

Trump Admin. Selects \$1.5B in Highway/Freight Funding Grants

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Today, the U.S. Department of Transportation sent Congress a proposed list of 26 projects totaling \$1.535 billion under the so-called INFRA grant program (called the FASTLANE grant program under the Obama Administration because its statutory acronym, NHSFP, is not easily pronounceable).

Under the statute establishing the grant program ([23 U.S.C. §117](#)), USDOT's proposed list of projects is not final – before the Department can start formally allocating funding and signing grant agreements, Congress has 60 days from today to enact a joint resolution rejecting any or all of the projects on the list. Presumably, the President would veto any such resolution disapproving his Secretary of Transportation's choices, making this a two-thirds veto override question (this President sometimes works differently than one would expect as to what he will or won't sign, but see the next paragraph for why this program may be close to his heart).

The \$1.535 billion for these grants combines two years worth of net contract authority provided by the FAST Act, less an amount [given out last year for small projects](#) from the FY 2017 funding, plus \$100,000 from President Trump's donation of his fourth-quarter 2017 Presidential salary to the program.

FY 2017 - FY 2018 USDOT INFRA Grant Funding Resources

	<u>FY 2017</u>	<u>FY 2018</u>	<u>Total</u>
FAST Act Contract Authority	\$850,000,000	\$900,000,000	\$1,750,000,000
Minus Ob Limit Takedown	-\$61,200,000	-\$74,700,000	-\$135,900,000
Remainder	\$788,800,000	\$825,300,000	\$1,614,100,000
Minus FY17 Small Projects	-\$78,880,000	\$0	-\$78,880,000
Remainder	\$709,920,000	\$825,300,000	\$1,535,220,000
Plus President Trump's 4Q 2017 Salary			+\$100,000
TOTAL FUNDING AVAILABLE FOR FY17-FY18 INFRA GRANTS			\$1,535,320,000

Source: Eno Center for Transportation

The Trump salary money was made fungible with the rest of the money, meaning that 0.0065 percent of each grant award can be attributed to the President's gift (\$100,000 divided by \$1,535,320,000).

The statute provides that 90 percent of each year's funding – no more, no less – must go towards “small” projects with an overall cost of no more than \$100 million (or less, if the project cost exceeds 30 percent of a state's annual highway formula funding apportionment). The remaining 90 percent must go to “large” projects that exceed \$100 million in total project size or 30 percent of the states' annual formula funding. There are different minimum grant award sizes for large and small projects – \$25 million for large projects, and \$5 million for small projects.

Also, no less than 25 percent of funding must go to projects in rural areas (with “rural” being defined as “outside an urbanized area with a population of over 200,000”). In its other grant announcements so far, the Trump Administration has vastly exceeded statutory minimums for rural areas. In today's announcement (FY 2017 large projects and FY 2018 large and small projects), rural projects get 44 percent of the money (\$673 million). If one adds the FY 2017 small projects last year to the total to make it a complete comparison, the rural percentage rises to 46 percent. But this is not nearly as high a rural percentage as the [FY 2017 TIGER grants](#) selected by USDOT earlier this year, where the rural percentage hit 64 percent.

The FAST Act also set a five-year aggregate limitation on the total amount of all FASTLANE/INFRA awards that can go towards intermodal, rail freight, and private facility grants (since the money for the program all comes from the Highway Account of the Highway Trust Fund, i.e. highway user taxes, there is a sensitivity about letting too much of the money go to projects that are primarily non-highway). The grants announced this week use \$74.6 million of that \$500 million limitation. When combined with prior announcements, \$300 of the \$500 million limitation has now been used.

**INFRA Grants – the \$500 Million Five-Year Cap on
Intermodal, Rail Freight, and Private Facility Grants in 23
U.S.C. §117(d)(2)(A)**

FY 2016	\$173,445,075
FY 2017 1st Tranche	\$52,255,615
FY 2017-2018 Remainder	\$74,647,471

Total Used to Date	\$300,348,161
Remainder for FY19-20	\$199,651,840
TOTAL LIMITATION	\$500,000,000

Compared with the FY 2016 list from the Obama Administration, one has to add in or separate out the small projects from the large for an apples-to-apples comparison, depending on what one is comparing.

- The Trump grant awards are bigger – for large projects, the mean (average) grant size was identical to the median grant size for FY 2017-2018 grants at \$65 million whereas in FY 2016 the average was \$62.1 million and the median was \$49.3 million.
- At the top of the list, for large projects, there were four grant awards over \$100 million apiece this year (\$184.1 million for SR 400 express lanes in Atlanta, \$160.0 million for upgrading I-94 in Wisconsin from Milwaukee to the Illinois line, \$147.3 in rural North Carolina for an interchange upgrade between I-94 and U.S. 70, and \$132.0 million to Chicago for the 75th Street Corridor project. In 2016 there was only one grant over \$100 million.
- In terms of electoral politics, the states carried by President Trump in 2016 got 78 percent of the grant money announced today (if one counts one-fourths of the Maine project, since Trump got one of Maine’s four electoral votes). More specifically, the states that Hillary Clinton had counted on but Trump took instead did especially well. Michigan – \$97.9 million. Pennsylvania – \$60.6 million. Wisconsin – \$160 million. Macomb County, Michigan – ground zero of the “Reagan Democrats” who gave the Gipper his landslide in 1980 and the swing voters who elected Trump in 2016 – got the entire INFRA grant for that state.
- On the other end, the only states that Clinton carried in 2016 that got any INFRA money this week are California, Colorado and Illinois (with that Maine project split, as noted above). With the exception of the project in Los Angeles, these projects were located in districts represented by Republicans.
- It also helps to have a first name like “chairman.” Transportation-related committee chairmen who got projects in their state or district include Senate Commerce chairman John Thune (R-SD) (\$21.0 million), Senate Environment and Public Works chairman John Barrasso (R-WY) (\$14.0 million), Senate Surface Transportation

