



G A O

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United States Government Accountability Office
Washington, DC 20548

June 30, 2009

The Honorable John McCain
Acting Ranking Member
Subcommittee on Federal Financial Management,
Government Information, Federal Services, and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Tom Coburn
United States Senate

Subject: Highway Trust Fund Expenditures on Purposes Other than Construction and Maintenance of Highways and Bridges during Fiscal Years 2004-2008.

The Highway Trust Fund (HTF) was created in 1956 to finance the construction of the Interstate Highway System. This system, built in partnership with state and local governments for over 50 years, has become central to transportation in the United States. Over these 50 years, the federal role in surface transportation has expanded to include broader goals and more programs. Although most surface transportation funds remain dedicated to highway infrastructure, federal surface transportation programs now serve additional transportation, environmental, and societal purposes such as construction of pedestrian walkways and safety enforcement facilities along border regions.

The 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorized \$244.1 billion over 5 years for highways, highway safety, and public transportation, with the HTF serving as the funding source for most of the act's programs.¹ In addition to authorizing funds for construction and maintenance of highways and bridges, the act specifies other purposes for which funding must or may be used, including, but not limited to, safety; metropolitan planning; transit; and transportation enhancement activities, such as trails for transportation purposes, pedestrian walkways, bicycle lanes and parking, and related projects. Some of these activities have elements related to, or that contribute to, construction and maintenance of highways and bridges. Within the Department of Transportation (DOT), the Federal Highway Administration

¹SAFETEA-LU is the current authorization act for surface transportation programs and will expire at the end of fiscal year 2009. The authorization act establishes or continues federal programs or agencies and establishes an upper limit on the amount of funds for the programs. SAFETEA-LU also provides annual contract authority over the authorization period for most highway programs funded through the HTF. Contract authority is a form of budget authority that permits obligations to be incurred in advance of appropriations. Contract authority is unfunded, and a subsequent appropriation is needed to liquidate, or pay, the obligations.

(FHWA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), and the Federal Motor Carrier Safety Administration (FMCSA) are responsible for administering the grant programs funded by the HTF. In response to your concerns regarding resource challenges facing the nation's current surface transportation programs and policies, this report provides information on the amount of HTF monies the DOT agencies obligated for purposes other than construction and maintenance of highways and bridges during fiscal years 2004 through 2008.² For a full description of how we determined projects that used HTF monies for purposes other than construction and maintenance of highways and bridges, see enclosure I of this report.

To address our reporting objective, we obtained data from DOT on programs and projects that used HTF monies for purposes other than construction and maintenance of highways and bridges during fiscal years 2004 through 2008.³ In the case of FHWA, we analyzed obligation data to report on the total cumulative obligated dollars and total number of projects for relevant project types during the 5-year period. We also reviewed publicly available authorization information for FHWA programs in the same time period. With regard to FTA, NHTSA, and FMCSA, we analyzed data on authorization and obligations for all programs to report the total cumulative authorizations and obligations during the 5-year period. We interviewed agency officials and obtained additional information from DOT about steps taken to ensure the reliability of its data, and we determined that the data were sufficiently reliable for the purposes of this report. We conducted our work from October 2008 to June 2009 in accordance with all relevant sections of GAO's Quality Assurance Framework. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for the findings. A more detailed description of our scope and methodology is contained in enclosure I of this report.

Results in Brief

During fiscal years 2004 through 2008, four agencies within the Department of Transportation obligated about \$78 billion in HTF monies for purposes other than construction and maintenance of highways and bridges and had total authorizations of \$243.1 billion during that time for all purposes.⁴ In particular,

²An obligation is a definite commitment that creates a legal liability of the government for payment. Once an obligation is made, the federal government must reimburse the states when they submit a voucher for completed work, which, because of the length of time it takes to complete projects, could be months or years after the obligation is made. See GAO, *Highway Trust Fund: Improved Solvency Mechanisms and Communication Needed to Help Avoid Shortfalls in the Highway Account*, GAO-09-316 (Washington, D.C.: Feb. 6, 2009).

