

American Recovery & Reinvestment Act of 2009 (P.L. 111-5)

Transportation Infrastructure

President Obama signed the American Recovery & Reinvestment Act of 2009 (ARRA) on February 17 (P.L. 111-5). ARRA allocates a total of \$787.2 billion to states and federal agencies through a variety of spending and revenue measures, which are designed to stimulate the economy. Approximately \$47 billion of this total is targeted for investments in transportation infrastructure. The following provides an outline of transportation infrastructure funds in ARRA, including a description of the programs, potential recipients of funds, and how interested parties may pursue funding allocated in the Act.

Federal Highway Administration – Highway Infrastructure: \$27.5 billion

The Department of Transportation's (DOT) Federal Highway Administration (FHWA) will distribute funds to state DOTs and local Metropolitan Planning Organizations (MPOs) for projects eligible under the Surface Transportation Program, including federal highways, bridges, trails, surface road, and parking facility projects. Funding is also provided for passenger and freight rail projects and port infrastructure projects. The funding will be distributed according to the formulas established in section 104(b) of title 23, US Code and section 120(a)(6) of division K of Public Law 110-161. Priority will be given to projects that can be completed within 3 years.

Potential Recipients: FHWA has allocated funds to state DOTs and local MPOs. Projects receiving funds should be on a state Transportation Improvement Program (TIP) or Long Range Plan list. Contracts will be awarded by recipients to private entities to provide materials and conduct work related to the selected projects.

How to Secure Funds: Local communities and other parties (e.g., private sector partners) interested in securing funds for a project should be working with their MPO and state DOT to identify the project as a priority for funding. If a project is not on the state TIP list, interested parties should engage their MPO to pursue an amendment to the TIP to include their project on the list.

DOT National Surface Transportation System Grants: \$1.5 billion

The U.S. Secretary of Transportation will distribute funds in the form of competitive discretionary grants for highway, road, bridge, public transportation, passenger and freight rail, and port infrastructure projects considered to be of national or regional significance. Each grant will be between \$20 million and \$300 million. Priority will be given to projects that can be completed within 3 years.

Potential Recipients: States, local governments, and transit agencies. Contracts will be awarded by recipients to private entities to provide materials and conduct work related to the selected projects.

How to Secure Funds: The U.S. Secretary of Transportation will be issuing solicitations for requests to distribute the competitive grant funds. Interested parties should also be reaching out to the Secretary's office about potential projects. The Secretary will issue criteria for the grants within 90 days of ARRA's enactment, require submittal of requests within 180 days after the issuance of the criteria, and announce recipients within one year.

Federal Aviation Administration

Facilities & Equipment: \$200 million

The Federal Aviation Administration (FAA) will distribute funds to entities through competitive grants for the purpose of improving power systems, air traffic control centers, air traffic control towers, terminal radar approach control facilities, and navigation and landing equipment. Priority will be given to projects that can be completed within 2 years.

Potential Recipients: Airports and private companies.

How to Secure Funds: FAA will be issuing solicitations for requests to distribute the competitive grants. The agency will be issuing grant award procedures within 60 days of the enactment of ARRA.

Grants-in-Aid for Airports: \$1.1 billion

The Secretary of Transportation will distribute funds to airports through competitive grants for the purpose of installing runway incursion devices and systems and other eligible airport improvements, such as runway extensions. Priority will be given to projects that can be completed within 2 years of enactment of ARRA.

Potential Recipients: Airports.

How to Secure Funds: FAA will be issuing solicitations for requests to distribute the competitive grants.

Federal Railroad Administration – High Speed Rail & Intercity Passenger Rail: \$8 billion

The Federal Railroad Administration (FRA) will distribute funds to states through competitive grants for the development of intercity high speed rail service.

Potential Recipients: Funding will be distributed to states. Contracts will be awarded by recipients to private entities to provide materials and conduct work related to the projects. Buy American provisions apply for steel, iron, and manufactured goods in selected projects.

How to Secure Funds: FRA will be issuing solicitations to states for the funding of proposed projects. FRA is required to issue interim guidance to applicants within 120 days of enactment of ARRA. Interested parties should be reaching out to FRA and state DOTs about potential projects.

Federal Transit Administration

Transit Capital Assistance: \$6.9 billion

The Federal Transit Administration (FTA) will distribute funds to states and their respective transit agencies through the formulas established under sections 5307, 5311, 5336, and 5340 of title 49, US Code. The funds will be used to purchase buses and other vehicles for public transportation. \$100 million will be distributed to public transit agencies through competitive grants for public transit projects that enhance energy efficiency. Priority will be given to projects based on their projected total energy savings and their projected energy savings as a percentage of the total energy usage of the public transit agency.

Potential Recipients: FTA issued a Federal Register notice on March 5 (Vol. 74, No. 42, FR 9656) distributing formula funds to state DOTs and transit agencies. Recipients of formula funds and other transit agencies may apply for competitive funds. Contracts will be awarded by funding recipients to private entities to provide materials and conduct work related to the selected projects.

How to Secure Funds: For competitive grant funds, FTA will be issuing solicitations for requests shortly. Recipients of formula funds must obligate 50% of funds within 180 days of receiving funds. Remaining funds must be obligated within one year.

Fixed Guideway Infrastructure Investment: \$750 million

FTA will distribute funds to states and their respective transit agencies through the formula established in section 5337 of title 49, US Code for the purpose of modernizing state transit systems and all their accompanying support mechanisms.

Potential Recipients: FTA issued a Federal Register notice on March 5 (Vol. 74, No. 42, FR 9656) distributing funds to state DOTs and transit agencies by formula. Contracts will be awarded by recipients to private entities to provide materials and conduct work related to the selected projects.

How to Secure Funds: Recipients of formula funds must obligate 50% of funds within 180 days of receiving funds. Remaining funds must be obligated within one year.

Capital Investment Grants: \$750 million

FTA will distribute funds to states through competitive grants for the purpose of constructing light rail systems and for the completion of preexisting projects.

Potential Recipients: State DOTs and transit agencies.

How to Secure Funds: FTA will be issuing solicitations for requests for competitive grant funds shortly.

Maritime Administration – Grants for Assistance to Small Shipyards: \$100 million

The Maritime Administration will distribute funds to qualified shipyards for infrastructure upgrades and improvements. Funds are to supplement assistance already provided to recipients.

Potential Recipients: Small shipyards.

How to Secure Funds: The Maritime Administration will be issuing solicitations for requests for competitive grant funds shortly.

For additional information about the ARRA, visit www.klgates.com/practices/stimulus.