



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2025

FEDERAL HIGHWAY ADMINISTRATION

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

FHWA FY 2025 BUDGET

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FEDERAL HIGHWAY ADMINISTRATION (FHWA) FISCAL YEAR 2025 BUDGET

BUDGET SUMMARY OVERVIEW

The Federal Highway Administration's (FHWA) fiscal year (FY) 2025 Budget represents a fourth year of generational investments enabled by the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL). **FHWA's FY 2025 Budget requests \$62.8 billion**, of which \$800 million is to support the RAISE and Mega Programs under the Office of the Secretary of Transportation. When added to the **\$9.5 billion** in advance appropriations contained in the IIJA, this will result in a total of **\$72.3 billion** to advance the Secretary of Transportation's vision of building America's economy and infrastructure back better.

The Budget also includes a proposal to reduce the amount of obligation limitation subject to the August Redistribution process, which has grown significantly in recent years. The proposal would match the period of availability for obligation limitation and contract authority for allocated programs. As a result, new allocated programs' contract authority would be removed from the annual August Redistribution process, resulting in a lower overall redistribution of obligation limitation in FY 2025. In the subsequent fiscal year, States would realize an increase in their initial formula obligation limitation and new allocated programs would receive an increase in non-formula obligation limitation, aligning such programs closer with their authorized amount.

FHWA's mission is to deliver a world-class system that advances safe, efficient, equitable, and sustainable mobility choices for all while strengthening the Nation's economy. FHWA provides stewardship over the construction, maintenance, and preservation of our Nation's highways, bridges, and tunnels, including on Federal and Tribal-owned lands. FHWA supports all 50 States, the District of Columbia, Puerto Rico, and the United States territories to help them continue the important work of rebuilding and transforming our Nation's roads and bridges.

Focusing on Safety

The safety of all roadway users – drivers and passengers, pedestrians on foot and in wheelchairs, cyclists, and transit passengers as they are going to or from their station or stop – is FHWA's top priority. The National Highway Traffic Safety Administration (NHTSA) estimates that 42,795 people died in motor vehicle crashes in 2022, 144 less fatalities than reported in 2021. NHTSA also estimates that fatalities declined in the fourth quarter of 2022. This is the third straight quarterly decline in fatalities after seven consecutive quarters of increases beginning in the third quarter of 2020.

FHWA is committed to making travel safer for those both inside and outside of vehicles as part of DOT's work to make roads safer through the National Roadway Safety Strategy (NRSS). The NRSS has adopted zero deaths as the DOT-wide vision and emphasizes the Safe System Approach. This approach acknowledges that people make mistakes, and we are responsible for putting safeguards in place to prevent those mistakes from being fatal. FHWA's efforts are focused on

safer roads, road users, safer speeds, post-crash care, and investing the significant resources provided by the BIL to improve safety for those both inside and outside a vehicle. FHWA implements several important programs that focus on reducing traffic fatalities and serious injuries for all roadway users on all public roads.

- FHWA's **Highway Safety Improvement Program (HSIP) (\$3.2 billion)** seeks to reduce the number of lives lost on our Nation's highways, bridges, and roads. The HSIP is one of the most important Federal programs for transportation agencies in their efforts to protect all road users. The HSIP empowers States to develop and administer a safety program that best meets their safety needs, while ensuring that safety programs are data-driven, strategic, and performance-based. FHWA will continue to work with States to encourage prioritizing safety-related investments in communities that have been historically underserved and adversely affected by past infrastructure decisions, with a focus on disadvantaged communities including high-poverty and rural areas.

The **Railway-Highway Crossing Program (\$245 million)**, a set-aside from HSIP, supports projects to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings. Through this program, State and local agencies are implementing data-driven practices to successfully address highway-railway crossing safety planning, implementation, and evaluation challenges.

FHWA also promotes transportation safety outreach, training, and education (**\$3.5 million**, set aside from HSIP). This funding supports training and public education focused on work zones, railway-highway crossings, and other safety efforts.

- **Transportation Alternatives (\$1.5 billion)**, a set-aside from FHWA's Surface Transportation Block Grant Program, helps States, local governments, and communities pursue transportation improvements. With these improvements it creates safe, accessible, and environmentally sensitive communities through projects that provide access to jobs, services, housing, and recreation, to enhance and preserve the human and natural environment. This program can be used for a variety of projects including pedestrian and bicycle facilities, recreational trails, Safe Routes to School projects, road safety assessments, and community improvements such as historic preservation and vegetation management.
- Each year roughly 200 people are killed – and many more are injured – in more than one million collisions involving wildlife and vehicles. The **Wildlife Crossings Pilot Program (\$75.0 million)** will make roads safer, prevent wildlife-vehicle collisions, and improve habitat connectivity by providing grants to States and communities to construct wildlife crossings over or below busy roads, add warning signs for drivers, acquire mapping and tracking tools, and more. Through this program, which was created by the BIL, communities that may not previously have had access to funding for these critical projects can finally make roads safer while protecting wildlife and their movement corridors. In December 2023, FHWA awarded \$110 million in grants for 19 wildlife crossing projects in 17 States, including four Tribes. For example, the Stillaguamish Tribe in Washington State will receive \$8.5 million to design and construct a wildlife overpass with fencing.

- FHWA’s **Every Day Counts Program (EDC)** is a successful State-based initiative that helps identify and rapidly deploy proven, yet underutilized, innovations. The seventh round of EDC, covering the years of 2023 and 2024, includes two innovations chosen specifically to improve safety. Given that the nighttime crash fatality rate is three times the daytime rate, the **Nighttime Visibility for Safety** initiative promotes traffic control devices and properly designed lighting to improve safety for all users. In an effort to reduce the over six million crashes a year that put responders and other vulnerable road users at risk, the **Next-Generation Traffic Incident Management** initiative promotes emerging technologies, such as emergency vehicle lighting and queue warning solutions, to help keep crash responders safe and mitigate traffic impacts after a crash.
- **FHWA is committed to improving safety for first responders and work zone workers.** FHWA has been working closely with stakeholders to advance the safety culture of incident response, encourage performance-driven safety practices, and advocate for the deployment of innovative safety countermeasures. **FHWA’s Traffic Incident Management training (\$0.6 million)**, designed by and for responders, helps teams of police, firefighters, highway workers, emergency medical services, and towing personnel ensure safe and effective coordination at a crash scene. More than 700,000 responders have been trained, representing all 50 States, the District of Columbia and Puerto Rico.

Every spring, FHWA and our stakeholders sponsor the **National Work Zone Awareness Week**. This event serves as an annual reminder that work zone safety and mobility for all users – including vulnerable road users such as highway workers on foot, pedestrians, and bicyclists – are significant issues that must be addressed. Additionally, FHWA’s **Work Zone Safety Grant Program (\$2.0 million)** develops and provides highway work zone safety training and guidelines to prevent and reduce work zone injuries and fatalities. Through this program, more than 122,000 field workers, comprised of State, local and Tribal personnel, have participated in nearly 4,300 courses.

Restoring Economic Strength

The BIL is a historic investment in our roads, bridges, and economy. FHWA will ensure that this generational investment will go towards projects that will have a real impact for vehicles, transit, pedestrians, and bicyclists traveling on America’s roadways, and that all communities will benefit from this investment for decades to come.

- The **Bridge Formula Program (\$5.5 billion)** provides funds to States by formula for bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads. Portions of this funding is dedicated to off-system bridges, which are often owned by local authorities, and to Tribal transportation facilities. Since the enactment of the BIL, FHWA, through this program, has provided \$15.9 billion to States and \$495 million to Tribes to help communities across our Nation rebuild, repair, and replace their bridges.
- The **Bridge Investment Program (\$2.5 billion)** awards grants to rehabilitate or replace bridges. This program focuses on projects with national or regional significance, while

setting aside a portion of funding for Tribal bridge projects. In December 2023, FHWA opened a notice of funding opportunity (NOFO) for up to \$9.6 billion in FYs 2023 through 2026 Bridge Project grant applications and \$80 million in FYs 2023 through FY 2026 Planning Project grant applications under the Bridge Investment Program. With this funding, communities can plan and implement bridge projects that will improve safety and mobility for people in rural regions, urban areas, and places in between. The Bridge Investment Program has already funded nearly 40 bridge projects nationwide and this funding will help communities continue to plan and advance important bridge projects in the years ahead.

- The **Nationally Significant Freight and Highway Projects Program (\$1.5 billion)**—also referred to as the “Infrastructure for Rebuilding America (INFRA)” program—awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. INFRA awards, including the approximately \$3.1 billion in FY 2023 and FY 2024 funding made available, support projects that fix aging infrastructure, providing enhanced safety, capacity, and connectivity for highways and the freight system.
- The **National Highway Freight Program (\$1.5 billion)** invests in infrastructure and operational improvements on the National Highway Freight Network, which consists of over 60,000 miles of roadways and bridges. This program addresses a longstanding need to reduce the existing backlog in freight infrastructure investment by strategically directing resources towards improving the condition and performance of the roads and bridges that are vital to our Nation’s freight movement.
- The **Congestion Relief Program (\$50.0 million)** provides grants to advance innovative, integrated, and multimodal solutions to reduce congestion and the related economic and environmental costs in the most congested metropolitan areas with an urbanized area population of at least one million. In February 2024, FHWA issued the first NOFO under the Congestion Relief Program for up to \$150 million in grants for FY 2022 through FY 2024 funding.
- The **National Highway Performance Program (NHPP) (\$30.2 billion)** improves the condition and performance of the National Highway System (NHS), a roughly 222,000-mile network of high-volume roads and over 145,000 bridges. The NHS is a vital, national network of roads which carries 55 percent of vehicle miles travelled nationally. The NHPP plays a key role in addressing the national priorities of safety, equity, climate change, and resilience. FHWA encourages States and communities to adopt and implement Complete Streets policies that prioritize the safety of all users. FHWA works with States to ensure consideration of using NHPP funds for projects that proactively address racial equity, workforce development, economic development, and remove barriers to opportunity. FHWA also encourages funding recipients to consider climate change and sustainability throughout the planning and project development process.
- The **Surface Transportation Block Grant Program (STBG) (\$14.7 billion)** empowers States and communities to best address their transportation needs through flexible funding

with a wide range of eligible uses. STBG funding is available for projects on the roughly 1,034,000 miles of Federal-aid highways, for bridges on any public road, for on-road and off-road bicycle and pedestrian facilities, and for transit capital projects. As a result, the STBG Program gives transportation agencies, local governments, and communities the ability to direct funding to address State and local priorities. STBG will help improve safety and accessibility for all users, including pedestrians and bicyclists, improve air quality, reduce congestion, foster affordable transportation, and improve quality of life.

