Financing Infrastructure for Rural Freight Needs

Kathleen H. Quinn  
Federal Highway Administration  
Indiana Division

Rural Transportation Freight Conference  
September 8, 2004
Public Funding Options

- Federal
  - USDOT,
  - US Army Corps of Engineers,
  - Department of Agriculture,
  - Department of Commerce

- State and Local funding
  - State DOT (rail & Highway)
  - Ports
  - Aviation
  - Cities
  - Etc.
Private Sector Funding

- Railroads
- Airport Authorities
- Port owners
  - Long Beach/Los Angeles, Pittsburgh etc.
- Economic Development Corporations
- Industry
- Banks/Finance Houses
Federal Funding

- **ACOE**
  - Locks & Dams & Dredging - Inland waterways,
  - Ports – Dredging - Harbor Maintenance Trust Fund

- **Dept. of Comm. - Economic Development Administration**
  - Spur economic development in depressed industrial areas – Designated EDA Areas
Federal Funding Cont.

- USDA
  - Grants, Loans, and Loan Guarantees
  - Populations of 20,000 or less
  - Construction of Community facilities – buildings, airports, roads etc.
Federal Railroad Administration

- Railroad Rehabilitation and Improvement Financing Program (RRIF)
  - Class I and Shortlines
- Local Rail Freight Assistance Program
  - Federal grants to states
  - Track rehabilitation etc.
Federal Aviation Administration

US Airport and Airway Improvement Program

- Airports in National Plan only –
  - 100 million lbs of cargo & > then 10,000 passengers
- For planning & development
- From passenger revenues
FHWA Programs

- SPR & PL funds (State & MPO)
  - LRP’s, TIP & STIP,
  - Studies,
  - Data collection
- Surface Transportation Program (STP)
  - Grade Crossings/separations
  - Rail capacity improvements that affect highways e.g.: Double stack
FHWA Programs Cont.

- National Highway System (NHS)
  - Intermodal Connectors
  - Locally owned
  - Less than a mile sometimes

- Transportation, Community & System Preservation Program (TCSP)
  - Highway and transit system planning
  - States, local governments, and MPO’s
FHWA Programs Cont.

- Borders and Corridors Program
  - Tea-21 Program - Multi State Opportunities
- Demonstration/ High Priority projects
  - 20% of freight funded this way over past several years.
  - Detroit area: Intermodal yard
Federal Programs Cont.

- ITS Deployment and Research – Title V
  - Improve interface of port to truck, air to truck etc.
  - Business benefits in tracking loads, containers, trailers etc.

- Congestion Mitigation/ Air Quality (CMAQ)
  - Non-attainment areas
  - If entire state is in attainment you still get funds
  - Most flexible program
FHWA Programs Cont.

Innovative Financing
- TIFIA:
  - Package funding from private and public sources (Alameda & Reno) –
  - Exceed 100 million or 50% of existing FHWA aid
- Garvee:
  - Bond issuance based on future federal appropriations
Future Funding?

- NHS-Intermodal Connectors
- Freight Transportation Gateways
  - STP to address publicly owned transfer facilities etc.
- TIFIA
  - More flexible: $50 million, public or private rail facilities, grouping projects
State Funding Programs

- Florida Freight Task Force
  - $10 million initially for projects
- Minnesota Port Development Assistance Program
  - 3 million over 2 years
- Oregon Port Revolving Fund
Summary

- You need a Champion
- All funding is competitive in some way
- Nobody has enough - alone
  - Combining funds can be successful
- Not all improvements are big ticket items
  - Western Governor’s Ass., Seattle, Philadelphia, Chicago