³This period represents the fiscal year (2004) between transportation authorization bills and the four fiscal years (2005 through 2008) under SAFETEA-LU authorization for which complete data are available.

⁴Obligation amounts for FHWA, FTA, NHTSA, and FMCSA include funding carried over from previous years.

- FHWA had total authorizations of about \$195.3 billion and obligated nearly \$28 billion for purposes other than construction and maintenance of highways and bridges in accordance with its mission.
- FTA had total authorizations of about \$42.2 billion and obligated over \$44 billion for purposes other than construction and maintenance of highways and bridges in accordance with its mission.⁵
- NHTSA had total authorizations of about \$3.2 billion and obligated \$3.1 billion in HTF monies for purposes other than construction and maintenance of highways and bridges in accordance with its mission.
- FMCSA had total authorizations of about \$2.4 billion and obligated approximately the same amount for purposes other than construction and maintenance of highways and bridges in accordance with its mission.

We provided a draft of this report to DOT for its review and comment. DOT noted that activities such as safety, planning, and environmental activities contribute to or are preliminary work for highway construction and some programs that are not highway related, such as adding bicycle lanes on roads or bridges, may involve some highway or bridge construction. DOT also provided technical comments on a draft of this report, which we incorporated as appropriate.

Background

Congress established the HTF in 1956 to hold highway user taxes to fund various surface transportation programs. In 1983, the HTF was divided into the Highway Account and the Mass Transit Account. Receipts for the HTF are derived from two main sources: federal excise taxes on motor fuels (gasoline, diesel, and special fuels taxes) and truck-related taxes (truck and trailer sales, truck tire, and heavy-vehicle use taxes). Receipts from the motor fuels tax constitute the single largest source of HTF revenue. The HTF also receives revenue attributable to gasoline used by nonhighway recreational users, such as snowmobiles, all-terrain vehicles, off-highway motorcycles, off-highway light trucks, and other nonhighway motorized recreational vehicles. The Highway Account receives the majority of the tax receipts allocated to the fund.⁶

The HTF primarily supports four surface transportation agencies within the Department of Transportation. The Highway Account funds FHWA, FMCSA, and NHTSA and the programs they administer.⁷ The Mass Transit Account funds FTA. As table 1 demonstrates, the Highway Account funds FHWA, NHTSA, and FMCSA, while according to FTA officials, FTA receives

⁵Obligation figures for FTA in this report are greater than total authorizations because they reflect combined HTF monies from the General Fund of the U.S. Treasury, and include funding carried over from previous years and funding transferred from FHWA for transit purposes.

⁶The 18.4 cents per gallon gasoline tax is split as follows: 15.44 cents per gallon to the Highway Account, 2.86 cents per gallon to the Mass Transit Account, 0.1 cent per gallon to the Leaking Underground Storage Tank Trust Fund. The Leaking Underground Storage Tank Trust Fund is administered by the Environmental Protection Agency.

⁷The Highway Account provided \$27 million for each of fiscal years 2005 through 2009 to the Research and Innovative Technology Administration's Bureau of Transportation Statistics.

approximately 80 percent of its funding from the Mass Transit Account and the remainder from the General Fund of the U.S. Treasury. These agencies provide much of this funding directly to states, metropolitan planning agencies, and transit agencies through formula grants, and these recipients select projects to be funded, subject to federal eligibility requirements.

Table 1: Sources of Authorized Funds for Key Department of Transportation Agencies, Fiscal Years 2004-2008

