

# The National Beat

## August 8<sup>th</sup>, 2024

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### Federal Updates

On August 6<sup>th</sup>, Tim Walz was announced as the Democratic vice-presidential candidate. Walz, a former congressman and current Minnesota governor, has a record supporting labor rights, public education, and climate action. Walz was noted for his progressive record on transportation as Minnesota's governor. [Read here.](#)

On August 2<sup>nd</sup>, Congress adjourned for its annual recess, leaving several key issues unresolved until its return on September 9<sup>th</sup>. The House has passed five of the twelve annual spending bills, with one failing, while the Senate has yet to vote on any. With limited time before elections, Congress faces a tight schedule to address these bills, with a focus on passing a stopgap measure to fund the government from October 1. The situation is complicated by the upcoming presidential election, influencing how the appropriations process might unfold. [Read here.](#)

On August 2<sup>nd</sup>, the Senate Budget Committee discussed the future of EVs in a hearing, addressing the national readiness for widespread EV adoption. The hearing covered topics such as the impact of EVs on the Highway Trust Fund, legislation, grid demand, and global competitiveness. Key concerns include funding for EV infrastructure, balancing market demands with regulations and securing rare earth materials for EV manufacturing. [Watch here.](#)

On August 2<sup>nd</sup>, the Senate Committee on Banking, Housing, and Urban Affairs reviewed the economic impacts of major federal infrastructure spending, including the IIJA, IRA, and CHIPS Act. Despite cost inflation concerns, most attending senators and witnesses praised the legislation's benefits for local projects, with 60,000 IIJA-supported projects underway. Key issues discussed included streamlining the NEPA process and increasing private sector involvement to maximize infrastructure benefits. [Watch here.](#)

On August 1<sup>st</sup>, the Senate unanimously approved the Water Resources Development Act (WRDA) using expedited procedures, bypassing amendments and procedural steps. The House passed a similar bill last week, and both chambers are now set to negotiate any differences. [Read here.](#)

On August 1<sup>st</sup>, the Treasury Department revealed that the EV tax credit, established under the Inflation Reduction Act, has enabled electric vehicle buyers to save approximately \$1.5 billion since January. Over 250,000 EV buyers have utilized the incentive, claiming up to \$7,500 off at the point of sale due to new rules allowing immediate rebates. [Read here.](#)

On July 31<sup>st</sup> Senate Majority Leader Chuck Schumer stated that the bipartisan rail safety bill, introduced after the East Palestine, Ohio derailment, remains stalled. The bill seeks to enhance train crew staffing, improve hazardous materials standards, and increase fines for rail safety violations. With only three weeks in session before the September 30 government funding deadline, the bill's prospects appear weak, as similar efforts in the House face opposition. [Read here.](#)

On July 25<sup>th</sup>, the Senate Committee on Appropriations approved the FY 2025 THUD Appropriations Act, allocating \$98.7 billion in discretionary funding. The bill includes significant investments in infrastructure, such as \$28.5 billion for USDOT and \$69.8 billion for HUD. The Senate and House versions of the THUD bill have notable differences in funding allocations and priorities. [Watch Senate business meeting here.](#) [Read THUD bill summary here.](#) *Read the "Policy Analysis" section of today's National Beat for an **updated** analysis of the Senate THUD bill.*

## USDOT

On August 7<sup>th</sup>, USDOT released the Annual Report on Funding Recommendations for FY 2024 under the Bridge Investment Program (read here). This report outlines the allocation of approximately \$5 billion for large bridge projects, with thirteen new projects recommended for awards. [Read here.](#)

On August 7<sup>th</sup>, FHWA announced \$26.5 million in planning grants for bridge projects under the Bridge Investment Program. The grants will fund 28 projects in 18 states to improve safety and resilience and support economic competitiveness. [Read here.](#)

On August 5<sup>th</sup>, USDOT released a report on the status of its plans to address historical disparities and enhance equity and environmental justice. The report spotlights USDOT's Equity Council, National Roadway Safety Strategy Call to Action Campaign, Justice40 Initiative, and other key environmental programming. [Read here.](#)

