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United States Government Accountability Office  
Washington, DC 20548

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August 18, 2004

The Honorable Richard C. Shelby  
Chairman  
The Honorable Patty Murray  
Ranking Minority Member  
Subcommittee on Transportation, Treasury and General Government  
Committee on Appropriations  
United States Senate

The Honorable Ernest J. Istook  
Chairman  
The Honorable John W. Olver  
Ranking Minority Member  
Subcommittee on Transportation, Treasury, and Independent Agencies  
Committee on Appropriations  
House of Representatives

Subject: *Highway Projects—Extent of Unobligated Balances for Demonstration Projects as of April 30, 2004*

Congress has provided funding for numerous highway demonstration projects in legislation authorizing surface transportation programs as well as in annual appropriations acts for the Department of Transportation (DOT). In some cases, the projects are identified in the legislation itself. In others, they are identified in committee reports accompanying the legislation. These projects are all designated for specific geographic locations within states and for specific purposes, and funds made available for them generally remain available for them until expended. This report includes information we provided your staff on July 14, 2004, on unobligated funds no longer needed that could be rescinded from highway demonstration projects and also includes a recommendation to the Secretary of Transportation.

### **Results in Brief**

As of April 30, 2004, there were 80 highway demonstration projects with unobligated balances that were no longer needed by the states constructing the projects. These projects accounted for about \$16.4 million in unobligated funds. These funds were provided in authorization or appropriations acts enacted from 1982 through 2000. Table 1 in the enclosure specifies the following for each of the 39 projects with unobligated balances over \$100 as of April 30, 2004:

- the state in which the project is located;
- a brief project description;
- the public law and, where appropriate, committee reports identifying the projects;
- the budget authority made available;
- the obligated amounts; and
- unobligated amounts available for rescission.

We also found that 41 of the 80 projects have very small unobligated balances of less than \$20 each, and we have provided that information separately to your staff.

The Federal Highway Administration (FHWA) is not routinely identifying highway demonstration projects with unobligated balances that could be rescinded. Rather, according to an agency official, FHWA receives regular requests from GAO, the Department of Transportation's Inspector General (DOT IG), and other parties to identify unobligated balances. Although the review excluded demonstration projects, the DOT IG reported in March 2004 that a significant amount of unneeded obligations exists for highway- and transportation-related grants.<sup>1</sup> As a result, the DOT IG recommended, among other things, that FHWA routinely work with states to identify unneeded obligations.

### **Scope and Methodology**

To identify highway demonstration projects with unneeded unobligated balances, we requested that FHWA analyze reports from its Fiscal Management Information System (FMIS) to identify highway demonstration projects with unobligated balances and then to verify the information with state officials to identify those with remaining unobligated balances that were unneeded. We verified the statutory sources of the projects by reviewing the relevant statutes and associated reports. We relied on FMIS to identify the amount of budget authority, as well as obligated and unobligated amounts for each project, and did not independently verify this information. To ensure the data in table 1 are correct, FHWA, at our request, verified the unobligated balances and the status of the demonstration projects with state departments of transportation; therefore, we determined the information was sufficiently reliable for our purposes. We conducted our review from March through June 2004 in accordance with generally accepted government auditing standards.

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<sup>1</sup>Department of Transportation, Office of Inspector General, *Inactive Obligations—Federal Highway Administration*, FI-2004-039 (Washington, D.C., March 31, 2004).

## Conclusion

FHWA is not taking action on a regular basis to identify projects with unobligated balances that could be rescinded; rather, it responds to requests from outside parties to identify such information. Regularly tracking this information, sharing it with FHWA division offices and state transportation officials to identify unneeded unobligated balances, and submitting it to Congress could result in more timely rescissions of unobligated balances that the states no longer need, freeing funds for other purposes.

## Recommendation for Executive Action

We recommend that the Secretary of Transportation direct the Administrator, Federal Highway Administration, to regularly compile a list of highway demonstration projects that have unneeded, unobligated balances available for rescission.

## Agency Comments

We provided DOT, including officials from the Office of Infrastructure, Federal Highway Administration, with a draft of this report for review and comment. DOT officials generally agreed with the findings and recommendation in this report and provided technical comments, which we incorporated, as appropriate.

