



FRDP

Freight Rail Diversion Program



What is FRDP?

The **Freight Rail Diversion Program (FRDP)** is a subprogram of the greater Freight Rail and Rail Crossing Safety Improvement program.

The FRDP seeks to better utilize the state rail network for freight movement and reduce impacts to the highway network by diverting transport of freight from highway to rail. This diversion reduces highway congestion and wear. Grant recipients commit to serving a carload service goal and the project improvements must remain in-service for at least five years.



Contact

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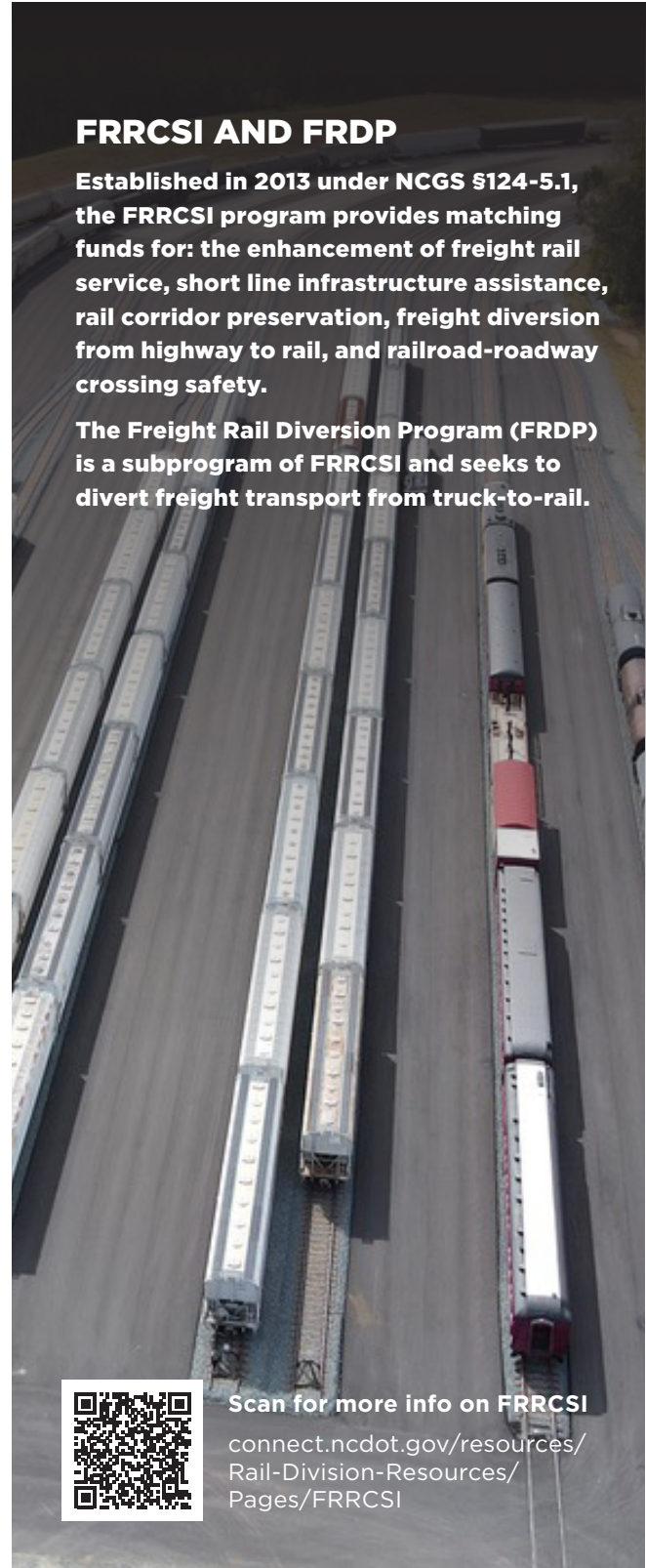
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FRRCSI AND FRDP

Established in 2013 under NCGS §124-5.1, the FRRCSI program provides matching funds for: the enhancement of freight rail service, short line infrastructure assistance, rail corridor preservation, freight diversion from highway to rail, and railroad-roadway crossing safety.

