



## Policy Update

July 29, 2022

**Summer Recess** – The US House of Representatives will head out of DC at the end of July and the Senate will leave the following week. Both chambers return September 6.

**Senate Majority Leader Reaches Deal on Budget Reconciliation** – On July 27, Senate Majority Leader Schumer and Senator Manchin reached a deal on budget reconciliation. The deal contains roughly \$370 billion in energy and climate spending, including billions for transportation-related programs. Section 60501 of the bill provides nearly \$3B for the neighborhood access and equity grant program. MPOs are listed as an eligible recipient.

Below are the current key transportation-related provisions in the bill:

- Tax credits and grants for clean fuels and clean commercial vehicles;
- \$30 billion in tax credits to accelerate the U.S. manufacturing of solar panels, batteries, wind turbines and critical minerals processing;
- \$10 billion in tax credits to build clean technology manufacturing facilities that make electric vehicles, wind turbines and solar panels;
- Up to \$20 billion in loans to build new automobile factories into plants that can manufacture clean vehicles;
- \$2 billion in grants to retool existing automobile factories into plants that can manufacture clean vehicles;
- \$3 billion in grants to invest in community-led projects that address neighborhood equity, safety and affordable transportation (neighborhood access and equity grant program);
- \$3 billion in grants to reduce air pollution at ports;
- \$3 billion for the U.S. Postal Service to purchase electric vehicles;
- \$1 billion in grants for clean heavy-duty vehicles like school and transit buses along with garbage trucks; and
- A tax credit for sustainable aviation fuel that would begin at \$1.25 per gallon for suppliers that provide fuel with at least a 50 percent life cycle estimate reduction in greenhouse gas emissions.

The bill text can be found [here](#) and the neighborhood access and equity grant program can be found on page 699 (Sec. 60501).

Senator Schumer has indicated that the Senate is working to complete its work on the package prior to leaving town for the August recess. However, the bill text will need to be reviewed by the Senate Parliamentarian to ensure that it follows the Byrd Rule. There is speculation that House Speaker Pelosi will bring the House back from recess to vote on the package should the bill clear the Senate floor.

**FY23 Appropriations** – The US House of Representative passed HR 8294, a mini-bus appropriations bill for FY23 that includes Transportation, Housing and Urban Development, Agriculture, Rural Development, Energy and Water Development, Financial Services and General Government, Interior, Environment, Military Construction, and Veterans Affairs. The House voted 220-207 to approve the \$405 billion package. The bill provides funding of \$90.9 billion, an increase of \$9.9 billion – more than 12 percent – above 2022. This includes an increase of \$8.9 billion for the Department of Housing and Urban Development and \$837 million for the Department of Transportation. In total, the bill provides \$168.5 billion in total budgetary resources, an increase of \$11.5 billion above 2022. Total budgetary resources include spending from several transportation trust funds, like the HTF.

- \$775M for National Infrastructure Investments (RAISE/TIGER/BUILD), equal to FY22. \$30M is reserved for projects in historically disadvantaged communities or areas of persistent poverty.

- \$100M is included for a program created last year to spur Thriving Communities nationwide. This initiative seeks to invest in historically marginalized communities to ensure that more communities have clean, and affordable transportation options, including high-quality transit, equitable neighborhood revitalization, and other enhancements to improve neighborhood quality of life and address climate change.
- \$61.3B for the Federal Highway Administration for formula programs funded from the Highway Trust Fund that improve the safety and long-term viability of our nation’s highway systems.
  - \$1.8B for discretionary highway programs and projects (\$1.28B for earmarks, \$100M Safe Street & Roads for All, \$100M ADHS, \$30M National Scenic Byways, \$100M Active Transportation Infrastructure Investment Program (**AMPO requested the full \$200M authorized under the IIJA**) \$55M for Healthy Streets Program (**AMPO requested the full \$100M authorized under the IIJA**) and several other programs).
    - Active Transportation and Healthy Streets were not funded in FY22. AMPO will continue to support full funding of these programs.
- \$17.5B for the Federal Transit Administration
  - \$13.6B for Transit Formula Grants to expand bus fleets and increase the transit state of good repair.
  - \$3.012B for Capital Investment Grants, an increase of \$764 million above the FY22 enacted level.
  - \$646M for Transit Infrastructure Grants (earmarks), to assist transit agencies in purchasing low and no emission buses, improving urban and rural ferry systems, adopting innovative approaches to mobility, and carrying out local projects, an increase of \$142M above FY22.

On July 28, the Senate Appropriations Committee released the text of its 12-bill omnibus FY23 spending package. The bill includes a total of \$106.6 billion for USDOT, of which \$29 billion is discretionary.

Highlights of the bill include:

- \$2.6 billion for Amtrak, a \$269 million increase over fiscal year 2022.
- An increase of \$66 million and 223 new positions for the FAA’s safety office to carry out a law Congress enacted responding to the two deadly Boeing 737 MAX crashes overseas and gaps in FAA oversight they revealed.
- \$3.2 billion from the general fund for the Federal Highway Administration, a \$715 million increase over the previous year that supports additional funding for PROTECT grants (Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation).
- \$3 billion for the FAA facilities and equipment, \$167 million more than fiscal year 2022, to address the FAA’s backlog of facilities and towers and to modernize the air traffic control system through the agency’s NextGen investments.
- \$3.87 billion for the Airport Improvement grant program (AIP), of which \$517 million supplements projects for increased safety and capacity at airports nationwide, and for projects that can help reduce the impact of airport noise.

