



U.S. Department of Transportation

Federal Railroad Administration

Report to Congress:

Fiscal Year 2024 Federal-State Partnership for
Intercity Passenger Rail Letter of Intent/Phased
Funding Agreement

Infrastructure Investment and Jobs Act (IIJA), (Pub. L. 117-58)

The Federal-State Partnership for Intercity Passenger Rail (FSP) provides funding for capital projects that reduce the state of good repair backlog or improve performance of, expand, or establish new intercity passenger rail service, including privately operated intercity passenger rail service. For funding purposes, the program has two separate Notices of Funding Opportunities (NOFO): one for capital projects along the Northeast Corridor (FSP-NEC) and one for capital projects not along the Northeast Corridor (FSP-National). FRA combined funding from Fiscal Year 2022 and Fiscal Year 2023 for both NOFOs in the amount of \$13.5 billion for selected projects.¹ Funding for selected projects for both FSP NOFOs totaled \$24 billion for selected projects, including future funding obligations identified through PFAs. The \$24 billion for selected projects for both of the FSP NOFOs does not include the LOIs issued as these amounts are not committed but represent an intent to commit future funds. The announcement of awards under FSP-NEC and FSP-National occurred on November 6, 2023, and December 8, 2023, respectively.

Projects eligible for funding under the FSP are: acquisition of real property interests; a project to replace, rehabilitate, or repair infrastructure, equipment, or a facility used for providing intercity passenger rail service to bring such assets into a state of good repair; a project to improve intercity passenger rail service performance, including reduced trip times, increased train frequencies, higher operating speeds, improved reliability, expanded capacity, reduced congestion, electrification, and other improvements, as determined by the Secretary; a project to expand or establish new intercity passenger rail service; a combination of related projects previously described; and the planning, environmental studies, and Final Design for a project or combination of projects previously described.

Applicants eligible for funding under the FSP program are: a State (including the District of Columbia); a group of States; an Interstate Compact; a public agency or publicly chartered authority established by one or more States; a political subdivision of a State; Amtrak, acting on its own behalf or under a cooperative agreement with one or more States; a federally recognized Indian Tribe; and any combination of the entities described.

In addition to the requirement that projects be located on the Northeast Corridor, FSP-NEC has selection criteria that differ from FSP-National. IIJA mandates that funding is provided consistent with the Northeast Corridor Project Inventory, published on November 15, 2022. Only projects in the Northeast Corridor Project Inventory may be eligible for selection. For future FSP-National selections, an additional selection preference will come from projects on the Corridor Identification and Development (CID) Project Pipeline. However, as the CID Program is a new program authorized under IIJA and initial selections into the CID Program were recently made on December 8, 2023, at the time of this report, no Corridor has identified distinct projects that would make up the Project Pipeline under the CID Program. As such, the current FSP-National selections did not receive the selection preference from the CID Program.

UPDATES UNDER IIJA

The FSP is authorized in Sections 22106 and 22307 of the IIJA, codified at 49 U.S.C. 24911. The IIJA provided \$36 billion in supplemental advance appropriations for the FSP and

¹ Full lists of the projects selected under FSP, to include PFA amounts funded through FY2024-FY2026 Advance Appropriations, can be found on FRA's website: <https://railroads.dot.gov/federal-state-partnership-intercity-passenger>.

authorized a further \$7.5 billion in annual appropriations through Fiscal Year 2026. Both NOFOs for FSP-NEC and FSP-National are funded from advance appropriations provided from the IJA, plus annual appropriations provided by Congress. IJA expands upon FRA's ability to offer multi-year funding to large projects through two means – Letters of Intent and Phased Funding Agreements.

A Letter of Intent (LOI), authorized under 49 U.S.C. 24911(g)(1), is a letter from FRA to a grantee announcing an intention to obligate an amount to the grantee's Major Capital Project from future budget authority. LOIs are contingent commitments and not binding obligations of the Federal government. FRA intends to use LOIs to demonstrate its intent to provide Final Design and Construction Lifecycle Stage funding for Major Capital Projects assuming successful completion of Project Planning and Project Development Lifecycles for the project. FRA therefore anticipates issuing LOIs primarily to projects currently in, or beginning, the Project Development Lifecycle Stage. In issuing an LOI, FRA may outline conditions or define readiness thresholds that the grantee uses to inform future funding requests for FSP funds.

A Phased Funding Agreement (PFA), authorized under 49 U.S.C. 24911(g)(2), is an agreement associated with the obligation of an initial grant award under the program. Unlike an LOI, under a PFA, FRA commits to obligate a certain amount of future FSP funding in a specified number of fiscal years for the project, subject to available appropriations and grantee compliance with the terms of the PFA. FRA has limited the use of a PFA for highly rated Major Capital Projects. A PFA will establish the following conditions: the terms of participation by the Federal Government in the project; the maximum amount of Federal financial assistance for the project; and the period of time for completing the project, even if such period extends beyond the period for which Federal financial assistance is authorized.

FRA may issue an LOI or PFA to FSP applicants proposing Major Capital Projects². Applicants for a Major Capital Project who are seeking an LOI or PFA must request an LOI or PFA in the application. Additionally, FRA may independently determine that a project is appropriate for an LOI or PFA. FRA may also determine that a grant or cooperative agreement is the more appropriate funding vehicle for a project, or component of the project, even if a LOI or PFA is requested.