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We are sending copies of this report to the Secretary of Transportation; the Administrator, Federal Highway Administration; the Senate Committee on Environment and Public Works; and the House Committee on Transportation and Infrastructure. The report will also be available on GAO's Web site at <http://www.gao.gov>.

If you have any questions or need assistance, please contact me at (202) 512-2834 or Catherine Colwell at (312) 220-7655. Other key contributors to this report were Ray Sendejas, Kimberly Berry, and Stacey Thompson.



JayEtta Z. Hecker  
Director, Physical Infrastructure Issues

Enclosure

## Enclosure

**Table 1: Summary of 39 Demonstration Projects with Unobligated Balances over \$100 Available for Rescission as of April 30, 2004**

State	Project description	Public law	Budget authority	Obligations	Unobligated balance
California	Extend Highway 41 in Madera County	TEA-21 <sup>a</sup> (PL 105-178)	\$5,638,047.00	\$5,159,942.00	\$478,105.00
	Upgrade access road to Mare Island	TEA-21 (PL 105-178)	500,000.00	497,966.60	2,033.40
	Conduct planning, preliminary engineering, and design for Etiwanda Avenue/Interstate 10 interchange, San Bernardino County	TEA-21 (PL 105-178)	1,537,649.00	0.00	1,537,649.00
Colorado	Construct alternative truck route in Montrose	TEA-21 (PL 105-178)	4,305,417.00	4,199,999.00	105,418.00
Connecticut	Implement Trinity College Area road improvements, Hartford	TEA-21 (PL 105-178)	5,235,694.00	4,791,708.00	443,986.00
	Construct overlook and access to Niantic Bay	TEA-21 (PL 105-178)	2,367,980.00	2,167,176.00	200,804.00
	Pedestrian/disabled access improvements at Mark Twain House Historic Site	TEA-21 (PL 105-178)	512,550.00	469,086.00	43,464.00
Florida	State Route 46A/Interstate 4 interchange, Sanford	STURAA <sup>b</sup> (PL 100-17)	6,980,748.00	6,682,377.00	298,371.00
	Highway Capacity Improvement Demo U.S. 231	PL 101-516 (1990)	2,599,978.00	2,593,013.00	6,965.00
	Interchange at U.S. 301 and University Parkway, Sarasota	ISTEA <sup>c</sup> (PL 102-240)	2,341,029.00	1,903,013.00	438,016.00
	Engineering of improvements for State Route 3 between State Route 520 and State Route 528, Brevard County	ISTEA (PL 102-240)	156,069.00	19,095.00	136,974.00
Georgia	Railroad relocation demonstration project, overpass at 15th Street and Greene Street, Augusta	ISTEA (PL 102-240)	7,430,028.00	0.00	7,430,028.00
	Peachtree Industrial Boulevard, Atlanta	STURAA (PL 100-17)	19,944,994.00	19,201,053.78	743,940.22
	Transportation improvements for 1996 Olympics and ITS traffic management system, Atlanta (See PL 104-59 Sect 335)	ISTEA (PL 102-240)	56,672,402.00	56,668,432.80	3,969.20
Iowa	Improvements to Fifth and Sixth Streets, Waterloo	PL 102-143 (1991), House Conference Report 102-243	7,900,000.00	7,718,006.48	181,993.52
Kansas	Interstate 70/110th Street interchange, Kansas City	PL 103-331 (1994), House Conference Report 103-752	3,846,400.00	3,535,457.10	310,942.90

