



TITLE III – CONSOLIDATED COMPETITIVE GRANT PROGRAMS

STRATEGIC INFRASTRUCTURE INVESTMENT PROGRAM (SIIP)

FRAME Policy Paper – Title III, Subtitle A

The problem, the proposed solution in plain language, the legislative proposal, and the data case ·
Sections 301–304

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CONTENTS

I	The Problem	II	The Proposed Solution	III	The Legislative Proposal
IV	The Data Case	V	Sources		

PART I

THE PROBLEM

The largest federal transportation investments are appraised the most weakly. Very large projects — a new rail line, a replacement bridge or tunnel, a port modernization — are evaluated inside the modal programs that fund them, committed before their readiness is proven, and repriced after the decision has become irreversible. The delivery record reflects that sequence: across 258 transport infrastructure projects in 20 countries, nine out of ten overran their budgets, with average cost escalation of 45 percent for rail projects and 34 percent for fixed links — bridges and tunnels — and no measurable improvement across the 70 years of data studied (Flyvbjerg, Holm & Buhl, 2003).

THE PROBLEM IN NUMBERS

9 of 10

of transport projects overrun their budgets (258 projects, 20 countries; Flyvbjerg, 2003)

+45% / +34%

average cost escalation: rail / fixed links — bridges and tunnels (Flyvbjerg et al., 2003)

6.8%

of U.S. bridges in poor condition; a further 49.1% rated only fair (ASCE, 2025)

100+

separate federal surface transportation programs (GAO, 2011)

PART I – THE PROBLEM, CONTINUED

The American figures sit at the extreme of that record. The Transit Costs Project at New York University's Marron Institute puts the global average cost of urban rail at roughly \$350 million per mile, against a projected cost approaching \$4 billion per mile for the Second Avenue Subway's second phase — more than eleven times the average; its researchers locate the premium in institutions, not geology. The federal appraisal machinery has documented gaps of its own: GAO found that the Federal Transit Administration's cost-estimating information for project sponsors fully or substantially met only seven of the twelve steps in GAO's Cost Estimating and Assessment Guide, with sensitivity analysis — the step that identifies which assumptions can break a budget — among the gaps (GAO-19-562). And the assets these projects renew are deteriorating: 6.8 percent of U.S. bridges are in poor condition, and 49.1 percent are rated only fair (ASCE, 2025).

Stated plainly, the problem is threefold. No statute requires an independent benefit-cost appraisal before a megaproject is funded. The ratings that do exist are produced inside a program pipeline, not published for the projects that are passed over. And the two programs that fund the largest projects are divided by mode, so a bridge, a rail line, and a port are never appraised against each other. A funding system built this way does not merely tolerate cost escalation — on the evidence, it funds the escalation along with the project.

PART II

THE PROPOSED SOLUTION

Subtitle A replaces the two existing federal routes for financing very large projects — the transit capital grants program and the national “Mega” grants program — with a single competition, open to every mode, for a limited number of large, complex, transformative projects that are difficult to fund through ordinary formula funding. The eligible projects are four: a new high-capacity public transportation system; the replacement or reconstruction of a nationally or regionally significant bridge or tunnel; a project to improve a multistate freight or passenger rail corridor; and a large-scale modernization of a public port or airport, including its surface connections. States, groups of states, regional planning organizations, local governments, public port authorities, and Tribal governments may apply.

Every project is scored twice before any money is committed. First, is it worth doing: a comprehensive cost-benefit analysis, and the project's projected effect on economic productivity, congestion, supply chains, and safety. Second, is it ready: preliminary engineering and environmental review complete, a financing plan that holds up, and non-federal money committed beyond the required minimum. Each project is then given one of three grades — highly recommended, recommended, or not recommended — and the grades are published for every project considered, funded or not.

PART II – THE PROPOSED SOLUTION, CONTINUED

The money rules enforce the discipline. The program pays at most half of a project's cost. A sponsor may count other federal formula money toward its own share, but total federal money from all sources can never exceed 80 percent of the cost — so every project arrives with a substantial non-federal commitment already in hand. Each award is locked in by a grant agreement that fixes the project's scope, budget, performance measures, and the reporting the sponsor owes.

