



MEMORANDUM

TO: TPB Technical Committee
FROM: Erin Morrow, TPB Transportation Engineer
SUBJECT: Carbon Reduction Program
DATE: March 28, 2023

The Bipartisan Infrastructure Law (BIL) established the Carbon Reduction Program (CRP), which provides funds for projects designed to reduce carbon dioxide emissions from on-road transportation. The Carbon Reduction Program also requires states to develop a Carbon Reduction Strategy (CRS). Both program components require states to coordinate with applicable MPOs. The Federal Highway Administration (FHWA) has developed a Carbon Reduction Program [fact sheet](#), which is attached to this memo, and [Carbon Reduction Program Implementation Guidance](#).

CARBON REDUCTION PROGRAM FUNDING

The Carbon Reduction Program provides a total of \$6.4 billion in formula funding nationally for FY 2022 through FY 2026. Sixty-five percent of each state’s apportionment is to be obligated to areas based on the proportion of the state’s population residing in that area (federally prescribed)¹ and the remaining 35% of the apportionment can be spent anywhere in the state. The BIL “requires each State, over the period of FY22-26, to make available to each urbanized area with a population of at least 50,000 obligation authority for use with the suballocated CRP funding. [§ 11403; 23 U.S.C. 175(e)(6)] States are required to divide the funding to urbanized areas with a population of at least 50,000 based on the relative population of the areas. [23 U.S.C. 175(e)(3)]”

CRP funding allocations for the metropolitan Washington area for FY 2022 and FY 2023 are:

	FY 2022	FY 2023
District of Columbia	\$3,206,817	\$3,270,954
Maryland	\$3,571,327	\$3,642,754
Virginia	\$5,786,618	\$5,902,350
Total - Metropolitan Washington	\$12,564,762	\$12,816,058

Carbon Reduction Program funds are available for obligation for a period of three years after the last day of the fiscal year for which the funds are authorized. The funds can be used on a wide array of eligible projects to reduce carbon dioxide emissions as detailed on page 2 of the attached fact sheet.

TPB staff have initiated discussions with state DOT staff to develop the process for coordination between the state DOTs and the TPB on the projects that will be selected for Carbon Reduction Program funding. The first meeting was held on February 27, 2023, with more meetings to follow.

¹ Urbanized areas: (a) with population greater than 200,000; (b) population between 50,000 and 200,000; (c) population 5,000 to 499,999 and (d) population less than 5,000.

The TPB Technical Committee and the TPB will be briefed about the coordination process between the TPB and the three state DOTs as the process is developed.

CARBON REDUCTION STRATEGY

The Carbon Reduction Program requires states to develop a Carbon Reduction Strategy by November 15, 2023, in consultation with any MPO designated within the State (23 U.S.C. 175(d)(1)). Federal guidance notes that “the State Carbon Reduction Strategy shall support efforts to reduce transportation emissions and identify projects and strategies to reduce these emissions. The Carbon Reduction Strategy must be updated at least once every four years (23 U.S.C. 175(d)(3) and (4)), and States and MPOs are encouraged to obligate CRP funding for projects that support implementation of the State’s Carbon Reduction Strategy.”

The Carbon Reduction Strategy plan should identify projects and strategies to reduce transportation emissions, which could include those that:

- Encourage the use of alternatives to SOV trips (including public transportation facilities, pedestrian facilities, bicycle facilities, and shared or pooled vehicle trips)
- Facilitate the use of vehicles or modes with a lower per person-mile of travel emissions rate
- Utilize practices to construction of transportation assets that result in lower emissions

Federal guidance also notes that “States, in coordination with MPOs, are encouraged to develop their Carbon Reduction Strategies as an integral part of their transportation planning processes, such as by integrating them into ... the MPO’s Metropolitan Transportation Plan (MTP), or by developing a separate document which is incorporated by reference into the Long-Range Statewide Transportation Plan (LRSTP) and MTP.”

The state DOTs will have the opportunity to present their Carbon Reduction Strategies to the TPB Technical Committee and the TPB prior to submission to FHWA in November.