Subcommittee chairman Deb Fischer (R-NE) (\$18.3 million), Senate Appropriation chairman Richard Shelby (R-AL) (\$6.0 million for a bridge next to the Crimson Tide practice facility on campus), and Senate Transportation-HUD Appropriations Subcommittee chairman Susan Collins (R-ME) (\$25.0 million). In the House, Transportation-HUD Appropriations Subcommittee chairman Mario Diaz-Balart (R-FL) got \$7.0 million. And while the projects might not be in their district, money went to Interstate roads right adjacent to the districts of House Transportation and Infrastructure chairman Bill Shuster (R-PA) (\$35.1 million) and House THUD ranking member David Price (D-NC) (\$147.3 million). And the President's most highly-placed House ally, Majority Leader Kevin McCarthy (R-CA), hails from Bakersfield, which got another \$50 million for the Centennial Corridor (a road which already received an absurd amount of money from McCarthy's predecessor Bill Thomas in the 2005 SAFETEA-LU earmark bonanza).

The table below shows all of the tentative award notifications sent to Capitol Hill today, with links to a description of each project (usually the INFRA grant application itself, but sometimes a state DOT webpage or a news article).

FY 2017-2018 INFRA Grants under 23 U.S.C. §117 Tentatively Selected by USDOT (Subject to Congressional Review) – June 5, 2018

<u>State</u>	<u>Location</u>	<u>Project Name</u>	<u>L/S?</u>	<u>U/R?</u>	<u>Grant Award</u>	<u>Project Cost</u>
AL	Tuscaloosa	2nd Avenue Connectivity Corridor Project	Small	Rural	\$6,025,657	\$16,737,936
CA	Bakersfield	Centennial Corridor State Route 58/99 Freight Improvement Project	Large	Urban	\$50,000,000	\$386,637,000
CA	Los Angeles	Interstate 5 Golden State Chokepoint Relief Program (I-5 Component)	Large	Urban	\$47,000,000	\$500,347,000

CO	El Paso County	I-25 South Gap Project	Large	Rural	\$65,000,000	\$350,000,000
CO	Clear Creek County	I-70 Westbound Peak Period Shoulder Lane	Large	Rural	\$25,000,000	\$96,600,000
FL	Miami	PortMiami Truck Gate Innovation	Small	Urban	\$7,000,000	\$15,000,000
GA	Atlanta/Fulton County	SR 400 Express Lanes	Large	Urban	\$184,124,447	\$1,623,124,447
IA	Johnson County	Accelerating Regional Mobility: I-80/I-380 Systems Interchange	Large	Rural	\$50,000,000	\$416,506,706
ID	Nampa	Interstate 84 Safety, Mobility, and Economic Opportunity Expansion – Karcher Interchange to Franklin Boulevard	Large	Rural	\$90,240,000	\$150,400,000
IL	Chicago	75th Street Corridor Improvements and Argo Connections (P3, GS19, B9)	Large	Urban	\$132,034,680	\$413,466,297
KY	Boone County	Boone County I-71/I-75 Interchanges	Large	Urban	\$67,445,000	\$150,890,000
LA	Plaquemines Parish	LA 23 Belle Chasse Bridge and Tunnel Replacement	Large	Urban	\$45,000,000	\$121,918,866

ME	Brewer to Eddington	I-395/Route 9 Connector	Large	Rural	\$25,000,000	\$78,944,931
MI	Macomb County	Mound Road Industrial Corridor Technology and Innovation Project	Large	Urban	\$97,864,465	\$216,860,000
NC	Smithfield to Selma	I-95/U.S. 70 Innovative Technology and Rural Mobility Corridor Improvements	Large	Rural	\$147,264,000	\$879,755,000
NE	Alliance to SD Line	Heartland Expressway Junction L62A / US 385 to Alliance	Small	Rural	\$18,263,743	\$34,000,000
OH	Jefferson & Belmont Cos.	Ohio River Rail Improvement Project	Small	Rural	\$16,250,600	\$31,882,843
OK	Tulsa County	I-44 Corridor Improvements	Large	Urban	\$45,000,000	\$107,744,810
PA	Bellefonte (Centre County)	I-80 and I-99 Interstate Connection	Large	Rural	\$35,110,410	\$183,395,232
PA	Philadelphia	Packer Avenue Marine Terminal Capacity & Warehouse Relocation Project	Large	Urban	\$25,500,000	\$110,500,000
SD	Sioux Falls	Veterans Parkway	Small	Rural	\$21,000,000	\$52,776,625

TN	Memphis	<u>US-78 /SR 4/Lamar Avenue Corridor Improvements</u>	Large	Urban	\$71,196,998	\$258,004,207
TX	Fort Worth	<u>I-35 North Tarrant Express “Accelerated Elements” Project</u>	Large	Urban	\$65,000,000	\$827,900,000
UT	Salt Lake City	<u>Northwest Quadrant Freight Mobility Project (5600 West and SLGW Rail Interchange Components)</u>	Large	Urban	\$25,000,000	\$111,675,487
WI	Milwaukee to IL Line	<u>94 North-South Freeway Project</u>	Large	Rural	\$160,000,000	\$492,500,000
WY	Rock Springs	<u>Rock Springs I-80 Interchange and Interchange Road</u>	Small	Rural	\$14,000,000	\$28,446,455
TOTAL					\$1,535,320,000	\$7,656,013,842