



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue, SE  
Washington, DC 20590

March 15, 2022

Municipality and Community Owned Natural Gas Operators:

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (Act), which is the most significant investment in our Nation's infrastructure in more than half a century. The Act includes funding for creation of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Natural Gas Distribution Infrastructure Safety and Modernization Grant Program. In order to ensure this program has the biggest impact, we invite your initial input.

The Act appropriated \$1 billion in grant funding (\$200 million a year over the next 5 years) to be made available to municipality or community owned utilities (not including for-profit entities) to repair, rehabilitate, or replace natural gas distribution pipelines, or portions thereof, or to acquire equipment to reduce incidents and fatalities, and to avoid economic loss. Your organization has been identified as a municipality or community owned natural gas utility that may be eligible for this funding.

PHMSA invites potential applicants to reply with a brief statement of interest and to provide information and suggestions in response to the questions listed in the enclosure. This information will assist us as we prepare to implement and administer this grant program. Potential applicants are not required to respond to the statement of interest and not responding will have no effect on your ability to later apply for or be awarded a grant. Please email your responses to [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov).

In awarding grants from funds made available under the Act, we must consider, among other things: (1) the risk profile of the existing pipeline system operated by the applicant for this grant, including the presence of pipe prone to leakage; (2) the potential of the pipeline project for creating jobs; (3) the potential for benefiting disadvantaged rural and urban communities; and (4) economic impact or growth. Accordingly, PHMSA anticipates awarding grants to applicants that have identified pipeline projects that involve the repair, rehabilitation, or replacement of legacy cast iron, bare steel, and legacy plastic gas distribution pipelines. Preference may be given to applicants that expedite such projects, as part of existing long-term system maintenance, repair, or upgrade plans. PHMSA will also consider applications for equipment purchases so long as the equipment purchases directly enable repair, rehabilitation, or replacement of pipelines that otherwise might not be remediated.

In order to comply with the National Environmental Policy Act (NEPA), PHMSA will undertake a two-tiered programmatic environmental assessment to analyze the anticipated environmental impacts of the proposed projects. PHMSA will prepare a document to discuss environmental impacts at the national level and solicit comment. Each applicant will need to complete an environmental questionnaire that PHMSA will provide to assist applicants in completion of a site-specific environmental assessment to consider any impacts unique to your proposed project. PHMSA will assist in this process and in other environmental compliance areas, if needed. We anticipate grant awards can be utilized to reimburse costs for the environmental analysis. If impacts are more extensive than anticipated, the project-specific environmental analysis may require an additional public comment period.

In considering the additional statutory criteria beyond the safety and leak-risk profile, PHMSA anticipates considering whether the wages that will be paid to workers performing work on the proposed projects substantially bolster the projects' impact on job creation and economic growth; the projects' proximity to disadvantaged rural and urban populations and the projects' anticipated economic or environmental benefits to disadvantaged rural and urban populations.

In the near future, PHMSA will publish a Notice of Funding Opportunity (NOFO) on Grants.gov which will outline application procedures and the criteria we will use to evaluate grant applications. We will also post relevant information on our website at <https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants>.

Should you have any questions about this grant program, please send them to Bill Rush, Director, Operations and Standards, via email at [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov). All questions received will be addressed in a Questions and Answers document that will be published on our website and [www.Grants.gov](http://www.Grants.gov).

Sincerely,

ALAN KRAMER  
MAYBERRY

Digitally signed by ALAN  
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Alan K. Mayberry  
Associate Administrator for Pipeline Safety

Enclosure