

The National Beat
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In This Issue

Federal Roundup2

 Congress2

 Congressional “Vibe” Check2

Administration & Agencies4

 USDOT4

 EPA5

 Notice of Funding Opportunities5

National News6

Recent Editions.....6



Federal Roundup

Congress: Government Shutdown, Reauthorization, Legislative Activity

Administration & Agencies: USDOT and EPA Updates

NOFOs: Fed-State Partnership for Intercity Passenger Rail



Congress

Congressional “Vibe” Check

Government Shutdown. 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. The shutdown is entering its third week with no resolution in sight. The House remains out of session, while the Senate continues holding failed votes on a majority-backed funding bill opposed by Democrats over restoring health insurance subsidies. Mistrust between Congress and the administration has further stalled negotiations, as the president’s expanded rescission powers have upended traditional spending norms.

- 🔗 **Most USDOT Spending Back to Normal Levels Amid Shutdown:** Despite the shutdown, USDOT spending has largely returned to normal, with over \$1 billion disbursed in a single day this week, mostly reimbursements for previously completed grant work (Eno). The pause in spending earlier this month reflected routine year-end accounting rather than shutdown effects. FHWA resumed reimbursements on October 15, withdrawing nearly \$900 million from the Treasury General Account, while FTA and FAA also restarted payments. The shutdown limits staff activity and new obligations, but with \$852 billion still in the federal treasury, DOT continues processing payments for existing commitments, underscoring that this is a legal, not financial, shutdown. *Read AMPO’s analysis of the shutdown effects on USDOT [here](#).*
- 🔗 **Government Shutdown Impact on Reauthorization:** As the government shutdown drags into its third week, congressional transportation leaders are preparing to refocus on a major priority once the impasse ends: reauthorization. With federal highway program authority set to expire in fall 2026, committees are expected to begin drafting legislation this fall to update long-term funding and policy frameworks.

Reauthorization. Even amid the government shutdown, congressional staff continue behind-the-scenes negotiations on surface transportation reauthorization to replace the IIJA before its **expiration on September 30, 2026**. The introduction of reauthorization bills and Committee markups is anticipated in the fall or early winter. Currently, **the Senate Banking Committee is seeking proposals from on-committee members** of the Senate. This is an opportune window for MPOs to elevate priorities directly with delegations. (**Pro Tip:** use AMPO’s [MPO Engagement Toolkit](#)).

- 🔗 **Eno’s Reauthorization Outlook: Determining Funding Totals, Splits, and Program Allocations:** Behind the scenes, lawmakers are shaping the next surface transportation

reauthorization, weighing how much contract authority to dedicate through the Highway Trust Fund (HTF), how to finance it, and how to balance investments between highways and transit. In past bills, much of the “pay-for” revenue came from unrelated budget offsets, and while some measures were technically deficit-neutral, the IIJA still added roughly **\$256 billion to the national debt**. This time, the big questions are whether new HTF transfers should be fully offset and how much deficit spending Congress is willing to accept. As committees prepare for potential markups later this year, the challenge will be finding the right mix of fiscal restraint, mode balance, and program flexibility.

