



Frequently Asked Questions (FAQs) May 2022

Linking Iowa's Freight Transportation System (LIFTS) program

Please note these answers are based on the best available information at the time. Answers may be subject to change as this new program is further developed.

1. How is this round of LIFTS funded?

Answer: This round is federally funded. The Bipartisan Infrastructure Law (BIL) (signed 2021, also known as the Infrastructure Investment and Jobs Act -IIJA) included the eligibility of multimodal freight projects for federal transportation funding through the National Highway Freight Program (NHFP). Up to thirty percent of Iowa's NHFP apportionment may be used on freight intermodal or freight rail projects. The Iowa Transportation Commission has chosen to award ten percent this funding through the administration of the LIFTS program, a competitive grant application program.

2. Does federal funding have more stringent requirements than state funding?

Answer: Yes. The LIFTS application, Appendix A – Federal Requirements, Standards, or Guidelines provides a brief outline of what is involved in the receipt of federal funding.

3. Are there environmental review requirements or other red tape associated with LIFT funds?

Answer: Yes, all Federal Highway Administration (FHWA) requirements apply. See Appendices A and C of the LIFTS application. If awarded LIFTS funds, a legal agreement will be required between the lead applicant (also the contracting authority) and the department to delineate responsibilities for project design, right of way acquisition, contracting, construction and materials inspection; documentation required for reimbursement of project costs; audit requirements; and maintenance of the completed project.

4. Is there a Buy America requirement?

Answer:

Yes. The Buy America requirements of the Federal Highway Administration (FHWA) will apply. FHWA's Buy America Q and A for a Federal-aid Program provides information and additional resources to explain the requirements. This requirement is applicable to all materials incorporated into a project; including equipment. See https://www.fhwa.dot.gov/construction/contracts/buyam_qa.cfm. Waivers for Buy America are rarely granted and Iowa DOT will not seek waivers for LIFTS projects.

For additional guidance, see Iowa DOT Materials Instructional Memorandum (IM) 107

<https://iowadot.gov/erl/current/IM/content/107.htm>.

Compliance with Buy America will require the mill test report and materials identification be provided for each steel or iron product. A mill test report must include the steel mill name and



location, material heat number, material grade, product specifications met, material dimensions, mechanical properties, chemical analysis, heat treatment (if applicable), certified mill signature. Additionally, mill test reports must contain a certification statement indicating all steel or iron has been melted and manufactured in the USA in accordance with the Buy America requirements. All coated steel or iron must have a certification statement indicating all coatings have been applied in the USA. The materials identification must provide traceability by heat number, grade and type. As an example, the bill of lading may help provide this traceability.

5. How do you define a public, private and public-private partnership for the LIFTS program?

Answer: A private applicant would be any “for profit” organization. A public applicant would be a governmental subdivision or affiliated organization that is publically funded (i.e., city, county, metropolitan planning organization, etc.) A public-private partnership would be a partnership of a government organization and one or more private sector companies. Both the public and private entities would need to contribute toward the match to be considered a public-private partnership; however, to qualify for the 20 percent match option the lead applicant must be the public entity.

6. How is this program different from the Railroad Revolving Loan and Grant (RRLG) program?

Answer: The RRLG program is specifically limited to railroad infrastructure. The LIFTS program has a wider eligibility of costs and can be related to any mode of transportation (rail, truck, aviation, barge, etc.) or the horizontal infrastructure that link them. Horizontal infrastructure means the construction of fixed work such as railroads, paving, and bridges. Horizontal infrastructure does not include vertical construction such as buildings. LIFTS funding is broader based with the goal to improve the freight transportation system and provide benefits to highway users. The LIFTS program is also federally funded, which comes with different requirements. Additionally, no “early start” exemption will be available under LIFTS. No part of the project may be started until authorization to proceed is received.

7. What does it mean to “provide benefits to highway users”?

Answer: When a non-highway mode of transportation increases their efficiency or volume there are typically benefits to highway users. For example, when more freight is diverted to railcars or barges, which are safer and more efficient modes, there is less highway congestion, fewer emissions, less risk or damages from accidents, less wear and tear on the highway system – all of which benefit the highway user. Depending on the project and its location, there may be other ways in which the highway user benefits on a local or regional basis.

8. Highway only projects typically eligible for local, state or federal highway funding are not eligible costs under LIFTS. Can you explain and give some examples?

Answer: The purpose of the LIFTS program is to provide flexible funding for freight projects that don’t have a traditional funding source available. Many projects that benefit freight transportation are eligible to be programed with public highway funding. Because a funding



source for those already exists, they are not eligible as stand-alone projects under LIFTS. Examples of *ineligible* costs would be adding turn lanes, highway reinforcement or rehabilitation to better accommodate heavy trucks, widening a turn radius, eliminating height or width restrictions of a bridge, truck parking or traffic control systems.

