

Federal Times
Editorial

FHWA must be vigilant in tracking highway projects

Tight budgets are prompting federal programs to be smarter in their management of tax dollars and to show results of their spending.

Not so at the Federal Highway Administration (FHWA), which dispenses roughly \$40 billion a year to states for highway projects. Gas taxes provide most of that money, which is dispensed to states under a formula set by Congress.

There is no link between federal highway funds and good project management. States receive the same amount of federal highway funds regardless of how well they manage that money.

Indeed, while the FHWA's division officers are involved with projects on a local level, working with state officials, the agency has no centralized means to manage or monitor states' performance on key metrics like cost and schedule.

It cannot say, for example, how many projects are over budget or behind schedule - either on a state or national level. Nor can it say which states are most effective, and which are least effective. Nor can it wield much pressure on states to become more effective.

The agency does not track that data - and, more significantly, its leaders do not believe they should.

The result: States have no incentive to adopt proven best practices, such as:

- ? Holding managers and contractors accountable for cost and schedule slips.
- ? Monitoring causes of project setbacks to identify culprits.
- ? Strengthening the connections between the pre-construction and construction phases of a project.

Everyone knows that what gets tracked, gets done. And what gets tracked - and posted publicly - gets done even faster.

Federal Highway Administrator Victor Mendez - who insists that stewardship of federal dollars is his top priority - could improve the cost and schedule performance of federal highway projects simply by collecting and posting that data in a searchable, public website.

A study by the American Association of State Highway and Transportation Officials shows that 24 states - which are not identified in the study - fail to deliver half or more of their highway contracts on budget. Mendez says drawing too many conclusions from the study is misleading, because it was not intended for that purpose.

But there is no escaping what this exhaustive report, based on a review of more than 100,000 highway projects in 39 states over the past decade, shows: Roughly half of all projects end up over budget and behind schedule.

Tracking and making public all states' track records would go a long way toward pressing states to improve their performance, and the stewardship of federal funds. If the Transportation Department and the FHWA won't take that mission on themselves, Congress should require them to do just that.