Select U.S. Government Programs to Finance Marine Transportation Projects

The U.S. Government has many programs that can be used to finance some marine transportation projects. The list and information below provides a brief description of these funding sources as well as a hyperlink for additional information.

- Surface Transportation Program (STP)
- Transportation Investment Generating Economic Recovery (TIGER)
- Projects of National and Regional Significance (PNRS)
- Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Private Activity Bonds (PABs)
- Railroad Rehabilitation and Improvement Financing (RRIF)
- Small Shipyard Grant Program
- Port Security Grant Program (PSGP)
- Diesel Emissions Reduction Act (DERA)
- Brownfield Grants
- Congestion Mitigation & Air Quality Program (CMAQ)
- Ferry-related Grants

Surface Transportation Program (STP). STP provides flexible funding for States and localities to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

There are 27 types of eligible projects, but port-related projects are very specific. For example, approach roadways for ferry terminals facilities are eligible as projects to accommodate other transportation modes (pursuant to 23 U.S.C. 142(c)) and as a project that provides access into and out of the port and truck parking facilities (notably inside the port gates) eligible for funding under section 1401 of MAP–21. For more information, visit http://www.fhwa.dot.gov/map21/guidance/guidestp.cfm

Transportation Investment Generating Economic Recovery (TIGER): The Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grant program, provides a unique opportunity for the U.S. Department of Transportation to invest in road, rail, transit and port projects that promise to achieve critical national objectives. Congress dedicated \$1.5 billion for TIGER I, \$600 million for TIGER II, \$526.944 million for FY 2011 and \$500 million for the FY 2012 round of TIGER Grants to fund projects that have a significant impact on the Nation, a region or a metropolitan area.

TIGER's highly competitive process, galvanized by tremendous applicant interest, allowed DOT to fund 51 innovative capital projects in TIGER I, and an additional 42 capital projects in TIGER II. TIGER II also featured a new Planning Grant category and 33 planning projects were also funded through TIGER II. In the FY 2011 round of TIGER Grants, DOT awarded 46 capital projects in 33 states and Puerto Rico. The FY 2012 round of TIGER Grants, DOT awarded 47 capital projects in 34 states and the District of

Columbia. Each project is multi-modal, multi-jurisdictional or otherwise challenging to fund through existing programs. The TIGER program enables DOT to use a rigorous process to select projects with exceptional benefits, explore ways to deliver projects faster and save on construction costs, and make investments in our Nation's infrastructure that make communities more livable and sustainable. For more information, click on this link: http://www.dot.gov/tiger

Projects of National and Regional Significance (PNRS): The Projects of National and Regional Significance program provides funding for high cost projects of national or regional importance. An eligible project is any surface transportation project eligible for assistance under 23 USC, including a freight railroad project eligible under that title, that has a total eligible cost greater than or equal to the lesser of (1) $500,000,000 or (2) 75 percent of the amount of Federal highway funds apportioned to the State in which the project is located for the most recently completed fiscal year. Eligible costs are development phase activities (including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities) and the costs of construction, reconstruction, rehabilitation, and acquisition of right-of-way, environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements. For more information, click on this link: http://www.fhwa.dot.gov/safetealu/factsheets/natlregl.htm

Transportation Infrastructure Finance and Innovation Act (TIFIA): The TIFIA program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Each dollar of Federal funds can provide up to $10 in TIFIA credit assistance - and leverage $30 in transportation infrastructure investment. For more information, click on this link: http://www.fhwa.dot.gov/ipd/tifia/

Private Activity Bonds (PABs). PABs are available to provide maximum flexibility in the Secretary of Transportation's award of the $15 billion bonding authority and increase public-private partnerships or essentially private involvement in infrastructure development. Section 11143 of Title XI of SAFETEA-LU amended Section 142 of the Internal Revenue Code to add highway and freight transfer facilities to the types of privately developed and operated projects for which private activity bonds (PABs) may be issued. This change allows private activity on these types of projects, while maintaining the tax-exempt status of the bonds. No substantive changes have been made to the PAB program by MAP-21 or any other legislation. For more information, click on this link: http://www.fhwa.dot.gov/ipd/finance/tools_programs/federal_debt_financing/private_activity_bonds/index.htm

Railroad Rehabilitation and Improvement Financing (RRIF): The RRIF program was established by the Transportation Equity Act for the 21st Century (TEA-21) and amended by the Safe Accountable, Flexible and Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU). Under this program the FRA Administrator is authorized to provide direct loans and loan guarantees to finance development of railroad infrastructure. The funding may be used to: acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops; refinance outstanding debt incurred for the purposes listed above; and develop or establish new intermodal or railroad facilities.

Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government. Eligible borrowers include railroads, state and local governments, government-sponsored authorities and corporations, joint ventures that include at least one railroad and limited option freight shippers who intend to construct a new rail connection. For more information, click on this link: http://www.fra.dot.gov/Page/P0128

Small Shipyard Grant Program: The Small Shipyard Grants are for capital improvements, equipment and training programs that will be effective in fostering efficiency, competitive operations and quality ship construction, repair and reconfiguration. The law requires that there is 25% minimum local match. It is a competitive program and criteria include: technical merit, local economic circumstance of the community and geographic diversity. For more information, click on this link: http://www.marad.dot.gov/ships_shipping_landing_page/small_shipyard_grants/small_shipyard_grants.htm

Port Security Grant Program (PSGP): This program supports maritime transportation infrastructure security activities. PSGP is one tool in the comprehensive set of measures authorized by Congress and implemented by the Administration to strengthen the Nation's critical infrastructure against risks associated with potential terrorist attacks.

The vast majority of U.S. maritime critical infrastructure is owned and/or operated by State, local, and private sector maritime industry partners. PSGP funds available to these entities are intended to improve port-wide maritime security risk management; enhance maritime domain awareness; support maritime security training and exercises; and to maintain or reestablish maritime security mitigation protocols that support port recovery and resiliency capabilities. PSGP investments must address Coast Guard identified vulnerabilities in port security and support the prevention, detection, response, and/or recovery from attacks involving improvised explosive devices (IED) and other non-conventional weapons. For more information, click on this link: http://www.fema.gov/fy-2013-port-security-grant-program-psgp-0 or http://www.fema.gov/preparedness-non-disaster-grants

Diesel Emissions Reduction Act Grants (DERA): The U.S. Environmental Protection Agency (EPA) periodically solicits proposals that achieve significant reductions in diesel emissions in terms of tons of pollution produced by diesel engines and diesel emissions exposure, from fleets operating at marine and inland water ports, called DERA grants.

Eligible diesel emission reduction solutions include verified emission control technologies such as exhaust controls and engine upgrades, verified idle reduction technologies, certified engine repowers, and/or certified vehicle or equipment replacement. Eligible diesel vehicles, engines and equipment may include drayage trucks, marine engines, locomotives and non-road engines, equipment or vehicles used in handling of cargo at a marine or inland water port.

This program is for public port authorities with jurisdiction over transportation or air quality at a marine or inland water port, and only they are eligible to apply.

Community groups, local governments, terminal operators, shipping carriers, and other business entities involved in port operations are encouraged to participate through partnerships with eligible port authorities. For more information, click on this link: http://www.epa.gov/otaq/ports/ports-dera-rfp.htm

Brownfield Grants. The EPA has a variety of grants available for brownfield sites. The following are two programs that may be of interest:

Brownfields Area-Wide Planning Pilot Program. This grant program provides funding to recipients to conduct research and/or provide technical assistance and training in support of developing a brownfields area-wide plan and implementation strategy for key brownfield sites, which will help inform the assessment, cleanup and reuse of brownfields properties and promote area-wide revitalization. Funding is directed to specific areas, such as a neighborhood, downtown district, local commercial corridor, or city block, affected by a single large or multiple brownfield sites. For more information, click on this link: http://www.epa.gov/brownfields/areawide_grants.htm

Brownfields Cleanup Grants. The purpose of this grant program is to carry out cleanup activities at specific brownfield sites owned by the applicant. An eligible entity may apply for up to $200,000 per site. Due to budget limitations, no entity can apply for funding cleanup activities at more than three sites. These funds may be used to address sites contaminated by petroleum and hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum). Cleanup grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs (the match must equal 20 percent of the amount of funding provided by EPA and cannot include administrative costs). A cleanup grant applicant may request a waiver of the 20 percent cost share requirement based on hardship. An applicant must own the site for which it is requesting funding at time of application. The performance period for these grants is three years. For more information, click on this link: http://www.epa.gov/brownfields/cleanup_grants.htm

Congestion Mitigation & Air Quality Program (CMAQ). The CMAQ program funds transportation projects that reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide, or particulate matter — nonattainment areas — and for areas that were out of compliance but have now met the standards — maintenance areas. Some of the eligible activities include, but are not limited to the following: purchase of diesel retrofits or conduct of related outreach activities; projects that improve traffic flow, including projects to improve signalization; and Establishment or operation of a traffic monitoring. For more information, click on this link: http://www.fhwa.dot.gov/environment/air_quality/cmaq/

Ferry-related Grants. USDOT has two funding programs for ferry boat transportation. They are:

Ferry Boat Formula Program. This program provides funding to construct/improve ferry boats or terminals where it is not feasible to build a bridge, tunnel, combination thereof, or other normal highway structure in lieu of the use of such ferry. For more information, click on this link: http://www.fhwa.dot.gov/specialfunding/fbp/

Passenger Ferry Grant Program. The purpose of this program is to support passenger ferry projects within urbanized areas for the same general authority provided under 49 U.S.C. 5307 (Section 5307). However, within the authority provided to the Secretary of Transportation to develop a competitive process, FTA is limiting this discretionary opportunity to capital projects. These funds constitute a core investment in the enhancement and revitalization of public ferry systems in the Nation's urbanized areas. For more information, click on this link: http://www.fta.dot.gov/grants.html