

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

March 10, 2023

Agenda Item 4a

Washington D.C. Legislative Update

Subject:

February 2023 Report from Washington, D.C. advocate.

Issues:

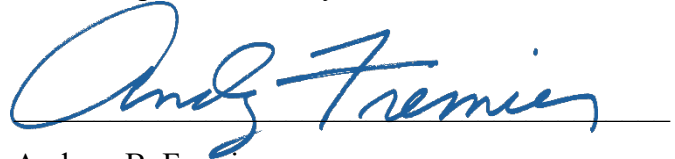
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – February 2023



Andrew B. Fremier



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Summit Strategies Team Report – February 2023

From: Summit Strategies Team

To: Andrew B. Fremier, Executive Director

Date: March 1, 2023

Subject: February Federal Policy Monthly Report

- **House Republicans Release New Earmark Rules**
 - **Supporting MTC Priorities in Congress**
 - **Agency Actions and Competitive Grant Update**
 - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

House Republicans Release New Earmarks Rules

After a slow start to the 118th Congress, the Senate will begin to push President Biden's judicial and agency nominations through the confirmation process, with several hearings scheduled over the next month.

While Congress will continue to move slowly, both chambers are taking action to begin consideration of the appropriations bills that fund the government. Starting by determining how they will handle what was formerly referred to as earmarks, which are now known as Congressionally Directed Spending or Community Project Funding. House Appropriations Committee Chair Kay Granger (R-Texas) issued guidance to members on requesting Community Project Funding for the Fiscal Year (FY) 2024 appropriations bills. House Republicans are capping the amount of federal spending that can be used for earmarks at 0.5 percent of discretionary spending. This is a decrease from the limit of 1 percent set by the then-Democratic leadership for FY 2023 appropriations bills. This cap is part of the GOP's pledge to cut more than \$130 billion in spending from current levels.

The guidance retains the cap on the number of requests members may submit at 15 across all appropriations bills. Still, the committee will not consider requests for Labor, Health and Human Services, Education, Financial Services and Defense appropriations bills. Members may request earmarks in Transportation, Housing and Urban Development (THUD) appropriations.

Speaker of the House Kevin McCarthy (R-CA) uses the phrase "federal nexus" to highlight that funded projects should be directly tied to the federal government. The new rules reflect a potential compromise between Speaker McCarthy and the more conservative members of his caucus, who criticize earmarks as an example of wasteful government spending.

In this process, the Senate is ahead of the House, and has already moved forward. Senate Appropriations Chair Patty Murray's (D-WA) personal deadline for earmark requests has already passed, as have those for other senior members of the Appropriations Committee.

Supporting MTC Priorities in Congress

The DC Team continues to build relationships with members of Congress and staff in the 118th Congress. In February 2023, the team worked with Senator Padilla (D-CA) and Senator Feinstein (D-CA) on a letter that urges the Environmental Protection Agency (EPA) to include Transit-Oriented Development (TOD) and land-use as an eligible expense for two Inflation Reduction Act (IRA) programs—the climate pollution reduction program (\$5 billion) and the greenhouse gas reduction fund (\$27 billion). In addition, we worked with the Senators to urge that programs and projects that would increase transit ridership be included as eligible expenses and that all local government units, including transit agencies and Metropolitan Planning Organizations (MPOs) be eligible to receive such funds. Because these programs were included in the IRA budget reconciliation package, the program language is very open and provides the EPA with a significant amount of flexibility.

In the House of Representatives, legislative assistant Madeline Canning has departed Representative Mark DeSaulnier's (D-CA) office and has been replaced with Grace Chan. Prior to working for Representative DeSaulnier, Ms. Chan served as committee staff to the Select Committee on Climate Change. In February, Jason Pavluchuk from the advocacy team met with Ms. Chan to introduce MTC and offer assistance as she acclimates to the office and the region. During the meeting, Jason discussed MTC's role in the region, specifically concerning the recently passed Bipartisan Infrastructure Law (BIL) funding. Jason mentioned that many of the commissioners would be in Washington at the end of March 2023, to which she expressed excitement about meeting the commissioners, staff and working with them. With respect to Congressman Josh Harder (D-CA), Mark Dedrick has already met with new Legislative Director Ata Khan to provide a similar introduction.

Your DC team is also working hard to organize and assemble elements of the March Fly-In. For example, the DC Team has identified and sent meeting invitations to relevant federal agency stakeholders, including critical U.S. Department of Transportation, EPA, Department of Energy, and Housing and Urban Development appointees.

Agency Actions and Competitive Grant Update

EPA Announces Initial Program Design of Greenhouse Gas Reduction Fund

On February 14, 2023, the U.S. Environmental Protection Agency (EPA) announced initial guidance on the Greenhouse Gas Reduction Fund (GGRF) program. The guidance relates to two competitions under the GGRF: a \$20 billion General and Low-Income Assistance Competition and a \$7 billion Zero-Emissions Technology Fund Competition. The General and Low-Income Assistance Competition will award competitive grants to eligible non-profits collaborating with community financing institutions to invest in projects that reduce pollution and lower energy costs for low-income families. The Zero-Emissions Technology Fund Competition will award grants to states, Tribes, local governments, and eligible non-profits to assist with deploying solar technology in disadvantaged communities.

