The National Beat

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Government Shutdown, Grant Cancellations, Obligation Deadlines on IIJA Funds, FTA FY 25 Apportionments, CEQ NEPA Implementation Guidance, AMPO Policy Resources

Government Shutdown

What's Happening

On **September 30**, the White House formally **ordered federal agencies to implement their shutdown plans after a short-term funding measure failed to pass the Senate**. Office of Management and Budget (OMB) Director Russell Vought directed agencies to "execute their plans for an orderly shutdown," marking the first government closure since President Trump's first term. **The memo** instructed federal employees to report for their next scheduled shift to carry out orderly shutdown activities. This directive sets in motion furloughs for hundreds of thousands of federal employees and the suspension of a wide range of government services.

The length of the shutdown is unknown. Both chambers are holding firm to their positions, and no compromise is yet in sight. Past shutdowns have ranged from brief interruptions to the record-setting closure more than seven years ago, which lasted over a month. **Public sentiment and political pressure often shape the timeline for resolution**.

Why is this lapse different. Last week, the OMB directed agencies to **develop reduction-in-force (RIF) strategies** in parallel with shutdown plans. A RIF is distinct from a shutdown furlough: it permanently eliminates positions. **Agency reactions have varied**, with some leadership teams downplaying RIF risk and preparing for "standard" shutdown furloughs, while others have warned staff that layoffs are possible absent a CR.

- *Note:* Any attempt at large-scale RIFs during a lapse would be a departure from past practice and could potentially face legal scrutiny. Preparing RIF plans during a shutdown may signal that the administration may use the lapse not only as a funding pause but also as a moment to reconsider which parts of the federal workforce it wants to sustain.

What's a shutdown?

A government shutdown occurs when Congress does not enact full-year appropriations or a temporary continuing resolution (CR) by October 1. During a lapse, activities funded by annual discretionary appropriations must pause unless they are:

- **Excepted** (necessary for the safety of human life or protection of property), or
- **Exempt** (funded by permanent, multi-year, advance, or mandatory appropriations).

Employees are designated excepted, furloughed, or exempt. Excepted personnel work without pay during the lapse and historically receive back pay once funding resumes.

USDOT Staffing

DOT's **updated government-wide shutdown plan**, released September 30, 2025, provides the clearest picture yet of how the department will operate during a lapse in appropriations. While highway and transit programs funded through the Highway Trust Fund (HTF) and IIJA Division J advance appropriations remain insulated, the plan shows significant workforce impacts across the department. According to the new plan:

- **12,213 employees** (about 23% of USDOT staff) **would be furloughed** beginning October 1, with the bulk of these reductions at the FAA.

- **41,500 employees** would continue working without pay as **“excepted” personnel**, including safety-critical FAA staff and inspectors.
- **11,700 employees** are classified as **“exempt”** and will continue working and receiving pay because their salaries come from trust funds or multi-year appropriations.

The plan also shows how DOT’s workforce has changed since earlier this year. Overall staffing now totals 53,700, **down by more than 3,100 compared to March 2025**. This decline reflects both voluntary departures from the deferred resignation program and early-stage RIF activity that have reshaped the workforce. **Eno Transportation conducted an analysis**, showing the reductions are not even across USDOT: some operating administrations (OAs), including FTA, NHTSA, and FHWA, show declines of over 20 percent since spring, while FAA headcounts remain comparatively steady.

Breakdown by OAs:

- **FHWA:** No furloughs planned; operations continue under HTF contract authority and IIJA advance appropriations.
- **FTA:** No furloughs planned; sufficient funding is available to continue reimbursements.
- **FMCSA & NHTSA:** Programs continue under HTF and IIJA resources.
- **FAA:** Safety-critical staff remain on duty without pay.
    - *Note:* A significant change from past shutdowns is that training at the FAA Academy in Oklahoma City will continue, funded with prior-year resources, preventing delays in the air traffic controller pipeline.
- **Other offices (FRA, PHMSA, MARAD, OST):** Safety and financial oversight functions continue, while most administrative, research, and grant-related activities are paused.

Important caveat. The new OMB directive raises the possibility that certain positions funded by annual appropriations could face permanent elimination rather than temporary furlough. During a **recent event**, USDOT Deputy Secretary Bradbury sidestepped questions on whether USDOT will move forward with new RIF plans but noted that “greater efficiencies” remain part of a long-term strategy and could be accelerated if a shutdown occurs.

