Bipartisan Infrastructure Law

Guidebook for States, Local Governments, Tribal Nations & Territories www.Build.gov

Webinar 5: Rail

Agenda

- Welcome and BIL Overview Ryan Berni, Senior Advisor, White House Infrastructure Implementation Team (WHIIT)
- Guidebook Overview Stephanie Sykes, Director of Intergovernmental Affairs, WHIIT

• Presentations

- Florence Chen, Associate Director, Bipartisan Infrastructure Law Implementation, DOT
- Amit Bose, Administrator, Federal Railroad Administration (FRA)
- Paul Nissenbaum, Associate Administrator for Railroad Policy and Development, FRA
- Morteza Farajian, Executive Director, Build America Bureau
- Q&A
- Closing Remarks WHIIT

The Bipartisan Infrastructure Law

What is it?

>375 unique programs at over a dozen federal agencies

>125 new programs across 9 federal agencies representing
>25% of total spending

>90% of these investments will be delivered by non-federal partners

 $\sim 60\%$ flowing through formula programs

 $\sim 38\%$ of funding contains provisions that allow for expanded federal cost sharing arrangements – particularly for rural and disadvantaged communities.

Our Accomplishments

- Over \$100 Billion in first
 100 Days announced, allocated or headed to states, territories, and local governments.
- Key plans, offices set up and public notice periods for:
 - Clean Energy Demonstrations
 - Electric Vehicle Chargers
 - High Speed
 Internet/Broadband
 - Grid Modernization
 - Lead Pipes & Paint
 - Orphan Wells
 - Great Lakes Restoration

How to Use the Guidebook

TABLE OF CONTENTS

• Executive Summary

• Transportation

- Roads, Bridges, and Major Projects
- Passenger and Freight Rail
- Public Transportation
- Airports and Federal Aviation Administration Facilities
- Ports and Waterways
- Safety
- Electric Vehicles, Buses, and Ferries
- Climate, Energy, and the Environment
 - Clean Energy and Power
 - Water
 - Resilience
 - Environmental Remediation
- Broadband
- Other Programs & Regional Commissions

A Roadmap to the BIL

An executive summary with total funding amount, listing of funded programs, existing technical assistance resources and what states can be doing to prepare

1 page on each program

- Name
- Agency
- Program Description
- Funding Amount
- Period of Availability
- Who can apply
- Eligible uses
- Key dates/upcoming milestones

Sortable, searchable file is uploaded to Build.gov

Example Pages

Consolidated Rail Infrastructure and Safety Improvement Grants

Federal Agency: Department of Transportation Bureau or Account: Federal Railroad Administration

Funding amount: \$5,000,000,0005

Period of Availability: Available until expended

Funding Mechanism: Competitive Grant

New Program: No

Recipients:

- States, including the District of Columbia.
- A group of States.
- An Interstate Compact.
- · A public agency or publicly chartered authority established by 1 or more States.
- A political subdivision of a State.
- · Amtrak and other rail carriers providing intercity rail passenger transportation.
- Class II/III Railroads and associations that represent Class II/III Railroads.
- · Rail carriers & equipment manufacturers, in partnership with at least 1 of the first 5 entities above.
- Federally recognized Indian Tribes.
- Transportation Research Board.
- · University Transportation Centers engaged in rail-related research.
- Non-profit labor organizations representing rail employees.

Description: To fund projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail.

Eligible Uses: Eligible projects include a wide range of freight and passenger rail capital, safety technology deployment, planning, environmental analyses, research, workforce development, and training projects. New eligibilities include: (1) measures to prevent trespassing on railroad property; (2) preparation of emergency plans for communities through which hazardous materials are transported by rail; (3) research, development, and testing to advance innovative rail projects; and (4) rehabilitating, remanufacturing, procuring, or overhauling locomotives to reduce emissions.

Next Milestone: Finalize selections from Fiscal Year 2021 Notice of Funding Opportunity, targeting spring 2022 for announcement. Estimated released date of Fiscal Year 2022 funds is TBD.

5\$5.0 billion is provided through the Bipartisan Infrastructure Law in advance appropriations, and an additional \$5.0 billion is authorized, subject to appropriation, in Division B for a total program level of \$10.0 billion over five years.

Railroad Crossing Elimination Program

Federal Agency: Department of Transportation Bureau or Account: Federal Railroad Administration

Funding amount: \$3,000,000,0006

Period of Availability: Available until expended

Funding Mechanism: Competitive Grant

New Program: Yes

Recipients:

- States, including the District of Columbia, Puerto Rico, and other United States territories and possessions.
- A political subdivision of a State.
- Federally recognized Indian Tribes.
- · A unit of local government or a group of local governments.
- A public port authority.
- A metropolitan planning organization.
- A group of the entities described above.