The Freight Rail Diversion Program (FRDP) is a subprogram of FRRCSI and seeks to divert freight transport from truck-to-rail.





ELIGIBLE PROJECTS

Projects that construct, convert, or upgrade rail corridor infrastructure with the primary purpose of freight diversion from highway to rail are eligible for this program.

ELIGIBLE EXPENSES INCLUDE:

- ✓ Engineering costs
- ✓ Site preparation
- ✓ Track and switch construction
- ✓ Switches
- ✓ Grade crossing surfaces and warning devices
- ✓ Bridge improvements
(if required as part of the comprehensive site improvements)
- ✓ Site support improvements such as:
 - ▶ Grading and drainage
 - ▶ Drainage
 - ▶ Driveway/site access
 - ▶ Storage surfaces
 - ▶ Security fencing and lighting
 - ▶ Utilities directly supporting transloading operations
 - ▶ Fixed equipment directly related to transloading

INELIGIBLE COSTS ARE:

- ✗ Studies
- ✗ Buildings
- ✗ Utility relocations
(not directly supporting transloading)
- ✗ Mobile equipment
- ✗ Right-of-way acquisitions
- ✗ Other non-fixed (mobile) assets



ELIGIBLE RECIPIENTS

Class I railroads, industries, short line railroad companies, the North Carolina State Ports Authority, or any entity that can provide freight diversion services are eligible for this program. Grant recipients shall be responsible for the ownership and assume maintenance and liability for the project.



FUNDING

Selected projects may receive state matching funds up to 50% of eligible project expenses. The FRDP is a reimbursement program. Eligible expenses may be requested for reimbursement from the N.C. Department of Transportation Rail Division and are subject to verification of physical progress and invoice review.



PRE-APPLICATION COORDINATION

The NCDOT Rail Division is available for engagement in early project coordination and recruitment efforts for prospective economic development projects. Before applying, interested parties should contact the NCDOT Rail Division to review a candidate project to determine preliminary eligibility. Further, early coordination is encouraged to identify essential support documentation needed to accompany the application and site development and environmental screening requirements.



APPLICATION PROCESS

FRDP candidate projects may be considered at any time, as available program funding allows. Grant applications are received through the Enterprise Business System (NC EBS grant portal). www.ebs.nc.gov

Prior to accessing the portal, applicants must be registered with the Department as a vendor. Contact your Rail Division representative for additional details.

Applicants are encouraged to submit shovel-ready projects to eliminate extensive delays between project awards and builds.



EVALUATION AND SELECTION

All applications are evaluated and scored based on cost benefit and on a rail carloads commitment in the first two years of service. The carload commitment determines the matching percentage of state funding, which ranges from 35 percent up to 50 percent.

All recommended projects are subject to review and approval by the NCDOT Rail Division and the NC Board of Transportation.



PROJECT DEVELOPMENT PROCESS

Awarded projects are subject to a legal agreement between the grant recipient and the NCDOT Rail Division that governs the terms for project execution. In cases where improvements fall upon a leased property(ies), the owning party will be required to enter into a contingent interest agreement with the NCDOT Rail Division, to accompany the project agreement.

Applicants should prepare for the time needed between application submittal, project selection and funding, execution of the legal agreement(s), design and environmental reviews, and groundbreaking. Notice to proceed may be allowed as early as three months following project application; however, depending on the nature of the project, it may require six months or longer.

The NCDOT Rail Division must review and approve project plans, specifications and verify environmental compliance for all potential project impacts prior to project construction.

Project improvements must be built by the grant recipient within 18-months following the execution of the project agreement. Upon completion of project construction, a six-month closeout period is allowed for final project review and billing. Project goals are subject to monitoring and improvements must be maintained and remain in service for five years following completion of the project grant.