



# The National Beat

July 27th, 2023

## Federal Updates

On July 17<sup>th</sup>, the House Appropriations Committee released its committee report for the FY 2024 Transportation-HUD (THUD) spending bill ([read here](#)). The following day, the draft bill passed the House Appropriations Committee in a 34-27 party-line vote. On July 20<sup>th</sup>, the Senate Appropriations Committee unanimously approved its version of this bill. The bill proposes a 25% reduction in funding compared to current levels. The total discretionary budget in the bill is \$90.2 billion, but it decreases to \$65.2 billion when factoring in offsets. The USDOT grant programs would face a significant cut of over \$6.6 billion, representing nearly a 60% reduction from the previous FY. The agency's total allotment would be \$21.6 billion, which is over \$7 billion lower than current levels. The bill does not include the Administration's requests for \$100 million towards the DOT's Justice40-related Thriving Communities program, \$26 million for electrifying the DOT's vehicle fleet, and \$92 million for the FAA's Sustainable Administration Aviation Fuels program. Amtrak funding would also be reduced to \$876 million, a decrease of \$1.5 billion. Despite the cuts to the DOT, the bill allocates \$19.5 billion for the FAA, which is \$529 million higher than current levels. The draft bill may face a full vote in the House as early as next week.

On July 12<sup>th</sup> the House Subcommittee on Environment, Manufacturing, and Critical Materials discussed three bills related to electric vehicles (i.e., [H.R. 1435](#), [H.R. 4468](#), and [H.R. 4469](#)). The bills aim to prevent EPA waivers for limiting internal combustion engine vehicles, block emissions standards for future vehicles, and restrict renewable fuel credits. Republicans raised concerns about consumer choice, government overreach, China's dominance, and grid strain. Democrats emphasized climate and public health benefits and states' rights. Amendments were proposed but did not gain majority agreement. Several amendments were proposed, but none received majority agreement among subcommittee members; updates are to follow in the coming weeks.

the EPA issued a final rule under the Clean Air Act, setting applicable volume requirements for the Renewable Fuel Standard (RFS) from 2023 to 2025 ([read here](#)). The rule establishes standards for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel. The rule becomes effective on September 11, 2023.



## USDOT

On July 20th, FTA announced it will grant \$20 million to 47 communities to enhance public transportation in economically distressed areas through the Areas of Persistent Poverty (AoPP) program ([read here](#)). The total funding requests from applicants reached close to \$36 million. The program aims to improve transit access for residents with limited transportation options. Selected projects include planning analysis for underserved communities, revitalizing historic transit stations, and expanding transportation options in Central Mississippi and the Cherokee Nation.

FHWA released a set of case studies focusing on two key aspects of transportation planning: Complete Streets and equity ([read here](#)). The Complete Streets case studies showcase how State DOTs, MPOs, and local jurisdictions are implementing Complete Streets Policies to create streets and networks that prioritize safety, comfort, and connectivity for all users. The Equity case studies highlight the importance of considering the unique mobility and connectivity needs of communities when planning transportation projects.

This week, the U.S. DOT announced the Project Delivery Center of Excellence's thought leadership series ([access here](#)). This 8-part (July – November) thought leadership series, Delivering the Benefits of the Bipartisan Infrastructure Law (BIL), is designed for the transportation community with an emphasis on attracting DOT staff and the project sponsors working hard to help deliver BIL infrastructure projects. The series will provide participants with an opportunity to learn from and engage with transportation project delivery experts so they can succeed in delivering their BIL-funded projects. Each event in the series will provide perspectives from successful project managers and projects on best practices for delivering infrastructure projects. Those successful projects, in turn, make the transportation system safer, usher in a new era of clean energy and sustainable transportation, promote equity, connect communities, and create good-paying jobs.

On July 14<sup>th</sup>, the Surface Transportation Board (STB) announced it is seeking public comments on the extension of the collection of "FAST Act" Dispute Resolution Procedures ([read here](#)). This collection allows parties seeking the Board's informal assistance under the Fixing America's Surface Transportation Act (FAST Act) to request professional mediation services to resolve cost allocation and access disputes related to intercity passenger rail service. The deadline for submitting comments is August 14, 2023.

On July 14<sup>th</sup>, NHTSA issued a request for public comments for a new information collection titled "Examining Distraction and Driver Monitoring Systems to Improve Driver Safety" ([read here](#)). The deadline for submitting comments is September 12, 2023.

On July 14<sup>th</sup>, FHWA released a notice detailing procedures for the redistribution of unobligated funds allocated for the Federal-Aid Highway Program in FY 2023, following the guidelines of USDOT's Appropriations Act of 2023 ([read here](#)). The redistribution applies to the annual obligation limitation for FY 2023 that is subject to lapse on September 30, 2023.