The EPA also announced a roundtable series that will help communicate these programs to communities nationwide. [More information on the announcement can be found here.](#)

Treasury Releases IRA Guidance to Incentivize Investment in Underserved Communities

On Monday, February 13, 2023, the U.S. Treasury Department released new guidance on Inflation Reduction Act (IRA) programs to incentivize investment in underserved communities and hard-hit coal communities. The first notice establishes the expanded Qualifying Advanced Energy Project Credit program, which provides incentives for clean energy property manufacturing and recycling, industrial decarbonization, and critical materials refining, processing, and recycling. The first notice also provides examples of projects eligible to apply for a tax credit of up to 30%. The second notice establishes the Low-Income Communities Bonus Credit program, which provides a 20% tax credit for investments in low-income communities for solar and wind energy projects. [More information on the announcement can be found here.](#)

Changes Coming to 'Buy America' Guidance

On February 9, 2023, the Office of Management and Budget issued a notice of proposed rulemaking (NPRM) to revise its guidance for grants and agreements in support of the "Build America, Buy America" (BABA) provision of the Bipartisan Infrastructure Law. The new provisions are intended to improve the consistency and implementation of BABA requirements. Changes include creating a common framework for applying Buy America Preferences to Federal Financial Assistance; guidance for determining the cost of manufactured products; using the definition of "cost of components" in the Federal Acquisition Regulation (FAR) for procurement; and a new standard for what defines "all manufacturing processes" for manufacturing of construction materials. Comments are due March 13. [More information on the guidance can be found here.](#)

Funding Awarded for Tribal Transportation Safety Improvements

On Thursday, February 2, 2023, the U.S. Department of Transportation Federal Highway Administration (FHWA) announced that 70 tribes would receive approximately \$21 million for 93 projects that improve road safety on Tribal lands, including nearly \$1 million for tribes in California. The funding comes from the FHWA's Tribal Transportation Program Safety Fund, which is dedicated to combatting traffic crashes in Indian and rural communities. The Tribal Transportation Safety Fund, which is part of the Tribal Transportation Program, received a \$3 billion boost for Fiscal Years 2022 through 2026, as authorized by the Bipartisan Infrastructure Law. [More information on the announcement can be found here.](#)

HUD Announces Millions to Address Homeless

On Thursday, February 2, 2023 the U.S. Department of Housing and Urban Development (HUD) announced \$315 million in grants to 46 communities across the country, including \$15 million for the Alameda County Continuum of Care (Berkeley/Oakland) (one of two awards to the state, the other for \$60 million to Los Angeles). These grants provide resources to help communities provide housing and supportive services to people experiencing homelessness. As part of the grant process, communities were also asked to develop plans to address homelessness that involved coordination with healthcare providers and housing agencies. [More information on the announcement can be found here.](#)

\$800 Million Announced for Projects that Improve Road Safety

On Wednesday, February 1, 2023 the U.S. Department of Transportation announced \$800 million in grant awards for 510 projects through the Safe Streets and Roads for All (SS4A) Grant Program, including \$64 million for projects in the Bay Area. The awards fund two types of projects: planning and implementation projects. Action plan grants assist communities that do not currently have a roadway safety plan. Implementation grants provide funding to communities to enact their roadway safety strategies. The goal of the SS4A program is to reverse the troubling increase in traffic fatalities, which hit a 16-year high in 2021. [More information on the awards can be found here.](#)

Mega Grant Awards Announced

On Tuesday, January 31, 2023 the U.S. Department of Transportation announced nearly \$1.2 billion in awards for nine National Infrastructure Project Assistance (Mega) projects across the country, including \$30 million to the California Department of Transportation for the Watsonville-Cruz Multimodal Corridor Program. The Mega program, which was created by the Bipartisan Infrastructure Law, funds projects that are too large or complex for traditional funding programs. Eligible projects include highways, bridges, freight, port, passenger rail, and public transportation projects. The Mega program will invest \$5 billion through 2023. [More information on the announcement can be found here.](#)

\$1.7 Billion Announced to Modernize Fleets and Deploy Clean Transit Buses

On Friday, January 27, 2023, the U.S. Department of Transportation Federal Transit Administration (FTA) announced nearly \$1.7 billion to support state and local efforts to modernize aging transit fleets with low- and no- emission buses, renovate and construct bus facilities, and support workforce development. Under this announcement, two programs will receive funding: FTA's Low or No Emission (Low-No Program) and FTA's Grants for Buses and Bus Facilities Program. \$1.2 billion will be available to the Low-No program to help transit agencies buy or lease U.S.-built zero-emission and low-emission transit buses and equipment. \$469 million in grants will be available to the Buses and Bus Facilities Program which supports transit agencies in buying and rehabilitation buses, vans, and related equipment. [More information on the announcement can be found here.](#)

National Transportation News Roundup (links to articles)

- [Report: Why U.S. Transit Projects Cost So Much \(Planetizen\)](#)
- [Electric Buses Are Gaining New Traction in the Marketplace \(Government Technology\)](#)
- [Biden Touts Infrastructure In State-Of-The-Union Speech \(AASHTO Journal\)](#)
- [How Communities Balance Speed and Safety on the Roads \(Route Fifty\)](#)
- [What to know about the train derailment in East Palestine, Ohio \(NPR\)](#)