- The **Appalachian Development Highway System (ADHS) (\$250 million)** supports economic growth in this historically isolated region. The construction of the ADHS has increased economic activity, job creation, and business expansion across the region. Today, more than 91 percent of the ADHS is under construction or open to traffic. By 2040, close to 100 percent of the network is expected to be complete and open to traffic. Through this program to date, the BIL has provided \$739 million to Appalachian States to aid in the completion of the ADHS.
- The **Territorial and Puerto Rico Highway Program (\$232.5 million)** supports projects in Puerto Rico and the territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands. Projects funded through this program enhance the quality of life of residents by improving access to job centers and educational and healthcare facilities, while increasing safety, mobility, and transportation equity.

Ensuring Transportation Equity

It is critical that the historic BIL infrastructure investments we are making reach the places and people who need them the most. A key priority for FHWA is helping to ensure that underserved communities have greater empowerment and engagement in transportation decision-making, increased transportation investment, expanded transportation access, and opportunities for job and wealth creation. FHWA administers several programs that proactively address racial equity, workforce development, economic development, and removing barriers to opportunity.

- The **Reconnecting Communities Pilot Program (\$202.0 million)** supports planning efforts and projects with the goal of removing or retrofitting existing transportation facilities that create barriers within communities. In February 2023, FHWA awarded \$185 million of FY 2022 funding for 45 construction and planning projects that prioritize transformative community-led solutions to help revitalize communities. For example, the city of Kalamazoo, Michigan received \$12 million to redress a historic transportation inequity. Approximately 60 years ago, a one-way street system was implemented in a portion of Kalamazoo that resulted in a physical barrier between a predominately African American neighborhood and the central business core, severely limiting access and opportunity. The redesigned road configuration supported by this program will reconnect the disadvantaged neighborhood with downtown areas. In August 2023, a combined NOFO was released to solicit applications for the Reconnecting Communities Pilot Program and the Neighborhood Access and Equity Program, referred to jointly as the Reconnecting Communities and Neighborhoods Program.

- The **Rural Surface Transportation Grant Program (\$450.0 million)** awards competitive grants to eligible entities to improve and expand the surface transportation infrastructure in rural areas. At least 25 percent of the funds are reserved for projects that further the completion of designated routes of the ADHS. In December 2023, \$645 million in Rural Surface Transportation grants were awarded for 18 projects in 18 States to help communities around the United States complete transportation projects that will increase connectivity, improve safety and reliability, support regional economic growth, and improve the quality of life for people living in rural areas. For example, \$25 million was awarded to San Luis, Arizona for a roadway reconstruction and improvement project that will improve safety in a disadvantaged area with higher-than-average pedestrian/cyclist crashes.
- To realize the potential of the BIL we must train a workforce that meets tomorrow's challenges. FHWA's **On-the-Job Training (OJT) Supportive Services program (\$10.0 million)** supports the highway construction industry in establishing and maintaining apprenticeship and training programs intended to move minorities, women, and disadvantaged individuals into journey-level positions. In January 2023, FHWA released new guidance to support State investment in workforce development, training, and education to meet the demand generated by BIL investments.
- The **Disadvantaged Business Enterprise/Supportive Services (DBE/SS) program (\$10.0 million)** helps eligible small businesses compete for Federal highway contracts in States, as well as the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. These funds allow State Departments of Transportation to help minority- and women-owned businesses across the country create jobs and better compete for transportation projects nationwide.
- The **Prioritization Process Pilot Program (\$10.0 million)** focuses on equity, transparency, and accessibility in transportation planning. This program supports States and MPOs in the development of publicly accessible, transparent prioritization processes to assess and score projects according to locally determined priorities. These processes will lead to accessible and equitable public input opportunities and the development of a prioritized list of projects that will benefit all communities.
- The **Metropolitan Planning Program (\$464.9 million)** supports MPOs in conducting multimodal transportation planning and programming in metropolitan areas. Through this program, MPOs promote equity in transportation planning by working with States to identify transportation improvement options, including improved access to all modes (e.g., bicycle, pedestrian, and transit), increased transportation network connectivity, and telecommunications and delivery services.
- FHWA's **Federal Lands and Tribal Programs** help ensure that Federal Lands are accessible to all Americans and are economic generators. Investments in Tribal nations improve roadway safety, increase mobility, and create access to opportunity for residents of these communities.

- The **Federal Lands Transportation and Access Programs (\$751.9 million)** support projects in and around Federal Lands. The Federal government owns over 30 percent of the land in the United States. These programs are vital in keeping these national treasures safely accessible for millions of visitors each year and help grow local economies that are often in rural areas.
- The **Tribal Transportation Program (TTP) (\$613.0 million)** provides safer and better access to housing, emergency services, schools, stores, jobs, and medical services. The Native American and Alaska Native populations of our country experience higher rates of fatal injuries associated with transportation than the population as a whole. In July 2023, FHWA awarded \$21 million of FY 2023 funding for 88 projects through a component of the TTP that provides funding to improve roadway safety on Tribal lands. For example, the Coushatta Tribe of Louisiana received a grant for the design of safety countermeasures along a high-risk roadway where several roadway departure crashes have occurred, as well as at two intersections where crashes have taken place.
- The **Nationally Significant Federal Lands and Tribal Projects (NSFLTP) Program (\$55.0 million)** provides needed funds for Tribes and Federal Lands Management Agencies (FLMA's) to complete major, high-cost projects that will provide substantial benefits to their communities or parklands. In July 2023, FHWA awarded \$130.5 million of FY 2022 funding for seven projects under the NSFLTP Program. For example, the Cherokee Nation in Oklahoma received \$12.9 million for the Cherokee Nation Mud Valley Road Reconstruction project, which will make improvements to the road within the Cherokee Nation Reservation, including adding shoulders, replacing three bridges, and improving the line of sight at an existing intersection by constructing safety countermeasures. The project will improve safety and mobility for residents in this rural community in northeast Oklahoma, including pedestrian and bicycle safety improvements. A NOFO making available \$88 million in FY 2023 NSFLTP funding closed in November 2023.

Addressing Climate Change

FHWA is committed to working towards significantly reducing transportation emissions by supporting both electrification and decarbonization of the transportation system along with safer and more convenient options for walking, biking, and using transit. In addition, FHWA emphasizes projects that make our roads and bridges more resilient thereby helping to safeguard communities against extreme events.

- The **National Electric Vehicle Infrastructure (NEVI) Formula Program (\$1.0 billion)** enables States to create a network of convenient, affordable, reliable, and equitable electric vehicle (EV) charging stations along designated Alternative Fuel Corridors (AFCs), particularly along the Interstate Highway System. The NEVI Formula Program is a major step toward ensuring that every EV user will be able to find safe, reliable charging stations anywhere in the country. In December 2023, FHWA announced the opening of the Nation's

first NEVI-funded EV charging stations in Ohio and New York. Other new charging station launches will follow with stations already under construction in Maine, Pennsylvania, and Vermont.

- The **Charging and Fueling Infrastructure Grants Program (\$600.0 million)** provides grants designed to further increase electric vehicle charging access throughout the country. Charging and Fueling Infrastructure Grants Program awards, including the approximately \$700 million in FY 2022 and FY 2023 funding made available, support projects to strategically deploy EV charging and other alternative vehicle-fueling infrastructure projects in publicly accessible locations in urban and rural communities, as well as along designated AFCs. In particular, awards prioritize bringing EV charging into urban and rural communities, downtown areas, and local neighborhoods, particularly in underserved and disadvantaged communities.
- Every community in America knows the impacts of climate change and extreme weather. The **Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Formula (\$1.5 billion) and Discretionary (\$300.0 million) Programs** support projects to make the country's surface transportation system more resilient to the worsening impacts of climate change, reduce long-term costs by minimizing demands for more expensive future maintenance and rebuilding, and prioritize the needs of disadvantaged communities that are often the most vulnerable to hazards. Since the enactment of the BIL, FHWA has provided about \$4.3 billion to States for the PROTECT Formula Program. Additionally, in April 2023, FHWA opened applications for up to \$848 million of FY 2022 and FY 2023 of competitive PROTECT grants funding. The call for applications for \$848 million closed in August 2023. In FY 2025, FHWA intends to perform a program evaluation to measure the effectiveness and impacts of projects carried out under the PROTECT Discretionary Grant Program. The evaluation will focus on program outcomes related to improving surface transportation resilience.
- The **Carbon Reduction Program (\$1.3 billion)** supports the development of State carbon reduction strategies and funds projects designed to reduce transportation emissions. This flexible program allows for a wide range of projects to reduce emissions including intelligent transportation solutions, public transportation projects, alternative fuel vehicle projects, and congestion management technologies.
- The **Reduction of Truck Emissions at Port Facilities (\$80.0 million)** supports projects that reduce port-related emissions from idling trucks, including through the advancement of port electrification, improvements in efficiency, and other emerging technologies and strategies. Projects awarded through this program will help to reduce the impact of truck emissions on neighboring communities, and improve the health and wellbeing of port workers, truck drivers, and families who live nearby. The call for applications for up to \$160 million of FY 2022 and FY 2023 funding closed in July 2023.
- Poor air quality greatly impacts quality of life, particularly for densely populated communities, which often are traditionally underserved communities. The **Congestion Mitigation and Air Quality Improvement Program (\$2.7 billion)** helps States and local

governments reduce harmful emissions and highway congestion and assists many communities in reaching attainment of the National Ambient Air Quality Standards.

