



Carbon Reduction Program

The [Carbon Reduction Program](#) (CRP) is one of many new initiatives created through the Bipartisan Infrastructure Law (BIL) also known as the Infrastructure Investment & Jobs Act (IIJA), which provides historic levels of funding for our nation's transportation and infrastructure systems. The CRP has been identified as a source of funding to support the implementation of **Transportation Demand Management (TDM)** strategies across the country. The CRP aims to reduce transportation emissions through the development of state carbon reduction strategies and by funding projects designed to reduce transportation emissions.

CRP provides \$6.4 billion in formula funds over 5 years to states to:

- In consultation with any Metropolitan Planning Organization (MPO) in their state, develop carbon reduction strategies designed to reduce transportation emissions and identify projects and strategies that support these efforts. While states have two years to develop their strategies, they are encouraged to obligate available CRP funding to projects that support the implementation of their strategies; and
- Fund projects designed to reduce carbon dioxide (CO₂) emissions from on-road highway sources.

A Carbon Reduction Strategy requires each state to:

- Develop no later than 2 years after enactment and updated every four years.
- Support efforts and identify projects and strategies to support the reduction of transportation emissions.
- Quantify the total carbon emissions from production, transport, and use of materials used in the construction of transportation facilities in the state.
- Include projects and strategies for safe, reliable, and cost-effective options to reduce traffic congestion by facilitating the use of alternatives to SOV trips, including public transportation facilities, bike/ped facilities, and shared or pooled vehicle trips; or facilitate the use of vehicles or modes of travel that result in lower transportation emissions per person-mile traveled as compared to existing vehicles and modes.

Eligible Activities in Support of TDM

- Projects or strategies to support congestion pricing, shifting transportation demand to nonpeak hours, or other transportation modes, increasing vehicle occupancy rates, or reducing demand for roads, and travel demand strategies and programs.
- Public transportation projects including capital for the construction of BRT corridors or dedicated bus lanes
- Transportation Alternatives projects (bike/ped facilities, safe routes to schools)





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ACT Guidance and Tips for Securing Funding for TDM Strategies:

- CRP funding can be used anywhere in the state. Unlike CMAQ funding, which can only be used in areas that do not meet National Ambient Air Quality for ozone, carbon monoxide, or particulate matter and for former nonattainment areas that are now in compliance (maintenance areas).
- Funding is sub-allocated to communities all the way down to populations of 5,000. This opens up the door for the potential funding of “small” or “lower cost” TDM projects within communities that may have unique needs especially suited for TDM strategies to address. When proposing projects, especially this year, think of smaller, more flexible projects that cover a specific region. Potential TDM strategies for the CRP include:
 - TDM studies and surveys
 - Carpool/Vanpool programs
 - HOV parking
 - TMA formation
 - Guaranteed/Emergency Ride Home programs
 - Telework/Hybrid work initiatives
 - Bike/Walk programs
 - Electric fleet vehicles
 - Parking pricing and management
 - First Mile/Last Mile transit services
 - TMA formation and programming
 - Behavior change/messaging campaigns
- Review your state and region’s transportation plans to identify alignment with existing goals (e.g. safety, equity, climate, and workforce development)

Additional Resources:

- [US DOT Implementation Guidance:](#)
- [State by State Funding Levels \(FY22-26\)](#)

