

SURFACE TRANSPORTATION PROGRAM (STP) ELIGIBLE EXPENDITURES**STATUS: ACTIVE**

FEDERAL PARTICIPATION: 80 percent. When STP funds are used for Interstate projects (including projects to add high occupancy vehicle or auxiliary lanes, but not any other lanes), the Federal share may be 90 percent.

PERIOD AVAILABLE: FY + 3 Years

FUND: Highway Trust Fund

FUND DISTRIBUTION METHOD: Apportionment

AUTHORITY: Contract

SUBJECT TO OBLIGATION LIMITATION: Yes

STATUTORY REFERENCE: 23 U.S.C. 133, 23 U.S.C. 104(b)(3)

CFR REFERENCE: None

ELIGIBILITY: Funds apportioned to a State for the STP may be obligated for:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways including Interstate highways and bridges (including bridges on public roads of all functional classifications), including any such construction or reconstruction necessary to accommodate other transportation modes, and including the seismic retrofit and painting of and application of calcium magnesium acetate, sodium acetate formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing compositions on bridges and approaches thereto and other elevated structures, mitigation of damage to wildlife, habitat, and ecosystems caused by a transportation project funded under Title 23, United States Code,
- Capital costs for transit projects eligible for assistance under chapter 53 of Title 49, United States Code, including vehicles and facilities, whether publicly or privately owned that are used to provide intercity passenger service by bus,
- Carpool projects, fringe and corridor parking facilities and programs, bicycle and pedestrian facilities (off-road or on-road, including modification of walkways) on any public roads in accordance with 23 U.S.C. 217 and the modification of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.),

- Highway and transit safety infrastructure improvements and programs, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings,
- Highway and transit research and development and technology transfer programs,
- Capital and operating costs for traffic monitoring, management, and control facilities and programs,
- Surface transportation planning programs,
- Transportation enhancement activities,
- Transportation control measures listed in Section 108(f)(1)(A) (other than clause xvi) of the Clean Air Act (42 U.S.C. 7407(d),
- Development and establishment of management systems under 23 U.S.C. 303,
- Habitat and wetlands mitigation efforts related to Title 23 projects,
- Infrastructure based intelligent transportation systems capital improvements, and
- Environmental restoration and pollution abatement projects to address water pollution or environmental degradation caused or contributed to by transportation facilities, which projects shall be carried out when the transportation facilities are undergoing reconstruction, rehabilitation, resurfacing, or restoration; except that the cost of such environmental restoration or pollution abatement shall not exceed 20 percent of the cost of the 4R project.

BACKGROUND: The STP was established by Section 1007 of the Intermodal Surface Transportation Efficiency Act of 1991 (1991 ISTEA, Public Law 102-240) which added Section 133 to Title 23, United States Code. The 1991 ISTEA authorized \$23.9 billion to be appropriated out of the Highway Trust Fund for the 6-years FYs 1992-1997. These funds were apportioned to the States based on a State's percentage share of apportionments for FYs 1987-1991.

The Transportation Equity Act for the 21st Century (TEA-21, Public Law 105-178), enacted on June 9, 1998, authorized from the Highway Trust Fund \$4.8 billion for FY 1998, \$5.5 billion for FY 1999, \$5.6 billion for FY 2000, \$5.7 billion for FY 2001, \$5.8 billion for FY 2002, and \$5.9 billion for FY 2003 for the STP. The authorized amounts are subject to deductions of \$500,000 each year for Operation Lifesaver, and \$5,250,000 each year for elimination of hazards at railway-highway crossings in high speed rail corridors.

The TEA-21 also provided a formula for apportionment of STP funds to the States as follows:

- 25 percent in the ratio that total lane miles of Federal-aid highways in a State bears to total lane miles of Federal-aid highways in all States.
- 40 percent in the ratio that total vehicle miles of travel on lanes on Federal-aid highways in a State bears to the total vehicle miles of travel on lanes on such highways in all States, and
- 35 percent in the ratio the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year bears to the total of such payments in all the States.

Each State is to receive a minimum of 1/2 percent of the funds apportioned. In addition, a portion of a State's Minimum Guarantee program funds is added to its STP apportionment.

Each State's apportioned STP funds are suballocated in the following manner:

- Ten percent of each State's apportionment is set-a-side for safety construction activities (i.e., hazard elimination and rail-highway crossings),
- Another 10 percent is set-a-side for transportation enhancements, which encompass a broad range of environmental related activities,
- Fifty percent (62.5 percent of the remaining 80 percent) of the funds is divided between urbanized areas over 200,000 in population and the remaining areas of the State. (The portion that goes to urbanized areas over 200,000 population must be distributed on the basis of population unless the State and relevant MPOs request the use of other factors and the FHWA approves. This provision is not applicable to Alaska and Hawaii.),
- The remaining 30 percent (37.5 percent of the remaining 80 percent) can be used in any area of the State. (This provision is not applicable to Alaska and Hawaii.),
- Areas of less than 5,000 population are guaranteed an amount that is not less than 110 percent of a State's FY 1991 pre-ISTEA secondary road program apportionment. For FYs 1998-2003, up to 15 percent of the funds for areas less than 5,000 population may be used on roads functionally classified as rural minor collectors,
- For the period FYs 1992-1997, a State with STP funds suballocated to urbanized areas over 200,000 population must make obligation authority

available over this 6-year period to each of these areas at the same percent that obligation authority was made available to the State over this period. The TEA-21 changed this provision to require that such obligation authority be made available over each of two 3-year periods, FYs 1998-2000 and FYs 2001-2003, and

- If a State or local government has failed to comply substantially with any provision of 23 U.S.C. 133 and the State fails to take corrective action within 60 days from the date of receipt of notification of noncompliance, future STP apportionments will be withheld until appropriate corrective action has been taken.

ADDITIONAL INFORMATION: Contact the Office of Metropolitan Planning and Programs (HEMP) or the Office of Program Administration (HIPA).