

NATIONALLY SIGNIFICANT FREIGHT AND HIGHWAY PROJECTS

Fiscal year	2016	2017	2018	2019	2020
Authorization	\$800 M	\$ 850 M	\$ 900 M	\$ 950 M	\$1.00 B

Program purpose

The FAST Act establishes the Nationally Significant Freight and Highway Projects (NSFHP) program to provide financial assistance – grants or credit assistance – to nationally and regionally significant freight and highway projects that align with the program goals to:

- improve safety, efficiency, and reliability of the movement of freight and people;
- generate national or regional economic benefits and an increase in global economic competitiveness of the U.S;
- reduce highway congestion and bottlenecks;
- improve connectivity between modes of freight transportation;
- enhance the resiliency of critical highway infrastructure and help protect the environment;
- improve roadways vital to national energy security;
- address the impact of population growth on the movement of people and freight, and
- mitigate the impacts of freight movements on communities.

Statutory citation(s): FAST Act §1105; 23 U.S.C. 117

Federal share:

A grant under the NSFHP may not exceed 60 percent of the total eligible project costs. An additional 20 percent of project costs may be funded with other Federal assistance, bringing total Federal participation in the project to a maximum of 80 percent. There is an exception for projects carried out by Federal land management agencies, which can use Federal funds other than those provided by Title 23 or 49, United States Code to bring the total Federal participation up to 100 percent.

Eligible Projects

The Secretary may provide financial assistance for only the following types of projects:

- A highway freight project on the National Highway Freight Network;
- A highway or bridge project on the National Highway System, including:
 - A project to add capacity to the Interstate system to improve mobility; or
 - A project in a national scenic area;
- A freight project that is:
 - A freight intermodal or freight rail project; or
 - A project within the boundaries of a public or private freight rail, water (including ports), or intermodal facility and that is a surface transportation infrastructure project necessary to facilitate direct intermodal interchange, transfer, or access into or out of the facility,
 - provided that the project will make a significant improvement to freight movements on the National Highway Freight Network and that the Federal share of the project funds only elements of the project that provide public benefits, and that the total assistance for these projects does not exceed \$500 million over the period 2016-2020; or
- A railway-highway grade crossing or grade separation project.

Eligible Project Costs

Financial assistance received for a project may be used for:

- development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities; and
- construction, reconstruction, rehabilitation, acquisition of real property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements directly related to improving system performance.

TIFIA Program

At the request of an eligible applicant, the Department may offer a project selected under this program credit assistance under the TIFIA program and may use amounts under the NSFHP to pay the subsidy and administrative costs required for such assistance.

Eligible Applicants

- A State or group of States;
- A metropolitan planning organization serving an urbanized area with a population above 200,000;
- A unit of local government or a group of local governments;
- A political subdivision of a State or local government;
- A special purpose district or public authority with a transportation function, including a port authority;
- A Federal land management agency that applies jointly with a State or group of States;
- A tribal government or a consortium of tribal governments; and
- A multistate or multijurisdictional group of entities described above.

Project Cost Thresholds, Grant Award Amounts and Selection Criteria

Large Projects

Project Cost Thresholds

To be awarded the total project costs must be reasonably anticipated to equal or exceed the lesser of:

- \$100 million; or
- In the case of a project—
 - located in one state, 30 percent of the state's Federal-aid highway apportionment in the most recently completed fiscal year; or
 - located in more than one state, 50 percent of the amount apportioned to the state with the largest Federal-aid highway apportionment in the most recently completed fiscal year.

Grant Award Amounts

For a project meeting the above minimum cost threshold, the grant must be at least \$25 million.

Requirements for Selection

The Secretary may select a project that meets or exceeds the above minimum cost threshold only if the Secretary determines that:

- The project will generate national or regional economic, mobility, or safety benefits;
- The project will be cost effective;
- The project will contribute to the accomplishment of 1 or more of the national goals described under 23 U.S.C. 150;
- The project is based on the results of preliminary engineering;
- With respect to related non-Federal financial commitments—
 - Additional stable and dependable source(s) of funding and financing are available to construct, maintain, and operate the project; and
 - Contingency amounts are available to cover the unanticipated cost increases;
- The project cannot be easily and efficiently completed without other Federal funding or financial assistance available to the project sponsor; **and**
- The project is reasonably expected to begin construction not later than 18 months after the date of obligation of funds.

Small Projects

Project Cost Threshold

Each fiscal year, 10 percent of NSFHP funds are reserved for projects that do not satisfy the minimum project cost thresholds described above. These are referred to as “small projects.”

Grant Award Amounts

A grant for a small project must be at least \$5 million.

Considerations in Selection

In selecting a small project, the Secretary shall consider:

- the cost effectiveness of the proposed project; and
- the effect of the proposed project on mobility in the state and region in which the project is carried out.

Set-Aside for Rural Areas

Each fiscal year, at least 25 percent of all NSFHP funds are reserved for projects – either large or small projects – in rural areas, defined as an area outside a U.S. Census Bureau designated urbanized area with populations over 200,000.

Federal Requirements

Applicable Federal laws, rules and regulations will apply to projects that receive an award under this program, including planning, Buy America, Disadvantaged Small Business, and other requirements.