WHAT CHANGES, IN PLAIN TERMS

- **One door for the largest projects.** A bridge, a rail line, and a port are compared in the same competition instead of applying to separate programs that never see each other.
- **Grades are public.** A project rated not recommended is rated in the open; an unsuccessful application is a matter of record, not a quiet file.
- **Readiness before award.** Engineering, environmental review, and financing are tested before the commitment is made, not discovered after.

PART III

THE LEGISLATIVE PROPOSAL

Subtitle A of Title III replaces the two existing federal routes for financing very large projects — the Capital Investment Grants program for transit (**49 U.S.C. 5309**) and the National Infrastructure Project Assistance program (the “Mega” program, **IJA §11501**) — with a single competitive program, the Strategic Infrastructure Investment Program (SIIP), covering all modes. **Section 301** repeals both predecessor programs; **Section 302** makes the conforming amendment to the analysis for chapter 53 of title 49.

The stated purpose, in the language of **Section 303(a)**, is “to provide dedicated Federal financial assistance, on a competitive basis, for a limited number of large, complex, and transformative infrastructure projects that are difficult to fund through traditional formula programs.” The design premise is rationing by appraisal: few projects, each publicly evaluated and rated before any award, rather than a standing pipeline of entitlements.

Eligibility is institutional and project-based. Applicants (**Sec. 303(c)**) are a State or group of States, a metropolitan planning organization, a unit of local government, a public port authority, or a federally recognized Tribal government. Eligible projects (**Sec. 303(d)**) are limited to four classes: a new high-capacity public transportation system; the replacement or reconstruction of a nationally or regionally significant bridge or tunnel; a project to improve a multistate freight or passenger rail corridor; and a large-scale project to modernize a public port or airport and its surface transportation connections.

APPRAISAL BEFORE AWARD

Section 303(e) requires the Secretary to establish a multi-step evaluation process and to rate every project on two distinct axes. **Project justification** is rated on the results of a comprehensive cost-benefit analysis and the project’s projected impact on economic productivity, congestion reduction, and supply chain efficiency, together with the degree to which the project will improve safety and advance the Safe System Approach. **Project readiness** is rated on the extent to which preliminary engineering and all necessary environmental reviews under NEPA are complete; the feasibility of the financing plan, including evidence of stable and reliable capital and, as appropriate, operating funding; and the strength of the non-Federal financial commitment, including the degree to which it exceeds the minimum required.

On completion of the evaluation, the Secretary “shall rate each project as ‘highly recommended’, ‘recommended’, or ‘not recommended’ and shall publish such ratings for all projects considered for funding” (**Sec. 303(e)(4)**). Publication is mandatory and covers unsuccessful as well as successful projects. **Section 303(f)** requires a clear application timeline with deadlines for each phase; **Section 303(g)** requires each award to be governed by a grant agreement specifying project scope, budget, performance metrics, and Federal reporting requirements. Projects are subject to all applicable Federal laws, including the requirements described in **Section 203(d)** — title 23 for highway projects, chapter 53 of title 49 for transit projects, NEPA, Title VI of the Civil Rights Act, and the Davis-Bacon Act.

FEDERAL SHARE

PROGRAM SHARE – SEC. 304(A)

“The Federal share of the cost of a project carried out with a grant under this subtitle shall not exceed 50 percent.”

TOTAL FEDERAL CEILING – SEC. 304(B)

Title II formula funds may be used to meet the non-Federal share, but the total Federal share from all sources “shall not exceed 80 percent.”

PART IV

THE DATA CASE

The case for SIIP is a case about appraisal. Its three mechanisms — a statutory benefit-cost test, readiness gates applied before award, and published ratings — each answer a documented failure in how very large projects are appraised and delivered. The case does not rest on any individual project’s merits: at this scale, appraisal discipline is the intervention.

WHAT CHANGES

- **One program, all modes.** Transit megaprojects, nationally significant bridges and tunnels, multistate rail corridors, and port and airport modernization compete in a single rated process instead of separate modal programs.
- **Ratings are public.** The predecessor transit program rated projects as part of an internal pipeline process; SIIP requires publication of the rating of every project considered.
- **A hard match.** The 50 percent program ceiling, against an 80 percent all-sources federal ceiling, prices a substantial non-Federal commitment into eligibility from the outset.