It does not include obligation limitations that are available until expended or for multiple fiscal years, as well as certain special obligation limitations and expired program funds. The target date for completing the redistribution is August 31, 2023. The total annual obligation limitation for FY 2023 is **\$58,764,510,674**. Most of the obligation limitation is distributed as formula obligation limitation to the states. Some obligation limitation is reserved for non-formula (allocated) programs (i.e., the Federal Lands Highway Program, transportation research, administrative funds, and penalty provisions). The redistribution of released obligation limitation will prioritize states with large unobligated balances. The FY 2023 August Redistribution timeline is as follows:

- July 20th: State DOTs submit plans for unobligated FY 2023 formula and non-formula (allocated) obligation limitation to the State FHWA Division Administrator.
- July 28th: Division Administrators submit reports to FHWA's Office of Budget based on the review of State plans. Other Federal Agencies submit reports showing the amounts of unobligated obligation limitation being released for redistribution.
- August 11th: FHWA Headquarters program offices make all deallocation/withdrawal requests and release associated obligation limitation.
- August 31st: Target date for the completion of the redistribution of released obligation limitation.
- September 26<sup>th</sup>: Deadline for State DOTs to obligate any remaining obligation limitation.
- September 30<sup>th</sup>: Obligation limitation subject to lapse if it remains unobligated on this date.

In tandem, FHWA has announced that they resolved a \$2.5 billion accounting discrepancy that was discovered earlier this year. The discrepancy was between two computer systems used to track unobligated contract authority held by state DOTs before the enactment of IIJA. The FHWA's grant management software, FMIS, recorded \$3.5 billion more in contract authority than the total recorded in Delphi, the accounting system linked with the Treasury Department and Office of Management and Budget. Further investigation revealed that in 2005, a \$2.5 billion error in liquidating cash was fixed in Delphi, but a corresponding \$2.5 billion in contract authority was mistakenly removed from the system. This error has now been rectified, resulting in an increase of \$2.5 billion in Delphi. The FHWA is still searching for the source of the remaining discrepancy of approximately \$1 billion.

As a result of resolving the accounting issue, FHWA has allowed states to use the previously frozen pre-IIJA contract authority. States have been notified that they can obligate up to 70% of their balances of pre-IIJA contract authority between now and



September 26, 2023. FHWA hopes that the additional \$2.5 billion in contract authority will facilitate the use of the upcoming \$7.4 billion in extra funding that will be distributed to states in August Redistribution ([read here](#)).

FTA published a request for public comments on a new consolidated circular titled "Grant Programs for Urbanized Areas: Program Guidance and Application Instructions" ([read here](#)). This circular replaces and combines the circulars for the Urbanized Area Formula Grants Program, the State of Good Repair Grants Program, and the Urbanized Area formula component of the Grants for Buses and Bus Facilities Program. The update includes provisions from the Fixing America's Surface Transportation (FAST) Act, the IIJA, Uniform Administrative Requirements for Federal awards, and current FTA policies. The deadline for submitting comments is September 11, 2023.

FHWA recently published a report examining pavement resilience in the context of transportation infrastructure, focusing on climate stressors associated with climate change ([read here](#)). It discusses the impacts of climate stressors on transportation systems and pavements, and potential adaptations in materials, design, construction, maintenance, preservation, and operations. The report also describes a pavement-specific resilience approach based on the FHWA's Vulnerability Assessment and Adaptation Framework and presents findings.

### **Congressional Hearings & Markups**

On [July 26<sup>th</sup> at 2:30 PM](#), the Senate Environment and Public Works Subcommittee on Clean Air, Climate, and Nuclear Safety held a hearing on reducing emissions from America's rail network.

On [July 26<sup>th</sup> at 10:30 AM](#), the House Energy and Commerce Subcommittee on Innovation, Data, and Commerce held a hearing on a legislative framework for self-driving vehicles.

On [July 26<sup>th</sup> at 9:40 AM](#), the Senate Budget Committee held a hearing on the fiscal consequences of climate change on infrastructure.

### **National Transportation News**

Gehl released the Inclusive Healthy Places (IHP) Framework, which provides principles, drivers, and indicators to promote inclusivity and health equity in public spaces ([read here](#)). The American Planning Association has created an action guide based on this framework to help planners implement it in their communities. The guide focuses on actions for advancing inclusion and health equity throughout the planning process.

New Jersey is planning to ban the sale of new gasoline-powered cars by 2035, following California's lead in phasing out gas-powered vehicles ([read here](#)). Governor Phil Murphy's administration aims to adopt a plan that would require the sale of zero-emissions vehicles, effectively marking the end of the internal combustion engine era. The move is part of the



state's commitment to reducing emissions and improving air quality. Electric vehicles currently make up nearly 8 percent of new vehicle registrations in New Jersey. The rule proposal, known as Advanced Clean Cars II, needs to be finalized by the end of the year to cover the 2027 model year, and public comments will be sought during the process. Environmental groups urge swift adoption and implementation to keep pace with other states already committed to such goals.

The International Energy Agency (IEA) recently announced that the world is on track to meet the expected demand for electric vehicle (EV) batteries in 2030 under a net-zero emissions scenario ([read here](#)). However, the IEA emphasizes the need for greater global action in other energy sectors to meet net-zero goals by 2050.

## **NOFOs**

The Rural and Tribal Assistance Pilot Program ([NOFO here](#)) will begin accepting applications on August 14, 2023, at 2:00 p.m. ET, offering \$3.4 million in total funding over fiscal years 2022 and 2023, with individual grants up to \$360,000.

*Learn about federal grants available to MPOs in AMPO's NOFO Tracker ([access here](#)). The Tracker is available on [ampo.org](http://ampo.org) under the "Resources" drop down.*