Description: To provide funds for the mitigation or elimination of hazards at railwayhighway crossings.

Eligible Uses:

(1) grade separation or closure, including through the use of a bridge, embankment, tunnel, or combination thereof;

(2) track relocation;

(3) improvement or installation of protective devices, signals, signs, or other measures to improve safety related to a separation, closure, or track relocation project; (4) other means to improve the safety if related to the mobility of people and goods at highway-rail grade crossings (including technological solutions); (5) the planning, environmental review, and design of an eligible project type.

Next Milestone: Estimated released date of Fiscal Year 2022 funds is TBD

6 \$3.0 billion is provided through the Bipartisan Infrastructure Law in advance appropriations, and an additional \$2.5 billion is authorized, subject to appropriation, in Division B for a total program level of \$5.5 billion over five years.

Rail Information

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Passenger and Freight Rail

Challenge: U.S. passenger rail lags behind the rest of the world in reliability, speed, and coverage. The Bipartisan Infrastructure Law is a once-in-a-generation opportunity to position our railways to play a central role in our transportation and economic future. Our rail networks have the potential to offer safe, reliable, efficient, and climate-friendly alternatives to driving or flying.

Solutions: The Bipartisan Infrastructure Law invests \$66 billion in advanced appropriations and authorizes up to an additional \$36 billion over the next five years for Department of Transportation's rail programs. This includes funding to modernize the Northeast Corridor, and bring world-class rail service to areas outside the northeast and mid-Atlantic; refurbish Amtrak's fleet and facilities; and upgrade freight rail service in rural communities and on shared freight-passenger routes. This legislation enables the Federal Railroad Administration to lay the foundation for a sustainable rail investment program, on par with other modes of transportation, that advances safe, clean, equitable, and efficient world-class passenger and freight rail.

Funding Overview: The Federal Railroad Administration's funding falls into five major programs (1) Amtrak, (2) the Federal-State Partnership for Intercity Passenger Rail Grant Program, (3) the Consolidated Rail Infrastructure and Safety Improvements Grant Program, (4) the Railroad Crossing Elimination Grant Program, and (5) the Restoration and Enhancements Grant Program.

The funding allocated towards **Amtrak** is broken into two categories: (1) Amtrak Northeast Corridor, and (2) Amtrak National Network. In general, the funds for Amtrak are to be used for capital projects to address Amtrak's state of good repair backlog, including funding for infrastructure, fleet replacement, and ADA updates.

The **Consolidated Rail Infrastructure and Safety Improvements Grant Program** will fund projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail. This program leverages private, state, and local investments to support safety enhancements and general improvements to infrastructure.

The **Railroad Crossing Elimination Grant Program** provides funds for the mitigation or elimination of hazards at railway-highway crossings. This is a new grant program enacted in the Bipartisan Infrastructure Law.

The Federal-State Partnership for **Intercity Passenger Rail Grant Program** provides funds for capital projects that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service. This program was significantly revised under the Bipartisan Infrastructure Law, providing direction specific to the Northeast Corridor and non-Northeast Corridor projects. While there is only a single grant program, the funding is broken into two categories: (1) Northeast Corridor, and (2) non-Northeast Corridor projects.

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The **Restoration and Enhancements Grant Program** provides operating assistance to initiate, restore, or enhance intercity passenger rail service.

From the funding provided above, Bipartisan Infrastructure Law also authorizes for two additional rail programs: the Corridor Identification and Development Program and the Interstate Rail Compact Program.

The **Corridor Identification and Development Program** will identify new intercity passenger rail corridors, develop the necessary service planning elements, and create a non-Northeast Corridor Project Pipeline for associated capital projects.

The **Interstate Rail Compacts Grant Program** will provide funding for interstate rail compacts' administrative costs and to conduct railroad systems planning, promotion of intercity passenger rail operations, and the preparation of grant applications.

Getting Ready:

Potential applicants should start to identify projects now. More information about the new rail programs in the Bipartisan Infrastructure Law can be found on the Federal Rail Administration's dedicated Bipartisan Infrastructure Law page <u>here</u>. All new Notices of Funding Opportunities will be posted <u>here</u>.

