U.S. DOT Funding Opportunities for Idle-Reduction Projects

Mike Koontz and Diane Turchetta

U.S. DOT-FHWA

6/22/04

Midwest Idle-Reduction Conference
Des Moines, Iowa
Why Does DOT Care?

- Air Quality
- Energy Use
- Greenhouse Gas Emissions
- Driver Safety
- Required under the National Energy Policy
Air Quality: New Ozone Nonattainment Areas

Attainment and Nonattainment Areas in the U.S.
8-hour Ozone Standard

- Attainment (or Unclassifiable) Areas (2668 counties)
- Nonattainment Areas (432 entire counties)
- Nonattainment Areas (42 partial counties)
Air Quality: Emissions

Change in NO\textsubscript{x} Emissions by Vehicle Class (1970–99)

Percent Change

-50% 0% 50% 100% 150%

Light-duty gas vehicle  Light-duty gas truck  Heavy-duty gas truck  Heavy-duty diesel truck

Energy: Energy Trends By Sector

## DOT Funding Opportunities - CMAQ

- $14.1 billion program under ISTEA and TEA-21
- Funds transportation projects and programs to help achieve and maintain NAAQS for Ozone, CO, and PM-10
- Apportioned to States based on:
  - population in ozone and CO nonattainment areas; and
  - severity of the air quality problem
  - all States guaranteed a 0.5% minimum apportionment
- Jointly administered by FHWA and FTA in consultation with EPA
CMAQ Authorization Levels

Year

'92  '93  '94  '95  '96  '97  '98  '99  '00  '01  '02  '03  '04  '05  '06  '07  '08  '09

Billions $

ISTEA

1.03 1.03 1.03 1.03 1.03 1.19 1.35 1.36 1.38 1.41 1.43

TEA-21

1.5 1.5 1.5 1.5 1.5 1.1 1.6 1.6 1.6

SAFETEA*

1.5 1.5 1.6 1.6 1.6

* Administration proposal
CMAQ Eligibility – Basic Provisions

- Must be used in nonattainment or maintenance areas – if there are any. If not, can be used anywhere in the State.
- Must demonstrate emissions reductions.
- Must be a transportation project – power generation is not an eligible activity.
- Must be creditable under the transportation conformity process.
- 20% match is required – higher is encouraged. Must be non-Federal funding.
CMAQ & Idle-Reduction

• FHWA guidance on “CMAQ Eligibility for Idle-Reduction Measures” (August 2003)
  • Can be found at:
• TSE projects must be in – or in close proximity to - nonattainment or maintenance areas, and primarily benefit them
• Truck APU’s must also operate within nonattainment or maintenance areas
• Usually carried out under the public-private partnership provision
• DOT/EPA are working to address eligibility of locomotive idle-reduction
Transportation Reauthorization

• TEA-21 sunset September 30, 2003

• SAFETEA to Congress in May 2003
  ✔ FY 2004-2009: $256 billion for highways and transit proposed
  ✔ $8.9 billion for CMAQ (2004-2009) proposed

• Senate passed SAFETEA (S. 1072) at $318 B

• House passed TEA-LU (H.R. 3550) at $284 B

• House & Senate conferees have been appointed
Reauthorization (cont.)

- Commercial activities on Interstate Rights-of-Way
  - Section 111 of U.S.C. Title 23
    - Prohibits Federal funding for/approval of commercial activities on Interstate highways
  - SAFETEA and S.1072 would lift prohibition
DOT Funding Opportunities – Section 129 Loans

- State may use regular Federal-aid highway apportionments to fund direct loans to projects with dedicated revenue streams
- Loans available to both public and private entities
DOT Funding Opportunities – State Infrastructure Banks

- Allows certain states to use regular Federal-aid highway apportionments to capitalize state administered revolving funds
  ✓ http://www.fhwa.dot.gov/innovativefinance/sib.htm
DOT Funding Opportunities – TIFIA LOANS

- Transportation Infrastructure Finance and Innovation Act

- Leverages Federal funds by requiring private sector participation in project financing

- Can be used for any highway, transit or railroad project in excess of $50 M

✓ http://tifia.fhwa.dot.gov/
FHWA Innovative Finance Specialists

✓ Jim Hatter - Phone: 404-562-3929; e-mail address: Jim.Hatter@fhwa.dot.gov

✓ Fred Werner - Phone: 404-562-3680; e-mail address: Fred.Werner@fhwa.dot.gov

✓ Jennifer Mayer - Phone: 415-744-2634; e-mail address: Jennifer.Mayer@fhwa.dot.gov