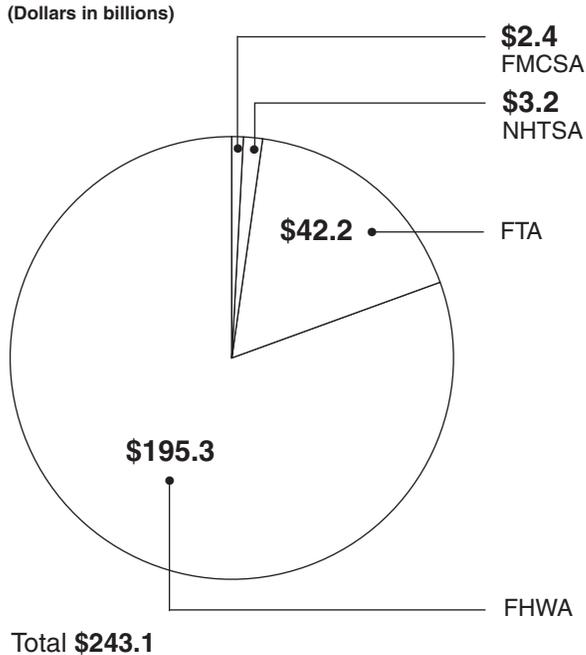
Agency	Funding source		
	HTF: Highway Account	HTF: Mass Transit Account	General Fund
Federal Highway Administration ^a	100%	-	-
Federal Transit Administration	-	80% in 2004 and 2006-2008 85% for 2005	20% in 2004 and 2006-2008 15% in 2005
National Highway Traffic Safety Administration	100% in 2004-2007 83% in 2008	-	17% in 2008
Federal Motor Carrier Safety Administration	100%	-	-

Source: GAO analysis of applicable laws and information from the Department of Transportation.

^aIn some instances, FHWA receives appropriated funds from the General Fund of the U.S. Treasury. For example, FHWA can receive emergency relief funds from the General Fund for the purpose of repairing roads and bridges damaged in natural disasters.

Figure 1 shows total authorizations during fiscal years 2004 through 2008 for the four agencies. Total authorizations are for all programs, including, in the case of FHWA, those that support construction and maintenance of highways and bridges.

Figure 1: Total Authorizations, Fiscal Years 2004-2008



Source: GAO analysis of FHWA, FTA, FMCSA, and NHTSA data.

Note: Authorizations include monies from the Highway Trust Fund as well as from the General Fund of the United States Treasury. The 2004 authorizations for all agencies were established through a series of extensions to the previous authorization.

Because of a weakening economy and higher motor fuel prices, both of which affected key sources of HTF revenue, the HTF account balance dropped more precipitously than anticipated and was nearly depleted in August 2008. In September 2008, after a multiyear decline in the Highway Account balance, Congress passed legislation that provided \$8 billion from the General Fund to replenish the account.⁸ See the Related GAO Products page at the end of this report for a listing of our other reports related to the HTF.

Department of Transportation Agencies Obligated Approximately \$78 Billion in HTF Monies for Purposes Other than Construction and Maintenance of Highways and Bridges during Fiscal Years 2004-2008

During fiscal years 2004 through 2008, four agencies within the Department of Transportation obligated about \$78 billion in HTF monies for purposes other than construction and maintenance of highways and bridges and had total authorizations of \$243.1 billion during that time for all purposes. FHWA uses HTF monies for transportation enhancements, planning, safety, research, transit capital projects, and other programs that are part of its mission. FTA, NHTSA, and FMCSA funds are directed toward supporting transit, large commercial truck and bus safety, motor vehicle safety, planning, and other purposes.

⁸GAO, *Highway Trust Fund: Improved Solvency Mechanisms and Communication Needed to Help Avoid Shortfalls in the Highway Account*, GAO-09-316 (Washington, D.C.: Feb. 6, 2009).

Federal Highway Administration: FHWA obligated nearly \$28 billion from the HTF for purposes other than construction and maintenance of highways and bridges during fiscal years 2004 through 2008. Of the nearly \$28 billion, 13 percent (\$3.8 billion) went toward transportation enhancement projects and the remaining 87 percent (\$24.2 billion) went toward safety-, facility-, planning-, and other-related projects.

