> *is already based on something less than the total project cost.*[3] *The calculation is already based on something less than the total project cost.*[4]

The need is not to remove costs from the Cost Effectiveness calculation. Rather, it is to encourage project sponsors to invest in "green" infrastructure. If FTA were to provide this incentive to all CIG projects, including CIG projects where these enrichments currently do not apply such as many bus rapid transit (BRT) projects, FTA and project sponsors would be working in tandem to deliver projects that advance environmental sustainability both now and in the future.

For New Starts projects, "Alternative Energy Bus Vehicles" qualify as an enrichment. Fifty percent of the purchase cost of "green" buses may be removed from the cost effectiveness calculation. Any type of clean fuel bus is eligible for the credit, including buses with compressed natural gas (CNG), hybrid, electric, or fuel cell propulsion.

Currently, FTA determines annualized CIG share of capital costs (Core Capacity) and annualized federal share of capital costs (Small Starts) by applying the CIG/federal share evenly across all Standard Cost Categories (SCCs). FTA could continue this approach and apply the enrichment credits similarly to how they are applied for New Starts.

The following table provides an example as to how the FTA could incorporate enrichments into Core Capacity and Small Start projects.

Program	Electric Bus Cost	Useful Life	Federal Share %	Federal Share $	Annualization Factor	Enrichment	Annualized Federal Share
Current Small Starts	$1,000,000	12	80%	$800,000	0.0946		$75,648
	$1,000,000	12	50%	$500,000	0.0946		$47,300
Recommended Small Starts	$1,000,000	12	80%	$800,000	0.0946	50%	$37,824
	$1,000,000	12	50%	$500,000	0.0946	50%	$23,650

Enrichments Across All Standard Cost Categories

In addition to facilities and buses, FTA should also allow project sponsors to claim enrichments for green items on all SCCs that allow the project to achieve Institute for Sustainable Infrastructure Envision or a comparable third-party certification. Envision more closely aligns with infrastructure projects like those funded under the CIG program.

FTA should provide clarification regarding whether incremental costs of alternative propulsion equipment and sustainable facility certifications (e.g., transformers, transmission lines, real property) are eligible for

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[3] FTA Summary of comments received on Capital Investment Grant Program proposed interim policy guidance, August 2015, https://www.transit.dot.gov/funding/grant-programs/capital-investments/summary-comments-capital-investment-grant-program

[4] FTA Summary of comments received on Capital Investment Grant Program proposed interim policy guidance, August 2015, https://www.transit.dot.gov/funding/grant-programs/capital-investments/summary-comments-capital-investment-grant-program

enrichments. FTA should include in the annual reporting instructions the type of documentation required to support the use of enrichments for credit in the cost effectiveness and environmental benefits calculations.

Value of Enrichment Credit

The 50 percent factor for enrichment presented in FTA's regulations is based on a 2007 Transit Cooperative Research Program report that found that a CNG or hybrid bus was, on average, 150 percent of the cost of a similar diesel bus. This data is nearly two decades old and should not be used to inform federal policy when better data is readily available. APTA proposes modifying the current enrichment by replacing the "50 percent of the price of a green bus" text with "the cost differential of the proposed low- or zero-emission bus from a similar-sized diesel bus." This language would ensure that zero-emission buses are placed on more equal footing with hybrid, CNG, and diesel buses and provide greater emissions reductions via the CIG program. This credit should be expanded to rail vehicles as well.

Proposed Text:

> *Standard Cost Categories 70 Alternative Energy Vehicles. The difference of the cost of the zero-emission or low-emission vehicle to a similar traditional propulsion vehicle may be removed from the cost effectiveness calculation. Any type of clean fuel vehicle is eligible for the credit, including vehicles with compressed natural gas (CNG), hybrid, electric, or fuel cell propulsion.*

Propulsion-Neutral Enrichments

FTA should apply the same enrichments credits to alternative energy support systems. By this we mean that the cost of both battery electric charging infrastructure and hydrogen fueling infrastructure should be removed from the cost effectiveness calculations if they are supporting propulsion not traditional for that mode. For example, buses are traditionally diesel propelled, so electric or fuel cell propulsion would qualify. Commuter rail is traditionally either diesel or electric, so fuel cell propulsion would qualify. Heavy rail, light rail, and streetcar are traditionally electric or zero emissions; as a result, they would not be eligible for enrichments.

