



The National Beat

February 20th, 2024

Federal Updates

In less than two weeks, the latest congress stopgap continuing resolution (CR) is set to expire on March 1st, posing the risk of a government shutdown and sequestration ([read here](#)). Negotiations between the House and Senate over the FY 2024 appropriations bills, including the THUD bill, have made some progress, but significant issues remain unresolved. If a shutdown is avoided, another CR will be necessary and a 1 percent reduction in the net total spending cap level will be put in place (i.e., across-the-board a cut between 5—6% in all appropriated non-defense programs, including IJA advance appropriations).

On February 16th, President Biden visited East Palestine, Ohio, for the first time since the Norfolk Southern train derailment over a year ago ([read here](#)). President Biden announced new health research grants aimed at studying the incident's effects. The funding will support six universities, to investigate the short- and long-term health impacts following the release of toxic substances from the derailment. Additionally, President Biden expressed support for the Railway Safety Act of 2023, aiming to enhance railroad safety and address community concerns over the long-delayed federal response and potential cessation of Norfolk Southern's assistance programs.

On February 15th, the House T&I Subcommittee on Highways and Transit held a hearing to discuss the implementation of the Buy America provisions of the IJA ([watch here](#)). The hearing focused on domestic content requirements for federally funded infrastructure projects. The witness highlighted the importance of these provisions in supporting American jobs, fostering innovation, and ensuring economic value from federal investments. Witnesses also expressed concerns regarding the waiver process, documentation, and the challenges faced by smaller businesses and specific sectors like steel production and asphalt paving. The discussion also covered the impact of these provisions on the domestic manufacturing base, with an emphasis on the transition to the EV market and the importance of maintaining flexibility while building domestic capabilities. Witnesses noted pathways for improving implementation, such as better understanding supply chains, enhancing collaboration, and ensuring consistent guidance across federal agencies to support the successful funding of infrastructure projects, while maintaining a focus on American-made materials.

On February 14th, the Treasury Department announced that since the beginning of the year, over 25,000 people have claimed the federal EV tax credit, with the Department reimbursing dealers about \$135 million ([read here](#)). The uptake, accounting for 15—20% of typical monthly EV sales, is slightly lower than expected, partly due to stricter domestic sourcing requirements reducing eligible EV models. Despite these challenges, the program is showing early signs of strong demand, with the potential for increased participation as more vehicles become eligible and consumer awareness grows.

On February 9th, the Congressional Budget Office released a new baseline forecast of the Highway Trust Fund (HTF) cash flow for the next 10 years ([read here](#)). The report shows a worsening forecast for the



HTF cash flow. Initially, a projected ten-year revenue shortfall of \$279 billion was reported. However, this estimate becomes grimmer when considering the spending levels authorized by the IJA versus the lower spending under the current continuing resolution for FY 2023. The analysis indicates that if Congress approves the full IJA funding levels for 2024 to 2026, the cumulative obligations for highways and mass transit will be significantly higher, leading to an even larger revenue gap for the HTF. Specifically, the ten-year gap could widen by an additional \$17.5 billion for highways and \$5.2 billion for mass transit. This revised analysis shows the revenue hole could expand from \$150 billion to nearly \$300 billion in just three years, from the end of 2031 to the end of 2034, due to declining gas tax receipts and increasing outlays, exacerbating the HTF's financial challenges.

USDOT

On February 21st, USDOT opened applications for the \$1.256 billion 2024 Safe Streets and Roads for All (SS4A) grant program ([access NOFO here](#)). This initiative aims to support communities in planning and implementing projects to reduce traffic-related deaths and serious injuries. The deadline for implementation grants is May 16th, 2024. There are varying deadlines for Planning and demonstration grants on April 4th, May 16th, and August 29th.

On February 21st, FHWA released a Notice of Proposed Rulemaking on regulations governing the Highway Safety Improvement Program (HSIP) to address current priorities and practices ([read here](#)). The proposed updates aim to integrate the Safe System Approach, focus on the safety of all road users on public roads, improve evaluation practices, streamline reporting, and ensure states collect essential roadway data. Specifically, the changes include defining and implementing the Safe System Approach, emphasizing projects that benefit all road users, clarifying data collection and analysis requirements, and updating the content of annual HSIP reports. The proposed rules also outline requirements for State Strategic Highway Safety Plans, including the inclusion of vulnerable road user safety assessments and the consideration of equity in safety initiatives. The amendments are intended to enhance the effectiveness of HSIPs, support the USDOT's National Roadway Safety Strategy, and help states make safety improvements to reduce fatalities and serious injuries on the nation's roads.