Certain FHWA programs allow states, cities, and counties to use HTF monies for transportation enhancements—projects that, according to the Department of Transportation, help expand transportation choices and enhance the transportation experience. Such enhancements include pedestrian and bicycle facilities, landscaping and scenic beautification, and historic preservation related to surface transportation, among other purposes. In FHWA's Surface Transportation Program, 10 percent of each state's annual apportionment must be set aside for transportation enhancement activities and made available for distribution toward enhancements.⁹ Several other FHWA programs, such as the Congestion Mitigation and Air Quality Improvement Program and the National Scenic Byways Program, also allow the use of funds for enhancement-type projects—for example, projects focused on pedestrians and bicyclists.

As shown in table 2, FHWA obligated approximately \$3.7 billion in HTF monies for transportation enhancement projects during fiscal years 2004 through 2008.¹⁰ Of all projects specified as transportation enhancements in FHWA's database, those involving facilities for pedestrians and bicycles had the greatest amount of obligated federal funding during this period. FHWA obligated over \$2 billion in federal funds for pedestrian and bicycle facility projects, which can include trails for transportation purposes, sidewalk construction and improvements, on-road bicycle lanes, and pedestrian lighting, among other activities. Landscaping and other scenic beautification projects had obligations of \$850 million during the same 5-year period.

⁹For the purposes of the HTF, an apportionment is the distribution of federal funds to the states as prescribed by a statutory formula provided in law. Federal Highway Administration, *Financing Federal Aid-Highways*, FHWA-PL-07-017 (Washington, D.C.: March 2007).

¹⁰State, local, private, and other federal agency funding contributed another \$2 billion from fiscal years 2004 through 2008 for transportation enhancement activities.

Table 2: FHWA's Obligation of HTF Monies for Transportation Enhancement Projects by Type, Fiscal Years 2004-2008

Transportation enhancement project	HTF monies (Dollars in millions)	Number of projects
Facilities for pedestrians and bicycles	\$2,005	5,547
Landscaping and other scenic beautification	850	2,772
Rehabilitation and operation of historic transportation buildings/structures/facilities	224	366
Scenic or historic highway programs	215	859
Historic preservation	115	366
Safety and education for pedestrians/bicyclists	84	398
Mitigation of water pollution due to highway runoff ^a	84	213
Acquisition of scenic easements and scenic or historic sites	57	154
Preservation of abandoned railway corridors	38	53
Archaeological planning and research	30	49
Establishment of transportation museums	28	55
Control and removal of outdoor advertising	19	25
Total	\$3,749	10,857^b

Source: GAO analysis of FHWA data.

^aNumber of projects and dollars also include projects related to the reduction of vehicle-caused wildlife mortality and maintaining habitat connectivity.

^bTotal project count may be overstated because a single project may be listed under more than one project type.

In addition to transportation enhancement activities, FHWA, along with states, metropolitan planning organizations, and transit agencies, used HTF monies to support other projects such as safety, planning, research, traffic management engineering, ferryboats, and training. As shown in table 3, FHWA obligated approximately \$24.2 billion in HTF monies for these activities during fiscal years 2004 through 2008.¹¹ Safety activities accounted for approximately one-third of these funds. FHWA considers safety a crosscutting topic that encompasses speed and work zone management, construction, and other projects.¹² In addition, approximately \$3.1 billion in HTF monies was obligated for planning activities by states and metropolitan planning organizations during the 5-year period.¹³

¹¹State, local, private, and other federal agency funding contributed another \$15.6 billion from fiscal years 2004 through 2008 for projects other than construction and maintenance of highways and bridges.

¹²Because safety is a crosscutting issue and part of many types of projects, including construction and maintenance projects, all funds directed toward safety may not be reflected.

¹³SAFETEA-LU specifies a deduction of 1.25 percent of the funds authorized for five different FHWA programs for metropolitan planning organizations.