Within an eligible project there may be roadway related or paving costs that are eligible under LIFTS if they are an integral part of a project. Examples of eligible costs would be entrances or exits to a transload facility, paved areas to store freight out-of-doors, parking areas within a freight facility, or paved staging areas for freight transfer.

Some projects that include highway components may be able to take advantage of another Iowa DOT program, Revitalize Iowa's Sound Economy (RISE) program https://iowadot.gov/systems_planning/Grant-Programs/Revitalize-Iowas-Sound-Economy-RISE-Program (through a separate application process), for the establishment, construction, improvement, and maintenance of roads and streets to promote economic development in Iowa.

9. Can I apply for LIFTS funding to supplement an existing project that has already received RRLG funding?

Answer: Yes, if the LIFTS application is for a new or different phase of a project that has previously received RRLG funding.

10. If I have a loan through the RRLG program, or a private loan, can I apply to LIFTS for a grant to pay off that loan?

Answer: No, the LIFTS program is expected to stimulate new development. Refinancing of a completed project even if it would have otherwise qualified under this program is an ineligible cost.

11. Can two or more private companies partner to submit an application?

Answer: Yes. Partnerships, whether between private or public and private entities are encouraged. Inclusion of a public partner as the lead applicant would make a project eligible to receive up to 80 percent of project costs. Projects sponsored by private entities are limited to awards up to 50 percent.

12. Is it helpful to have letters of support for a proposed project?

Answer: Though not technically required, letters of support from local stakeholders and/or government officials speaking to support or readiness for the proposed project may be helpful as the project is evaluated. However, if the project depends upon a transportation provider, such as a railroad, to serve the facility, a letter confirming the willingness to serve the project is required.

13. Can the funding be used for planning studies? What types?



Answer: Yes. Planning studies are eligible if the goal of the study is to evaluate the need or feasibility of a freight facility or improvement or to develop a strategy to address a freight transportation challenge. Eligible planning studies are expected to lead toward a freight transportation solution or provide input into the wisdom or design concepts of a possible future freight investment (even if the recommendation of the planning study is to not move forward with the investment.) Planning studies simply to gather data, establish a marketing plan for an existing facility or that do not lead to a recommendation are likely to be ineligible or expected to score poorly in the evaluation process.

14. Is equipment that is integral to a freight transportation improvement an eligible cost.

Answer: No, LIFTS funding is limited to horizontal infrastructure improvements in order to satisfy FHWA Buy America requirements.

15. What do you expect the awarded project sizes will be?

Answer: There is no minimum or maximum award size pre-determined. The awards will be made based on the evaluation criteria and funds available. Applicants should carefully consider the additional costs and efforts associated with federal funding when determining if a smaller project is feasible.

16. Is there a maximum amount that can be granted to a specific project?

Answer: No.

17. Assuming multiple projects qualify in total exceeding the \$1.7M, how will the money be split up among the applicants?

Answer: There is no pre-determined methodology. The evaluation team will review the project benefits and readiness and develop a recommendation based on that review. It is possible that not all applicants will be awarded the full amount of their request, but only if a lesser award does not endanger completion of the project. Grant funds will not be split between all eligible projects if the total requested exceeds the amount available.

18. Is a private industry eligible if they want to construct a rail spur to deliver product that is currently delivered via trucks as long as a public benefit is demonstrated?

Answer: Yes

19. Is there a limit on submissions from a single entity?

Answer: No. Each project submission must be submitted in a separate application.

20. Would flood protections for a rail yard be eligible? The rail yard is in a floodplain of a major river, which extends across a public street and into some adjacent commercial areas.

Answer: Yes. Flood protections would be eligible, but must show a benefit to the highway user and public benefits.



21. Are private infrastructure costs such as rail, rail switches, pipe racking system (to take product from rail car to building) eligible?

Answer: Yes. To be eligible, the project would have to demonstrate benefits to highway users. All materials must meet FHWA Buy America requirements.

22. Would any funds be available for marketing a new rail facility?

Answer: No. The LIFTS program is designed to encourage new or upgraded infrastructure to benefit freight transportation. Marketing costs are not an eligible expense.

23. Are there restrictions on what can be used for a match?

Answer: A funding award from the LIFTS program will reimburse up to 80 percent or 50 percent of eligible projects costs (as applicable). Eligible project costs in excess of the amount reimbursed by the Department will be considered the local contribution (match) and may include cash, non-cash, or approved state fund contributions. The recipient will certify the value of any noncash contribution to the project to Iowa DOT prior to it being incurred. Iowa DOT retains the sole authority to determine the eligibility and value of the recipient's non-cash contribution.

24. Are design and engineering eligible activities?

Answer: Design and engineering costs are not eligible as a stand-alone cost, but are eligible if a part of a construction award under this program.