



U.S. Department
of Transportation

**Federal Transit
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

January 12, 2022

Dear Colleague:

I am writing to provide you with updates on the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) program and the Expedited Project Delivery (EPD) pilot program.

Since the Biden Administration took office in January 2021, there have been many noteworthy accomplishments worth celebrating. I had the pleasure of awarding CIG construction grants to seven projects located in Phoenix, AZ; Indianapolis, IN; Albany, NY; Portland, OR; Ogden, UT; Seattle, WA and Vancouver, WA. Additionally, five CIG projects completed construction and opened for service in 2021, including in San Diego, CA, Jacksonville, FL, Charlotte, NC, Reno, NV, and Minneapolis, MN. Congratulations to all the project sponsors on these major accomplishments!

Also in 2021, the American Rescue Plan Act provided \$1.675 billion in funding for CIG projects to help alleviate the financial challenges resulting from the COVID-19 pandemic. FTA allocated the funding according to direction provided in the law to 45 projects across the country. As of early December 2021, roughly \$652 million (39 percent) has been obligated in grant awards requested by the project sponsors and 25 percent of the funding has already been disbursed. This pivotal funding is meant to reduce local funding requirements and does not count in Federal share calculations.

As the country continues to address the challenges brought on by the COVID-19 pandemic, communities are increasingly realizing the importance of transit and its critical role in providing access to opportunities and services. This has been demonstrated by the incredible increase we have seen in transit projects seeking entry into the CIG program. During calendar year 2021, 20 projects have submitted requests to FTA to enter the Project Development phase of the CIG program and begun their journey through the multi-year, multi-step process outlined in law to receive funds. That is a 150 percent increase in the number of projects seeking entry into the CIG program as compared to 2020.

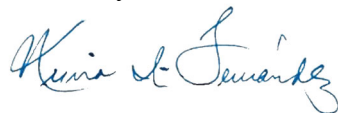
The Bipartisan Infrastructure Law, enacted in November 2021 as the Infrastructure Investment and Jobs Act, provides up to \$23 billion in funding for the CIG and EPD pilot programs over fiscal years (FY) 2022 through 2026. Of the funding authorized, \$8 billion (or \$1.6 billion annually) has already been appropriated and is guaranteed. The remaining \$15 billion (or \$3 billion annually) is subject to further congressional action. This increased funding is critical to accommodating the growing demand noted above and getting new transit services in place to connect and improve the accessibility of our communities.

The Bipartisan Infrastructure Law made important changes to the CIG and EPD Pilot program requirements that are briefly outlined in fact sheets FTA has published on its website at <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>. Some of these changes are self-effectuating and apply to projects currently in the CIG or EPD process as well as those that may enter the CIG or EPD process in the future. Those changes include the revised project cost and CIG request thresholds differentiating New Starts and Small Starts projects, the elimination of the requirement that the cost of a New Starts or Core Capacity project must be under \$100,000,000 to be eligible for project justification warrants, and the shortening of the congressional notification period before a full funding grant agreement can be awarded from 30 to 15 days. Other changes in the law require that FTA provide an opportunity for notice and comment on proposed implementation guidance. Such changes include provisions on what it means for a corridor to be at capacity today or in ten years to qualify for Core Capacity, how FTA will determine that a project has made progress toward meeting the transit asset management performance targets required by 49 U.S.C. 5326(c)(2), and how the new provisions allowing for bundling of multiple CIG projects will be implemented. Prior to the passage of the Bipartisan Infrastructure Law, FTA published a Request for Information in the Federal Register in July 2021, seeking feedback from the industry on changes FTA might consider making to the CIG evaluation criteria and process. We have received 67 thoughtful and detailed responses that will assist us in developing proposed CIG policy guidance that reflects not only the recent changes in law but also your concerns.

Lastly, I want to assure you that FTA is attuned to the complexities involved with planning and developing CIG and EPD Pilot program projects, particularly after the changes we are seeing to the nation's travel behaviors resulting from COVID-19. FTA continues to consider ways we can be responsive to those complexities. For example, FTA has allowed CIG project sponsors to use pre-pandemic data from 2019 to inform project financial plans and ridership estimates for the CIG evaluation and rating process used in 2021. And while the law requires FTA to consider the extent of overmatch provided on CIG projects, the increased program funding level included in the Bipartisan Infrastructure Law may allow FTA to accommodate not only more projects, but also potentially higher CIG shares and/or higher annual CIG payments.

I look forward to continuing to work with you at this pivotal moment to increase and enhance transit throughout the country. If you have any questions on the CIG or EPD Pilot programs, please contact Felicia L. James, FTA's Associate Administrator for Planning and Environment at 202-366-2851 or felicia.james@dot.gov.

Sincerely,



Nuria I. Fernandez