- **Highway vs. Transit Funding:** The traditional 80/20 split between highways and transit is more myth than rule. Transit’s share of trust fund transfers has steadily grown (i.e., from about 14% in 2008 to nearly a quarter under IIJA) bringing the two accounts closer in size but also pushing the transit fund toward insolvency sooner.
- **Advance Appropriations:** Lawmakers must decide whether to repeat IIJA’s use of advance appropriations, which allowed spending beyond what the HTF could support but gave agencies multi-year certainty.
- **Program Structure:** Currently, within FHWA, about 90% of funds currently flow through formula programs. AASHTO and others are urging Congress to expand formula-based funding to 95%, over protecting discretionary grant programs.
-  **Eno: Advocates Responding to Policy Changes and Preparing for Reauthorization:**
At a recent Eno webinar, transportation advocates shared priorities for the next reauthorization and reactions to shifting federal policy. All agreed that **accountability, transparency, and stronger local collaboration** should guide the next bill, with clearer performance standards for safety, repair, and public outcomes. Key themes included:
 - **Ward McCarragher (APTA):** Emphasized expanding transit’s federal role, proposing a 27% funding increase over IIJA levels, streamlined project delivery, and greater support for passenger rail. A key element of APTA’s platform is **ensuring public transit representation on MPO boards**.
 - **Important Note:** AMPO strongly values transit and the collaborative relationships MPOs have with their region’s providers. We find APTA’s approach to board representation and creating a federal appeals process to be potentially counterproductive and harmful to MPO operations. **Read AMPO’s write up on APTA’s MPO-focused proposal [here](#).**
 - **Mike McGinn (America Walks):** Highlighted the connection between land use, accessibility, and transportation investment, urging policies that promote equity and walkability at the local level.
 - **Beth Osborne (Smart Growth America):** Called for a “fix-it-first” strategy to prioritize repair, safety, and accountability over continual highway expansion, arguing states should demonstrate results or risk losing funding flexibility.

What’s Making Headlines?

-  **USDOT Pick for Research and Technology Advances :** The Senate Commerce Committee voted 16-12 to advance Seval Oz’s nomination to serve as USDOT’s Assistant Secretary for Research and Technology, positioning her to oversee USDOT’s innovation and

automation initiatives. Oz, a veteran of Google’s self-driving car program and former CEO of Continental Intelligent Transportation Systems, faced scrutiny during her July hearing over past remarks on autonomous vehicle testing transparency. The nomination now heads to the full Senate for consideration.

-  **Republicans Seek Democratic Support on Permitting Reform:** EPW Chair Shelley Moore Capito (R-WVA.) and Rep. Bruce Westerman (R-AR) signaled renewed GOP efforts to attract Democratic support for a bipartisan permitting reform deal aimed at speeding project approvals. Both lawmakers emphasized the need for “predictability and certainty” in the permitting process and called for a broad coalition to reach the Senate’s 60-vote threshold. Westerman noted that five Democrats have joined his SPEED Act ([H.R. 4776](#)) to amend NEPA. The ongoing government shutdown has further slowed negotiations, with lawmakers acknowledging that furloughs and delays are stalling legislative work.



Administration & Agencies

USDOT

-  **FHWA FY 26 Distribution of Federal-aid Highway Obligation Limitation:** FHWA issued a notice outlining the FY 2026 distribution of Federal-aid highway obligation limitation under the IIJA. The notice allocates funding authority among states for core highway programs (i.e., including PL, STBG, CMAQ, and CRP), based on statutory formulas in 23 U.S.C. 104 and 23 U.S.C. 120. The total FY 2026 obligation limitation continues to reflect IIJA’s elevated investment levels. *Read AMPO’s analysis [here](#).*
 - **Note:** Obligation limitation refers to the annual cap on the amount of federal highway funding that can be committed to projects in a given fiscal year, effectively controlling the pace of spending from the Highway Trust Fund.
-  **NY Transit Projects Continue Amid Conflicting Federal Signals:** Despite recent remarks from President Trump suggesting New York’s Gateway Tunnel and Second Avenue Subway projects had been “terminated,” USDOT indicated that both remain active (read AMPO’s analysis [here](#)). The \$16 billion Gateway project, connecting New York and New Jersey, and the \$7 billion subway extension are still moving forward on the ground, though federal funding is paused pending a review of contracting practices. The administration reiterated that funding remains on hold, while USDOT officials emphasized there are no formal plans to cancel the projects. The mixed messages come as the government shutdown continues to disrupt major infrastructure efforts, with lawmakers from both states expressing concern about potential delays for commuters and regional transportation systems.
-  **USDOT Beautifying Transportation Infrastructure Council:** USDOT has established the Beautifying Transportation Infrastructure Council (BTIC) to advise the Secretary on enhancing the aesthetic and cultural value of the nation’s transportation systems. The 11-member council will include architects, planners, engineers, artists, preservationists, and

representatives from state, local, and Tribal governments, offering recommendations on design, policy, and funding priorities that make highways, bridges, and transit hubs more visually appealing while maintaining safety and efficiency. Nominations are open through **November 21, 2025**.