Proposed Text:

> *Standard Cost Categories 30—Alternative propulsion Zero-Emission Charging/Zero-Emission Hydrogen Refueling/Storage Stations. Any charging or refueling equipment necessary to operate alternative "non-traditional vehicle propulsion" zero-emission vehicles may be excluded from the cost-effectiveness calculation.*

Green Decisions on Operating Costs

New Starts project sponsors should not be penalized for making policy decisions that may increase annual operating and maintenance costs but would reduce the agency's carbon footprint. For example, one agency has a goal that 50 percent of its electrical load will be provided by renewable sources by 2025. If FTA's proposed policy would result in the agency paying a premium for renewable electricity, it should be able to "make the case" as to why the increased incremental operating costs associated with its decision should not be considered in the cost effectiveness or environmental benefits criteria.

Inflation

FTA's proposed changes to the breakpoints for cost effectiveness and benefits criteria go a long way to account for inflationary pressures over the past eight years. APTA members believe, however, that FTA should link the thresholds to the U.S. Department of Labor Statistics Producer Price Index or US average Engineering News-Record Construction Cost Index (ENR CCI)[5, 6, 7]. The updates to the tables could then be included in updated Reporting Instructions, as they are updated more regularly than the policy guidance.

In addition, this change would add consistency to project ratings during the many years that some projects require to complete Project Development and Engineering. For example, under current thresholds, a project that qualified for funding upon entry to Engineering could be disqualified from a Full Funding Grant Agreement simply due to inflationary effects.

Core Capacity Breakpoints

FTA should develop breakpoints specific to Core Capacity projects, rather than simply utilize breakpoints established for either New Starts or Small Starts projects. When the current breakpoints were established in 2016, FTA did not have many Core Capacity projects to base this comparison upon to establish breakpoints. Eight years later, FTA has advanced numerous Core Capacity projects and should use those projects as the basis of breakpoints instead of Small Starts projects, especially given the differences in formula utilized to calculate cost effectiveness for the respective projects.

Although APTA members believe that Core Capacity projects should be used as the basis for the establishment of breakpoints for Core Capacity projects, FTA argues that the number of Core Capacity projects is still too small to establish proper breakpoints. If so, APTA would support the use of Small Starts breakpoints over New Starts breakpoints, as proposed, because the cost effectiveness formula for New Starts projects includes annual operating costs. Those costs are not included in the Core Capacity or Small Starts formulas.

Small Starts Breakpoints

APTA members were disappointed to see the very minor proposed adjustments to the Small Starts Cost Effectiveness breakpoints, particularly in comparison to the proposed New Starts rating thresholds, which nearly doubled. In particular, we note that it will be more difficult for some Small Starts projects to achieve a rating of Medium-High under the *Proposed CIG Policy Guidance* than per the current guidance. APTA recommends the following Small Starts Cost Effectiveness breakpoints, which we believe are better aligned with FTA's proposed breakpoints for New Starts:

High	<$1.00
Medium-High	Between $1.00 and $2.99

[5] https://www.bls.gov/ppi/overview.htm

[6] Producer Price Index by Commodity: Final Demand: Construction for Government (WPUFD432) | FRED | St. Louis Fed (stlouisfed.org)

[7] US average Engineering News-Record Construction Cost Index https://www.enr.com/economics

Medium	Between $3.00 and $5.99
Medium-Low	Between $6.00 and $9.99
Low	>$10.00

Mobility Improvements

APTA supports increasing the weight given to transit-dependent riders in Mobility Improvements formula that will seek to support those without access to an automobile in communities across the country. Projects that support increased access to and provide better transit service to persons without access to automobiles have proven to be a crucial lifeline during the pandemic.