What a Shutdown Does *(and Does Not)* Typically Interrupt at USDOT

Day-to-day funding management for FHWA formula (PL, STBG, CRP, CMAQ, etc.), voucher processing, and reimbursements continue, because FHWA remains fully staffed and funded via HTF/IIJA sources during a lapse.

However, **new obligations that depend on an annual obligation limitation** are typically set by appropriations/CRs; in an at-the-start-of-year lapse with no CR, FHWA may prioritize reimbursements and previously obligated project administration while deferring actions that require current-year obligation limitation (OL) until a CR passes.

- **Continues:**
    - **Formula programs with contract authority** (e.g., **23 U.S.C. highway apportionments** PL, STBG, CRP, CMAQ; FTA §§5303–5311, 5337, 5339) and IIJA advance appropriations (Division J) remain available.
        - Agency staff funded by those accounts remain on duty.
    - **Drawdowns and reimbursements for eligible costs on already obligated projects** continue, so long as the HTF/Transit Account has liquidating cash.

        - Note: FHWA and FTA both report sufficient balances for near-term operations.

- **Pauses or slows:**
    - **New obligations requiring current-year OL** are deferred until a CR or full-year appropriation is enacted.
        - Without OL, FHWA/FTA cannot obligate new FY 2026 funds, though reimbursements keep flowing.
    - **USDOT discretionary programs funded by the General Fund** pause in issuing new NOFOs, making selections, or signing/amending grant agreements until a CR/full-year law restores funding authority.
    - **Certain non-safety administrative functions** (HR, IT, public affairs, training, most rulemakings) pause unless tied to excepted work.

Why Highways and Transit Keep Moving

For transportation, shutdowns historically bring fewer disruptions compared to other sectors, largely due to:

- **Contract authority vs. appropriations:** Most FHWA and core FTA programs are authorized with contract authority, outside the annual appropriations cycle.
    - Appropriations/CRs provide the OL capping how much can be obligated in a fiscal year.
    - *Note:* CRs restore OL. A CR provides partial OL so new obligations can resume at a proportional rate.
- **IIJA Division J advance appropriations:** Remain available during a lapse and are explicitly listed in USDOT's shutdown plans as unaffected.
- **The Highway Trust Fund (HTF):** the HTF and the Mass Transit Account supply the cash to pay reimbursements during a lapse.
    - *Note*: CBO projects structural solvency pressure by 2028, but that is a long-term issue, not a shutdown effect (read AMPO's HTF report **here**).

Still, furloughs across USDOT create logistical challenges, especially for functions like payment processing, grant review, and administrative approvals. In prior shutdowns, these impacts were often manageable/temporary challenges. However, this unprecedented approach (i.e., tying shutdown plans to possible RIFs), suggests that this lapse must be evaluated on its own terms.

Looking Ahead

- **Keep reimbursements moving:** Submit reimbursements as usual.
    - FHWA/FTA finance teams are expected to remain operational.
- **Expect discretionary-grant pauses:** New agreements, selections, and amendments on programs funded by annual General Fund appropriations are likely to **pause** until a CR is enacted.
- **Approvals:** Where a step **requires** current-year OL (new project obligations or apportionment actions dated Oct. 1), expect deferral until a CR restores authority.

🔗 USDOT's September 2025 Grant Cancellations

Since early September, USDOT has rescinded a set of previously **announced but unexecuted** discretionary awards under programs including RAISE/BUILD and Safe Streets for All. These actions appear to primarily affect projects with scopes emphasizing **pedestrian, bicycle, and transit**-supportive elements.

USDOT officials have explained that the cancellations are part of an ongoing review of **3,269 unobligated awards** announced in prior years (**read AMPO's past analysis here**). In most cases, agency cancellation letters to grantees cited concerns that project features could **reduce roadway capacity for motor vehicles**, which conflicts with current **USDOT policy priorities**. Additionally, some sponsors with cancelled projects report that **USDOT noted funds may be redirected/recompeted to support "car-focused" projects**.

