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New Transportation Funding Includes Innovative Financing for Trails

WASHINGTON, D.C.—Several changes championed by Rails-to-Trails Conservancy (RTC) to make federal funding more accessible to trail and active-transportation networks were included in Congress’ five-year transportation bill—the Fixing America’s Surface Transportation (FAST) Act—recently signed by President Obama.

These updates represent a new source of low-interest loan financing to help connect and accelerate the completion of active-transportation networks through the Transportation Infrastructure Financing and Investment Act (TIFIA). Reforms sought by RTC and included in the FAST Act are as follows:

• For projects involving local governments, the minimum eligible project size was reduced from $50 million to $10 million, expanding accessibility to more active-transportation projects, which rarely meets the higher cost threshold.
• Multiple segments of a network can be bundled into a single project (called a "Master Credit Agreement") to meet the $10 million threshold, making it possible for communities to complete more comprehensive projects on a reduced timeline.
• The application process is streamlined for low-cost, low-risk projects—like trail networks—to reduce the transaction costs and make it affordable to apply. In addition, at least $2 million per year will be available to defray application costs for smaller projects.
• State Infrastructure Banks may use TIFIA funds to make financing more accessible for rural projects.

President Obama signed the bill into law on Friday, Dec. 4, 2015. In contrast to the repeated short-term extensions passed by Congress over the last year and a half, the FAST Act ensures that states and localities will have a dedicated source of transportation funding for the next five years.

The Transportation Alternatives Program (TAP) continues to house the three original funding programs that have long been the backbone of funding for trails, walking and biking: Transportation Alternatives (TAP, formerly Transportation Enhancements); the Recreational Trails Program (RTP); and Safe Routes to School.
Although TAP remains similar to current programs, the FAST Act makes a symbolic structural change by moving TAP into a broad umbrella program as a set-aside. Regional transportation organizations in urban areas are given the ability to transfer out half of their TAP funds to other uses, representing a new vulnerability for TAP.

In addition, the program will see an immediate increase in funding from $820 million to $835 million per year, and another $15 million increase to $850 million per year for the final three years of the bill.

“While these marginal gains are not equal to the needs of a rapidly growing active-transportation movement, even a modest increase is a substantial achievement in a fiscally constrained political environment in which TAP is routinely targeted for reduction or outright elimination,” says Kevin Mills, RTC’s senior vice president of policy.

The passage of these changes to the TIFIA program show that Congress recognizes the value of providing local governments with the ability to use innovative financing for low-cost transportation options like trail and active-transportation networks.

For more information on RTC’s policy work, visit www.railstotrails.org/policy/.

Rails-to-Trails Conservancy, a nonprofit organization with more than 100,000 members, is the nation’s largest trails organization dedicated to connecting people and communities by creating a nationwide network of public trails, many from former rail lines and connecting corridors. Founded in 1986, Rails-to-Trails Conservancy’s national office is located in Washington, D.C., with regional offices in California, Florida, Ohio and Pennsylvania. For more information, visit www.railstotrails.org.