



DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[FTA-2025-0068]

Notice of Availability of Proposed Policy Guidance for the Capital Investment Grants Program

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Notice of availability of proposed policy guidance for the Capital Investment Grants program.

SUMMARY: The Federal Transit Administration (FTA) is making available the agency's proposed policy guidance for the Capital Investment Grants (CIG) program. These revisions are intended to address certain Executive Orders signed by the President in early 2025 and DOT Order 2100.7, "*Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities.*" The proposed guidance has been placed in the docket and posted on the FTA website.

DATES: Comments must be received on or before [INSERT DATE 14 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Late-filed comments will be considered to the extent practicable.

ADDRESSES: You may submit comments to DOT docket number FTA-2025-0068 by any of the following methods:

Federal eRulemaking Portal: Go to <https://www.regulations.gov> and follow the online instructions for submitting comments.

U.S. Mail: Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue S.E., West Building, Room W12-140, Washington, D.C. 20590-0001.

Hand Delivery or Courier: U.S. Department of Transportation, 1200 New Jersey Avenue S.E., West Building, Ground Floor, Room W12–140, Washington, D.C. 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Fax: 202–493–2251.

Instructions: You must include the agency name (Federal Transit Administration) and docket number (FTA-2025-0068) for this notice at the beginning of your comments. You must submit two copies of your comments if you submit them by mail. If you wish to receive confirmation FTA received your comments, you must include a self-addressed, stamped postcard. Due to security procedures in effect since October 2001, mail received through the U.S. Postal Service may be subject to delays. Parties submitting comments may wish to consider using an express mail firm to ensure prompt filing of any submissions not filed electronically or by hand.

All comments received will be posted, without charge and including any personal information provided, to <https://www.regulations.gov>, where they will be available to internet users. You may review DOT’s complete Privacy Act Statement published in the

Federal Register on April 11, 2000, at 65 FR 19477. For access to the docket and to read background documents and comments received, go to <https://regulations.gov> at any time or to the U.S. Department of Transportation, 1200 New Jersey Avenue S.E., Docket Management Facility, West Building Ground Floor, Room W12–140, Washington, D.C. 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mark Ferroni, FTA Office of Planning and Environment at mark.ferroni@dot.gov, or 202.366.3233

SUPPLEMENTARY INFORMATION:

I. Background

Pursuant to 49 U.S.C. 5309(g)(5), FTA is required to publish policy guidance on the discretionary Capital Investment Grants (CIG) program when the agency makes significant changes to the CIG review and evaluation process and criteria. FTA must consider certain

project justification criteria pursuant to 49 U.S.C. 5309(d)(2)(A)(iii), (e)(2)(A)(iv), and (h)(4). The policy guidance FTA issues for the CIG program complements the FTA regulations governing the CIG program, codified at 49 CFR part 611. The FTA regulations governing the CIG program set forth the process grant applicants must follow to be considered for discretionary funding and the procedures and criteria FTA uses to rate and evaluate projects to determine applicant eligibility. The policy guidance provides a greater level of detail about the methods FTA uses and the sequential steps a sponsor must follow in developing a project.

FTA is seeking comment on a proposed reversion to previous methodology for evaluating the CIG environmental benefits criterion, as well as other technical changes to FTA's CIG Policy Guidance last issued in December 2024. (<https://www.transit.dot.gov/funding/grants/grant-programs/capital-investments/2024-cig-policy-guidance>). The proposed revisions address Executive Orders (E.O.) 14148, Initial Recissions of Harmful Executive Orders and Actions; E.O. 14154, Unleashing American Energy; and E.O. 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing, signed by the President in early 2025. Additional detail about these changes is provided below. The proposed guidance is available on the agency's public website at <http://www.transit.dot.gov>, and in the docket at <https://www.regulations.gov>. No other changes to the CIG policy guidance are proposed at this time. Instead, FTA intends to propose a more comprehensive update to the CIG policy guidance for notice and comment in the future.

II. Proposed Changes to the CIG Policy Guidance

Environmental Benefits

FTA is proposing to revise the methodology for evaluating the environmental benefits criterion of CIG projects. This methodology would utilize the Environmental Protection Agency (EPA) National Ambient Air Quality Standards (NAAQS) designation of the metropolitan area in which the project is located. Projects in metropolitan areas designated as “non-attainment” or “maintenance” areas for the transportation-related criteria pollutants, carbon monoxide (CO),

nitrogen dioxide (NO₂), ozone (O₃), or particulate matter (PM_{2.5}), would receive a High rating; projects located in “attainment” areas in all four criteria pollutants would receive a Medium rating. Project sponsors can determine the applicable EPA NAAQS designation through the most recent version of EPA’s Green Book (<https://www.epa.gov/green-book>).