While APTA supports adjustments to the breakpoints for Mobility Improvements in general, as they reflect a shift in the right direction, APTA still believes that FTA should develop separate breakpoints for the New Starts, Small Starts, and Core Capacity projects. Project sponsors who choose to advance a project as a Small Starts project to right-size the investment to the community needs should not need to achieve the same threshold of transit-dependent users as larger, more infrastructure intensive projects. Furthermore, APTA members believe that a High rating should be achievable. As presented in the FY 2020-25 *Annual Reports*, no Small Starts project received a higher than Medium Mobility Improvements rating and more than one-third (35 percent) of Small Starts projects received a Low rating. This is in stark contrast to New Starts, where nearly 15 percent of projects received a High Mobility Improvements rating, with the same exact percentage of New Starts rating Low. APTA members find it difficult to understand why an absolute number of riders (regardless of weighting types of riders) for a $350 million transit project should be measured on the same scale as a $3 to $4 billion project. These are substantially different types of projects, and the breakpoints should be adjusted accordingly. APTA does not propose a direct comparison to costs, as captured in the Cost Effectiveness equation, but rather separate breakpoints in terms of absolute riders for New Starts and Small Starts projects.

Congestion Relief

APTA members were disappointed that the Congestion Relief breakpoints were not adjusted to reflect post-COVID ridership trends. An analysis of the past six (FY 2020-25) CIG *Annual Report(s) on Funding Recommendations* – a period that includes pre-COVID transit conditions – indicates that no projects received a High Congestion Relief rating and only three (of 22) New Starts projects received a Medium High rating. Not a single Small Starts project (of 49 reviewed) received anything higher than a Medium rating for Congestion Relief, with almost half receiving Low or Medium-Low ratings. Put another way, zero percent of CIG projects rated High and only four percent of projects rated Medium-High for this criterion. This finding suggests that the Congestion Relief rating thresholds are not realistic, particularly in a post-COVID world. APTA strongly recommends that FTA recalibrate the Congestion Relief breakpoints, if not in the next adopted *CIG Policy Guidance* then in a future guidance subject to industry review and comment.

Further APTA continues to believe separate breakpoints for Congestion Relief should be established for New Starts and Small Starts projects. APTA believes that these are substantially different types of projects, and the breakpoints should be adjusted accordingly. APTA does not propose a direct comparison to costs, as captured in the Cost Effectiveness equation, but rather separate breakpoints in terms of absolute riders for New Starts and Small Starts projects.

Environmental Benefits

The monetization values for a single kilogram (kg) of nitrogen oxide, volatile organic compounds, and particulate matter less than 2.5 micrometers in diameter ($PM_{2.5}$) vary based on the mode. APTA does not understand why the monetized value of one kg of $PM_{2.5}$ produced by a diesel bus is valued at nearly three times as much as one kg of $PM_{2.5}$ produced by an electric bus, heavy rail, light rail, and commuter rail electric multiple units. APTA believes that a single monetized value should be used for one kg of each pollutant, like the approach used the *United States Department of Transportation Guidance for Discretionary Grant Programs, December 2023.*[8] APTA recognizes that existing levels of air pollution do affect the potential health outcomes; as a result, we support maintaining different monetization factors for areas the EPA has classified as Attainment, Maintenance, and Non-Attainment.

Proposed Change in Air Quality Monetization Factors – Attainment Areas

Mode	**For Current Year Estimates**				**For 10-year Horizon Estimates**				**For 20-year Horizon Estimates**			
	($/kg)											
	CO	NO_x	VOC	$PM_{2.5}$	CO	NO_x	VOC	$PM_{2.5}$	CO	NO_x	VOC	$PM_{2.5}$
Automobile	$0.08	$7.09	$9.38	$650.36	$0.08	$7.09	$10.43	$650.36	$0.08	$7.09	$12.57	$650.36
Bus - Diesel	$0.08	$6.72	$9.38	$451.95	$0.08	$6.72	$10.43	$451.95	$0.08	$6.72	$12.57	$451.95
Bus - Hybrid	$0.08	$6.72	$9.38	$595.25	$0.08	$6.72	$10.43	$595.25	$0.08	$6.72	$12.57	$595.25
Bus - CNG	$0.08	$6.72	$9.38	$595.25	$0.08	$6.72	$10.43	$595.25	$0.08	$6.72	$12.57	$595.25
Bus - Electric	$0.08	$7.05	$14.55	$151.02	$0.08	$7.83	$16.09	$169.76	$0.08	$8.65	$19.51	$196.21
Heavy Rail	$0.08	$7.05	$14.55	$151.02	$0.08	$7.83	$16.09	$169.76	$0.08	$8.65	$12.57	$196.21
Light Rail and Streetcar	$0.08	$7.05	$14.55	$151.02	$0.08	$7.83	$16.09	$169.76	$0.08	$8.65	$12.57	$196.21
Commuter Rail - Diesel locomotive (new) and DMU	$0.08	$6.83	$9.38	$275.58	$0.08	$6.83	$10.43	$275.58	$0.08	$6.83	$12.57	$275.58
Commuter Rail - Diesel locomotive (used) and DMU	$0.08	$6.83	$9.38	$275.58	$0.08	$6.83	$10.43	$275.58	$0.08	$6.83	$12.57	$275.58
Commuter Rail – Electric and EMU	$0.08	$7.05	$14.55	$151.02	$0.08	$7.83	$16.09	$169.76	$0.08	$8.65	$19.51	$196.21

