

Low-Carbon Transportation Materials Grants

	Inflation Reduction Act (IRA)
Fiscal year (FY)	2022
Appropriation (General Fund)	\$2 B*

*Funds were appropriated in FY22 and remain available until September 30, 2026.

Note: Except as indicated, all references in this document are to the Inflation Reduction Act (IRA), enacted as Pub. L. 117-169 (Aug. 16, 2022).

Program Purpose

The IRA establishes the Low-Carbon Transportation Materials Grants program to reimburse or provide incentives to eligible recipients for the use, in projects, of construction materials and products that have substantially lower levels of embodied greenhouse gas emissions associated with all relevant stages of production, use, and disposal as compared to estimated industry averages of similar materials or products as determined by the Administrator of the Environmental Protection Agency.

Statutory Citation

- § 60506; 23 U.S.C. 179

Funding Features

Type of Budget Authority or Authorization of Appropriations

- Appropriated Budget Authority from the General Fund, not subject to any limitation on obligations.

Distribution of Funds

- Subject to the availability of funds, FHWA shall either provide reimbursement or provide an incentive amount to eligible recipients that use eligible materials or products on a project funded under title 23, U.S.C.:
 - The amount of reimbursement shall be equal to the incrementally higher cost of using eligible materials, as compared to the traditional material cost (determined by the recipient and verified by FHWA); or,
- The amount of an incentive shall be 2% of the cost of using the eligible materials and products on the project funded under title 23, U.S.C. [§ 60506; 23 U.S.C. 179(b)(2)]
- Allows the use of funds for operations and administration of the Federal Highway Administration to carry out this program. [23 U.S.C. 179(a)]

Federal Share

- The total Federal share payable for the project for which the reimbursement or incentive is provided shall be up to 100%. [§ 60506; 23 U.S.C. 179(b)(3)]

Program Features

This is a new program established under the IRA.

Eligible Recipients

- A State,
- A unit of local government,
- A political subdivision of a State,
- A territory of the United States,
- An entity described in 23 U.S.C. 207(m)(1)(E) (Federally recognized Indian Tribe),
- A recipient of funds under 23 U.S.C. 203 (Federal Land Management Agencies),
- A Metropolitan Planning Organization (as defined in 23 U.S.C. 134(b)(2)), or
- A special purpose district or public authority with a transportation function. [§ 60506; 23 U.S.C. 179(c)(2)]

Eligible Facilities

A reimbursement or incentive under this program shall only be provided for a project on a-

- Federal-aid highway,
- Tribal transportation facility,
- Federal lands transportation facility, or
- Federal lands access transportation facility [§ 60506; 23 U.S.C. 179(b)(4)(A)]

Additional Considerations

- The FHWA Administrator will review the low-embodied carbon construction materials and products identified by the EPA to identify construction materials and products that are appropriate for use in projects eligible under title 23, U.S.C., and eligible for reimbursement or incentives under this program. [§ 60506; 23 U.S.C. 179(b)(5)]
- For purposes of this program, “greenhouse gas” means the air pollutants carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride. [§ 60506; 23 U.S.C. 179(c)(3)]

Limitations

- Amounts made available under this program shall not be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways. [§ 60506; 23 U.S.C. 179(b)(4)(B)]
- Funds cannot be used for a project for additional through travel lanes for single-occupant passenger vehicles. [§ 60506; 23 U.S.C. 179(b)(4)(C)]

Additional Information and Assistance

- FHWA can connect you with your local FHWA office and support you with technical assistance for planning, design, construction, preserving, and improving public roads and in the stewardship of Federal funds. For assistance, visit: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/technical_support.cfm.