

Memorandum

From: Capitol Transportation Consulting and Pavluchuk & Associates

To: James Corless, Executive Director

Date: April 30, 2025

Subject: PI Report

Congress

Congress has started to work on the next surface transportation reauthorization, a critical piece of legislation that will determine how federal funds are allocated for roads, transit, and rail, and for the funding that MPOs like SACOG receive. As part of this process, the committee is gathering input from various stakeholders.

SACOG submitted recommendations to the Committee that emphasized several priorities: "Green Means Go" eligibility; increased planning funding; and strong support for rail and transit funding. SACOG's priorities to the Committee are attached to this letter.

The House Transportation and Infrastructure Committee also held a hearing this week that highlighted challenges with the Highway Trust Fund. As part of that hearing, one of the witnesses highlighted the important role that MPOs play in helping to convene regions and connect federal dollars to help solve local issue.

Reconciliation and Transportation

A significant part of the congressional activity this week involves the budget reconciliation process. Reconciliation is a procedure that allows Congress to pass legislation related to spending, revenue, and the federal debt with a simple majority in the Senate, bypassing the usual 60-vote requirement. This process is being used to advance several transportation-related measures. The proposal is intended to cut certain funding from programs championed under the Biden Administration, increase spending to new priorities like Air Traffic Control modernization and Coast Guard border funding.

One key aspect is the potential impact on the Reconnecting Communities grants. The House Transportation and Infrastructure Committee's proposal includes a full repeal of unobligated funding for the Neighborhood Access and Equity program. This program provides funds to communities to help reconnect areas that were divided by transportation infrastructure, such as highways. There is concern that this repeal could jeopardize many ongoing and planned projects.

Another major component of the reconciliation proposal is the introduction of new fees on various types of vehicles. The proposal initially included an annual registration fee of \$200-\$250 for electric vehicles, \$100 for hybrid vehicles, and \$20 for all other passenger vehicles. After growing concern about the \$20 fee on all vehicles, that part of the proposal was scrapped. These fees are intended to generate revenue for the Highway Trust Fund, which is a primary source of funding for federal surface transportation programs. The justification is that electric and hybrid vehicles, which use less or no gasoline, currently contribute less to the fund through traditional gas taxes.

Department of Transportation (DOT)

The Department of Transportation has been focused on several key areas, including emphasizing the importance of English language proficiency for truck drivers and a new automated vehicle framework, which is part of a broader innovation agenda. This framework likely outlines the department's approach to regulating and promoting the development of self-driving vehicles.

The Department is also in the process of reorganizing and reducing staff numbers. This will have implications for offices in Washington, D.C. as well as regional and division offices in states. For example, there are likely to be consolidations in regional offices and a reduction in the number of staff working on those activities. DOT has suggested that this process will be completed throughout the month of May.

The Administration

Several Executive Orders issued by the President this week have implications for transportation:

- **Executive Order on English Proficiency for Truck Drivers:** This order directs the DOT to reinforce and strengthen English language proficiency requirements for commercial truck drivers. This aims to improve road safety by ensuring drivers can understand traffic signs, communicate effectively, and respond to inquiries.
- **Executive Order on Government Efficiency:** This order establishes a "Department of Government Efficiency" (DOGE) within each federal agency, including DOT, to implement an efficiency agenda. The specific impacts on transportation are unclear, but it suggests a focus on streamlining operations and potentially reducing regulatory burdens.
- **Executive Order on Sanctuary Cities:** The order directs the Departments of Justice and Homeland Security to identify jurisdictions where local enforcement has declined to cooperate with the administration's immigration crackdown as part of an effort to limit federal funds to those locations.