Examples of impacted projects include:

- **Fairfield, AL**: $11.7M trail conversion on Vinesville Road.
- **Albuquerque, NM**: $11.5M for a downtown rail trail.
- **Boston, MA**: $20M for Mattapan Square safety improvements and bus-priority features.
- **Dover, DE**: $12.3M for crosswalks, curb ramps, and pedestrian fencing.
- **Naugatuck River Greenway, CT**: $5.7M for design work.
- **McLean County, IL**: $675K to finish planning for a Route 66 bike/ped trail.

Independent analysis, including **reports** from the Eno Center for Transportation, suggests that as much as **$1.2 billion** in discretionary funds could be at risk of being recompeted or withdrawn if not finalized. The largest categories are RAISE (**~$726M**) and MEGA (**~$410M**).

Local sponsors and MPOs have noted that these reversals can disrupt planning, particularly where federal planning/design funds were expected to unlock subsequent state or local construction resources. Several jurisdictions are exploring state backfills or legal avenues to keep projects alive.

Federal Rationale

At a recent POLITICO event, **Deputy Secretary Steven Bradbury said** USDOT will **cancel only a "small number"** of the remaining awards under review, and noted that **around 3,000 awards have already been processed**, with most moving forward, though some have been adjusted to align with administration priorities, and about **1,500 projects have already been finalized**, while about **269 remain under review or have been withdrawn**. Additionally, Bradbury criticized what he described as "social justice priorities" embedded in prior grant agreements, saying new templates were created to streamline awards.

Bottom Line. The current round of cancellations marks a policy pivot toward elevating vehicular capacity in discretionary grant decisions. The shift raises longer-term questions about congressional intent (as many programs were designed to be multimodal), transparency in selection changes post-announcement, and the predictability of federal participation in active transportation and transit-supportive projects.

If your region has been affected or you received a withdrawal/re-scoping notice, AMPO is tracking impacts. Please contact Katie Economou, Legislative Director at **keconomou@ampo.org**.

🔗 Obligation Deadlines on FY 2022 IIJA Funds

Several programs created under the IIJA funds from FY 2022 carry fixed "obligation windows." If not formally obligated into grant agreements by September 30, 2025, they expire and can be withdrawn or reallocated. This creates what Transportation for America described as a "pocket rescission" (i.e., the loss of funding authority without a public cancellation notice).

T4A has identified **over 50 projects** nationwide that appear vulnerable under this deadline. These risks are separate from recent policy-based cancellations of multimodal awards and stem instead from the statutory expiration of advanced appropriations. Additionally, Eno Transportation Center estimates that nearly, the **$9.9 billion in FY 2022 IIJA advanced appropriations** must be obligated by the September 30th deadline:

- **$9.45 billion** for FHWA programs
- **$135 million** for FMCSA
- **$322 million** for NHTSA

While most Bridge Formula allocations (about $5.5 billion) are believed to be obligated, there is lingering uncertainty over:

- **~ $1 billion** in National Electric Vehicle Infrastructure (NEVI) program funds
- **~ $100 million** from the first round of Reconnecting Communities awards
- **~$283 million** in Charging and Fueling Infrastructure (CFI) program funds
    - Roughly 30 projects may miss the cutoff after the administration paused the program earlier this year.

Funding from both of these pots could be vulnerable if grant agreements are not finalized by the deadline. However, Other IIJA discretionary programs—including RAISE, Safe Streets for All, SMART, and CRISI—are not subject to the September 30, 2025 deadline. Aviation, maritime, and pipeline safety accounts also typically carry much longer availability windows.

AMPO is monitoring this issue. If your MPO has an award that could be impacted by the September 30 deadline, please contact Katie Economou, Legislative Director, at keconomou@ampo.org.

🔗 FTA FY 2025 Apportionments

FTA finalized full-year FY 2025 apportionments and program guidance, reflecting the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119-4) plus IIJA advance appropriations. Total FTA funding is **$20.94 B**, with program-by-program amounts, oversight takedowns, and periods of availability now set for grants and planning activities.

