

Memorandum

From: Capitol Transportation Consulting and Pavluchuk & Associates
To: James Corless, Executive Director
Date: September 19, 2022
Subject: Federal Policy Monthly Report

Appropriations Update

Federal funding expires at the end of September. Congress is currently working on a continuing resolution to fund the government until December 2022. As part of the package, a series of permitting reform bills may be included. Both Senators Manchin and Capito have competing bills under consideration. The proposals are largely aimed at speeding the permitting of energy projects but could also codify changes to the NEPA process and state authority. It is unknown whether either proposal will have enough support to pass.

USDOT Releases RAISE & INFRA Grant Winners

In August, the [US Department of Transportation \(US DOT\) announced \\$2.2 billion in RAISE grant winners](#). RAISE was authorized by the Infrastructure, Investment & Jobs Act (IIJA) and builds off the success of previous programs (TIGER, BUILD, RAISE). The RAISE grant announcement includes more than [150 awards](#) out of more than 1,000 that sought funding. According to USDOT, 50% of funding is designated for projects in rural areas, and 50% of the funding is designated for projects in urban areas. Nearly two-thirds of projects are located in areas of persistent poverty or historically disadvantaged communities. The largest grant award is \$25 million. Per statute, no more than \$341.25 million could be awarded to a single state in this round of funding. A new competition will be announced early next year.

[USDOT also announced \\$1.5 billion INFRA grants. 26 projects received funding](#) in this round. The funding announcement only included INFRA funding, the rural program and MEGA grants will be announced later this year.

USDOT Makes Available Funding for the SMART Cities and ATTAIN Grant Programs

On September 18, 2022, the [US DOT made available \\$100 million for the FY 2022 SMART cities program](#). The SMART cities program, which was authorized by IIJA, will provide funding for local governments to leverage technology to address transportation issues. USDOT is making the funding available and has emphasized its desire to fund projects that solve problems rather than fund technologies in search of a problem. The program will be initiated in two phases. Phase 1 will consist of 30-50 planning grants at approximately \$2 million. Phase 2 will consist of implementation grants and only be made available to those who have completed Phase 1. FY 2022 grants will only be for Phase 1 grants and subsequent years will be a mix of Phase 1 and Phase 2 grants. Funding will be allocated across geographic areas with 40% going to cities, 30%

going to small cities, and 30% going to rural areas. There is no local match required for these funds.

US DOT also made available \$60M for [ATTAIN grants](#) to promote advanced technologies to improve safety and reduce travel times for drivers and transit riders and that can serve as national examples. Eligible projects will be evaluated on how they consider climate change and environmental justice impacts – including how they reduce transportation-related air pollution and address the disproportionate impacts on disadvantaged communities. In addition, projects are evaluated on their economic impact and potential to create jobs. MPOs are eligible applicants for both grants.

USDOT Makes Available Funding for CRISI Rail Grants

On September 2, 2022, the US DOT made available [\\$1.4B for the Consolidated Rail Infrastructure and Safety Improvements \(CRISI\) grant](#) program. This program funds projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail. The program has broad eligibility to fund rail safety, capital, trespasser and grade crossing safety, and workforce projects.

Department of Energy Announces Approval of 35 State Electric Vehicle Infrastructure Plans

Transportation Secretary Pete Buttigieg announced the approval of 35 states' Electric Vehicle Infrastructure plans, freeing up more than \$900 million in funding approved for EV chargers that will end up covering 53,000 miles of highways across the country. The funding was a part of the IIJA legislation and provides funding to States who complete an electric vehicle charging plan. [A list of States as well as their plans can be found at USDOT's website.](#) California is included in the list of approved state plans.

Confirmation Process for FHWA Administrator Nominee Begins

[The Senate Environment & Public Works Committee](#) has begun the process of approving FHWA Administrator nominee Shailen Bhatt. The hearing was generally unremarkable with nearly all Senators expressing general support for the nominee's ability. However, that did not stop some Republicans from expressing concerns about the implementation of IIJA, focusing on many of the priorities expressed by the Biden Administration and expressing frustration on the lack of attention project streamlining is getting. No date has been set for a committee vote or floor action. Stefanie Pollack will continue to hold the role of interim director until the Senate confirms Mr. Bhatt.

USDOT Holding Webinar on New Carbon Reduction Program

USDOT has announced a webinar will be held on the newly authorized [carbon reduction program \(CRP\)](#), a new funding program established under the Bipartisan Infrastructure Law. The CRP provides \$6.4 billion in formula funding to states and metropolitan areas over the next five years for projects designed to reduce carbon dioxide emissions from on-road highway sources. During the webinars, staff from the FHWA Office of Natural Environment will provide information about the new program and answer questions from participants. [Preliminary guidance on the program was released in April.](#)

Rail Strike Averted

After years of negotiating and near misses, the nation's rail providers and unions came to an agreement that avoided what would have been an incredibly disruptive rail strike. The US Labor Secretary oversaw the last-minute negotiations that tentatively averted strikes. The deal has been hailed by leaders of both sides but still must be voted on by union members, which will occur over the next month.

A rail shutdown could have frozen almost 30% of U.S. cargo shipments by weight, stoked inflation, cost the American economy as much as \$2 billion per day, and unleashed a cascade of transport woes affecting U.S. energy, agriculture, manufacturing, healthcare, and retail sectors. Impacts were already being felt as AMTRAK began to cut service on long-distance lines that use rail lines serviced by those unions.