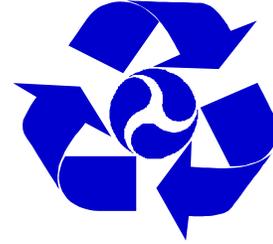


## Fact Sheet

# Transportation Infrastructure Finance and Innovation Act



### Program Purpose

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) provides Federal credit assistance to major transportation investments of critical national importance, such as: intermodal facilities; border crossing infrastructure; highway trade corridors; and transit and passenger rail facilities with regional and national benefits. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

### Program Products

The TIFIA credit program offers three distinct types of financial assistance, designed to address projects' varying requirements throughout their life cycles:

- Direct Federal loans to project sponsors offer flexible repayment terms and provide combined construction and permanent financing of capital costs.
- Loan guarantees provide full-faith-and-credit guarantees by the Federal government to institutional investors such as pension funds which make loans for projects.
- Standby lines of credit represent secondary sources of funding in the form of contingent Federal loans that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations.

The amount of Federal credit assistance may not exceed 33 percent of total project costs.

### Funding

A total of \$530 million of Federal funding is provided to pay the "subsidy cost" of supporting Federal credit under TIFIA, that is, to cover estimated losses. Annual caps totaling \$10.6 billion limit the principal amount of credit instruments issued.

#### Annual Authorizations for TIFIA Credit Assistance (dollars in millions)

Fiscal Year	1999	2000	2001	2002	2003
Federal Funding	80	90	110	120	130
Maximum Principal Amount of Credit	1,600	1,800	2,200	2,400	2,600

## **Eligible Activities**

Any type of project that is eligible for Federal assistance through existing surface transportation programs (highway projects and transit capital projects) is eligible for the TIFIA credit program. In addition, the following types of projects are eligible: international bridges and tunnels; inter-city passenger bus and rail facilities and vehicles (including Amtrak and magnetic levitation systems); and publicly owned intermodal freight transfer facilities (except seaports or airports) on or adjacent to the National Highway System.

Each project must meet certain objectively measurable threshold criteria to qualify. It must cost at least \$100 million or 50% of the State's annual apportionment of Federal-aid funds, whichever is less. (For intelligent transportation system projects, the minimum cost is \$30 million.) The project also must be supported in whole or in part from user charges or other non-Federal dedicated funding sources and be included in the State's transportation plan.

Qualified projects meeting the initial threshold eligibility criteria are evaluated by the Secretary and selected based on the extent to which they generate economic benefits, leverage private capital, promote innovative technologies, and meet other program objectives. Each project must receive an investment grade rating on its senior debt obligations before Federal credit assistance will be provided.

## **TIFIA Web Site**

Additional information, including the TIFIA program guide and application materials, can be obtained from the TIFIA web site at **<http://tifa.fhwa.dot.gov>**.