

Public Funding Sources for Clean Freight Corridors

Federal Funding Sources

Several federal agencies provide funding in support of clean freight corridors to promote vehicle purchases and retrofits, fueling infrastructure installations, research on clean fuels and technologies, and corridor planning. The federal website, www.grants.gov, contains all available federal government grants related to clean freight corridors. The website organizes these funding opportunities by date, category, funding agency, and eligibility. The website has a powerful search engine that allows users to quickly find funding opportunities relevant to freight vehicles, fuels, and infrastructure, via keyword or several search criteria.

The sections below detail funding opportunities for clean freight corridors from key federal agencies. The availability of funds and status of funding programs are subject to change.

Federal Agency	Objectives	Focus Areas
U.S. Environmental Protection Agency	Improve public health and air quality, reduce emissions from diesel engines, and increase energy and fuel savings.	<ul style="list-style-type: none"> • Vehicle replacement and retrofits • Freight transportation supply chain efficiency
U.S. Department of Energy	Reduce reliance on petroleum in freight transportation and increase the availability of alternative fuels and infrastructure.	<ul style="list-style-type: none"> • Clean vehicle and infrastructure development, demonstration, and deployment projects • Research on clean fuels and technologies
U.S. Department of Transportation	Reduce congestion, improve air quality, and improve the efficiency of intermodal freight transportation networks.	<ul style="list-style-type: none"> • Clean freight corridor planning • Clean vehicle and infrastructure projects • Research on clean fuels and technologies

U.S. Environmental Protection Agency

The primary focus of the U.S. Environmental Protection Agency (EPA) related to clean freight corridors is to implement proven technology, policy, and operational strategies to reduce fuel consumption, criteria air pollutant and greenhouse gas emissions, and climate risk while still achieving sustainable economic growth.

For some programs, EPA regional offices can issue funding for programs in their regions. The list of regional offices and their contact information can be found here: [EPA Organization Chart](#). Contacts by topic at the Office Transportation and Air Quality can be found here: [Contacts by Topic](#).

EPA National Clean Diesel Program

The Clean Diesel Program offers Diesel Emissions Reduction Act (DERA) funding in the form of grants and rebates for projects that protect human health and improve air quality by reducing harmful emissions from diesel engines. Eligible diesel vehicles, engines, and equipment include:

1. School buses
2. Class 5 through Class 8 heavy-duty highway vehicles
3. Locomotive engines
4. Marine engines
5. Nonroad engines, equipment or vehicles used in construction, handling cargo (including at ports or airports), agriculture, mining, or energy production (including stationary generators and pumps).

Funding under DERA is also available for ports as part of the [Ports Initiative](#).

- *Clean Diesel Program website:* <https://www.epa.gov/cleandiesel>
- *Regional clean diesel collaboratives:* <https://www.epa.gov/cleandiesel/epa-regions-clean-diesel-collaboratives>
- *Past and current grant opportunities:* <https://www.epa.gov/cleandiesel/clean-diesel-national-grants>

EPA SmartWay Transport Partnership

The SmartWay Transport Partnership is a public-private collaboration between the EPA and the freight industry. EPA provides partners with performance benchmarking tools, fleet management best practices, technology verification, public recognition and awards, and use of the SmartWay Transport Partner logo to demonstrate their leadership to customers, shareholders, and other stakeholders. The program does not provide direct funding for fuels, infrastructure, or vehicles, but SmartWay-verified technology is eligible for DERA funding, and participation in the program by private sector and public fleets can advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.

- *SmartWay Transport Partnership website:* <https://www.epa.gov/smartway>

U.S. Department of Energy

The U.S. Department of Energy (DOE) supports the development and deployment of advanced freight vehicle technologies with the goal of reducing U.S. reliance on petroleum in transportation. [DOE's National Laboratories](#) provide resources for technology development and research.

DOE provides a database of [federal laws and incentives](#) at the [Alternative Fuels Data Center](#) that can be referenced when searching for funding programs, laws, and incentives for alternative fuels.

DOE Vehicle Technologies Office

The DOE's Vehicle Technologies Office (VTO) supports research, development, and deployment of efficient and sustainable transportation technologies that will improve energy efficiency, fuel economy, and reduce U.S. dependency on petroleum.

The VTO supports high impact projects that can significantly advance its mission to develop more energy efficient and environmentally friendly highway transportation technologies.