In addition, APTA requests that the FTA retain the lower limit to achieve a Medium rating at zero percent. We feel that any proposed project that achieves a positive environmental benefit should achieve a Medium rating.

Economic Development

Increased Weight for Supportive Zoning

FTA proposes to increase the weight of transit-supportive zoning in station areas, while at the same time decreasing the value of the other transit-supportive plans and policies (transit-supportive corridor policy and tools to implement land use policies) by making them subfactors of "Performance and Impacts of Transit-Supportive Plans and Policies." APTA believes this approach provides too much weight to zoning regulations. Although APTA understands and supports transit-supportive zoning should be a factor in FTA

[8] https://www.transportation.gov/sites/dot.gov/files/2023-12/Benefit%20Cost%20Analysis%20Guidance%202024%20Update.pdf

decision-making, we are concerned with the level of weight FTA proposes to include based on a single subfactor. In particular, the reduction in weighting proposed for tools and incentives other than zoning and the "Performance and Impacts of Transit-Supportive Plans and Policies." In addition, decreasing the weight of the performance of these plans and policies because. FTA should recognize that the performance is as important as having transit-supportive zoning. As a result, we recommend FTA identify four equally weighted sub-criteria:

- Transit-supportive zoning in station areas
- Transit-supportive corridor policy and tools to implement land use policies
- Performance and impacts of transit supportive plans and policies
- Affordable housing

We strongly encourage FTA to include the relative weighting of sub-criteria in policy guidance because the omission of how FTA weighted sub-criteria in the past led to questions about whether the criteria are being consistently applied.

Removal of Optional Quantitative Economic Development Scenario Analysis

APTA supports removal of the optional Economic Development Scenario Analysis.

Inclusion of Breakpoints for Guidelines for Land Use Economic Development Effects for New Starts and Small Starts Projects

APTA supports the inclusion of the breakpoints in the policy guidance and the direct reference to FTA's 2013 publication Guidelines for Land Use Economic Development Effects for New Starts and Small Starts Projects in the policy guidance. The added transparency provided by including the rating criteria within the policy guidance will directly increase the transparency in FTA decision-making. This approach will also simplify the process rather than having the project sponsor sort through multiple documents. APTA encourages FTA to update this document to reflect the implementation of the Final Policy Guidance as well as subsequent updates to CIG Policy Guidance.

With the proposed removal of measures associated with central business district parking and cost, APTA encourages FTA to also remove the consideration of Parking Supply measures included in Station Area Zoning evaluation noted in this 2013 document.

Inclusion of Universal Design

Although APTA supports Universal Design, it is unclear what FTA would consider to be Universal Design. If FTA is going to incorporate Universal Design into the evaluation of process for CIG projects, FTA needs to clearly identify what it means by Universal Design.

Warrants

APTA supports the continued use of warrants and FTA-proposed adjustments to the thresholds for capital costs and ridership. The proposed adjustments go a long way to account for the inflation experienced by projects across the country since the thresholds were last adjusted. Given the continued increase in projects costs, the benefits of the higher thresholds for warrants will decrease over time due to continued cost growth. Consequently, we urge FTA to consider indexing the costs biennially to a measure such as the U.S.