Existing Resources:

- Details about Federal Rail Administration's competitive discretionary grant programs can be found <u>here</u>, as well as information on Amtrak can be found <u>here</u>. More information about the new rail programs in the Bipartisan Infrastructure Law can be found on <u>Federal Rail Administration's dedicated Bipartisan</u> <u>Infrastructure Law page</u>.
- Federal Rail Administration provides technical assistance to grantees through webinars and other on-demand resources. Additional information about Federal Rail Administration's <u>competitive grants application process</u>, <u>state</u> and <u>regional</u> <u>rail planning</u>, <u>training and guidance</u>, and recordings of <u>past webinars</u> can be found on Federal Rail Administration's website.
- Federal Rail Administration also provides oversight and subject matter expertise to projects funded under the Railroad Rehabilitation & Improvement Financing loan program that is managed by the Department's Build America Bureau. More information on Railroad Rehabilitation & Improvement Financing can be found <u>here</u>.

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Key Departmental Objectives

DOT will assess the project's ability to meet one or more of these objectives:



Safety



Racial Equity, Economic Inclusion



Equitable Economic Strength, Improving Core Assets



Resilience, Addressing Climate Change



Transformation of our Nation's Transportation Infrastructure

BIL: Rail Development Goals



Grow a safer, cleaner, more equitable rail system

Bring world-class passenger rail service to other regions across the country

Funding Program Highlights

Program Name (DOT)	Appropriated Funding Amount*	Next Milestones
Federal-State Partnership for Intercity Passenger Rail Grants (pg 56) <i>(Significantly Changed)</i>	\$36 Billion	 Evaluation applications and make selections under FY 2021 Notice of Funding Opportunity (NOFO)
		• Conduct stakeholder outreach and develop NE Corridor inventory by Nov 14, 2022
		• FY 2022 funding release date TBD
Amtrak National Network Grants (pg 58)	\$16 billion	• Submit Fiscal Year 2023 spend plan, May 2022
Amtrak Northeast Corridor Grants (pg 59)	\$6 billion	• Submit Fiscal Year 2023 spend plan, May 2022
* Amount provided in BIL, additional amounts authorized subject to appropriation		

Funding Program Highlights

Program Name (DOT)	Appropriated Funding Amount*	Next Milestones
Consolidated Rail Infrastructure and Safety Improvement Grants (pg 60)	\$5 billion	 Finalize selections under FY 2021 NOFO in Spring 2022 FY 2022 funding release date Summer 2022
Railroad Crossing Elimination Program (pg 61) <i>(New)</i>	\$3 billion	• FY 2022 funding release date late Spring 2022
Restoration & Enhancement Grant Program (pg 62)	\$250 million	• FY 2022 funding release date TBD
Total Rail Funding:	\$66 billion	
* Amount provided in BIL, additional amounts authorized subject to appropriation		

Additional New FRA Programs

Corridor Identification and Development Program

• This program will identify new intercity passenger rail corridors, develop the necessary service planning elements, and create a non-NEC Project Pipeline for associated capital projects.

Interstate Rail Compacts Grant Program

• This program will provide funding for systems planning, including studying the impacts on freight rail operations and ridership.

Current Opportunities for Feedback to FRA

Corridor Identification and Development Program Request for Information

- On February 7, FRA issued a <u>Request for Information (RFI)</u> seeking input into establishment
 of the Corridor Identification and Development Program.
- Deadline for comments is March 9, 2022
- Topic Areas for Feedback Include:
 - Roles and Responsibilities within the Program
 - Service Development Plans
 - Project Pipeline
 - Funding of Program Activities
 - Readiness of Proposals for Selection into the Program
 - Criteria for the Selection of Proposals



https://www.federalregister.gov/documents/2022/02/07/2022-02450/request-for-information-for-thecorridor-identification-and-development-program

Build America Bureau

Financing Options

RRIF	RRIF Express - <i>Expedited, Low-Cost Loans for</i> <i>Short Line & Regional Railroads</i>
 Railroads State and local governments Government-sponsored authorities/corporations Limited option freight shippers Joint ventures 	 Class II & III Railroads Commuter railroads Joint ventures
 Acquire, improve, or rehabilitate intermodal or rail equipment or facilities Develop or establish new intermodal or railroad facilities Reimburse planning and design expenses relating to activities listed above Refinance outstanding debt incurred for the purposes listed above Transit-Oriented Development (TOD) 	 Total project cost up to \$150m Track improvement Bridge rehabilitation Rolling stock acquisition Planning and design Refinancing eligible debt (up to 75%)
 New with BIL: Definition of rail service being reviewed Credit Risk Premium repaid to the borrower with interest when loan repaid Up to 75-year loans for some projects anticipated to last 50+ years Can submit unaudited financial statements w/Federal tax returns and IRS tax verifications 	New with BIL: Same as RRIF