The FRA, on behalf of the Secretary, is transmitting this report to acknowledge and satisfy the requirement in 49 U.S.C. 24911(j) for 2024. FRA announced the FY 2022 and FY 2023 Partnership Program NOFO for projects located on the Northeast Corridor (published on December 27, 2022) and the FY 2022 and FY2023 Partnership Program NOFO for projects located off the Northeast Corridor (published on December 2, 2022). FRA received applications under these NOFOs until March and April 2023, respectively, and awarded projects under both of those NOFOs in November (for projects located on the NEC) and December of 2023 (for projects not located on the NEC). FRA selected 12 highly rated projects to receive PFAs or LOIs.

² Consistent with FRA's *Guidance on Development and Implementation of Railroad Capital Projects*, published on January 12, 2023, FSP NOFOs defined "Major Capital Project" as a Capital Project with a Capital Cost Estimate of \$500 million and with at least \$100 million in federal assistance under the FSP Program.

For purposes of identifying projects eligible for a PFA or LOI under the FSP-NEC NOFO, FRA considered as “highly rated” those Major Capital Projects with the highest prioritization on the Northeast Corridor Project Inventory (i.e., Major Backlog Projects) and Capital Renewal, Stations, and Improvement Projects with a technical merit evaluation rating of Recommended or Highly Recommended. Under the FSP-National NOFO, FRA considered as “highly rated” those Major Capital Projects that received an overall evaluation rating of Recommended or Highly Recommended. Tables 1 and 2 below identify the PFAs and LOIs that FRA selected under FSP for FY 2022 and FY 2023. Table 1 also gives an overview of advance appropriations for those projects selected to receive a PFA, and Table 2 outlines the amounts indicated for those projects selected to receive an LOI.

While FRA has yet to finalize via grant or cooperative agreement the existing and annual anticipated funding levels for the next three fiscal years for any specific project selected to receive a PFA, FRA has identified the total funding amounts to be allocated over the next three fiscal years, finalized a template grant for PFAs, and developed a general policy to allocate funding remaining after initial obligation in equal increments. As PFAs are developed and executed, FRA will include the information on annual allocation of the existing and anticipated funding levels over the next three fiscal years in subsequent reports.

Table 1. FY22 and FY23 Projects Selected for a PFA

State	Project Sponsor	Project Title	FY22 – 23 Award	Phased Funding Agreement (From FY24 – FY 26 Advance Appropriations)	Total
Projects located ON the Northeast Corridor					
MD	National Railroad Passenger Corporation (Amtrak)	Frederick Douglas Tunnel Replacement Program	\$2,400,000,000	\$2,307,571,556	\$4,707,571,556
MD	National Railroad Passenger Corporation (Amtrak)	Susquehanna River Bridge Replacement	\$520,303,775	\$1,560,911,325	\$2,081,215,100
NJ/NY	Gateway Development Commission	Gateway Program: Hudson Tunnel Project Systems and Fit Out	\$949,999,965	\$2,849,999,855	\$3,799,999,820
NY	New York State Metropolitan Transportation Authority	Penn Station Access	\$958,237,938	\$685,341,966	\$1,643,579,904
Projects located OFF the Northeast Corridor					
CA	California High-Speed Rail Authority	California Inaugural High-Speed Rail Service Project	\$1,031,170,400	\$2,042,429,600	\$3,073,600,000
NC	North Carolina Department of Transportation	Raleigh to Richmond (R2R) Innovating Rail Program	\$479,416,000	\$616,160,000	\$1,095,576,000
NV	Nevada Department of Transportation	Brightline West Intercity Passenger Rail System Project	\$2,020,292,014	\$979,707,986	\$3,000,000,000
Totals			\$8,359,420,092	\$11,042,122,288	\$19,401,542,380

Table 2. FY22 and FY23 Projects Selected for an LOI

State	Project Sponsor	Project Title	FY 22-23 Award	Amount of Letter of Intent
CT	Connecticut Department of Transportation	Devon Bridge Replacement Program	\$245,920,000	\$2,213,280,000
MD	National Railroad Passenger Corporation (Amtrak)	Bush River Bridge Replacement Program	\$18,800,000	\$576,400,000
MD	National Railroad Passenger Corporation (Amtrak)	Gunpowder River Bridge Replacement Program	\$30,000,000	\$1,020,800,000
NJ	National Railroad Passenger Corporation (Amtrak)	Gateway Program: Sawtooth Bridge Replacement Project Enabling Components	\$133,327,610	\$1,486,000,000
NY	National Railroad Passenger Corporation (Amtrak)	Pelham Bay Bridge Replacement	\$58,272,368	\$514,537,632
Totals			\$486,319,978	\$5,811,017,632

FRA continues to work with the project sponsors listed in Table 1 and Table 2 to identify specific funding needs over the period of the grant and will ensure that the advance appropriations funding allocations for the PFAs align with the project needs and will include these annual allocations in subsequent annual reports. As of the drafting of this report, no PFA has been obligated. In accordance with 49 U.S.C. 24911(g)(3), not less than 30 days prior to the obligation of a PFA or issuance of an LOI, FRA will notify Congress in writing, including the following information:

- 1) A copy of the PFA or the proposed LOI;
- 2) The criteria FRA used under Section 24911(d) to select the project for a grant award; and
- 3) A description of how the project meets such criteria.