On July 30<sup>th</sup>, FRA Administrator Amit Bose and FTA Regional Administrator Michael Culotta visited key infrastructure sites along the NEC. This visit, involving Amtrak and NJ TRANSIT, focused on investigating recent service disruptions and weather-related incidents. It emphasized ongoing investments, over \$16 billion through the IJIA, to enhance the reliability and safety of the NEC, America's busiest rail corridor. [Read here.](#)

On July 30<sup>th</sup>, USDOT announced an upcoming webinar titled "DOT Report to Congress: Decarbonizing US Transportation," scheduled for August 12<sup>th</sup> from 1:00-2:15 pm (ET). The webinar will provide an overview of the DOT's recent report to Congress, released in July 2024, which outlines the department's strategies and actions for reducing greenhouse gas emissions in alignment with international commitments. [Register here.](#)

On July 26<sup>th</sup>, USDOT celebrated the 34th anniversary of the Americans with Disabilities Act by highlighting progress made on disability rights. Key achievements include the publication of the Airline

Passengers with Disabilities Bill of Rights and a final rule on accessible lavatories on aircraft, along with over \$1 billion funded for accessibility projects in transit and rail stations. [Read here.](#)

On July 25th, USDOT released the fourth video in its "Investing in America" series, showcasing improvements in Mississippi. The video highlights Transportation Secretary Pete Buttigieg's visit to the Port of Rosedale and Medgar Evers Boulevard, both awardees of IIJA grants. [Watch here.](#)

### **Congressional Hearings, Meetings, & Markups**

- On July 31, the Senate Banking, Housing, and Urban Affairs Committee held a full committee hearing to examine long-term economic benefits and impacts from Federal infrastructure and public transportation investment. [Watch here.](#)
- On July 31, the Senate Budget Committee held a full committee hearing on the future of EVs. [Watch here.](#)
- On July 31, the Senate Commerce, Science, and Transportation Committee held a full committee business meeting to mark up several bills. [Watch here.](#)
- On July 25th, the Senate Appropriations Committee held a business meeting to mark up fiscal 2025 appropriations bills, including the draft Transportation-HUD bill. [Watch here.](#)

## **National Transportation News**

On August 5<sup>th</sup>, a study by CivicPulse revealed that federal funds for EV charging infrastructure have predominantly gone to urban areas in Democratic-leaning cities, leaving rural, Republican-leaning regions with little support. The report attributes this disparity to a technical knowledge gap in rural areas rather than political opposition, as local governments in these regions lack the experience and expertise to apply for funding. While private industries choose rural sites for EV and battery plants due to factors like land costs, federal support is needed to bridge the infrastructure gap. [Read here.](#)

On August 2<sup>nd</sup>, the South Coast Air Quality Management District approved a regulation to phase out diesel locomotives and equipment in Southern California rail yards. This landmark rule aims to reduce nitrogen oxide emissions by requiring rail yards to transition to low- and zero-emission technologies starting in 2027. The regulation, a win for environmental justice groups, targets 25 rail yards in the region, but it faces potential legal challenges from freight companies. The rule will need approval from the California Air Resources Board and the EPA. [Read here.](#)

## **Policy Analysis**

### **Senate THUD Bill**

On July 25, 2024, the Senate Committee on Appropriations approved the fiscal year (FY) 2025 S.4796 - Transportation, Housing and Urban Development, and Related Agencies Appropriations Act (THUD) Appropriations Act, which includes significant funding for various transportation programs. This bill provides \$29.1 billion in new funding resources for USDOT, significantly increasing funding from previous legislation\*. [Read the Senate FY 2025 THUD bill here.](#) Below is a summary of key highlights from the bill\*.