- The **Emergency Relief (ER) Program (\$100.0 million)** helps restore and repair roads and bridges following disasters or catastrophic failures. Through this program, FHWA often provides “quick release” funds shortly after an event to help restore essential transportation. In October 2023, FHWA provided \$15.3 million in “quick release” ER funds for use by local public agencies in 12 counties in California. The funds will offset costs of repair work needed for roads, trails, parking areas, and other infrastructure damaged by Tropical Storm Hilary in August. In November 2023, FHWA provided \$3 million in “quick release” funds for use by the California Department of Transportation to offset costs of emergency repair work on a section of Interstate 10 near downtown Los Angeles damaged by a fire that took place under the interstate and resulted in a closure in both directions. Additional funding is often provided to complete restoration projects and better prepare the infrastructure for future weather events.

Investing in Transforming Transportation

FHWA’s suite of research, technology, and education programs supports the development and deployment of innovations to improve safety, increase mobility of people and goods, reduce congestion, extend the life of transportation infrastructure, accelerate project delivery, and support the transition to an equitable transportation system that serves all road users.

- FHWA’s **Research, Technology, and Education (RT&E) Program (\$520.0 million)** accelerates the adoption of proven innovative practices and technologies as standard practices to significantly improve safety, system efficiency, infrastructure health, reliability, and performance.

FHWA’s research programs are located at the Turner-Fairbank Highway Research Center, a Federally owned and operated national research facility. The center reviews, tests, studies, performs research, and finds solutions to complex transportation problems through the development of more economical, environmentally sensitive designs; more efficient, quality-controlled construction, operational, safety practices; and more durable materials. The result is a safer, longer-lasting, more reliable highway transportation system.

- In FY 2025, through FHWA’s **Research and Technology Evaluation Program**, FHWA intends to evaluate the EDC Program and the Integrating National Environmental Policy Act (NEPA) and Permitting initiative.
 - The evaluation of the EDC Program will include how the program supports wider adoption of underused innovative technologies and program delivery approaches, the outcomes that can be attributed to the EDC Program and their potential long-term impact, and what lessons can be learned from the performance of the program.

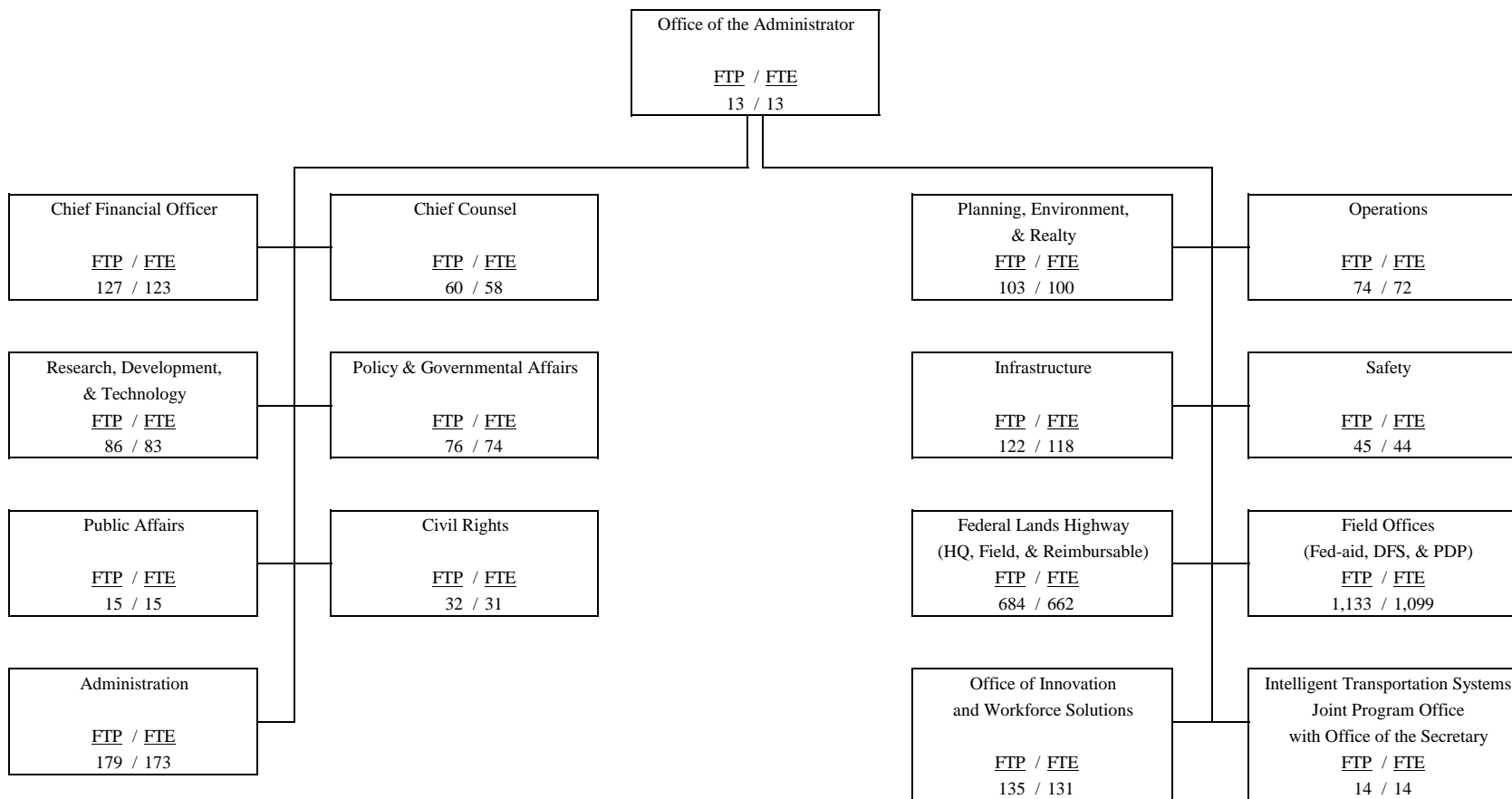
- The Integrating NEPA and Permitting initiative allows the various environmental reviews and permitting procedures to be performed concurrently. The resulting synchronization provides for more effective and efficient regulatory reviews, leading to projects with reduced impacts on the environment as well as savings of time and money. The evaluation will include whether the initiative is effectively communicated to stakeholders, is applied by intended end users, and results in the achievement of the intended goals and objectives and reduced costs.
- FHWA is at the forefront of transportation innovation. This is exemplified by the **Exploratory Advanced Research (EAR) Program**, which conducts longer-term, higher-risk research that has the potential for dramatic breakthroughs in transportation. For example, the EAR Program is investigating the use of artificial intelligence to digest and analyze large amounts of data and form conclusions, a process known as machine learning. Machine learning can involve processing large amounts of traffic crash data, combined with other data such as weather conditions, traffic volume, and vehicle speeds, to gain insight for making certain intersections safer.
- FHWA is committed to helping innovations reach communities nationwide. For example, the **Advanced Transportation Technology and Innovation (ATTAIN)** program promotes technology-based solutions that improve the travel experience for millions of Americans who use our highway and transit systems, with expanded eligibility for projects in communities that have previously lacked investments, including rural areas and areas of persistent poverty. In May 2023, FHWA awarded \$52 million of FY 2022 funding to eight States through the ATTAIN program. For example, the Delaware Department of Transportation received \$5 million for a project in rural Sussex County to improve safety by optimizing transportation systems before and during flood events. The project uses advanced technologies to improve detection of local road users, including pedestrians and bicyclists. A NOFO making available \$120 million for the ATTAIN program was opened for applications in November 2023.
- In June 2023, FHWA opened applications for up to \$34 million of FY 2022 and FY 2023 funding for the **Advanced Digital Construction Management Systems (ADCMS) grant program**. The ADCMS Program focuses on digital construction, such as computer modeling and 3D design, to encourage state-of-the-art practices in project delivery. This program funds projects that promote information-sharing, reduce reliance on paper, improve productivity and savings during project delivery, and can serve as models for the adoption and deployment of digital construction technologies. In November, FHWA awarded \$34 million for 10 ADCMS projects in 10 States. For example, Iowa received \$2 million to create the standards, processes, and technology solutions to properly capture, share, and store digital as-built information for State-owned utilities, bridges, and pavement materials.
- FHWA's training and education programs help to ensure that our Nation has an equitable, vibrant, and knowledgeable transportation workforce ready to meet the challenges of today and the future. For example, the **Local and Tribal Technical Assistance Programs** deliver training, technical assistance, and technology transfer tailored to the

needs and capacity of local public agencies and Tribal governments. These programs help maintain and build the professional capacity of local and Tribal transportation workforces, while integrating innovative technologies and practices.