Kentucky	Conduct feasibility study for Northern Kentucky High Priority Corridor (Interstate 74)	TEA-21 (PL 105-178)	512,551.00	383,061.61	129,489.39
Maine	Brunswick-Topsham Bypass	ISTEA (PL 102-240)	10,242,001.00	10,148,004.87	93,996.13
Mississippi	Upgrade Alva-Stage Road, Montgomery County	TEA-21 (PL 105-178)	1,153,237.00	0.00	1,153,237.00
New Jersey	Route 17/4 Interchange Project, Paramus	ISTEA (PL 102-240)	9,559,943.00	9,508,099.06	51,843.94
New Jersey	Route 21 viaduct "NJ Transit Br" Acquisition, Newark	PL 102-388 (1992), House Conference Report 102-924	2,700,000.00	2,695,000.00	5,000.00
New Jersey	Perth Amboy and Woodbridge Township: Study whether additional river crossings required	ISTEA (PL 102-240)	2,438,571.00	2,401,071.36	37,499.64
	Construct road from the Military Ocean Terminal to the Port Jersey Pier, Bayonne	TEA-21 (PL 105-178)	3,075,299.00	3,061,663.00	13,636.00
	Improvements to County Route 605 in Delaware Township and West Amwell Township, Hunterdon County, New Jersey	PL 106-346, Sec. 378	1,197,360.00	1,163,977.57	33,382.43
Ohio	Upgrade one warning device on the rail line from Marion to Ridgeway	TEA-21 (PL 105-178)	76,882.00	74,800.00	2,082.00
Oregon	Design, right-of-way acquisition, and construction of the Ferry Street Bridge, including pedestrian, bicycle, and vehicle approach roadways, intersections, signalization, and structural bridge changes, and related structures between East Broadway and Oakway Road, Eugene. (See PL 104-59 Sect 330)	STURAA (PL 100-17)	1,994,499.00	1,985,630.32	8,868.68
	Upgrade Interstate 5, Salem	ISTEA (PL 102-240)	13,851,086.00	13,825,580.60	25,505.40
	Upgrade access road and related facilities to port of Port Orford	TEA-21 (PL 105-178)	1,537,648.00	0.00	1,537,648.00
	Construct bike path between Main Street/Highway 99 in Cottage Grove to Row River Trail, Cottage Grove	TEA-21 (PL 105-178)	235,773.00	0.00	235,773.00
Pennsylvania	Widen and extend Chestnut Avenue from Altoona to Juniata.	ISTEA (PL 102-240)	6,945,051.00	6,940,000.00	5,051.00
	Construct State Route 3019 over Great Trough Creek in Huntingdon County	TEA-21 (PL 105-178)	384,413.00	375,000.00	9,413.00
	Upgrade two sections of U.S. 6 in Tioga	TEA-21 (PL 105-178)	1,153,237.00	1,148,676.57	4,560.43

	County				
	Install traffic signal upgrade in Clearfield Borough in Clearfield County	TEA-21 (PL 105-178)	384,413.00	375,000.00	9,413.00
	Reconstruct the Interstate 81 Davis Street interchange in Lackawanna	TEA-21 (PL 105-178)	7,175,696.00	7,175,595.00	101.00
Rhode Island	Historic rehab of Albion Bridge and Albion Trench Bridge, Lincoln and Cumberland	ISTEA (PL 102-240)	1,950,857.00	1,838,962.20	111,894.80
Tennessee	Access road in Clarksville and Fort Campbell	STURAA (PL 100-17)	3,988,999.00	3,885,812.75	103,186.25
	Study and construct a bicycle system to serve as an alternative form of commuter transportation, reduce air pollution, and enhance recreation, Murfreesboro (see PL 102-338 Section 378)	ISTEA (PL 102-240)	390,172.00	36,000.00	354,172.00
Utah	Minimum allocation for any eligible title 23 project: AK, AZ, CO, CT, DC, DE, HI, MT, NE, NH, OK, OR, PQ, RI, UT, VT, WA, WI, WY. Note UT001 took \$1,447,909 from these funds. [Rescinded \$154 (\$96 of 308 funds and \$58 of 309 funds) on 1/10/2000 as part of PL 103-211 rescission]	STURAA (PL 100-17)	4,760,508.85	4,755,210.50	5,298.35
West Virginia	Preliminary engineering, design and construction of the Orgas to Chelayn Road, Boone County	TEA-21 (PL 105-178)	2,050,199.00	1,936,000.00	114,199.00
<b>Total</b>					<b>\$16,407,908.88</b>

Source: GAO analysis of FHWA data.

<sup>a</sup>Transportation Equity Act for the 21st Century.

<sup>b</sup>Surface Transportation and Uniform Relocation Assistance Act of 1987.

<sup>c</sup>Intermodal Surface Transportation Efficiency Act of 1991.

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