On February 21st, FHWA announced a NOFO for the Fiscal Year 2022-2024 Congestion Relief Program ([read here](#)). The Congestion Relief Program provides discretionary grants aimed at reducing highway congestion and the associated economic and environmental costs in highly congested metropolitan areas in the US with populations exceeding 1,000,000. The application deadline is April 22, 2024.

Last week, FHWA released its year-end 2023 Traffic Volume Trends report indicates that total VMT in the US surpassed pre-COVID levels, reaching an estimated 3,263.7 billion miles (i.e., a 2.1% increase from the previous year) ([read here](#)). Despite this recovery, per capita VMT remains below past levels, 1.9% lower than in 2019 and 3.7% below the 2004 peak. This suggests a change in driving patterns, possibly influenced by economic factors, gasoline prices, and lifestyle changes since the 1980s. Interestingly, the growth in VMT in 2023 was similar in both urban and rural settings, though rural areas have seen a more significant increase since 2019 compared to urban areas, which still lag behind pre-COVID levels.

On February 14th, USDOT released its 2023 update of the DOT Equity Action Plan to enhance racial equity and support for underserved communities ([read here](#)). The plan outlines new commitments



across five areas—Wealth Creation, Power of Community, Proactive Intervention, Expanding Access, and Institutionalizing Equity—to tackle disparities such as high traffic fatality rates in Black and Tribal communities and the underrepresentation of minority-owned businesses in DOT contracts. Additionally, USDOT introduced the Transportation Data and Equity Hub to facilitate access to transportation data and tools for public use.

On February 14th, FHWA released a report on virtual public involvement practices in NEPA ([read here](#)). The report uses case studies from local agencies that are adopting virtual public involvement strategies. These strategies have evolved into a hybrid approach combining virtual and in-person elements, enhancing engagement and accessibility for the public, particularly as pandemic restrictions eased. The case studies emphasize the benefits of increased accessibility and broader public engagement in transportation project planning and environmental review processes.

On February 13th, FHWA issued a 15-day extension of the comment period on the Notice of Proposed Rulemaking (NPRM) for updates to the National Performance Management Measure regulations ([read here](#)). The original deadline for submitting comments on the NPRM was set for February 26th, 2024. The new deadline for submitting comments is now March 12th, 2024.

On February 12th, FHWA released a notice ([read here](#)) detailing the redistribution of certain authorized funds for the period beginning October 1, 2023, and ending March 1, 2024. This notice outlines the redistribution of funds pursuant to the Continuing Appropriations Act, 2024. A total of \$320,501,778 has been allocated for redistribution across the states for federal-aid highway programs. These funds are available for obligation until September 30, 2027; any unobligated amounts by this date will lapse. The funds are designated for any purpose outlined in Section 133(b) of Title 23, U.S.C., and are subject to current obligation controls.

EPA

On February 7th, the EPA finalized a more stringent air quality standard for fine particulate matter (PM_{2.5}), reducing the allowable level from 12 to 9 micrograms per cubic meter, aiming to improve public health ([read here](#)). This decision seeks to reduce pollution from various sources while supporting economic growth and job creation in cleaner technology sectors. Additionally, the EPA is adjusting PM_{2.5} monitoring criteria to better account for at-risk populations' proximity to pollution sources, advancing environmental justice by ensuring focused data collection in overburdened areas.

Congressional Hearings, Meetings, & Markups

- On February 15th, the House T&I Subcommittee on Highways and Transit held a hearing to discuss the implementation of the Buy America provisions of the IIJA ([watch here](#)).

National Transportation News

On February 16th, Eno Transportation analyzed "spend out" rates (i.e., the speed at which various federal transportation programs utilize allocated funds) ([read here](#)). The analysis reveals that while major highway and transit grant programs, funded through the HTF, disburse funds relatively quickly, they still typically take two to three years to fully utilize the majority of allocated funds. In contrast, newer infrastructure programs and grants, such as those established under the IIJA, show varied spend



out rates, with some spending less than 10% of appropriations within the first four years. Additionally, the spend out rates for grants managed by the Office of the Secretary of Transportation show a gradual acceleration in fund disbursement over time.