- *Vehicle Technologies Office website:* <https://energy.gov/eere/vehicles/vehicle-technologies-office>
- *Funding opportunities:* <https://energy.gov/eere/vehicles/vehicle-technologies-office-funding-opportunities>

DOE Clean Cities Program

The DOE's Clean Cities program is composed of nearly 100 local coalitions across the country. Clean Cities funds demonstration and deployment programs, provides information about other financial opportunities, coordinates technical assistance projects, updates and maintains databases and websites, and publishes fact sheets, newsletters, and related technical and informational materials. Contacting local Clean Cities is an effective way of finding locally available funding and navigating the funding process.

- *Clean Cities Program website:* <https://cleancities.energy.gov>
- *Clean Cities funded projects:* <https://cleancities.energy.gov/partnerships/projects>
- *Relevant funding opportunities:* <https://cleancities.energy.gov/funding-opportunities>

U.S. Department of Transportation

Improving freight transportation is a key focus area at the U.S. Department of Transportation (DOT). The current federal surface transportation authorization, [Fixing America's Surface Transportation \(FAST\) Act](#), authorized long-term funding from fiscal year 2016 through 2020 for transportation infrastructure planning and investment. Funding awards and notices of funding under the FAST Act can be found here: <https://www.fhwa.dot.gov/fastact/funding.cfm>.

Office of the Assistant Secretary for Research and Technology

The [Office of the Assistant Secretary for Research and Technology](#) administers the Volpe National Transportation Systems Center and the Intelligent Transportation Systems (ITS) programs, which may provide resources for clean freight corridors. Although dedicated funding is not available for vehicle emission reductions, environmental mitigation is a common co-benefit of ITS projects. Volpe supports state and regional government to strategically plan for freight investments, and provides other tools, research, analysis, and funding to advance clean, efficient, freight corridors. The ITS program supports vehicle technology interoperability and deployment of connected vehicle technologies through research, outreach, and pilot projects.

- *Volpe Center website:* <https://www.volpe.dot.gov>
- *ITS website:* <http://www.its.dot.gov>

Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) Grants

The FAST Act established the Nationally Significant Freight and Highway Projects program to provide financial assistance—competitive grants, known as FASTLANE grants, or credit assistance—to nationally and regionally significant freight and highway projects that align with the program's goals. The FASTLANE program provides dedicated, discretionary funding for projects that address critical freight issues facing the nation's highways and bridges. Although dedicated funding is not available for vehicle emission reductions, environmental mitigation can be a co-benefit of these grant projects.

- FASTLANE Grant website: <https://www.transportation.gov/buildamerica/FASTLANEgrants>
- More on funding opportunities: <https://www.transportation.gov/build-america/fastlane/fastlane-ii-notice-funding-opportunity>

Congestion Mitigation and Air Quality Improvement Program

The FAST Act continues funding the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, which provides funding to state departments of transportation, local governments, and transit agencies for projects and programs that help meet the requirements of the Clean Air Act by reducing mobile source emissions and regional congestion on transportation networks. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). Eligible activities include transit improvements, travel demand management strategies, congestion relief efforts, diesel retrofit projects, and alternative fuel vehicles and infrastructure. Projects supported with CMAQ funds must demonstrate emissions reductions, must be located in or primarily benefit a U.S. Environmental Protection Agency-designated nonattainment or maintenance area, and must be a transportation project.

- CMAQ Program website: https://www.fhwa.dot.gov/environment/air_quality/cmaq/
- Funding availability and requirements: <https://www.fhwa.dot.gov/fastact/factsheets/cmaqfs.cfm>

State and Local Funding Sources

The following types of state and local public entities may provide direct funding for clean freight corridors and/or may aggregate information on relevant funding opportunities. Many of these state and local programs rely partially or completely on federal funding.

State and Local Entities	Funding Goals	Funding Focus Areas
State Departments of Transportation	State DOTs promote clean freight corridors to reduce congestion, to improve air quality, and to improve the efficiency of intermodal freight transportation networks.	<ul style="list-style-type: none"> • Clean freight planning • Community sustainability planning
Council of Governments and Metropolitan Planning Organizations	Local councils and planning organizations promote clean freight corridors to develop local solutions that support economic growth, environmental sustainability, and efficiency.	<ul style="list-style-type: none"> • Vehicle and equipment conversion or replacement • Charging and refueling stations • Energy efficiency projects
State Air and Environmental Protection Agencies	State Air and Environmental Protection Agencies promote clean freight corridors to improve air quality and to reduce harmful emissions from freight.	<ul style="list-style-type: none"> • Clean vehicle and equipment projects • Research on alternative fuel production and air quality impacts of alternative fuels