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EXHIBIT I-A

**FEDERAL HIGHWAY ADMINISTRATION ORGANIZATION CHART
FY 2024 ESTIMATED FTP BY OFFICE AND ESTIMATED FTE BY OFFICE**



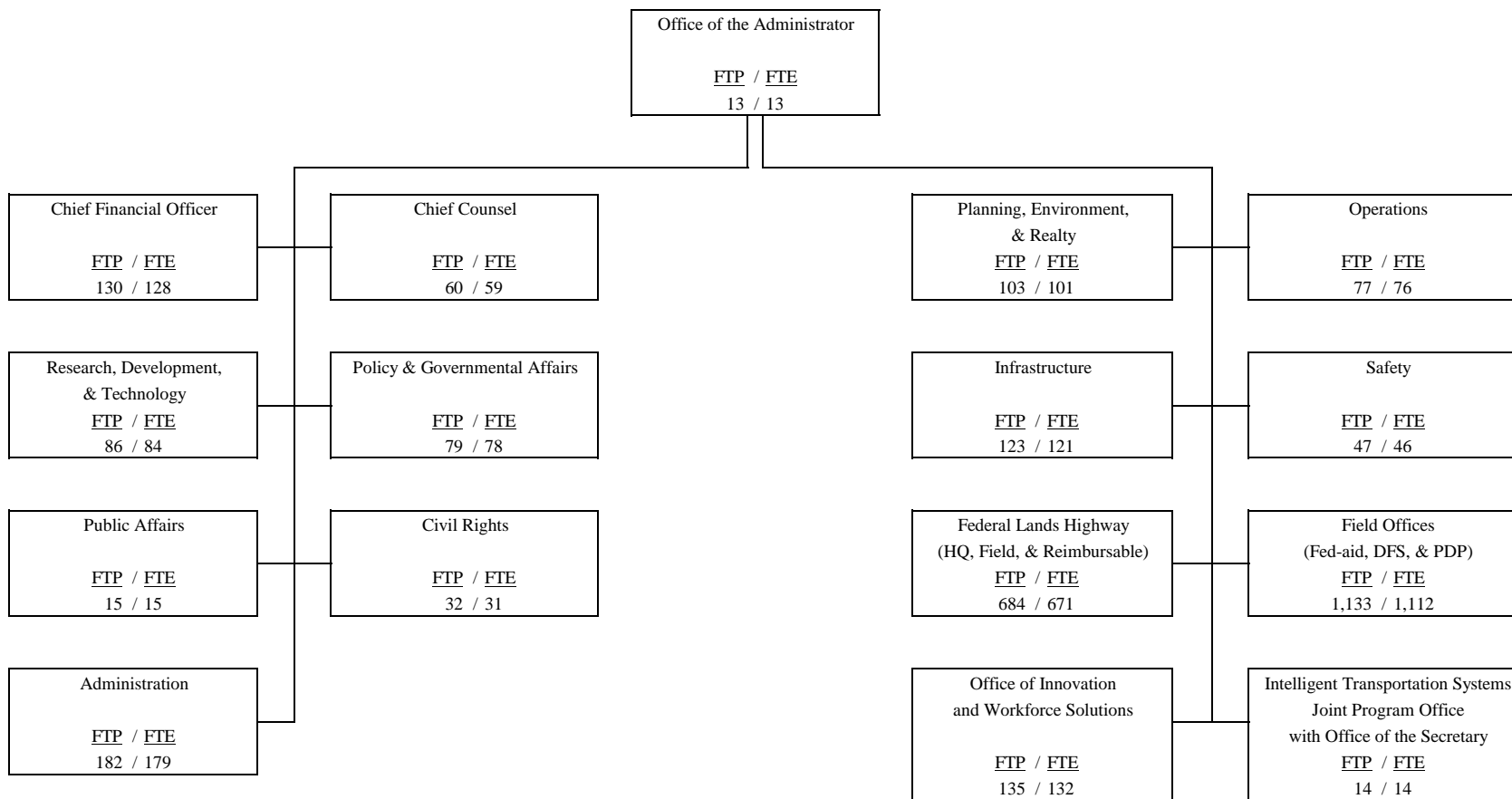
| FTP - FULL-TIME PERMANENT POSITIONS | |
|-------------------------------------|--------------|
| Direct funded | 2,793 |
| Indirect funded | <u>105</u> |
| Total | 2,898 |

| FTE - FULL-TIME EQUIVALENTS | |
|-----------------------------|--------------|
| Direct funded | 2,705 |
| Indirect funded | <u>105</u> |
| Total | 2,810 |

Direct funded FTP presented by office reflects an estimated on-board level at fiscal year end, not total positions including vacancies. This is consistent with Exhibit II-8. Direct funded FTE presented by office reflects an illustrative proration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST. The FTP and FTE levels include estimated increases to properly execute the increased amount of programs and funding in the IJA. FTP/FTE numbers and their allocation among FHWA offices is to be determined, with the amounts shown above being illustrative.

EXHIBIT I-B

**FEDERAL HIGHWAY ADMINISTRATION ORGANIZATION CHART
FY 2025 ESTIMATED FTP BY OFFICE AND ESTIMATED FTE BY OFFICE**



| FTP - FULL-TIME PERMANENT POSITIONS | |
|-------------------------------------|--------------|
| Direct funded | 2,793 |
| Indirect funded | <u>120</u> |
| Total | 2,913 |

| FTE - FULL-TIME EQUIVALENTS | |
|-----------------------------|--------------|
| Direct funded | 2,740 |
| Indirect funded | <u>120</u> |
| Total | 2,860 |

Direct funded FTP presented by office reflects an estimated on-board level at fiscal year end, not total positions including vacancies. This is consistent with Exhibit II-8. Direct funded FTE presented by office reflects an illustrative proration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST. The FTP and FTE levels include estimated increases to properly execute the increased amount of programs and funding in the IJA. FTP/FTE numbers and their allocation among FHWA offices is to be determined, with the amounts shown above being illustrative.

EXHIBIT II-1
FY 2025 BUDGET AUTHORITY
FEDERAL HIGHWAY ADMINISTRATION
(\$000)

| ACCOUNT NAME | M / D | FY 2023 ACTUAL | FY 2024 ANNUALIZED CR | FY 2025 REQUEST |
|---|-------|---------------------|--------------------------|---------------------|
| Federal-aid Highways | M | \$57,945,312 | \$59,343,800 | \$60,701,048 |
| Contract Authority (subject to limitation) | | \$58,764,511 | \$60,095,783 | \$61,314,171 |
| [Administrative Expenses] ^{1/} | | [\$476,784] | [\$486,800] | [\$497,016] |
| Exempt Contract Authority ^{2/} | | \$739,000 | \$739,000 | \$739,000 |
| Flex Transfers to/from FTA | | -\$1,378,445 | -\$1,300,000 | -\$1,300,000 |
| Transfer to NHTSA ^{3/} | | -\$127,631 | -\$138,860 | ----- |
| Transfer to/from OST | | -\$10,000 | -\$10,000 | -\$10,000 |
| Sequestered Exempt Contract Authority ^{4/} | | -\$42,123 | -\$42,123 | -\$42,123 |
| Highway Infrastructure Programs (GF) ^{5/} | D | \$3,417,812 | \$3,417,812 | ----- |
| Emergency Relief (GF) ^{6/} | D | \$803,000 | ----- | ----- |
| Miscellaneous Trust Funds (TF) | M | \$7,984 | \$7,984 | \$7,984 |
| Gross New Budget Authority | | \$63,732,306 | \$64,260,579 | \$62,061,155 |
| Cancellations | | ----- | ----- | ----- |
| Transfers ^{7/} | | -\$1,516,075 | -\$1,448,860 | -\$1,310,000 |
| Sequestration | | -\$42,123 | -\$42,123 | -\$42,123 |
| NET NEW BUDGET AUTHORITY REQUESTED | | \$62,174,108 | \$62,769,595 | \$60,709,032 |
| [Mandatory BA] | | \$57,953,296 | \$59,351,784 | \$60,709,032 |
| [Discretionary BA] | | \$4,220,812 | \$3,417,812 | ----- |
| IIJA Supplemental (Division J) | | | | |
| Highway Infrastructure Programs | D | \$9,454,400 | \$9,454,400 | \$9,454,400 |
| [Administrative Expenses] ^{8/} | | [\$86,816] | [\$86,816] | [\$86,816] |
| Transfer to OIG | | -\$1,000 | -\$1,000 | -\$1,000 |
| Grand Total, All Appropriations | | \$71,627,508 | \$72,222,995 | \$70,162,432 |

[] Non-add

1/ All fiscal years include FHWA General Operating Expenses (GOE) and transfers to the Appalachian Regional Commission (ARC) for administrative activities associated with the Appalachian Development Highway System. All fiscal years do not include amounts for other non-administrative programs authorized under Administrative Expenses.

2/ In all years, the exempt contract authority is comprised of \$639 million for the National Highway Performance Program and \$100 million for the Emergency Relief Program.

3/ FHWA anticipates a transfer to NHTSA in FY 2025 in an amount to be determined based on State penalty information.

4/ FY 2023 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 28, 2022. FY 2024 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 13, 2023. FY 2025 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation pursuant to 2 U.S.C. 901a(6)(B)(ii).

5/ The Consolidated Appropriations Act, 2023 provided \$3.4 billion in additional highway funding from the General Fund in FY 2023.

6/ The Consolidated Appropriations Act, 2023 provided \$803 million in additional emergency relief funding from the General Fund for FY 2023.

7/ Exhibit does not reflect transfers of carryover contract authority.

8/ The IIJA provided funding for administrative expenses as a takedown from the Highway Infrastructure Programs. Amounts shown reflect the aggregate of such takedowns.