Program Totals & Periods of Availability (POA)

Program	FY25 Amount (apportioned/available)	POA
Urbanized Area Formula (5307)	**$7.395B** (after SSO, Passenger Ferry, oversight, plus §5340 & re-apportionment)	Year + **5** (to 9/30/2030)

State of Good Repair (5337)	**$4.350B** total; **$4.226B** High-Intensity Fixed Guideway; **$123.95M** High-Intensity Motorbus; includes **$300M** rail vehicle replacement set-aside	Year + **3** (to 9/30/2028)
Buses & Bus Facilities (5339)	**$643.92M** formula; **$398.10M** competitive; **$1.105B** Low/No competitive (including advance appropriations)	Year + **3** (competitive); formula Year + **3**
Enhanced Mobility (5310)	**$443.95M**	Year + **2** (to 9/30/2027)
Rural Areas (5311)	**$956.64M** (after §5340 adds & oversight)	Year + **2** (to 9/30/2027)
RTAP (5311(b)(3))	**$15.98M** to States (after National RTAP; +$500k Tribal TA)	Year + **2**
ADTAP (5311(c)(3))	**$28.08M**	Year + **2**
Tribal Transit (5311(j))	**$37.56M** formula; **$9.36M** competitive	Year + **2**
Capital Investment Grants (5309/EPD)	**$3.767B** (after oversight)	For allocated projects: Year + **3** (to 9/30/2028)
Technical Assistance & Workforce (5314)	**$13.127M** total (after NTI set-aside + $7.5M add-on)	Set by award
Growing States & High-Density (5340)	**$792.31M** (High-Density **$372.39M**; Growing States **$419.93M**)	N/A (factor added to 5307/5311)
WMATA Dedicated (PRIIA)	**$148.50M** (after oversight)	Until expended (apply by end of FY 27 encouraged)

FTA notes roughly **$6.1B in unobligated/carryover funding available** across certain discretionary and Congressionally directed programs entering FY 2025.

Metropolitan Planning Program (MPP) FY 2025 Apportionments

- **FY 2025 Appropriation:** $163,308,011
- **Oversight Takedown (0.5%):** $816,540
- **Total Apportioned: $162,491,471** (to States for use by MPOs)
- **Period of Availability:** FY 2025 + **3 years** (obligation deadline: **Sept. 30, 2028**)
- **Unobligated funds** at the deadline revert to FTA for reapportionment.

🔗 CEQ NEPA Implementation Guidance

The Council on Environmental Quality (CEQ) issued updated guidance following President Trump's Executive Order (EO) 14154 ("**Unleashing American Energy**"), **the 2023 Fiscal Responsibility Act** (FRA) amendments, the **2025 One Big Beautiful Bill Act** (OBBBA), and the Supreme Court's decision in ***Seven County Infrastructure Coalition v. Eagle County***. The guidance establishes a baseline for agencies revising their NEPA procedures in line with statute, executive direction, and judicial rulings.

Important note. USDOT is ahead of the curve on NEPA reform. Earlier this year (July 2025), Secretary Duffy finalized the Department's process (read AMPO's analysis **here**). CEQ's

September 2025 guidance largely mirrors what USDOT already put in place, however, the Department may still issue updates to its NEPA procedures in the future.

Key Shifts in NEPA Implementation

- **Regulatory Reset**
  - CEQ formally rescinded all prior NEPA implementing regulations (1978, 1986, 2020, 2022, 2024).
  - Agencies must now rely on the NEPA statute itself, amended sections (2023, 2025), case law, and their **own revised procedures**.
  - Agencies may voluntarily reference the rescinded CEQ rules if useful, but they no longer carry binding force .
- **Congressional Amendments:** 2025 One Big Beautiful Bill Act
  - **2023 FRA**: Codified NEPA levels of review (CE, EA, EIS); imposed deadlines and page limits; clarified that agencies may rely on "any reliable data source" without conducting new research unless essential.
  - **2025 OBBBA**: Created **Section 112 – Sponsor Opt-in Fees**, allowing project sponsors to pay fees for expedited review deadlines. Agencies may need to build fee processing into their NEPA procedures.
- **Judicial Deference:** ***Seven County Infrastructure Coalition v. Eagle County***
  - The Supreme Court reframed NEPA as a **"modest procedural requirement"**, not a substantive hurdle.
  - Courts must give **"substantial deference"** to agencies on:
    - defining the scope of indirect or cumulative impacts,
    - determining relevance of third-party projects,
    - setting the level of analytical detail.
  - The decision reinforces that NEPA ensures informed decision-making but does not dictate outcomes .
- **Administrative Direction:** Unleashing American Energy **(EO 14154)**
  - Agencies must **"expedite permitting approvals"** and prioritize efficiency and predictability over other policy considerations.
  - CEQ's template provides agencies a structured framework to streamline their procedures, but leaves flexibility to adapt to mission-specific contexts.

