



# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –  
OST’s Benefit-Cost Analysis of TIGER Grant  
Applications  
Office of the Secretary Of Transportation  
Project No. 16S3006S000

Date: July 12, 2016

From: Barry J. DeWeese   
Assistant Inspector General  
for Surface Transportation Audits

Reply to  
Attn. of: JA-30

To: Under Secretary Of Transportation for Policy

The Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program provides funds for capital investments to improve surface transportation infrastructure and promote economic development. Since its establishment in 2009,<sup>1</sup> Congress has appropriated \$5.1 billion for the program, including \$500 million in 2016. The Department of Transportation (DOT) created TIGER to award grants through a merit-based, competitive process that includes a determination of whether applicants’ projects demonstrate measureable economic benefits. An economic analysis team within the Office of the Secretary of Transportation (OST) reviews benefit-cost analyses and determines whether proposed projects’ total benefits will likely outweigh costs. These results are intended to inform senior DOT officials in deciding which projects receive TIGER grants.

We are initiating an audit of DOT’s economic reviews of TIGER applications because of the importance of benefit-cost analyses to the TIGER program and other discretionary grant programs, such as the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE)<sup>2</sup> program. Our audit objective is to assess OST’s policies and procedures for evaluating benefit-cost analyses in determining which TIGER grant applications are forwarded for further review.

<sup>1</sup> Under the American Recovery and Reinvestment Act (Public Law 111-5, February 2009).

<sup>2</sup> The FASTLANE program—established under the Fixing America’s Surface Transportation (FAST) Act of 2015 (Public Law 114-94)—funds freight and highway projects across the country.

We plan to begin this audit immediately and will contact your audit liaison to schedule an entrance conference. The audit will take place at DOT Headquarters and other sites as needed. If you have any questions or require additional information, please contact me at (202) 366-5630, or Gary Middleton, Program Director, at (202) 366-0625.

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cc: DOT Audit Liaison, M-1