



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

July 16, 2013

1200 New Jersey Ave., SE  
Washington, D.C. 20590

In Reply Refer To:  
HEPN

Ms. Patricia Quinn  
Chair  
States for Passenger Coalition  
75 West Commercial Street  
Portland, ME 04101

Dear Ms. Quinn:

Thank you for your letter to Secretary of Transportation Anthony R. Foxx regarding the use of Congestion Mitigation and Air Quality improvement Program (CMAQ) funds for intercity passenger rail service.

We support passenger rail and recognize its potential for air quality improvement and congestion relief. We are pleased that States are using CMAQ funds to establish intercity rail services, but CMAQ is a limited source of funding that State and local officials may use to support a wide variety of transportation projects. Our goal, therefore, is to help start new transit services, passenger rail services, intermodal facilities, and traffic demand management strategies that will provide air quality benefits.

As you mentioned, we issued interim guidance last month on the use of CMAQ funds for operating assistance after reviewing the statutory change in the Moving Ahead for Progress in the 21<sup>st</sup> Century Act. We recognized the importance of flexibility in the timing of operating assistance and provided State and local officials additional flexibility by allowing the 3 years of operating assistance to be spread over a longer period, for a total of up to 5 sequential years of support. The third year of operating assistance, an amount not to exceed the greater of the amount in year 1 or 2, may be spread across 2 additional years, for a total of 5 years.

This incremental, taper-down approach will give rail service operators additional time to sustain independent system operation or find other sources of funding. The 5-year limitation in our interim guidance will enable CMAQ to assist startups and expanded service without tying up funds indefinitely to the detriment of other new or expanded services.

I hope this information is helpful. If you have any questions, please contact Mr. Michael Koontz of our Air Quality and Transportation Conformity Team at 202-366-2076.

Sincerely yours,

A handwritten signature in black ink that reads "April Marchese". The signature is written in a cursive, flowing style.

April Marchese  
Acting Associate Administrator  
for Planning, Environment, and Realty