Agency Responsibilities Going Forward

- **Revise Procedures**: Agencies must update their NEPA implementing rules or handbooks to reflect statutory deadlines, streamlined analyses, and potential sponsor fees.
- **CEQ Consultation**: Agencies must submit drafts to CEQ for review before rulemaking or public release; CEQ promises ~30-day turnaround.
- **Options for Publication**: Agencies can either codify procedures in the CFR (via rulemaking) or issue them as internal guidance/handbooks for more flexibility.
- **Interagency Consistency**: CEQ encourages harmonization across agencies and offers its template as a reference.

🔗 New AMPO Policy Resources

We’re excited to share a set of updated resources designed to strengthen your outreach, equip you with clear messaging, and amplify MPO voices as reauthorization approaches.

- **AMPO’s Policy Roadmap III** outlines national legislative priorities to ensure MPOs have the tools, flexibility, and resources to deliver results for communities nationwide. It reflects input from member surveys, committee discussions, and ongoing engagement with Congress, federal agencies, and national partners.
- **The MPO Engagement Toolkit** has been refreshed to help MPOs educate decision-makers and stakeholders with clear, consistent messaging. Updates include: MPO one-pager examples, outreach materials, and briefs.

Since not every MPO can engage individually, AMPO is here to represent the community's collective interests. For questions or support, reach out to Katie Economou, Legislative Director at **keconomou@ampo.org**.

Federal Roundup

Congress: *Reauthorization, Nominations, Legislative Activity*
Administration & Agencies: *USDOT Updates*
NOFOs: *IFACG, BIP, RTAPP, Fed-State Partnership for Intercity Passenger Rail*

Congress

Congressional "Vibe" Check

Reauthorization. Authorizing committees have been in the process of drafting base legislative text. The introduction of reauthorization bills and Committee markups are anticipated in early fall. Based on conversations with congressional staff, base text in the house could be circulated sometime between mid/late October and December. This is an opportune window for MPOs to elevate priorities directly with delegations (**Pro Tip:** use AMPO's **MPO Engagement Toolkit**).

- 🔗 **Graves Pushing for House to Finish Surface Bill This Year:** House T&I Chair Sam Graves (R-MO) said he wants the House to **pass its version of the next surface transportation bill by the end of 2025**, setting an ambitious pace ahead of the 2026 expiration of the IIJA. Graves stressed the need to address challenges like stabilizing the HTF and noted that while he works closely with Ranking Member Rick Larsen (D-WA), the Senate remains a hurdle. Larsen added that committee staff are sorting through more than 11,000 policy requests from lawmakers and stakeholders, suggesting the bill may not come together until December. Meanwhile, Senate EPW Chair Shelley Moore Capito (R-WV) has also expressed optimism about having legislative text ready by year's end.

- 🔗 **Lawmakers Push Permitting Changes in Reauthorization** Bipartisan lawmakers are pressing Congress to include environmental permitting reforms in the upcoming surface transportation reauthorization. Advocates argue current rules under NEPA and related statutes cause years of delays and inflate costs, even for projects in existing rights-of-way. A letter led by Rep. Josh Harder (D-CA) and signed by 20 other members urged House T&I Committee to push for **shorter timelines for reviews, limits on judicial challenges, and expansion of the One Federal Decision statute**, which coordinates multi-agency reviews under a single lead agency.

- 🔗 **Trucking Groups Push for Dedicated Parking Funds:** Industry groups and lawmakers are pressing Congress to include dedicated funding for truck parking in reauthorization, citing chronic shortages that force drivers onto unsafe highway shoulders and ramps. **Rep. Mike Bost (R-IL) is leading efforts** to set aside $755 million over five years through a new USDOT grant program, complementing recent federal parking grants. However, resistance to expanding discretionary programs could complicate the push, with some lawmakers suggesting formula funding with stricter criteria as a compromise. Safety concerns are driving the renewed campaign, advocates say the shortage endangers not only drivers but the traveling public, giving the issue new urgency in the reauthorization debate.