This proposal is similar to the environmental benefits methodology FTA utilized prior to 2013, which it adopted in accordance with the statutory notice and comment requirements under the Administrative Procedure Act (APA), codified at 5 U.S.C. 553. However, the pre-2013 methodology did not prescribe how projects located in “maintenance” areas would be rated. To address this gap, FTA’s proposal would specify that projects located in “maintenance” areas would receive a “High” rating. “Maintenance” areas are geographic areas designated previously as “nonattainment” for a particular pollutant that have since met air quality standards but are still subject to requirements in their Maintenance Plan and transportation conformity. Assigning a “High” rating to projects in maintenance areas for the transportation-related criteria pollutants would further the goals of the transportation conformity requirements under Clean Air Act (CAA) section 176(c) (42 U.S.C. 7506(c)) to ensure Federally funded or approved public transportation activities are consistent with (“conform to”) the purpose of the State air quality implementation plan.

This proposed methodology would replace the complex and burdensome calculation of environmental benefits FTA has utilized since 2013, which uses vehicle miles traveled (VMT) to estimate each project’s effect on air quality, energy use, greenhouse gas emissions, and safety, and then monetizes those changes based on standard factors. When FTA adopted the VMT-based environmental benefits measure in 2013, FTA recognized it may be necessary in the future to update the methodology as new information and research became available. (78 FR 1992, at 2001). After several years of experience with the measure, FTA has determined the VMT-based calculation adds unnecessary burden and complexity to the evaluation process for project sponsors and FTA. This determination was also informed by several comments received on

FTA's April 2024 proposed CIG policy guidance (89 FR 24086). These comments requested FTA to simplify the environmental benefits calculation and consider replacing it with an automatic ratings process.

FTA has determined the change to the environmental benefits methodology would not have a substantial impact on overall project ratings. FTA believes the proposed change would achieve an appropriate balance between reducing regulatory burden and maintaining sufficient analytic rigor within the CIG project evaluation and rating process. FTA is proposing to remove references to the VMT-based calculation of environmental benefits, as well as related appendices and citations, throughout the CIG policy guidance. These are merely conforming changes.

In addition, FTA is proposing this change consistent with the direction in E.O. 14154, Unleashing American Energy, which was signed by the President on January 20, 2025; OIRA's Guidance Implementing Section 6 of Executive Order 14154, Entitled "Unleashing American Energy," which was signed on May 5, 2025 (OIRA's Guidance); and DOT Order 2100.7, "Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities." Under the current CIG policy guidance, FTA directs project sponsors to monetize the change in greenhouse gas emissions based on the mid-range estimate of the social cost of carbon from the Interagency Working Group (IWG) Technical Support Document of February 2021. Section 6(b) of E.O. 14154 withdraws the guidance issued by the IWG, including the Technical Support Document, as it is no longer representative of governmental policy. Section 6(c) of E.O. 14154 and DOT Order 2100.7 also state the "calculation of the 'social cost of carbon' is marked by logical deficiencies, a poor basis in empirical science, politicization, and the absence of a foundation in legislation." Further, OIRA's implementing guidance limits the social cost of carbon to uses where it is statutorily required and directs agencies to remove its consideration from discretionary regulatory language "as quickly as feasible." Complying with E.O. 14145 and OIRA's Guidance, and based on the aforementioned

rationale, FTA is proposing to revise its approach to calculating the environmental benefits measure, as directed in the CIG Policy Guidance, to align with statutory requirements.

Access to Essential Services

With respect to the Land Use criterion, FTA is proposing to remove the requirement to analyze urgent care centers from the evaluation of access to essential services. FTA's December 2024 CIG policy guidance instructs project sponsors to use data from the Department of Homeland Security's (DHS) Homeland Infrastructure Foundational-Level Data (HIFLD) website to evaluate access to essential services, including data on urgent care centers. FTA has since learned the HIFLD website no longer provides data on urgent care centers, making it impossible for project sponsors to examine such data. Accordingly, FTA proposes to remove urgent care centers from the requirement. FTA is not proposing any other changes to the access to essential services requirement.

Other Changes

FTA is proposing other minor, technical changes to the CIG policy guidance to eliminate references to Executive Orders and other documents rescinded pursuant to E.O. 14148, Initial Rescissions of Harmful Executive Orders and Actions (January 20, 2025); E.O. 14154, Unleashing American Energy (January 20, 2025); and E.O. 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing.

Authority: 49 CFR 1.91.

Marcus J. Molinaro,

Administrator.

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