Transportation-related climate initiatives:

- \$19.5 million — a 56 percent increase — for DOT’s fuel economy program that set corporate average fuel economy standards for automobiles and trucks.
- \$92 million for the FAA’s continued research on sustainable aviation fuels

The bill includes \$25 million for the Active Transportation Infrastructure Investment Program and adheres to the IIJA funding levels.

Leaders on the Appropriation Committees in both chambers will continue to work toward a bipartisan funding deal on overall FY23 totals for defense and non-defense programs. However, an agreement is not expected to be struck before the midterm elections in November, which will force Congress to pass a continuing resolution (CR) in September that will keep federal government spending at FY22 levels. A CR will not impact advanced appropriations under the IIJA.

**FTA Funding Opportunity** – The Federal Transit Administration (FTA) announced a Notice of Funding Opportunity ([NOFO](#)) in the Federal Register on July 27 to provide \$343 million in competitive grants for the All Stations Accessibility Program (ASAP). Funding will be made available to help finance capital projects to upgrade the accessibility of legacy rail fixed guideway public transportation systems for persons with disabilities, including those who use wheelchairs, by increasing the number of existing stations or facilities, such as outdoor light-rail boarding and alighting areas, which are fully accessible.

**Grants under this program are for** (1) capital projects to repair, improve, modify, retrofit, or relocate infrastructure of stations or facilities for passenger use, including load-bearing members that are an essential part of the structural frame; or (2) for planning projects to develop or modify a plan for pursuing public transportation accessibility projects, assessments of accessibility, or assessments of planned modifications to stations or facilities for passenger use.

**Applications are due** September 30, 2022.

The maximum **Federal share** for an eligible project shall not exceed 80 percent of the net project cost.

**Eligible sources of match** include the following: state or local government revenues, cash from non-Government sources other than revenues from providing public transportation services; revenues derived from the sale of advertising and concessions; amounts received under a service agreement with a State or local social service agency or private social service organization; revenues generated from value capture financing mechanisms; funds from an undistributed cash surplus; replacement or depreciation cash fund or reserve; new capital; or in-kind contributions. Transportation development credits or in-kind match may be used for local match if identified and documented in the application.

**Eligible applicants** include designated recipients that operate or allocate funds to inaccessible pre-ADA—or “legacy” — rail fixed guideway public transportation systems, and States (including territories and Washington, D.C.) and local governmental entities that operate or financially support legacy rail fixed guideway public transportation systems and corresponding legacy stations/facilities.

FTA will be hosting the following webinars to discuss the requirements of the funding opportunity and how to apply. Potential applicants are welcome to attend any of the webinars.

**Webinar Presentation 1: FY2022 All Stations Accessibility Program**

August 11, 2022, 1:30 PM – 2:30 PM EDT

[Register](#)

**Webinar Presentation 2: FY2022 All Stations Accessibility Program**

August 16, 2022, 1:30 PM – 2:30 PM EDT

[Register](#)

**Federal Highway Administration - Notice of proposed rulemaking ([NPRM](#)); request for comments. “*National Performance Management Measures; Assessing Performance of the National Highway System, Greenhouse Gas Emissions Measure*”**

Comments must be received on or before **October 13, 2022**.

Proposed Rule Change - FHWA proposes to amend its regulations governing national performance management measures to require State departments of transportation and metropolitan planning organizations (MPOs) to establish declining carbon dioxide (CO2) targets (specifically: “Targets established for the GHG measure in paragraph (c)(5) of this section shall be declining targets for reducing tailpipe CO2 emissions on the NHS, that demonstrate reductions toward net-zero targets.”) and to establish a method for the measurement and reporting of greenhouse gas (GHG) emissions associated with transportation.

The proposed rule would not mandate the level of the targets. Rather, State DOTs and MPOs would have flexibility to set targets that are appropriate for their communities and that work for their respective climate change and other policy priorities if the targets would reduce emissions over time.

The proposed rule also would require State DOTs and MPOs to biennially report on their progress in meeting the targets.

The amendments would require State DOTs and MPOs that have National Highway System (NHS) mileage within their State geographic boundaries and metropolitan planning area boundaries, respectively, to establish declining CO2

emissions targets to reduce CO2 emissions generated by on-road mobile sources relative to a reference year defined as calendar year 2021. The greenhouse gas (GHG) measure is applicable to all mainline highways on the Interstate and non-Interstate NHS.

The proposed rule would require MPOs serving urbanized areas with multiple MPOs to establish additional joint targets. Specifically, when the metropolitan planning area boundaries of two or more MPOs overlap any portion of an urbanized area, and the urbanized area contains NHS mileage, those MPOs would establish joint 4-year targets for that urbanized area. This joint target would be established in addition to each MPO's target for their metropolitan planning area.

AMPO will be collaborating with its members to develop and submit comments and we encourage you to submit comments as well.

[Grants | US Department of Transportation](#)

[Bipartisan Infrastructure Law | FTA \(dot.gov\)](#)

[Bipartisan Infrastructure Law - FHWA | Federal Highway Administration \(dot.gov\)](#)

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