Table 3: FHWA’s Obligation of HTF Monies for Projects Other than Construction and Maintenance of Highways and Bridges by Type, Fiscal Years 2004-2008

Nature of work^a	HTF monies (Dollars in millions)	Number of projects
Safety ^b	\$8,111	17,586
Other ^c	4,388	6,697
Planning	3,089	2,920
Traffic management engineering–HOV ^d	1,814	1,576
Utilities ^e	1,586	6,579
Research	1,321	1,401
Debt service ^f	1,241	462
Rail/highway crossing ^g	1,100	5,585
Environmental only ^h	449	497
Administration ⁱ	355	982
Transit	318	504
Training ^j	164	2,050
Ferryboats and facilities ^k	121	63
Vehicle weight enforcement program	107	73
Youth conservation service ^l	13	50
Total	\$24,177	47,025^m

Source: GAO analysis of FHWA data.

^aSome safety, planning, and research work can contribute or be a precursor to construction and maintenance of highways and bridges.

^bThis denotes projects wherein all or a significant portion of the project enhances safety in some way, for example, by constructing facilities dedicated to the enforcement of vehicle weight regulations.

^cMiscellaneous work such as National Recreational Trails construction. States report costs in the “Other” category only if the major purpose of the project cannot be matched with any of the other specific improvement categories. This also includes approximately \$256 million for about 5,000 individual Recreational Trails Program projects, which are often obligated as groups of several individual projects within a single federal aid project

^dTraffic operation improvements that are designed to reduce traffic congestion and to facilitate the flow of traffic, both people and vehicles, on existing systems. This includes automated toll collection equipment, road and bridge surveillance and control systems, and use of high occupancy vehicle (HOV) lanes.

^eAcquisition of replacement right-of-way, preliminary engineering, or movement of utility services, in conjunction with a highway project

^fInterest payments and retirement of principal under an eligible bond issue and any other cost incidental to the sale of an eligible bond issue. This includes capitalized interest, issuance costs, insurance or other credit enhancement fees, and other bond-related costs.

^gImprovements and additions to protective devices such as signs, markings, flashing lights, and track circuitry.

^hImprovements that do not provide any increase in the level of service, in the condition of the facility or in safety features. This includes noise barriers, beautification, and other environmentally related features not built as a part of any other improvement type.

ⁱAdministration for Recreational Trails Program projects, commercial vehicles, and other similar projects.

^jFunding for training, supportive services, and on-the-job training. This is not training for FHWA employees.

^kConstruction of ferryboats and ferry terminal facilities.

^lUse of youth conservation service is encouraged for Recreational Trails projects.

^mTotal project count may be overstated because a single project may be listed under more than one project type.

*Federal Transit Administration: FTA obligated over \$44 billion for various transit activities during fiscal years 2004 through 2008, as shown in table 4.*¹⁴

Table 4: Federal Transit Administration Obligations, Fiscal Years 2004-2008

FTA program area^a	Total obligations (Dollars in millions)
Formula and bus grants ^b	\$27,270
Capital investment grants / Discretionary Grants	15,978
Research and University Research Centers ^c	421
Job Access and Reverse Commute ^d	322
University Transportation Centers ^e	22 ^f
Interstate Transfer-Transit	2
Washington Metro	1
Total	\$44,016

Source: GAO analysis of FTA data.

^aObligations are presented as provided by FTA. However, according to FTA officials, the program structure changed during the 5-year period. Beginning in 2006, a shift occurred in Treasury accounts for certain programs, and obligations are presented in line with the Treasury account structure changes. For example, until fiscal year 2006, the Job Access and Reverse Commute Program received its own allocation, but it now falls under Formula and Bus Grants.

^bFormula and Bus Grants was titled Formula Grants until fiscal year 2006. Obligations in the Formula Grants account are reflected in Formula and Bus Grants.

^cResearch and University Research Centers was formerly titled Transit Planning and Research.

^dThis program provides funding for local programs that offer job access and reverse commute services for low-income individuals who may live in the city core and work in suburban locations.

^eBeginning in fiscal year 2006, University Transportation Centers was renamed and funded from Research and University Research Centers.

^fIncludes obligations for the University Transportation Centers program for funding fiscal years 2004 and 2005.