EXHIBIT II-2
FY 2025 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| ACCOUNT NAME | M / D | FY 2023 ACTUAL | FY 2024 ANNUALIZED CR | FY 2025 REQUEST |
|--|-------|----------------------------|-----------------------------|----------------------------|
| [Limitation on Administrative Expenses] ^{1/} | D | [\$476,784] | [\$476,784] | [\$564,016] |
| Federal-aid Highways | | \$57,945,312 | \$58,012,527 | \$61,501,048 |
| Obligation Limitation (authorized in the IJA) | D | \$58,764,511 | \$58,764,511 | \$61,314,171 |
| Obligation Limitation (for proposed repurposing of unused TIFIA funds) ^{2/} | D | ----- | ----- | \$800,000 |
| Exempt Contract Authority ^{3/} | M | \$739,000 | \$739,000 | \$739,000 |
| Flex Transfers to/from FTA | D | -\$1,378,445 | -\$1,300,000 | -\$1,300,000 |
| Transfer to NHTSA ^{4/} | D | -\$127,631 | -\$138,860 | ----- |
| Transfer to/from OST | D | -\$10,000 | -\$10,000 | -\$10,000 |
| Sequestered Exempt Contract Authority ^{5/} | M | -\$42,123 | -\$42,123 | -\$42,123 |
| [Liquidation of contract authorization] | D | [\$59,503,511] | [\$59,503,511] | [\$62,011,048] |
| Highway Infrastructure Programs (GF) ^{6/} | D | \$3,417,812 | \$3,417,812 | ----- |
| Emergency Relief (GF) ^{7/} | D | \$803,000 | ----- | ----- |
| Miscellaneous Trust Funds (TF) | M | \$7,984 | \$7,984 | \$7,984 |
| Gross New Budgetary Resources | | \$63,732,306 | \$62,929,306 | \$62,861,155 |
| Cancellations | | ----- | ----- | ----- |
| Transfers ^{8/} | | -\$1,516,076 | -\$1,448,860 | -\$1,310,000 |
| Sequestration | | -\$42,123 | -\$42,123 | -\$42,123 |
| TOTAL BASE APPROPRIATION | | <u>\$62,174,108</u> | <u>\$61,438,323</u> | <u>\$61,509,032</u> |
| IJA Supplemental (Division J) | | | | |
| Highway Infrastructure Programs | D | \$9,454,400 | \$9,454,400 | \$9,454,400 |
| [Administrative Expenses] ^{9/} | | [\$86,816] | [\$86,816] | [\$86,816] |
| Transfer to OIG | | -\$1,000 | -\$1,000 | -\$1,000 |
| Grand Total, All Appropriations | | <u>\$71,627,508</u> | <u>\$70,891,723</u> | <u>\$70,962,432</u> |

[] Non-add

1/ All fiscal years include FHWA General Operating Expenses (GOE) and transfers to the Appalachian Regional Commission (ARC) for administrative activities associated with the Appalachian Development Highway System. All fiscal years do not include amounts for other non-administrative programs authorized under Administrative Expenses. FY 2025 includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IJA contract authority level to enable FHWA to utilize carryover administrative expenses funding.

2/ The Budget proposes to redirect \$800 million in unused Transportation Infrastructure Finance and Innovation Act program (TIFIA) funding to fund the the National Infrastructure Project Assistance Grant Program (Mega) and the Local and Regional Project Assistance Program (RAISE). The proposal includes providing an additional \$800 million in obligation limitation.

3/ In all years, the exempt contract authority is comprised of \$639 million for the National Highway Performance Program and \$100 million for the Emergency Relief Program.

4/ FHWA anticipates a transfer to NHTSA in FY 2025 in an amount to be determined based on State penalty information.

5/ FY 2023 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 28, 2022. FY 2024 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 13, 2023. FY 2025 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation pursuant to 2 U.S.C. 901a(6)(B)(ii).

6/ The Consolidated Appropriations Act, 2023 provided \$3.4 billion in additional highway funding from the General Fund in FY 2023.

7/ The Consolidated Appropriations Act, 2023 provided \$803 million in additional emergency relief funding from the General Fund for FY 2023.

8/ Exhibit does not reflect transfers of obligation limitation for carryover contract authority transferred.

9/ The IJA provided funding for administrative expenses as a takedown from the Highway Infrastructure Programs. Amounts shown reflect the aggregate of such takedowns.

EXHIBIT II-3
FY 2025 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

| | Safety | Economic Strength | Equity | Climate & Sustainability | Transformation | Organizational Excellence | Total |
|---|---------------------|---------------------|--------------------|--------------------------|--------------------|---------------------------|---------------------|
| Federal-aid Highways | | | | | | | |
| Bridge Investment Program | \$134,853 | \$303,418 | \$67,426 | \$33,713 | \$67,426 | \$67,426 | \$674,263 |
| Carbon Reduction Program | \$65,387 | \$65,387 | \$130,774 | \$784,643 | \$130,774 | \$130,774 | \$1,307,738 |
| Charging and Fueling Infrastructure Grants | \$29,967 | \$29,967 | \$59,934 | \$359,607 | \$59,934 | \$59,934 | \$599,345 |
| Congestion Mitigation & Air Quality Improvement Program | \$268,881 | \$537,761 | \$537,761 | \$806,642 | \$268,881 | \$268,881 | \$2,688,815 |
| Congestion Relief Program | \$9,989 | \$9,989 | \$9,989 | \$9,989 | \$4,995 | \$4,995 | \$49,945 |
| Construction of Ferry Boats and Ferry Terminal Facilities | \$23,175 | \$23,175 | \$23,175 | \$23,175 | \$11,587 | \$11,587 | \$115,873 |
| Disadvantaged Business Enterprise | \$0 | \$4,000 | \$4,000 | \$0 | \$1,000 | \$1,000 | \$10,000 |
| Emergency Relief | \$28,290 | \$18,860 | \$0 | \$28,290 | \$9,430 | \$9,430 | \$94,300 |
| Federal Lands and Tribal Transportation Programs | \$272,682 | \$272,682 | \$272,682 | \$272,682 | \$136,341 | \$136,341 | \$1,363,410 |
| Highway Safety Improvement Program | \$3,079,904 | \$0 | \$0 | \$0 | \$0 | \$342,212 | \$3,422,116 |
| Highway Use Tax Evasion Projects | \$720 | \$720 | \$720 | \$720 | \$720 | \$400 | \$4,000 |
| Metropolitan Transportation Planning | \$92,886 | \$92,886 | \$92,886 | \$92,886 | \$46,443 | \$46,443 | \$464,430 |
| National Highway Freight Program | \$436,931 | \$436,931 | \$0 | \$291,287 | \$145,644 | \$145,644 | \$1,456,436 |
| National Highway Performance Program | \$6,022,166 | \$12,044,333 | \$3,011,083 | \$3,011,083 | \$3,011,083 | \$3,011,083 | \$30,110,831 |
| Nationally Significant Federal Lands and Tribal Projects | \$10,988 | \$10,988 | \$10,988 | \$10,988 | \$5,494 | \$5,494 | \$54,940 |
| Nationally Significant Freight and Highway Projects Program (INFRA) | \$179,803 | \$179,803 | \$179,803 | \$179,803 | \$89,902 | \$89,902 | \$899,017 |
| On-the-Job Training | \$0 | \$3,500 | \$3,500 | \$1,000 | \$1,000 | \$1,000 | \$10,000 |
| Prioritization Process Pilot Program | \$999 | \$999 | \$4,995 | \$999 | \$999 | \$999 | \$9,989 |
| PROTECT Formula and Discretionary Programs | \$178,666 | \$89,333 | \$89,333 | \$1,071,998 | \$178,666 | \$178,666 | \$1,786,663 |
| Reconnecting Communities Pilot Program | \$10,189 | \$10,189 | \$50,944 | \$10,189 | \$10,189 | \$10,189 | \$101,889 |
| Reduction of Truck Emissions at Port Facilities | \$4,995 | \$9,989 | \$0 | \$24,973 | \$4,995 | \$4,995 | \$49,945 |
| Research, Technology, and Education Program | \$108,639 | \$91,554 | \$50,048 | \$50,048 | \$150,145 | \$50,048 | \$500,482 |
| Rural Surface Transportation Grant Program | \$89,902 | \$89,902 | \$134,853 | \$44,951 | \$44,951 | \$44,951 | \$449,509 |
| Surface Transportation Block Grant Program | \$4,399,864 | \$4,399,864 | \$1,466,621 | \$1,466,621 | \$1,466,621 | \$1,466,621 | \$14,666,213 |
| Territorial and Puerto Rico Highway Program | \$69,674 | \$46,449 | \$46,449 | \$23,225 | \$23,225 | \$23,225 | \$232,246 |
| TIFIA | \$49,945 | \$49,945 | \$49,945 | \$49,945 | \$24,973 | \$24,973 | \$249,727 |
| Wildlife Crossings Pilot Program | \$67,426 | \$0 | \$0 | \$0 | \$0 | \$7,492 | \$74,918 |
| Limitation on Administrative Expenses ^{1/} | \$152,284 | \$129,724 | \$95,883 | \$73,322 | \$56,402 | \$56,402 | \$564,016 |
| Subtotal, Federal-aid Highways | \$15,789,205 | \$18,952,348 | \$6,393,794 | \$8,722,779 | \$5,951,818 | \$6,201,105 | \$62,011,048 |
| IIJA Supplemental Appropriations (Highway Infrastructure Programs) | | | | | | | |
| Appalachian Development Highway System | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$25,000 | \$25,000 | \$250,000 |
| Bridge Investment Program | \$369,400 | \$831,150 | \$184,700 | \$92,350 | \$184,700 | \$184,700 | \$1,847,000 |
| Bridge Formula Program | \$1,100,000 | \$2,475,000 | \$550,000 | \$275,000 | \$550,000 | \$550,000 | \$5,500,000 |
| Construction of Ferry Boats and Ferry Terminal Facilities | \$13,680 | \$13,680 | \$13,680 | \$13,680 | \$6,840 | \$6,840 | \$68,400 |
| National Electric Vehicle Formula Program | \$50,000 | \$50,000 | \$100,000 | \$600,000 | \$100,000 | \$100,000 | \$1,000,000 |
| Nationally Significant Freight and Highway Projects Program (INFRA) | \$128,000 | \$128,000 | \$128,000 | \$128,000 | \$64,000 | \$64,000 | \$640,000 |
| Reconnecting Communities Pilot Program | \$10,000 | \$10,000 | \$50,000 | \$10,000 | \$10,000 | \$10,000 | \$100,000 |
| Reduction of Truck Emissions at Port Facilities | \$3,000 | \$6,000 | \$0 | \$15,000 | \$3,000 | \$3,000 | \$30,000 |
| University Transportation Centers Program | \$4,750 | \$2,850 | \$1,900 | \$1,900 | \$5,700 | \$1,900 | \$19,000 |
| Subtotal, IIJA Supplemental Appropriations (Highway Infrastructure Programs) | \$1,728,830 | \$3,566,680 | \$1,078,280 | \$1,185,930 | \$949,240 | \$945,440 | \$9,454,400 |
| Total, All Programs | \$17,518,035 | \$22,519,028 | \$7,472,074 | \$9,908,709 | \$6,901,058 | \$7,146,545 | \$71,465,448 |
| 1/ Administrative expenses includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IIJA contract authority level to enable FHWA to utilize carryover administrative expenses funding. | | | | | | | |
| Safety: Make our transportation system safer for all people. Work toward a future where transportation-related serious injuries and fatalities are eliminated. | | | | | | | |
| Economic Strength and Global Competitiveness: Grow an inclusive and sustainable economy. Invest in our transportation system to provide American workers and businesses reliable and efficient access to good-paying jobs, resources, and markets. | | | | | | | |
| Equity: Reduce inequities. Support and engage people and communities to promote safe, affordable, accessible, and multimodal access to opportunities and services while reducing transportation-related disparities, adverse community impacts, and health effects. | | | | | | | |
| Climate and Sustainability: Tackle the climate crisis by ensuring that transportation plays a central role in the solution. Substantially reduce greenhouse gas emissions and transportation-related pollution and build more resilient and sustainable transportation systems to benefit and protect communities. | | | | | | | |
| Transformation: Design for the future. Invest in purpose-driven research and innovation to meet the challenge of the present and modernize a transportation system of the future that serves everyone today and in the decades to come. | | | | | | | |
| Organizational Excellence: Strengthen our world class organization. Advance the Department's mission by establishing policies, processes, and an inclusive and innovative culture to effectively serve communities and responsibly steward the public's resources. | | | | | | | |
| *The amounts in this table reflect an illustrative distribution among the Strategic Goals. In most cases, activities funded through these programs will overlap with more than one of the Strategic Goals, as they are not mutually exclusive. | | | | | | | |