- 🔗 **T&I Leaders Target Transit Safety After Roundtable**: House T&I leaders, FTA Administrator Molinaro, and transit/law enforcement stakeholders pledged to elevate transit safety after a roundtable led by Rep. David Rouzer (R-NC). Citing data showing post-pandemic increases in homicides/assaults on transit, participants **framed safety as central to reauthorization**. Chairman Sam Graves pointed to Kansas City's reversal of its 2020 fare-free policy while emphasizing restoring rider confidence and accountability.

- 🔗 **FEMA Reform Bill Draws Broad Support Ahead of Markup**: House T&I leaders teed up Sept. 3 markup of the bipartisan Fixing Emergency Management for Americans (H.R. 4669), which would streamline disaster programs, cut red tape, and restore FEMA to cabinet-level status. The bill reflects stakeholder feedback and won backing from emergency managers, local governments, utilities, insurers, builders, and disability advocates, who highlight provisions to speed aid, strengthen mitigation, improve coordination, and make assistance more accessible.

What's Making Headlines?

- 🔗 **PHMSA Reauthorization Advances in House Committee**: House T&I approved the PIPES Act of 2025 (H.R. 5301), a four-year, ~$1.5B package for pipeline safety, municipal repair grants, data-sharing, workforce, and public engagement.
- 🔗 **Senate Confirms FHWA, NHTSA, PHMSA Administrators**: The Senate approved four top transportation nominees in a party-line en bloc vote, **confirming Sean McMaster as FHWA Administrator**, Paul Roberti as PHMSA Administrator, Jonathan Morrison as NHTSA Administrator, and Robert Gleason to the Amtrak Board.
    - Several senior USDOT nominations remain pending in the Senate Commerce Committee, including **Ryan McCormick the nominee for Under Secretary for Policy**. If confirmed, McCormack would become a principal adviser to Secretary Sean Duffy on legislative and regulatory priorities. A longtime Republican operative, he previously served as chief of staff to Rep. Scott Fitzgerald (R-WI) and held several roles under Duffy, including legislative director and campaign manager.

Administration & Agencies

USDOT

- 🔗 **FTA Withdraws Environmental Justice Guidance**: FTA withdrew **Circular 4703.1**, its 2012 Environmental Justice Policy Guidance for recipients, effective September 15, 2025. The guidance was originally issued to implement **Executive Order 12898** and **DOT Order 5610.2(a)**, requiring federal actions to address disproportionate environmental and health impacts on minority and low-income populations. Both authorities have since been revoked, first by former President Trump's **Executive Order 14173** on DEI in January 2025, which ended EO 12898, and then by USDOT Secretary Duffy's **subsequent cancellation of the Department's EJ order**. Without these legal foundations, FTA announced that the Circular is no longer valid, marking a significant rollback of environmental justice requirements in federal transit programs.

- 🔗 **[USDOT Orders States to Halt Issuing CDLs to Certain Immigrants]**: Secretary Duffy announced an emergency order requiring states to stop issuing commercial driver's licenses (CDLs) to non-resident immigrants until they comply with new federal standards. The directive comes after USDOT audits found lapses in several states**. If states fail to comply within 30 days, they risk losing federal highway funding**. The order, which applies prospectively to non-domiciled CDLs, mandates stricter documentation requirements and in-person renewals. The order took effect immediately.

- 🔗 **[USDOT Considers Pulling Support from Business Resource Centers]**: USDOT is signaling plans to end funding for its Small Business Transportation Resource Centers, which provide technical assistance to minority- and veteran-owned small businesses seeking federal contracts. USDOT officials told grantees the program's money was "set to expire," though Congress continues to include funding for the office that oversees the centers. The move aligns with the administration's push to eliminate DEI-related programs. While some centers have already notified partners of lost support, congressional appropriations bills still contain funds for USDOT's Office of Small and Disadvantaged Business Utilization, making it uncertain whether the centers will ultimately be defunded.

- 🔗 **[USDOT Advances New Rules to Clear Path for Autonomous Vehicles (AVs):]** Secretary Duffy unveiled three proposed updates to federal vehicle safety standards aimed at easing the way for AVs. The rules would revise requirements on lighting, windshield wipers, and transmission shift interlocks so that vehicles without steering wheels, pedals, or other manual controls can still comply with federal regulations. The announcement follows **[NHTSA's June guidance]** streamlining the exemption process for driverless cars, signaling USDOT's continued **push to create a national AV framework** that reduces regulatory barriers while emphasizing safety.