FTA provides funds for financial and technical assistance to local and state public agencies to purchase, build, maintain, and operate transportation systems. FTA supports planning and operations for public transit systems, including bus, subway, and light rail. It primarily distributes money for these purposes through its Formula and Bus Grants and Capital Investment Grants programs. For example, one program under Formula and Bus Grants, the Bus and Bus Facility program, provides funding for the acquisition and replacement of buses for fleet or service expansion, among other purposes. The capital investment grants provide discretionary capital assistance for the construction of new fixed-guideway (for example, commuter rail or designated bus lanes) and extensions of existing systems through the New Starts and Small Starts programs. Other funds support research and planning activities and are distributed by both formula and discretionary grants. According to statute, FTA grant programs focus on providing assistance in developing improved public transportation equipment, facilities, techniques, and methods as well as encouraging the planning and establishment of areawide public transportation systems needed for economical and desirable urban development. Federal transit program funds are generally administered

¹⁴According to FTA officials, the \$44 billion includes monies from the Highway Trust Fund's Mass Transit Account as well as from the General Fund of the Treasury. Specifically, in fiscal years 2004 and 2005 FTA's programs were split funded where trust funds and general funds were merged. Beginning in fiscal year 2006, FTA's programs were funded either solely from general funds or trust funds.

through a federal-local partnership, although rural programs are administered at the state level.

National Highway Traffic Safety Administration: NHTSA obligated about \$3.1 billion from the HTF during fiscal years 2004 through 2008 to support the improvement of highway safety, as shown in table 5.

NHTSA program	Total obligations (Dollars in millions)
Highway Traffic Safety Grants	
State and Community Highway Safety Grant Programs (formula grants)	\$952
Alcohol-Impaired Driving Countermeasures Incentive Grants	449
Safety Belt Performance Grants	313
Occupant Protection Incentive Grants	110
State Traffic Safety Information System Improvements Grants	103
High Visibility Enforcement Program	87
Grant Administration	83
Motorcyclist Safety Grants	18
Child Safety and Child Booster Seat Incentive Grants	15
Behavioral Research	488
Vehicle Safety Research ^a	422
National Driver Register	19
Total	\$3,059

Source: GAO analysis of NHTSA data.

Note: Excludes an additional \$125.5 million that was obligated from the General Fund of the U.S. Treasury in fiscal year 2008.

^aVehicle Safety Research funds research into fuel economy and vehicle safety compliance, among other programs.

The largest portion of NHTSA’s federal highway safety funding during fiscal years 2004 through 2008 was distributed by formula to states through the State and Community Highway Safety Grant Program (also referred to as formula grants for Highway Safety Programs). This funding supports programs that work to reduce accidents from speeding, encourage the proper use of seat belts and child seats, reduce accidents from driving while intoxicated, prevent and reduce accidents between motor vehicles and motorcycles, and improve law enforcement services in motor vehicle accident prevention and traffic supervision, among other things.

Other NHTSA funding supports training programs and technical assistance for states. Federal highway safety grants are jointly administered through a federal-state partnership and costs are shared by the states. States that do not comply with certain federal safety provisions can be penalized by either having FHWA program funds transferred away or having them withheld. NHTSA also has a regulatory role in which it is to establish and enforce safety standards for passenger vehicles in areas such as tire safety and crashworthiness, as well as issue fuel economy standards. NHTSA also conducts testing, inspection, analysis, and investigations to identify noncompliance with vehicle safety standards.

Federal Motor Carrier Safety Administration: FMCSA obligated approximately \$2.4 billion from the HTF during fiscal years 2004 through 2008 to support the improvement of commercial motor vehicle safety, as shown in table 6.

Table 6: Federal Motor Carrier Safety Administration Obligations, Fiscal Years 2004-2008

FMCSA program	Total obligations (Dollars in millions)
Safety Program Grants^a	
Motor Carrier Safety Assistance Program Grant (MCSAP)	\$947
Border Enforcement Grants	162
Commercial Drivers License (CDL) Program Improvement Grant	114
Commercial Vehicle Information Systems and Networks Deployment (CVISN)	61
Performance and Registration Information System Management Grant Program (PRISM)	23
Commercial Driver's License Information System (CDLIS)	20
Commercial Vehicle Analysis Reporting System/Safety Data Improvement Program (CVARS/SaDIP)	16
Information Systems and Strategic Safety Initiatives (ISSSI)	15
Motor Carrier Safety Operations and Programs	
Operating Expenses	\$754
Information Management	161
Regulatory Development	56
Research and Technology	36
Outreach and Education	12
Commercial Motor Vehicle Operators Grants	4
Total	\$2,381

Source: GAO analysis of FMCSA data.