**EXHIBIT II-4
FY 2025 OUTLAYS
FEDERAL HIGHWAY ADMINISTRATION
(\$000)**

| <u>ACCOUNT NAME</u> | <u>M / D</u> | <u>FY 2023 ACTUAL</u> | <u>FY 2024 ANNUALIZED CR</u> | <u>FY 2025 REQUEST</u> |
|---|--------------|----------------------------|----------------------------------|----------------------------|
| Federal-aid Highways (TF) | | \$48,088,283 | \$51,035,250 | \$54,288,053 |
| Subject to Obligation Limitation | D | \$47,431,178 | \$50,168,396 | \$53,423,790 |
| Exempt Contract Authority | M | \$649,104 | \$843,916 | \$845,373 |
| Emergency Relief Supplementals | D | \$8,001 | \$22,938 | \$18,890 |
| Highway Infrastructure Program (GF) | D | \$3,999,708 | \$5,293,873 | \$6,468,527 |
| Neighborhood Access and Environmental Review (GF) | D | \$500 | \$174,534 | \$949,884 |
| Miscellaneous Highway Trust Funds (TF) | D | \$6,981 | \$4,777 | \$4,764 |
| Right of Way Revolving Fund (TF) | M | ----- | \$4,279 | ----- |
| Miscellaneous Trust Funds (TF) | M | \$12,353 | \$15,830 | \$14,527 |
| Appalachian Development Highway System (GF) | D | \$499 | \$2,638 | \$3,502 |
| Emergency Relief Program (GF) | D | \$740,253 | \$1,018,639 | \$828,703 |
| Miscellaneous Appropriations (GF) | D | \$7,762 | \$12,399 | \$12,240 |
| TOTAL | | <u>\$52,856,339</u> | <u>\$57,562,219</u> | <u>\$62,570,200</u> |
| Mandatory | | \$661,457 | \$864,025 | \$859,900 |
| Discretionary | | \$52,194,882 | \$56,698,194 | \$61,710,300 |
| Supplemental Funding | | | | |
| IIJA Supplemental (Division J) | | | | |
| Highway Infrastructure Programs | | \$1,161,366 | \$5,365,000 | \$6,611,000 |
| Grand Total, Outlays from all Appropriations | | <u>\$54,017,705</u> | <u>\$62,927,219</u> | <u>\$69,181,200</u> |

EXHIBIT II-5A
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations

ADMINISTRATIVE EXPENSES
LIMITATION ON ADMINISTRATIVE EXPENSES
(\$000)

| | Baseline Changes | | | | | | | | | | | |
|---|------------------|-----------------------|-----------------------------------|----------------------------------|--------------------|--|------------|-----------------------|---|---------------------------|-----------------------------|------------------|
| | FY 2023 Actual | FY 2024 Annualized CR | Annualization of Prior Pay Raises | Annualization of new FY 2024 FTE | FY 2025 Pay Raises | Adjustment for Compensable Days (261 days) | GSA Rent | WCF Increase/Decrease | Inflation and other adjustments to base | FY 2025 Baseline Estimate | Program Increases/Decreases | FY 2025 Request |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | |
| Direct FTE ^{1/} | 2,051 | 2,087 | | 35 | | | | | | 2,122 | | 2,122 |
| FINANCIAL RESOURCES ^{2/} | | | | | | | | | | | | |
| LIMITATION ON ADMINISTRATIVE EXPENSES (LAE) | | | | | | | | | | | | |
| Salaries and Benefits | \$372,400 | \$424,404 | \$5,517 | \$6,230 | \$6,542 | | | | | \$442,693 | | \$442,693 |
| Travel | \$3,985 | | | | | | | | | | | |
| Transportation | \$390 | | | | | | | | | | | |
| GSA Rent | \$23,669 | | | | | | | | | | \$27,613 | \$27,613 |
| Communications & Utilities | \$476 | | | | | | | | | | | |
| Printing | \$282 | | | | | | | | | | | |
| Other Services: | | | | | | | | | | | | |
| -WCF ^{3/} | \$52,152 | \$49,132 | | | | | | \$1,943 | | \$51,075 | \$3,751 | \$54,826 |
| -Other | \$13,190 | | | | | | | | | | \$35,636 | \$35,636 |
| Supplies | \$26 | | | | | | | | | | | |
| Equipment | \$3,219 | | | | | | | | | | | |
| Appalachian Regional Commission (ARC) | \$2,304 | \$3,248 | | | | | | | | \$3,248 | | \$3,248 |
| Subtotal, LAE ^{4/} | \$472,093 | \$476,784 | \$5,517 | \$6,230 | \$6,542 | \$0 | \$0 | \$1,943 | \$0 | \$497,016 | \$67,000 | \$564,016 |
| Disadvantaged Business Enterprise Supportive Services Program | \$10,000 | \$10,000 | | | | | | | | \$10,000 | | \$10,000 |
| Highway Use Tax Evasion Projects | \$4,000 | \$4,000 | | | | | | | | \$4,000 | | \$4,000 |
| On-the-Job Training Supportive Services Program | \$10,000 | \$10,000 | | | | | | | | \$10,000 | | \$10,000 |
| Total, LAE | \$496,093 | \$500,784 | \$5,517 | \$6,230 | \$6,542 | \$0 | \$0 | \$1,943 | \$0 | \$521,016 | \$67,000 | \$588,016 |

1/ The FTE shown in this exhibit are funded by General Operating Expenses and exclude additional FTEs funded by reimbursements and from allocations from other organizations.

2/ The categories depict illustrative estimates reflecting the full utilization of administrative resources subject to the limitation on administrative expenses. Administrative expenses funding from IJA supplemental advance appropriations will be used to fully fund the administrative resources required to support the implementation and administration of the IJA. The "Other" category" may be comprised of expenses such as information technology investments, headquarters and field operations, facility improvements, and training.

3/ In this exhibit, DOT headquarters rent costs paid through the WCF are subtracted from the WCF category and presented in the GSA Rent category.

4/ FY 2025 includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IJA contract authority level to enable FHWA to utilize carryover administrative expenses funding.