- 🔗 **[USDOT Raises Oversight Issues on Francis Scott Key Bridge Project]**: Secretary Duffy sent a letter to Maryland's Governor expressing concerns about cost estimates and contracting practices for the Francis Scott Key Bridge replacement. Duffy questioned Maryland's $1.8 billion project estimate and 2028 completion target, citing risks of delays and budget overruns. He also criticized the use of race- and gender-based contracting requirements, arguing they could be unconstitutional and undermine project efficiency. Duffy emphasized the department's role in ensuring federal dollars are **spent in-line with administration priorities and projects are delivered on time** and within budget.

- 🔗 **[USDOT Pressures Chicago & Boston on Transit Safety]**: Secretary Duffy issued a warning to Chicago and Boston leaders over crime on their transit systems, saying the cities must act to protect riders and workers **or risk losing federal support.** Citing recent assaults on CTA and MBTA employees and passengers, Duffy criticized local policies like cashless bail and called for immediate accountability. In letters to both agencies, USDOT directed them to **submit reports within 14 days** detailing their crime prevention efforts, security funding, and plans to restore public confidence. The move follows similar letters sent earlier this year to transit agencies in **[DC]**, **[New York]**, and **[Los Angeles]**, signaling the administration's push to tighten federal oversight on transit safety nationwide.

- 🔗 USDOT Moves to Restore Federal Control of Union Station: Duffy announced a new agreement among USDOT, Amtrak, and the Union Station Redevelopment Corporation that restores federal oversight of Washington Union Station. The deal aims to accelerate long-delayed repairs, improve safety, attract new retail and office tenants, and create a more family-friendly environment. DOT framed the shift as a contrast to past expansion plans, emphasizing a "back to basics" focus on security and state-of-good-repair needs.

- 🔗 FMCSA Launches Pilot Programs to Ease Work Rules for Truckers: FMCSA announced two new pilot programs designed to give truck drivers more flexibility in managing schedules. The initiatives will test adjustments to federal hours-of-service rules, including a "Split Duty Period" and a "Flexible Sleeper Berth" program. The administration says that the pilots, part of a broader "Pro-Trucker Package," aim to improve safety and quality of life for drivers.

- 🔗 FRA Expands Railroad Bridge Safety Oversight: FRA will train 160+ federal and state inspectors in bridge mechanics and program compliance to strengthen nationwide railroad bridge safety.

💲 Notice of Funding Opportunities

Note: due to the government shutdown, expect delays in issuing new NOFOs, making selections, or signing/amending grant agreements until a CR/full-year law restores funding authority.

Open USDOT NOFOs

- 🔗 Innovative Finance and Asset Concession Grants (IFACG): offering up to $45.98 million to help public entities assess existing assets for value and explore innovative financing, alternative delivery, and public-private partnership options.
    - **Deadline:** October 1, 2025
    - **Webinar:** August 27 to guide prospective applicants (register here).

- 🔗 Bridge Investment Program (BIP): BIP focuses on existing bridges to reduce the overall number of bridges in poor condition, or in fair condition at risk of falling into poor condition. There are three categories for applications:
    - **Note:** No new application window will be issued, grants not selected in the past round will be up for reconsideration.
    - **Planning Grants Deadline:** October 1, 2025
    - **Bridge Project Grants Deadline:** November 1, 2025
    - 🔗 Read AMPO's BIP analysis ***here***

- 🔗 Rural and Tribal Assistance Pilot Program: The Build America Bureau has **reopened** applications for the Rural and Tribal Assistance Pilot Program, offering $54.2 million in no-match, first-come, first-served grants to help rural and Tribal communities access expert advisors for infrastructure project development. The amended NOFO covers FY24 and FY25 funds, with $20 million set aside for Tribes.