*\*Note: The Senate and House versions of the THUD bill need to go through the reconciliation process to resolve differences (view House and Senate bill comparison below). The final provisions may be subject to change until the reconciliation process is completed and the bill is signed into law.*

*\*Note: to the best of our current understanding, here is what the bill is expected to accomplish. Please note that the language in the Senate FY 2025 THUD bill is complex, and we will provide any necessary updates to AMPO members as they become available.*

### Senate THUD Bill Summary

The total funding for USDOT is \$110 billion, with \$81.6 billion from obligation limitations and \$28.5 billion from discretionary funding.

- **FHWA:** \$63.171 billion, including:
  - \$400 million for competitive bridge bundling grants
  - \$150 million for the Tribal Transportation Program
- **FTA:** \$17 billion, including \$2.262 billion for Capital Investment Grants
- **FRA:** \$3.46 billion, including:
  - \$475 million for the CRISI Program
  - \$2.63 billion for Amtrak
- **MARAD:** \$1.14 billion, including \$200 million for the Port Infrastructure Development Program
- **FAA:** \$22 billion, including:
  - \$13.6 billion for operations
  - \$3.6 billion for facilities and equipment
  - \$4.52 billion for the Airport Improvement Program
- **RAISE Grants:** \$550 million, combined with \$1.5 billion from the IIJA, totaling \$2.05 billion
- **Tribal and Rural Programs:** \$25 million for rural and tribal infrastructure advancements and a cost-share waiver for tribal programs

### August Redistribution

The August redistribution process reallocates unobligated federal highway funds. The Senate THUD bill updates this process to address concerns about large, rising unobligated balances across states. These updates aim to maximize federal transportation funds, enhance accountability, and encourage proactive planning. General highlights for the August redistribution process in the Senate bill include:

- Stricter criteria for states to qualify for redistributed funds, requiring detailed project readiness evidence. (pp. 58-59)
- Prioritizing projects that address critical infrastructure needs. (pp. 59-60)
- Detailed reporting requirements on how redistributed funds are used. (pp. 60-61)
  - *Example:* Timelines, project details, and expenditure reports.
- Thorough review of state applications by FHWA, focusing on demonstrable readiness to receive additional allocations. (pp. 61-62)
- Streamlined application process to reduce administrative burdens. (pp. 62-63)
- Incentives for states that consistently show readiness and use funds efficiently. (pp. 63-64)

The Senate bill also proposes specific changes related to obligation authority and limitation, including the redistribution of unused funds, duration of obligation authority, and more detailed exceptions and rules. Specifics include:

- **Redistribution of unused obligation authority:** Unused funds will now be redistributed to states that can use them, focusing on those with significant unspent balances. (pp. 55-57)
  - *Past rules:* Redistribution was less strict or not as clearly focused on states with large unspent balances.
- **Duration of obligation authority:** States now have four years to use their obligation authority. (pp. 57-58)
  - *Past rules:* States typically had less time, often only the current fiscal year or a shorter extended period.
- **Exceptions from obligation limitation:** More detailed exceptions now cover a wider range of projects and sections of the law. (pp. 55-57)
  - *Past rules:* Exceptions existed but were not as comprehensive.
- **Redistribution of certain authorized funds:** If funds can't be allocated due to spending limits, they will be reallocated to other states for specific eligible projects. (pp. 58-59)
  - *Past rules:* Reallocation rules used different methods and covered fewer scenarios.
- **Administrative spending:** Stricter rules now limit administrative costs, ensuring more funds go directly to projects. (pp. 52-57)
  - *Past rules:* Administrative spending rules were less detailed and had different restrictions.
- **Focus on state prioritization:** States with large amounts of unspent funds will get priority for new distributions. (pp. 57-58)
  - *Past rules:* Prioritization was broader and not as focused on unspent balances.
- **Flexibility and use:** The bill provides more flexibility and ensures funds are used effectively, with extended timeframes and detailed redistribution rules. (pp. 55-57)
  - *Past rules:* Flexibility and effective use were not as explicitly detailed.

**FY 2025 THUD Bill: Senate and House Version Comparative Analysis**

The Senate and House versions of the THUD bill have notable differences in funding allocations and priorities. The Senate bill accounts for various offsets and repurposes of funds, resulting in a gross total of \$107.7 billion in resources, which is \$8.1 billion more than the House bill. This includes an additional \$3.7 billion for USDOT. [Read the Senate THUD bill summary here](#) and [Read House THUD bill summary here](#).