Department of Labor Statistics Producer Price Index or US average Engineering News-Record Construction Cost Index (ENR CCI)[9, 10, 11]., possibly as part of its update to the CIG Reporting Instructions. Moreover, APTA encourages FTA to allow the project sponsor to lock in the project status under the warrants during Project Development or at entry to Engineering to avoid running the risk of no longer qualifying for warrants due to factors beyond their control.

Core Capacity

Finally, we urge FTA to broaden Core Capacity eligibility within the constraints of current law. Rather than focusing solely on average weekday peak hour, peak direction ridership for establishing eligibility, a broader look at capacity might examine overcrowding on those parts of a day or week when crowding is most evident. With the changing travel patterns that we have experienced over the past few years, our members are seeing a greater focus on travel Tuesday through Thursday and a lower difference between weekday and weekend ridership. As a result of this change in travel patterns, a project's average weekday peak-period ridership can be brought down by substantially lower ridership on Monday and Fridays.

As a result, FTA should allow projects to demonstrate that they are at or near capacity regardless of the day of week to be eligible for Core Capacity, including weekend and reoccurring special events. If a project is at or near capacity for two hours a day Tuesday through Thursday but not near capacity on Monday or Friday, it would be eligible as a Core Capacity project. The option to define capacity should be in addition to the average weekday peak hour, peak direction, peak load `point threshold currently defined.

Although the law precludes station improvements alone, a broader look would consider the need to increase the capacity of station elements such as elevators and escalators and upgrades to fare gates. We also urge FTA to expand eligibility for BRT systems that started service as corridor-based investments, but ridership demand now calls for investments to elevate the system to a fixed guideway bus rapid system as defined in the statute.

Project Bundling

When the Project Bundling was created as part of IIJA states that a bundling 5309 I (1)(G) & 5309 I (2)(G)

Benefits – The bundling of projects under this subsection

(i) Shall enhance, or increase the capacity of
- *(I) the total transportation system of the applicant; or*
- *(II) the transportation system of the region the applicant services; and*

(ii) Shall
- *(I) Streamline procurement for the applicant; or*
- *(II) Enable time or cost savings for the projects.*

Based on the proposed guidance, FTA placed the responsibility of meeting this requirement solely on project sponsors. APTA challenges FTA to identify steps it will take to help project sponsors pursue a

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[9] https://www.bls.gov/ppi/overview.htm

[10] Producer Price Index by Commodity: Final Demand: Construction for Government (WPUFD432) | FRED | St. Louis Fed (stlouisfed.org)

[11] US average Engineering News-Record Construction Cost Index https://www.enr.com/economics

project bundle to streamline procurement, enable time savings, or cost savings for the projects. For example, automatically allowing projects to utilize cost savings on projects early in a bundle on projects later in the development process or alter the LOI process to allow future bundles to benefit from LOIs.

Local Financial Commitment

APTA supports the following proposed changes to the local financial commitment evaluation and rating:

- Changing the duration of the financial plan from 20 years to 10 years, if the first five years of operations are covered and linking the duration of the financial plan to the duration used for ridership forecasting.
- Expansion of a highly simplified financial plan to include New Starts and Core Capacity projects with capital costs under $400 million.
- Expansion of a highly simplified financial plan to projects in which the proposed increase in operating costs is less than 10 percent of the most recently approved operating budget.
- Elimination of the examination of whether there have been recent service cuts. In recent years we have seen drastic changes in transit service demand and project sponsors should be rewarded, not punished, for adjusting service to accommodate changing demand.
- The addition specifically identifying joint development revenue streams and other value capture methods.
- Adjustments to the required debt capacity, cash reserves, or other committed funds to cover potential cost increases for funding shortfalls for both capital and operating expenses in order to receive a Medium or higher rating. Furthermore, we support FTA’s decision to not adjust the thresholds for Medium-Low and Low, as we feel agencies do need to maintain financial reserves.

We appreciate the opportunity to provide input to FTA as it considers improvements to the CIG program and look forward to working closely with the FTA on advancing projects through the CIG program. We welcome additional opportunities to work with FTA as it crafts new measures, revised its guidance, and consider other updates to the CIG program. Should you have questions about APTA’s comments, feel free to contact Art Guzzetti at AGuzzetti@apta.com.

Sincerely,

Paul P. Skoutelas

Paul P. Skoutelas
President and CEO