- **Deadline:** A new application must be submitted between **September 8 and October 8, 2025**, due to earlier technical issues.
- **Webinar:** August 26 to guide prospective applicants (slides and recording accessible on program web page).
- NOFO Amendment Announcement

- 🔗 **Federal-State Partnership for Intercity Passenger Rail Grant Program – National** : This FRA program provides funding for capital projects that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service.
  - **Deadline:** January 7, 2026

Upcoming NOFOs

- 🔗 **Strengthening Mobility and Revolutionizing Transportation (SMART) Grants – R2**: Stage 2 grants are up to $15,000,000 and 36 months. Only recipients of Stage 1 grants, or eligible entities designated by prior Stage 1 recipients, are eligible to apply for Stage 2.
  - **Expected Release:** Late fall.

- 🔗 **Tribal Transportation Program Safety Fund (TTPSF)**: FHWA Program to address transportation fatalities and injuries severely impact the quality of life in Indian country. Multijurisdictional groups are eligible to apply.
  - **Expected Release:** October 1, 2025

➡️ Access **AMPO's NOFO Tracker** here.

National News

- 🔗 **Feds Send Billions to States for Highways. Locals Want a Bigger Share**: With the IIJA set to expire next September, Congress is gearing up for reauthorization talks. The current state-led formula system directs most highway funds to states, leaving cities and counties reliant on limited competitive grants despite owning a significant share of the nation's roads. Local leaders, backed by Brookings research, argue that municipal roads are in worse condition and that more direct funding should flow to metropolitan planning organizations and localities.

- 🔗 **States Push Ahead on EV Charging Funds Despite Federal Pullback**: Even as the administration cuts the EV tax credit and eases emissions rules, more than 40 states are racing to unlock billions from the federal NEVI program to expand charging networks. Court rulings and **new USDOT guidance** reopened access to the $5 billion fund, giving the green light to move forward with hundreds of stations. The updated rules drop the strict "every 50 miles" mandate, allowing chargers in more accessible locations (**read AMPO's analysis** here). While projections show EV sales slowing without federal incentives, demand remains strong. At the same time, uncertainty lingers over another $700 million in charging grants under review, leaving the private sector to shoulder much of the infrastructure buildout.

- 🔗 **Oregon Passes Gas Tax and New EV Fee Package**: Oregon lawmakers approved a pared-down transportation funding package to address a $350 million deficit at the state DOT, averting layoffs and service cuts. The plan raises $4.3 billion over 10 years by boosting the state gas tax from 40 to 46 cents per gallon, adding a mandatory $340 annual fee or per-mile charge for electric vehicles, increasing registration and title fees, and temporarily raising the payroll tax to support transit. Legislators across the aisle described the package as a stopgap, with lawmakers expecting to revisit broader issues in future legislation.

Recent Editions

August 29th (2025)

- **Federal Focus (8/29):** APTA Survey Preliminary Results & USDOT RFI Extension

August 22nd (2025)

- **Federal Focus (8/22):** USDOT's SAFE ROADS Initiative FAQ & USDOT's Reauthorization RFI Comment Period Extension

August 14th (2025)

- **Federal Focus (8/14):** NEVI Guidance & Executive Order on Oversight of Grantmaking

August 4th (2025)

- **Federal Focus (8/4):** USDOT Reauthorization RFI, AMPO Letter to EPW, Senate THUD Bill, EO 14321

July 25th (2025)

- **Federal Focus (7/25):** USDOT Reauthorization Kick-off & RFI, FY26 THUD Appropriations Bill, EPW Hearings on Reauthorization, T&I Hearing on USDOT's Budget

July 10th (2025)

- **Federal Focus (7/10):** One Big Beautiful Bill Act (Analysis), USDOT Letter to all Funding Recipients, FHWA Highway Program Apportionments

July 3rd (2025)

- **Federal Focus (7/3):** NEPA Reform (Analysis), Division Office Cuts, EPA Grant Alarm Bells, USDOT Safe Roads Campaign, FTA Deregulatory Measures, Reconciliation Updates, Reauthorization Updates

June 18th (2025)

June 11th (2025)

- **AMPO Analysis (6/11):** Potential Freeze on $30B in Agency Funds, Bridge Investment Program FY 2025 NOFO (analysis), USDOT Approval of 529 grants, Administration Resets CAFE Program, Updates to BEAD Program

June 6th (2025)

- **AMPO Analysis (6/6):** FY 26 USDOT Budget Request, DOE Grant Cancelations, FTA Master Agreements Update, GAO Ruling on EV Funds, Supreme Court Narrows NEPA Scope, FHWA Terminates Transportation Planning Rulemaking

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