**Overall Funding:**

- **Senate Bill:** Provides \$110 billion in total funding for the DOT, including \$81.6 billion from obligation limitations and \$28.5 billion from discretionary funding.
- **House Bill:** Provides \$106.67 billion in total funding for USDOT, including a discretionary total of \$25.131 billion, combined with \$81.539 billion from obligation limitations (7.084 billion or 7.3% below the FY 2024 enacted level).

**FHWA:**

- **Senate Bill:** \$63.171 billion for federal-aid highways, including \$400 million for competitive bridge bundling grants and \$150 million for the Tribal Transportation Program.
- **House Bill:** \$63.544 billion for federal-aid highways, including \$61.314 billion from the Highway Trust Fund and \$405 million for priority infrastructure needs, including tribal transportation and truck parking projects.

**FRA:**

- **Senate Bill:** \$3.46 billion, including \$2.63 billion for Amtrak and \$475 million for the CRISI Grant program.
- **House Bill:** \$2.758 billion, with \$2.125 billion for Amtrak and \$298 million for CRISI, including \$38.5 million for Community Project Funding.

**FTA:**

- **Senate Bill:** \$17 billion, including \$2.262 billion for CIG.
- **House Bill:** \$15.307 billion, including \$755 million for CIG and \$116 million for Community Project Funding for transit infrastructure projects.

**MARAD & FAA:**

- **Senate Bill:**
  - **Maritime Administration:** \$1.14 billion, including \$200 million for the Port Infrastructure Development Program.
  - **FAA:** \$22 billion, including \$13.6 billion for operations, \$3.6 billion for facilities and equipment, and \$4.52 billion for AIP grants.
- **House Bill:**
  - **Maritime Administration:** \$849 million, including \$72 million for the Port Infrastructure Development Program.
  - **FAA:** \$21.657 billion, including \$13.588 billion for air traffic control operations, \$3.549 billion for facilities and equipment, and \$257 million for Community Project Funding for airport improvement projects.

**Key Differences:**

- **RAISE Grants:**
  - **Senate Bill:** \$550 million, combined with \$1.5 billion from the IIJA, totaling \$2.05 billion.
  - **House Bill:** Does not provide additional appropriations for RAISE or Mega grant programs, as these programs receive \$2.5 billion in advanced appropriations for FY25 through the IIJA.
- **Tribal and Rural Programs:**
  - **Senate Bill:** Includes \$25 million to support rural and tribal infrastructure advancements and a cost-share waiver for tribal programs.
  - **House Bill:** Provides \$405 million for priority infrastructure needs, including tribal transportation and truck parking projects.

**Policy and Impact on Transportation:** The Senate Bill provides more substantial funding and a wider range of investments, especially for modernizing and expanding transportation infrastructure. In contrast, the House Bill takes a more cautious approach, emphasizing essential maintenance and safety improvements while also including measures to limit administrative actions and regulatory overreach.

## NOFOs

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

### New (MPO Eligible)

- FRA's [Restoration & Enhancement \(R&E\) Grant Program](#)
  - **Description:** This program provides funding for projects aimed at initiating, restoring, or enhancing Intercity Rail Passenger Transportation operations.
  - **Deadline:** 9/30/2024
- USDOT's [Reconnecting Communities Pilot Program](#)
  - **Description:** The RCP Program aims to advance and support reconnection of communities divided by transportation infrastructure – with a priority on helping disadvantaged communities improve access to daily needs (jobs, schools, healthcare, grocery stores, and recreation).
  - **Deadline:** 9/30/2024
    - RCP Technical Assistance Center ([link here](#))
    - FHWA will host a Webinar on July 15th at 1:00 PM (ET) ([register here](#))
- FRA's [Railroad Crossing Elimination Grant Program](#)
  - **Description:** This program provides funding for highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods.
  - **Deadline:** 9/23/2024