EXHIBIT II-5B
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations

ADMINISTRATIVE EXPENSES
HIGHWAY INFRASTRUCTURE PROGRAMS
(\$000)

| | Baseline Changes | | | | | | | | | | | FY 2025 Request |
|---|-------------------|--------------------------|---|--|-----------------------|--|----------------|------------------------------|--|---------------------------------|------------------------------------|--------------------|
| | FY 2023 Actual | FY 2024 Annualized CR | Annualization of Prior Pay Raises | Annualization of new FY 2024 FTE | FY 2025 Pay Raises | Adjustment for Compensable Days (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation and other adjustments to base | FY 2025 Baseline Estimate | Program Increases/ Decreases | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | |
| Direct FTE | ---- | ---- | | | | | | | | | ---- | ---- |
| FINANCIAL RESOURCES | | | | | | | | | | | | |
| HIGHWAY INFRASTRUCTURE PROGRAMS ^{1/} | | | | | | | | | | | | |
| Salaries and Benefits | ---- | ---- | | | | | | | | | ---- | ---- |
| Travel | \$4,501 | \$11,400 | | | | | | | \$228 | \$11,628 | | \$11,628 |
| Transportation | \$1,822 | \$3,404 | | | | | | | \$68 | \$3,472 | | \$3,472 |
| GSA Rent | ---- | \$26,612 | | | | | \$1,001 | | | \$27,613 | (\$27,613) | \$0 |
| Communications & Utilities | ---- | \$500 | | | | | | | \$10 | \$510 | | \$510 |
| Printing | ---- | \$300 | | | | | | | \$6 | \$306 | | \$306 |
| Other Services: | | | | | | | | | | | | |
| -WCF | ---- | \$6,423 | | | | | | (\$2,672) | | \$3,751 | (\$3,751) | \$0 |
| -Other | \$47,880 | \$28,177 | | | | | | | \$564 | \$28,741 | \$31,364 | \$60,105 |
| Supplies | \$1,006 | \$2,500 | | | | | | | \$645 | \$3,145 | | \$3,145 |
| Equipment | \$3,321 | \$7,500 | | | | | | | \$150 | \$7,650 | | \$7,650 |
| Appalachian Regional Commission (ARC) | ---- | ---- | | | | | | | | ---- | | ---- |
| Total, Highway Infrastructure Programs ^{2/} | \$58,530 | \$86,816 | \$0 | \$0 | \$0 | \$0 | \$1,001 | (\$2,672) | \$1,671 | \$86,816 | \$0 | \$86,816 |
| Disadvantaged Business Enterprise Supportive Services Program | ---- | ---- | | | | | | | | ---- | | ---- |
| Highway Use Tax Evasion Projects | ---- | ---- | | | | | | | | ---- | | ---- |
| On-the-Job Training Supportive Services Program | ---- | ---- | | | | | | | | ---- | | ---- |
| Total, Highway Infrastructure Programs ^{2/} | \$58,530 | \$86,816 | \$0 | \$0 | \$0 | \$0 | \$1,001 | (\$2,672) | \$1,671 | \$86,816 | \$0 | \$86,816 |

1/ The IJA provides funding for administrative expenses as takedowns from the Highway Infrastructure Programs (HIP). The HIP administrative expenses funding will be used for information technology investments, contractual services, and other investments, services, and activities to support the implementation and administration of the IJA on a to-be-determined basis. This table is an illustrative example of how HIP administrative expenses funding may be utilized.

2/ The IJA provided \$86.8 million in administrative expenses as takedowns from several Highway Infrastructure Programs from FY 2022 through FY 2026. Amounts not obligated in the year provided will be carried forward for obligation in a future fiscal year.

EXHIBIT II-5C
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | Baseline Changes | | | | | | | | | | FY 2025 Baseline Estimate | Program Increases/ Decreases | FY 2025 Request |
|---|---------------------|--------------------------|--------------------------------------|--|-----------------------|--|----------------|------------------------------|--|---------------------|------------------------------|------------------------------------|---------------------|
| | FY 2023 Actual | FY 2024 Annualized CR | Annualization of Prior Pay Raises | Annualization of new FY 2024 FTE | FY 2025 Pay Raises | Adjustment for Compensable Days (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation and other adjustments to base | | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | |
| Direct FTE ^{1/} | 2,051 | 2,087 | | 35 | | | | | | | 2,122 | | 2,122 |
| FINANCIAL RESOURCES | | | | | | | | | | | | | |
| ADMINISTRATIVE EXPENSES | | | | | | | | | | | | | |
| Salaries and Benefits | \$372,400 | \$424,404 | \$5,517 | \$6,230 | \$6,542 | | | | \$0 | \$442,693 | | | \$442,693 |
| Travel | \$8,486 | \$11,400 | | | | | | | \$228 | \$11,628 | | | \$11,628 |
| Transportation | \$2,212 | \$3,404 | | | | | | | \$68 | \$3,472 | | | \$3,472 |
| GSA Rent | \$23,669 | \$26,612 | | | | \$1,001 | | | \$0 | \$27,613 | | | \$27,613 |
| Communications & Utilities | \$476 | \$500 | | | | | | | \$10 | \$510 | | | \$510 |
| Printing | \$282 | \$300 | | | | | | | \$6 | \$306 | | | \$306 |
| Other Services: | | | | | | | | | | | | | |
| -WCF ^{2/} | \$52,152 | \$55,555 | | | | | | | (\$729) | \$0 | \$54,826 | | \$54,826 |
| -Other ^{3/} | \$61,070 | \$28,177 | | | | | | | \$564 | \$28,741 | \$67,000 | | \$95,741 |
| Supplies | \$1,032 | \$2,500 | | | | | | | \$645 | \$3,145 | | | \$3,145 |
| Equipment | \$6,540 | \$7,500 | | | | | | | \$150 | \$7,650 | | | \$7,650 |
| Appalachian Regional Commission (ARC) | \$2,304 | \$3,248 | | | | | | | | \$3,248 | | | \$3,248 |
| Total, Limitation on Administrative Expenses (LAE) and HIP ^{4/} | \$530,623 | \$563,600 | \$5,517 | \$6,230 | \$6,542 | \$0 | \$1,001 | (\$729) | \$1,671 | \$583,832 | \$67,000 | | \$650,832 |
| Disadvantaged Business Enterprise Supportive Services Program | \$10,000 | \$10,000 | | | | | | | | \$10,000 | | | \$10,000 |
| Highway Use Tax Evasion Projects | \$4,000 | \$4,000 | | | | | | | | \$4,000 | | | \$4,000 |
| On-the-Job Training Supportive Services Program | \$10,000 | \$10,000 | | | | | | | | \$10,000 | | | \$10,000 |
| Admin Subtotal | \$554,623 | \$587,600 | \$5,517 | \$6,230 | \$6,542 | \$0 | \$1,001 | (\$729) | \$1,671 | \$607,832 | \$67,000 | | \$674,832 |
| PROGRAMS | | | | | | | | | | | | | |
| Federal-aid Highways | | | | | | | | | | | | | |
| Obligation Limitation (authorized in the IJA) | \$58,296,704 | \$58,263,727 | | | | | | | | \$58,263,727 | \$2,462,428 | | \$60,726,155 |
| Exempt Contract Authority ^{5/} | \$739,000 | \$739,000 | | | | | | | | \$739,000 | | | \$739,000 |
| Sequestered Exempt Contract Authority ^{6/} | (\$42,123) | (\$42,123) | | | | | | | | (\$42,123) | | | (\$42,123) |
| Highway Infrastructure Programs | | | | | | | | | | | | | |
| DOT Appropriations Act, 2023 ^{7/} | \$3,417,812 | \$3,417,812 | | | | | | | | \$3,417,812 | (\$3,417,812) | | \$0 |
| IJA Supplemental (Division J) | \$9,367,584 | \$9,367,584 | | | | | | | | \$9,367,584 | | | \$9,367,584 |
| Emergency Relief ^{8/} | \$803,000 | | | | | | | | | | | | |
| Miscellaneous Trust Funds | \$7,984 | \$7,984 | | | | | | | | \$7,984 | | | \$7,984 |
| Programs Subtotal | \$72,589,961 | \$71,753,984 | | | | | | | | \$71,753,984 | (\$955,384) | | \$70,798,600 |
| BASE PROGRAMS TOTAL | \$73,144,584 | \$72,341,584 | \$5,517 | \$6,230 | \$6,542 | \$0 | \$1,001 | (\$729) | \$1,671 | \$72,361,816 | (\$888,384) | | \$71,473,432 |

1/ The FTE shown in this exhibit are funded by General Operating Expenses and exclude additional FTEs funded by reimbursements and from allocations from other organizations.

2/ In this exhibit, DOT headquarters rent costs paid through the WCF are subtracted from the WCF category and presented in the GSA Rent category.

3/ The "Other" category" may be comprised of expenses such as information technology investments, headquarters and field operations, facility improvements, and training.

4/ FY 2025 includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IJA contract authority level to enable FHWA to utilize carryover administrative expenses funding.

5/ In all years, the exempt contract authority is comprised of \$639 million for the National Highway Performance Program and \$100 million for the Emergency Relief Program.

6/ FY 2023 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 28, 2022. FY 2024 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation pursuant to 2 U.S.C. 901a(6)(B)(ii).

7/ The Consolidated Appropriations Act, 2023 provided \$3.4 billion in additional highway funding from the General Fund in FY 2023.

8/ The Consolidated Appropriations Act, 2023 provided \$803 million in additional emergency relief funding from the General Fund for FY 2023.