^aFMCSA received a \$3 million positive Revenue Aligned Budget Authority (RABA) adjustment for its Safety Program Grants in fiscal year 2007. RABA is designed to align Highway Account program levels with actual revenues and help ensure that the account is used to fund highway programs instead of accumulating large balances. See GAO, *Highway Trust Fund: Improved Solvency Mechanisms and Communication Needed to Help Avoid Shortfalls in the Highway Account*, GAO-09-316 (Washington, D.C.: Feb. 6, 2009).

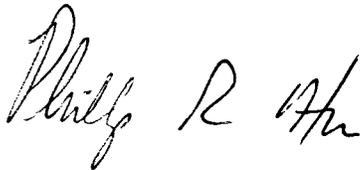
FMCSA is charged with establishing and enforcing standards for motor carrier vehicles and operations, hazardous materials, and movement of household goods, among other things. Similar to NHTSA, FMCSA provides funding to states through formula grant programs. The largest of the federal motor carrier safety grant programs, the Motor Carrier Safety Assistance Program (MCSAP), provides funding to states to reduce crashes involving commercial motor vehicles and incidents involving hazardous materials. FMCSA also conducts compliance reviews of motor carriers' operations at their places of business as well as roadside inspections of drivers and vehicles, and can assess a variety of penalties including fines and orders for noncompliant motor carriers to cease interstate operations. Federal motor carrier safety grants are jointly administered through a federal-state partnership.

Agency Comments and Our Evaluation

We provided the Department of Transportation with a draft of this report for its review and comment. In response, DOT emphasized that some activities we reported on, such as safety, planning, and environmental activities, contribute to or are preliminary work for highway construction. Furthermore, some programs that are not highway related, such as adding bicycle lanes on roads or bridges; constructing pedestrian crosswalks, overpasses, and underpasses; and historic bridge rehabilitation, may involve some highway or bridge construction or rehabilitation. DOT noted that several FHWA programs, as designated by Congress, have purposes other than construction and maintenance of highways and bridges and it believes FHWA is appropriately managing funds to achieve the purposes of those programs. DOT also provided technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 6 days from the report date. At that time, we will send copies of this report to the Secretary of DOT and interested congressional committees. We will also make copies available to others upon request. The report will also be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-2834 or herrp@gao.gov. Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in enclosure II.



Phillip Herr
Director, Physical Infrastructure

Enclosures - 2

Enclosure I: Scope and Methodology

The objective of this report is to provide information on the amount of Highway Trust Fund (HTF) monies that the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), and the Federal Motor Carrier Safety Administration (FMCSA) obligated for purposes other than construction and maintenance of highways and bridges during fiscal years 2004 through 2008.

In this report, we use the term “purposes other than construction and maintenance of highways and bridges” to describe projects that do not consist of construction or maintenance work on interstate or local roads or bridges. FTA transit projects may also involve construction and maintenance, but not for highways and bridges. While many of the FHWA projects included in this category may be precursors to construction and maintenance projects, FHWA officials told us they are reasonably confident that the data they provided us describe only the non-construction-and-maintenance components of the overall projects.

