

INTERSTATE SUBSTITUTE TRANSIT PROGRAM

The Interstate Substitute program was established by the 1973 Federal-Aid Highway Act and amended by subsequent legislation. The law permits State and local officials to withdraw planned Interstate routes, or segments which were within or which connect urbanized areas, and to substitute mass transit or non-interstate highway projects. Withdrawal requests were reviewed and approved jointly by FTA and the Federal Highway Administration (FHWA).

As the Interstate Highway System draws near its completion, substitute projects of either highway or transit nature have largely been completed, and this is reflected in the lowering level of obligations. The level of obligations for the Interstate Substitute transit program reached a peak of \$679 million in FY 1980. Since then, there has been a general downward trend in the annual amounts obligated for this program. FY 1995 was the last year in which Interstate Substitute funds were appropriated. No flexible funds were transferred to this program since FY 1996. There were no obligations in FY 2005.

Substitute funds may be used for a wide variety of highway and public mass transit projects. Interstate grants for transit projects can finance, for example, the construction and improvements of transit facilities, the purchase of rolling stock and other transportation equipment. The Federal participation of Interstate Substitute transit projects is 85 percent.