State and Local Entities	Funding Goals	Funding Focus Areas
State Energy Offices	State Energy Offices promote clean freight corridors to enhance environmental quality, energy efficiency, national energy security, and economic development through energy solutions.	<ul style="list-style-type: none"> • Alternative fuel vehicle deployment • Charging and refueling stations • Development and demonstration of new technologies • Energy efficiency projects
Local Clean Cities Coalitions	Local Clean Cities promote clean freight corridors to reduce reliance on petroleum in freight transportation and increase the availability of alternative fuels and infrastructure.	<ul style="list-style-type: none"> • Vehicle and equipment conversion or replacement • Charging and refueling stations • Energy efficiency projects • Research on clean fuels and technologies
Volkswagen Environmental Mitigation Trust	The Volkswagen Environmental Mitigation Trust provides funding for environmental mitigation projects that reduce nitrogen oxide (NO _x) emissions.	<ul style="list-style-type: none"> • Vehicle and equipment conversion or replacement • Charging and alternative fueling stations

State Departments of Transportation

State DOT websites can provide information on available funding opportunities for state and local agencies, and the status of currently funded projects. A list of state DOT websites is organized by the Federal Highway Administration: <https://www.fhwa.dot.gov/about/webstate.cfm>

Council of Governments and Metropolitan Planning Organizations

These agencies are responsible for local planning, including transportation infrastructure, and often have online resources that highlight grants and other funding opportunities for clean technology, fuels and infrastructure, and economic development.

- Example: [NCT COG Transportation and Air Quality Funding Resources](#)

The National Association of Regional Councils (NARC) maintains a list of local regional councils, council of governments (COGs) and metropolitan planning organizations (MPOs), which can be found here: [Listing of COGs and MPOs by State](#).

State Air and Environmental Protection Agencies

State Air and Environmental Protection Agencies often work to expand the use and production of alternative fuels and vehicles for their environmental benefits and to reduce dependence on petroleum-based fuels. Agencies may have online resources describing relevant funding opportunities.

- Example: [California Air Resources Board Incentives for Alternative Fuels](#)

The National Association of Clean Air Agencies (NACAA) maintains a list of state and local clean air agencies, which can be found here: [List of State & Local Agencies](#).

State Energy Offices

State energy offices are responsible for developing policies and programs that support economic development and energy efficiency through the expansion of clean energy resources. State energy offices are state government led initiatives and generally funded through the federal [U.S. State Energy Program \(SEP\)](#) under the DOE.

- Example: [NYSERDA Current Funding Opportunities](#)

The National Association of State Energy Officials maintains a list of all state and territory energy offices: [NASEO Member States](#).

Local Clean Cities Coalitions

Contacting local Clean Cities is an effective way of finding locally available funding and navigating DOE and other publicly available funding processes. A list of Clean Cities organizations can be found here: [Coalitions in Order of Designation](#).

Volkswagen Environmental Mitigation Trust

As part of the [Volkswagen Settlement](#), Appendix D established a \$2.7 billion Environmental Mitigation Trust. The Trust is intended to fully mitigate the total, lifetime excess NO_x emissions from the 2.0 liter vehicles that Volkswagen sold in U.S. markets that violated emissions standards. Funds from the Trust are proportionally allocated to each state primarily based on the number of relevant, registered Volkswagen vehicles within the boundaries of the beneficiary. The four-step process for distributing funds from the Trust is as follows:

1. Funds will be administered by a court-appointed Trustee.
2. Each state then has 60 days to apply for beneficiary status to receive allotted funds.
3. Once a beneficiary is approved by the Trustee, the state has 90 days to submit a mitigation plan to secure funding from the Trust.
4. After mitigation plans are approved, beneficiaries have 10 years to request supplemental funding and 15 years to spend all allocations.

Funding is intended for environmental mitigation that include projects to reduce NO_x from heavy duty diesel sources near population centers, such as large trucks that make deliveries and service ports, and freight switching railroad locomotives. Beneficiaries have the flexibility to choose which projects on the list of eligible mitigation actions are the best options for their citizens. Eligible mitigations that relevant for freight include:

- Repower or replacement of Class 8 Local Freight Trucks and Port Drayage Trucks
- Repower or replacement of Class 4-7 Local Freight Trucks (Medium Trucks)
- Repower or replacement of Freight Switchers
- Installation of Ocean Going Vessels (OGV) Shorepower
- Diesel Emission Reduction Act (DERA) Option
 - Beneficiaries can use funds from the Trust for their non-federal match or overmatch requirement in applications for funding for the [DERA Program](#).