On February 7th, Eno Transportation held a webinar to explore the sustainability of debt levels in transportation agencies amidst changing travel patterns, rising costs, and fluctuating interest rates ([access here](#)). The webinar panel shared that, while annual expenditures are nearly \$400 billion, this only covers half of the actual requirements. The panelists expressed cautious optimism regarding the agencies' ability to manage their debt, particularly in sectors like airports, toll roads, and ports, which benefit from user-generated revenues. However, they shared concerns about the transit sector, affected by decreased ridership and the consequential lesser perceived necessity, potentially impacting government funding. Despite challenges, the experts believe transportation agencies can avoid defaults and improve their financial standings by managing costs effectively and leveraging stable tax revenues over fare-based funding.

On January 29th, The National Governors Association shared resources on adopting innovative infrastructure funding, financing, and delivery models to optimize the deployment of diverse infrastructure projects ([read here](#)). These models include alternative project delivery methods like design-build and public-private partnerships, aiming to accelerate project completion, reduce costs, and introduce efficiency while ensuring equitable and sustainable development. Additionally, the State Resource Center provides a comprehensive guide on leveraging these innovative approaches, including detailed resources and successful case studies, to assist state governors and their teams in implementing effective infrastructure strategies.

NOFOs

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

New

- USDOT, [Safe Streets and Roads for All \(SS4A\)](#)
 - **Description:** to support communities in planning and implementing projects to reduce traffic-related deaths and serious injuries. Planning and demonstration grants encompass developing comprehensive safety action plans, including supplemental safety planning, and/or safety demonstration activities that inform an Action Plan. Implementation grants support strategies or projects that are consistent with an existing Action Plan and may also bundle funding requests for supplemental planning and demonstration activities that inform an Action Plan.
 - **Implementation grant deadline:** May 16, 2024.
 - **Varying deadlines for Planning and demonstration grants:** April 4th, May 16th, and August 29th.
- FHWA's [Congestion Relief Program](#)
 - **Description:** provides discretionary grants aimed at reducing highway congestion and the associated economic and environmental costs in highly congested metropolitan



areas in the US with populations exceeding 1,000,000. The program supports innovative, integrated, and multimodal solutions to enhance highway and transit system efficiency. Priority is given to projects that improve intermodal integration, shift travel to non-peak times or non-highway modes, and implement pricing strategies for roadways and parking. A focus on projects that promote equity, safety, reduced emissions, and consider the impacts on low-income drivers are emphasized.

- **Deadline:** April 22, 2024
- FHWA's, [Community Pairing Program](#)
 - **Description:** Program aimed at fostering collaboration among Vision Zero communities. This program offers a platform for sharing best practices, strategies, and forming long-term partnerships to combat traffic-related fatalities and serious injuries. The program starts in Spring 2024.
 - **Deadline:** 3/15/2024
- FTA's, [Low or No Emission Grant Program and the Grants for Buses and Bus Facilities Competitive Program](#)
 - **Description:** The Low or No Emission competitive program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities.
 - **Deadline:** 4/25/2024

Upcoming

- FRA's [Railroad Crossing Elimination Grant Program](#)
 - **Description:** \$573 million will be available as competitive, discretionary funding. The funding is dedicated to highway-rail or pathway-rail grade crossing improvement projects. The primary focus of these projects will be on enhancing the safety and mobility of both people and goods.
 - **Support for Applicants:** FRA plans to conduct a webinar after releasing the NOFO to provide a comprehensive program overview for potential grantees.
- FRA's [Restoration and Enhancement Grant Program](#)
 - **Description:** \$104 million in competitive, discretionary funding will be announced. These funds are allocated for operating assistance grants. They are intended to support the initiation, restoration, or enhancement of intercity passenger rail transportation.
 - **Support for Applicants:** FRA will host a webinar following the NOFO release. This webinar will offer potential grantees an overview of the program, detailing key information needed for the application process and providing insights into the program's goals and expectations.
- FHWA's [Prioritization Process Pilot Program \(PPPP\)](#)
 - **Description:** FHWA plans to release a NOFO in mid to late November for the Prioritization Process Pilot Program (PPPP). The program will support data-driven approaches to planning.
 - ***Expected soon**
- Build America Bureau's [Innovative Finance and Asset Concession Assistance Program](#)



- **Description:** The Build America Bureau has announced a \$38.8 million Innovative Finance and Asset Concession Assistance Program for fiscal years 2022-2023. A NOFO is expected later in 2023.