EPA

-  **EPA's Climate Rollback Impact on States:** EPA's proposal to stop regulating tailpipe emissions would leave states scrambling to meet Clean Air Act standards and climate targets without federal vehicle rules. State officials from Minnesota to Oregon warned that repealing GHG limits for cars and trucks would create compliance "gaps," forcing them to impose stricter controls on factories, warehouses, and consumer products. Transportation is the nation's largest source of GHG, and losing these federal standards could push some regions out of compliance with national air quality limits, risking highway funding penalties. Critics, including the National Association of Clean Air Agencies, say the rollback amounts to an unfunded mandate and undermines progress toward EVs and cleaner air. Certain states like California could be hit hardest, as the administration moves to revoke its authority to set its own vehicle standards, removing one of the most effective tools to reduce smog and meet climate goals.
-  **EPA Issues Broad Furloughs:** EPA initiated its largest round of furloughs yet, sending notices to large portions of its workforce as remaining funds run low. The cuts affect staff across EPA's air, water, enforcement, administrative, and lab offices, though employees working on permitting remain active. Former and current EPA officials warned that the staffing losses could hinder pollution oversight and enforcement, while agency leadership said it remains focused on "statutory obligations and Presidential priorities." According to EPA's contingency plan, up to 90% of the agency's 13,000 employees could ultimately be furloughed if the shutdown continues.

Notice of Funding Opportunities

Note: Due to the government shutdown (read AMPO's summary [here](#)), 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

-  **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:** Originally expected to in late fall (likely impacted due to ongoing government shutdown).
-  [Tribal Transportation Program Safety Fund:](#) 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:** Originally forecast for October 1, 2025 (likely impacted due to ongoing government shutdown)
 - **Estimated Application Due Date:** January 15, 2026

 Access [AMPO's NOFO Tracker here.](#)



National News

-  [Rise of Robotaxis:](#) The Driverless taxis are shifting from experiment to reality, operating in cities like San Francisco and Phoenix. With more launches expected soon in Beijing, Singapore, and Dubai, the global robotaxi market is projected to reach \$100 billion and 900,000 vehicles by 2035. Industry leaders such as Waymo, Tesla, and Zoox are driving US growth. Once regulations catch up, experts predict adoption will surge, potentially reshaping urban mobility worldwide.
-  [General Motors \(GM\) Profits Plunge Amid EV Market Slowdown:](#) GM reported a 56 percent drop in third-quarter profits, with net income falling from \$3 billion in 2024 to \$1.3 billion in 2025, as the automaker grapples with a new EV environment under the administration. GM attributed the decline to the elimination of federal EV tax credits and adjustments to the company's manufacturing footprint, which triggered special charges and will likely lead to further costs. Despite the setbacks, GM thanked the administration for extending a 3.75% production offset credit through 2030, saying the move will make US-made vehicles more competitive as GM continues investing in domestic production.

Recent Editions

[October 16th \(2025\)](#)

- **Federal Focus (10/16):** The Highway Funding Transferability Improvement Act & The Metropolitan Planning Enhancement Act

October 9th (2025)

- **Federal Focus (10/9):** USDOT IFR on DBE Program, USDOT Holds \$18 Billion in New York Transit Funding, FY 26 FHWA Apportionment of Funds

October 1st (2025)

- **Federal Focus (10/1):** Government Shutdown, Grant Cancellations, Obligation Deadlines on IIJA Funds, FTA FY 25 Apportionments, & CEQ NEPA Implementation Guidance

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

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