PART IV – THE DATA CASE, CONTINUED

Appraisal failure is systematic, not incidental. The 258-project record set out in Part I — overruns in nine of ten cases, unimproved over 70 years — is the baseline the program is designed against. A funding system that does not hard-wire independent benefit-cost appraisal, readiness gates, and post-decision transparency funds the escalation along with the project. SIIP's mechanics map to the documented failure points: a comprehensive cost-benefit analysis as a statutory rating input; readiness criteria requiring completed environmental review and a feasible financing plan *before* award, not after; and publication of ratings, which makes the appraisal itself accountable.

The cost evidence is institutional. The Transit Costs Project at New York University's Marron Institute, working from a database of more than 900 rapid-rail projects in nearly 60 countries, locates the American cost premium — the gap between the roughly \$350 million global average per mile and the roughly \$4 billion projected for the Second Avenue Subway's second phase — in institutions rather than geology: procurement practice, outsourced project management, oversized design, and thin in-house agency capacity. Those are variables a federal program can act on. SIIP screens for sponsor capacity and readiness before award and rates every project in public — the cross-project comparison record the researchers identify as a discipline in itself.

The asset classes are the ones in documented decline. ASCE's 2025 Report Card grades U.S. bridges C — 6.8 percent in poor condition and 49.1 percent only fair, the cohort that tips into poor without intervention. Bridge and tunnel replacement is one of SIIP's four eligible classes, and the fixed-link escalation rate (+34 percent) is precisely the delivery risk its readiness criteria address.

PART IV – THE DATA CASE, CONTINUED

Consolidation is the administrative evidence. GAO found the federal surface transportation effort spread across more than 100 separate programs, duplicative and fragmented, and found the weakness inside the predecessor transit program’s appraisal process as well: the Federal Transit Administration’s cost-estimating information for project sponsors fully or substantially met only seven of the twelve steps in GAO’s Cost Estimating and Assessment Guide (GAO-19-562), with sensitivity analysis — the step that identifies which assumptions can break a budget — among the gaps. SIIP’s statutory benefit-cost analysis and readiness ratings answer that audit finding directly. SIIP folds two predecessor programs into one rated pipeline.



Few projects, fully appraised, publicly rated.

Subtitle A concentrates the federal megaproject function in a single competitive program, requires benefit-cost and readiness ratings before award, publishes those ratings for every project considered, and caps the program share at 50 percent.

PART V

SOURCES

The proposal. Framework for Rebuilding America’s Mobility Economy (FRAME) Act, Official Draft of December 15, 2025 — Title III, Subtitle A, Sections 301–304; cross-referenced provisions at Sections 106 and 203(d) and 49 U.S.C. 5309 and §11501 of the Infrastructure Investment and Jobs Act (Public Law 117–58). Quotations are from the bill text.

The data case. Flyvbjerg, B., Holm, M.S. & Buhl, S., “How Common and How Large Are Cost Overruns in Transport Infrastructure Projects?” *Transport Reviews* (2003). American Society of Civil Engineers, *2025 Report Card for America’s Infrastructure* (2025) — bridges graded C; 6.8% poor, 49.1% fair. U.S. Government Accountability Office, *Opportunities to Reduce Potential Duplication in Government Programs* (GAO-11-318SP, 2011). Goldwyn, E., Levy, A., Ensari, E., Chitti, M., et al., Transit Costs Project, Marron Institute of Urban Management, New York University. U.S. Government Accountability Office, *Rail Transit: FTA Could Improve Information on Estimating Project Costs* (GAO-19-562, 2019); *Capital Investment Grants Program: Cost Predictions Have Improved, but the Pandemic Complicates Assessing Ridership Predictions* (GAO-23-105479, 2023).

Evidence check (Part IV): the Flyvbjerg figures are historical averages across countries and decades, not predictions for any U.S. project; used here, they support appraisal discipline as a design principle, not a claim about individual projects. There is no domestic precedent for mandatory publication of ratings for all projects considered, so the transparency effect is inferred from the appraisal literature rather than observed.

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