To address our reporting objective, with assistance from officials in FHWA’s Office of Financial Management, we identified a list of 27 “improvement type” codes in the agency’s Fiscal Management Information System (FMIS) that are not related to construction and maintenance of roads and bridges.¹⁵ We requested and obtained the following data from FHWA’s FMIS for the period fiscal year 2004 to fiscal year 2008: (1) cumulative obligated dollars by improvement type code, (2) a cumulative breakdown of program spending for each improvement type, (3) a cumulative number of total projects within each improvement type, and (4) the total funding spent on projects under the identified improvement types. We analyzed the data to determine the total obligated funds and total number of projects for transportation enhancements (12 improvement type codes) and other projects not related to construction and maintenance of highways and bridges (the 15 remaining improvement type codes) over the 5-year period.¹⁶ We also compared the obligated dollars with the total amount spent to determine the amount of state, local, private, and other federal agency funds dedicated to these projects. We interviewed officials from several FHWA departments about the agency’s use of Highway Trust Fund monies for purposes other than construction and maintenance of highways and bridges. In addition, we reviewed and reported on publicly available information on authorizations for FHWA programs for the 5-year period.

We requested, obtained, and analyzed FTA data on obligations for all programs in fiscal years 2004 through 2008. FTA produced these data from its Transportation Electronic Award and Management (TEAM) system. We also reviewed publicly available information on FTA

¹⁵ According to FHWA, “improvement type” is a required field in FMIS that indicates the nature of work involved. For instance, each of the 12 eligible transportation enhancement activities has its own improvement type code, as do safety, transit, planning, and all other eligible activities under FHWA programs. Recipients may record multiple improvement types for a single project. However, FHWA officials were reasonably confident that the obligated dollars the agency provided correspond specifically to the designated improvement type.

¹⁶ FHWA officials noted that the total project count may be overstated, since a single project may be connected to more than one improvement type code.

authorizations for fiscal years 2004 through 2008.¹⁷ We requested, obtained, and analyzed NHTSA and FMCSA data on authorizations and obligations for all programs during the 5-year period. Both agencies produced this data through Delphi, which is DOT's accounting system. We interviewed officials from FTA, NHTSA, and FMCSA about the agencies' uses of Highway Trust Fund monies for purposes other than construction and maintenance of highways and bridges. These officials stated, and available documents corroborated, that none of the programs under these agencies are related to construction and maintenance of highways and bridges. We used the FTA, NHTSA, and FMCSA data to report the total cumulative authorizations and obligations at the agency and program levels for fiscal years 2004 through 2008.

We also interviewed officials from FHWA, FTA, NHTSA, and FMCSA and obtained written information from all four agencies about steps taken to ensure the reliability of their data. We determined that the data were sufficiently reliable for the purposes of this report.

We conducted our work from October 2008 to June 2009 in accordance with all relevant sections of our Quality Assurance Framework. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for the findings in this report.

¹⁷FTA officials told us that they only track funding sources (general funds versus Mass Transit Account funds) at the authorization level. Because we were not able to identify the precise amount of Mass Transit Account monies included in obligation figures from FTA, we present total obligations (general funds combined with Mass Transit Account funds) in our report.

Enclosure II: GAO Contact and Staff Acknowledgments

GAO Contact

Phillip R. Herr, (202) 512-2834 or herrp@gao.gov.

Staff Acknowledgments

In addition to the contact above, Sally Moino, Assistant Director; Virginia Chanley; Eric Hudson; Lisa Reynolds; and Crystal Wesco made key contributions to this report.

Related GAO Products

Highway Trust Fund: Options for Improving Sustainability and Mechanisms to Manage Solvency. [GAO-09-845T](#). Washington, D.C.: June 25, 2009.

Transportation Programs: Challenges Facing the Department of Transportation and Congress. [GAO-09-435T](#). Washington, D.C.: March 10, 2009.

Highway Trust Fund: Improved Solvency Mechanisms and Communication Needed to Help Avoid Shortfalls in the Highway Account. [GAO-09-316](#). Washington, D.C.: February 6, 2009.

Surface Transportation: Principles Can Guide Efforts to Restructure and Fund Federal Programs. [GAO-08-744T](#). Washington, D.C.: July 10, 2008.

Physical Infrastructure: Challenges and Investment Options for the Nation's Infrastructure. [GAO-08-763T](#). Washington, D.C.: May 8, 2008.

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