

## Green Transportation Funding in the ARRA

The American Recovery and Reinvestment Act of 2009 (ARRA) contains more than \$19 billion for green transportation investment and funding. Congress focused the vast majority of the funding on capital investments in intercity rail passenger service and public transit. At least a portion of these funds requires that states and localities obligate the funds within 180 days or lose up to 50 percent of the unobligated funds apportioned to them. Therefore, states and local communities must begin prioritizing projects as soon as possible to take full advantage of the ARRA funding.

### Intercity Passenger Programs

The largest single amount of funding for green transportation is the \$8 billion allocated for intercity rail passenger capital improvements and projects. The funding will be divided between a new high-speed rail corridor program, the Capital Assistance to States — Intercity Passenger Rail Service Program, and congestion grants. Projects applying for funding do not have to be in a state rail plan and may receive 100 percent of their cost from the federal government. The United States Department of Transportation (DOT) will issue an interim guidance covering grant terms, conditions, and procedures within 120 days. In addition, under current law, states are allowed to issue private-activity bonds for high-speed rail facilities that use trains that are *reasonably expected to operate* at speeds in excess of 150 miles per hour. The ARRA allows these bonds to be used to develop rail facilities for trains that are *capable* of attaining speeds in excess of 150 miles per hour, thus increasing the scope of the program.

Amtrak also will receive \$1.3 billion under the ARRA, which requires that \$450 million to be used for security improvements and that no more than \$510 million be used on capital improvements for the Northeast Corridor. (Although the majority of funds discussed above are not specifically tied to rail corridors, a map of the current rail corridors is available here:

[http://www.fra.dot.gov/downloads/Research/hsr\\_corridors\\_2009.pdf](http://www.fra.dot.gov/downloads/Research/hsr_corridors_2009.pdf).)

### Public Transit Programs

Public transportation and facilities will receive \$8.4 billion under the ARRA. This includes \$6.9 billion for Transit Capital Assistance Grants for the purchase of buses and equipment needed to increase public transportation and improve intermodal and transit facilities. These funds will be allocated by normal Federal Transit Authority (FTA) formulas, with 80 percent allocated by the FTA urbanized formula, 10 percent by the FTA rural formula, and 10 percent by the FTA growing states and high-density formula. Additionally, \$100 million of those funds is designated for grants to public transit agencies for capital investment projects that will reduce their energy consumption or greenhouse-gas emissions.

Congress also provided \$750 million for Fixed Guideway Infrastructure Investments to modernize and maintain existing transit systems. For both the Transit Capital Assistance Grants and the Fixed Guideway Infrastructure Investment programs, states and local governments must obligate 50 percent of these funds within 180 days or lose the funding, while the remaining funds must be allocated within one year. Congress also provided \$750 million for capital investment grants in the stimulus for new commuter rail systems, under the New Starts and Small Starts programs, with priority given to projects already in construction or that are able to obligate the funds within 150 days. New Starts and Small Starts programs are the federal government's primary financial resources for supporting locally planned, implemented, and operated transit capital investments, including fixed guideway and bus rapid transit systems across the country.

### Additional Federal Green Transportation Funding in the ARRA

The DOT will receive \$1.5 billion for supplemental discretionary grants to be awarded to states, local governments, and transit agencies on a competitive basis for projects with national, metropolitan, or regional significance. Congress specifically listed freight and passenger rail, intermodal ports, and New Starts and Small Starts projects as eligible projects to receive grants under the program; however, projects that require less than 100-percent federal share and that will be completed within three years will be prioritized. The DOT must publish selection criteria within 90 days, receive nominations within 180 days, and select winning projects within one year. The stimulus package also provides \$300 million for the U.S. Environmental Protection Agency's (EPA) Diesel Emissions Reduction grant program and eliminates the state-matching requirement for the receipt of such funds.

Finally, the stimulus also equalizes tax-free commuter benefits provided by employers for transit and parking at \$230 per month for 2009 and indexes both benefits to inflation. Under current rules, only \$120 of the mass-transit benefit and \$230 of the parking benefit were tax-free. It is estimated this will provide approximately \$192 million over a 10-year time period.

## Green Transportation Funding Chart

Project	Funding Under the ARRA
Public Transit	\$8.4 billion <ul style="list-style-type: none"><li>▪ Transit Capital Assistance Grants (\$6.9 billion)</li><li>▪ Fixed Guideway Infrastructure Investment (\$750 million)</li><li>▪ Capital Investment Grants (\$750 million)</li></ul>
Rail	\$9.3 billion <ul style="list-style-type: none"><li>▪ Investments in high-speed rail corridors and intercity passenger rail service grants (\$8 billion)</li><li>▪ Amtrak (\$1.3 billion; includes \$450 million for capital security grants)</li></ul>
Competitive Transportation Grants	\$1.5 billion
Diesel Emission Reduction Grants	\$300 million

## Additional Links

Text of the ARRA:

[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf)

U.S. House of Representatives Committee on Appropriations press release:

<http://appropriations.house.gov/pdf/PressSummary02-13-09.pdf>

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