



THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Summary of Federal Grant Programs Able to Support Implementation of the Transformation of Maryland Regional Rail System

In November 2021, the federal government enacted the Bipartisan Infrastructure Law (BIL, also known as the Infrastructure Investment & Jobs Act) that provides historic funding levels for many infrastructure networks in the U.S., including passenger rail, commuter rail, and transit systems. The summary included below is a non-exhaustive list of federal investment programs that were authorized in the BIL, are accessible to Maryland, and can help transform the state's regional rail system (i.e., MARC).¹

PASSENGER & FREIGHT RAIL PROGRAMS

The BIL invests \$66 billion in advanced appropriations and authorizes up to an additional \$36 billion through FY2026 for USDOT's rail programs.

Amtrak Northeast Corridor Grants - \$6 billion

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. These funds are allocated to Amtrak, and not to states. That said, Amtrak's investments made in the Northeast Corridor benefits MARC's Penn Line, which accesses the Northeast Corridor to deliver its service.

Amtrak National Network Grants - \$15.75 billion

This program is like Amtrak's Northeast Corridor Grants program, but aids service in areas outside the Northeast Corridor such as Amtrak's Capitol Limited train that travels from DC to Chicago. The Capitol Limited service runs along MARC's Brunswick Line. No Amtrak service uses MARC's Camden Line, which make it ineligible for Amtrak grant investments.

Federal State Partnership for Intercity Passenger Rail Grants - \$36 billion

A competitive grant program that provides funds for capital projects that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service. While there is only a single grant program, not less than 45% of all funds for this program should be allocated to projects on the Northeast Corridor and non-Northeast Corridor projects, respectively.

Consolidated Rail Infrastructure and Safety Improvement Grants - \$5 billion

A competitive grant program that 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.

¹ Source: White House, [Building a Better America: A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners](#)

Railroad Crossing Elimination Program - \$5 billion

A competitive grant program that provides funds for the mitigation or elimination of hazards at railway-highway crossings.

Restoration & Enhancement Grant Program - \$250 million

A competitive grant program that provides operating assistance to initiate, restore, or enhance intercity passenger rail service. The state may want to explore what role this program can play to support new service to Western Maryland.

PUBLIC TRANSPORTATION PROGRAMS

The BIL invests \$91.2 billion to repair and modernize transit. Key commuter rail programs are found below.

Urbanized Area Formula Grants - \$33.4 billion

This formula program provides transit capital, operating, and planning funding for use in urbanized areas – those with more than 50,000 people. Operating assistance is only an eligible use for areas with less than 200,000 people.

State of Good Repair Grants - \$21.6 billion

This formula program provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair.

Capital Investment Grants - \$8 billion

This discretionary grant program is the principal federal capital investment grant program to expand and enhance service.

Formula Grants for Rural Areas - \$4.1 billion

A formula grant program to improve, initiate, or continue public transportation service in nonurbanized areas (rural areas and small cities under 50,000 in population) and to provide technical assistance for rural transportation providers.

MULTIMODAL COMPETITIVE GRANT PROGRAMS

Key competitive programs accessible to commuter railroads are found below.

National Significant Freight & Highway Projects (INFRA) - \$7.3 billion

This program awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas.

Local Assistance Grants Program (RAISE) - \$7.5 billion

This discretionary program provides funding for projects that will have a significant local/regional impact. In previous administrations, this program was known as TIGER and BUILD.

National Highway Freight Program - \$7.2 billion

Provides funds to the States, by formula, to improve the efficient movement of freight on the National Highway Freight Network. In addition, a State may use not more than 30 percent of its total National Highway Freight Program funds each year for freight intermodal or freight rail projects, subject to certain restrictions

National Infrastructure Project Assistance (Megaprojects) - \$5 billion

This discretionary grant program will support large, complex, multimodal projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits.

HIGHWAY & ROADS PROGRAMS

Most of the transportation-related provisions in BIL concern highways and roads, with approximately \$273 billion allocated to Federal Highway Administration programs. Three key highway formula programs are the National Highway Performance Program, the Surface Transportation Block Grant Program, and the Congestion Mitigation & Air Quality Improvement Program, collectively totaling \$230 billion. While most states allocate these dollars to highways and road investments, it is important to note that, with certain restrictions, states have discretion to invest up to 50 percent these dollars in non-highway multimodal investments including commuter rail (see 23 U.S. Code § 126 - Transferability of Federal-aid highway funds).

FINANCING

There are two federally supported financing programs that can support rail investments, including the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation & Improvement Financing program (RRIF).

TIFIA

BIL authorized \$75 billion in lending capacity for TIFIA, which provides credit assistance for surface transportation capital construction projects, including commuter rail.

RRIF

Under RRIF, the FRA Administrator is authorized to provide direct loans and loan guarantees up to \$35.0 billion to finance development of railroad infrastructure. Up to \$7.0 billion is reserved for projects benefiting freight railroads other than Class I carriers. Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government.