**EXHIBIT II-6
WORKING CAPITAL FUND
FEDERAL HIGHWAY ADMINISTRATION
(\$000)**

| | FY 2023 | FY 2024 | FY 2025 REQUEST |
|---|----------------|----------------|----------------------------|
| DIRECT: | | | |
| Federal-aid Highways | | | |
| Limitation on Administrative Expenses (LAE) | 52,287 | 63,967 | 63,039 |
| Program Funding | 8,625 | 10,552 | 10,399 |
| TOTAL | 60,912 | 74,519 | 73,438 |

**EXHIBIT II-7
FEDERAL HIGHWAY ADMINISTRATION
PERSONNEL RESOURCE - SUMMARY
TOTAL FULL-TIME EQUIVALENTS**

| | <u>FY 2023 ACTUAL</u> | <u>FY 2024 ANNUALIZED CR</u> | <u>FY 2025 REQUEST</u> |
|---|---------------------------|----------------------------------|----------------------------|
| <u>DIRECT FUND, BY APPROPRIATION</u> | | | |
| Federal-aid Highways ^{1/ 2/} | 2,668 | 2,705 | 2,740 |
| SUBTOTAL, DIRECT FUNDED | <u>2,668</u> | <u>2,705</u> | <u>2,740</u> |
| <u>REIMBURSEMENT / ALLOCATIONS / OTHER</u> ^{3/} | | | |
| Reimbursements (Federal-aid Highways) | 63 | 63 | 63 |
| Allocations from other Organizations ^{4/} | 10 | 42 | 57 |
| SUBTOTAL, REIMBURSEMENTS / ALLOCATIONS / OTHER | <u>73</u> | <u>105</u> | <u>120</u> |
| BASE TOTAL FTEs | <u>2,741</u> | <u>2,810</u> | <u>2,860</u> |
| <u>SUPPLEMENTAL FUNDED FTE's</u> | | | |
| IIJA Supplemental Funding Highway Infrastructure Programs | ---- | ---- | ---- |
| SUBTOTAL, SUPPLEMENTALS | <u>----</u> | <u>----</u> | <u>----</u> |
| TOTAL FTEs | <u>2,741</u> | <u>2,810</u> | <u>2,860</u> |

1/ Includes staff funded through General Operating Expenses and direct program funded staff. Student staff not included in FTE estimates.

2/ FY 2024 and FY 2025 include estimated increases in FTE to levels necessary to properly execute the increased amount of programs and funding in the IIJA.

3/ Additional staff may be hired for work performed on behalf of other agencies with funding from the Great American Outdoors Act.

4/ Amounts include allocations for staffing that may be funded to support discretionary grant programs through sources such as the OST Operational Support Account. Estimates do not include additional field positions that may be approved through the OST Operational Support Account.

**EXHIBIT II-8
FEDERAL HIGHWAY ADMINISTRATION
RESOURCE SUMMARY - STAFFING
FULL-TIME PERMANENT POSITIONS**

| | FY 2023 ACTUAL | FY 2024 ANNUALIZED CR | FY 2025 REQUEST |
|---|---------------------------|----------------------------------|----------------------------|
| <u>DIRECT FUND, BY APPROPRIATION</u> | | | |
| Federal-aid Highways ^{1/2/} | 2,721 | 2,793 | 2,793 |
| SUBTOTAL, DIRECT FUNDED | <u>2,721</u> | <u>2,793</u> | <u>2,793</u> |
| <u>REIMBURSEMENT / ALLOCATIONS / OTHER</u> ^{3/} | | | |
| Reimbursements (Federal-aid Highways) | 63 | 63 | 63 |
| Allocations from other Organizations ^{4/} | 10 | 42 | 57 |
| SUBTOTAL, REIMBURSEMENT / ALLOCATION / OTHER | <u>73</u> | <u>105</u> | <u>120</u> |
| BASE TOTAL POSITIONS | <u>2,794</u> | <u>2,898</u> | <u>2,913</u> |
| <u>SUPPLEMENTAL FUNDED FTP's</u> | | | |
| IIJA Supplemental Funding | | | |
| Highway Infrastructure Programs | ---- | ---- | ---- |
| SUBTOTAL, SUPPLEMENTALS | <u>----</u> | <u>----</u> | <u>----</u> |
| TOTAL POSITIONS | <u>2,794</u> | <u>2,898</u> | <u>2,913</u> |

1/ Includes staff funded through General Operating Expenses and direct program funded staff. Student positions not included in full-time permanent positions.

2/ FY 2024 includes estimated increases in FTP to levels necessary to properly execute the increased amount of programs and funding in the IIJA.

3/ Additional staff may be hired for work performed on behalf of other agencies with funding from the Great American Outdoors Act.

4/ Amounts include allocations for staffing that may be funded to support discretionary grant programs through sources such as the OST Operational Support Account. Estimates do not include additional field positions that may be approved through the OST Operational Support Account.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Not to exceed [\$483,551,671]\$560,767,664 together with advances and reimbursements received by the Federal Highway Administration, shall be obligated for necessary expenses for administration and operation of the Federal Highway Administration: *Provided*, That in addition, \$3,248,000 shall be transferred to the Appalachian Regional Commission in accordance with section 104(a) of title 23, United States Code.

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Funds available for the implementation or execution of authorized Federal-aid highway and highway safety construction programs shall not exceed total obligations of [\$60,095,782,888]\$61,314,170,545 for fiscal year [2024]2025. *Provided*, That the limitation on obligations under this heading shall only apply to contract authority authorized from the Highway Trust Fund (other than the Mass Transit Account), unless otherwise specified in law.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For the payment of obligations incurred in carrying out authorized Federal-aid highway and highway safety construction programs, [\$60,792,659,888]\$62,011,047,545 shall be derived from the Highway Trust Fund (other than the Mass Transit Account), to remain available until expended.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

SEC. 120. (a) For fiscal year [2024]2025, the Secretary of Transportation shall—

(1) not distribute from the obligation limitation for Federal-aid highways—

(A) amounts authorized for administrative expenses and programs by section 104(a) of title 23, United States Code; and

(B) amounts authorized for the Bureau of Transportation Statistics;
(2) not distribute an amount from the obligation limitation for Federal-aid highways that is equal to the unobligated balance of amounts—

(A) made available from the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid highway and highway safety construction programs for previous fiscal years the funds for which are allocated by the Secretary (or apportioned by the Secretary under section 202 or 204 of title 23, United States Code); and

(B) for which obligation limitation was provided in a previous fiscal year;

(3) determine the proportion that—

(A) the obligation limitation for Federal-aid highways, less the aggregate of amounts not distributed under paragraphs (1) and (2) of this subsection; bears to

(B) the total of the sums authorized to be appropriated for the Federal-aid highway and highway safety construction programs (other than sums authorized to be appropriated for provisions of law described in paragraphs (1) through (11) of subsection (b) and sums authorized to be appropriated for section 119 of title 23, United States Code, equal to the amount referred to in subsection (b)(12) for such fiscal year), less the aggregate of the amounts not distributed under paragraphs (1) and (2) of this subsection;

(4) distribute the obligation limitation for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2), for each of the programs (other than programs to which paragraph (1) applies) that are allocated by the Secretary under authorized Federal-aid highway and highway safety construction programs, or apportioned by the Secretary under section 202 or 204 of title 23, United States Code, by multiplying—

(A) the proportion determined under paragraph (3); by

(B) the amounts authorized to be appropriated for each such program for such fiscal year; and

(5) distribute the obligation limitation for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2) and the amounts distributed under paragraph (4), for Federal-aid highway and highway safety construction programs that are apportioned by the Secretary under title 23, United States Code (other than the amounts apportioned for the National Highway Performance Program in section 119 of title 23, United States Code, that are exempt from the limitation under subsection (b)(12) and the amounts apportioned under sections 202 and 204 of that title) in the proportion that—

(A) amounts authorized to be appropriated for the programs that are apportioned under title 23, United States Code, to each State for such fiscal year; bears to

(B) the total of the amounts authorized to be appropriated for the programs that are apportioned under title 23, United States Code, to all States for such fiscal year.

(b) EXCEPTIONS FROM OBLIGATION LIMITATION.—The obligation limitation for Federal-aid highways shall not apply to obligations under or for—

(1) section 125 of title 23, United States Code;

(2) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(3) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(4) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(5) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198);

(6) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027);

(7) section 157 of title 23, United States Code (as in effect on June 8, 1998);

(8) section 105 of title 23, United States Code (as in effect for fiscal years 1998 through 2004, but only in an amount equal to \$639,000,000 for each of those fiscal years);

(9) Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century (112 Stat. 107) or subsequent Acts for multiple years or to remain available until expended, but only to the extent that the obligation authority has not lapsed or been used;

(10) section 105 of title 23, United States Code (as in effect for fiscal years 2005 through 2012, but only in an amount equal to \$639,000,000 for each of those fiscal years);

(11) section 1603 of SAFETEA-LU (23 U.S.C. 118 note; 119 Stat. 1248), to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation; and

(12) section 119 of title 23, United States Code (but, for each of fiscal years 2013 through [2024]2025, only in an amount equal to \$639,000,000).

(c) REDISTRIBUTION OF UNUSED OBLIGATION AUTHORITY.—

Notwithstanding subsection (a), the Secretary shall, after August 1 of such fiscal year—

(1) revise a distribution of the obligation limitation made available under subsection (a) if an amount distributed cannot be obligated during that fiscal year; and

(2) redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year, giving priority to those States having large unobligated balances of funds apportioned under

sections 144 (as in effect on the day before the date of enactment of Public Law 112–141) and 104 of title 23, United States Code.

[(d) APPLICABILITY OF OBLIGATION LIMITATIONS TO TRANSPORTATION RESEARCH PROGRAMS.—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the obligation limitation for Federal-aid highways shall apply to contract authority for transportation research programs carried out under—

(A) chapter 5 of title 23, United States Code;

(B) title VI of the Fixing America’s Surface Transportation Act; and

(C) title III of division A of the Infrastructure Investment and Jobs Act (Public Law 117-58).

(2) **EXCEPTION.**—Obligation authority made available under paragraph (1) shall—

(A) remain available for a period of 4 fiscal years; and

(B) be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.]

(d) PERIOD OF AVAILABILITY OF OBLIGATION LIMITATION FOR ALLOCATED PROGRAMS.—

(1) ADMINISTRATIVE EXPENSES.—Obligation authority made available under subsection (a)(1)(A) that is associated with amounts made available for the purpose described in section 104(a)(2) of title 23, United States Code, other than amounts set aside under section 140(b), 140(c), or 143 of such title shall—

(A) remain available for a period of 2 fiscal years; and

(B) be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(2) FOUR-YEAR FUNDING AVAILABILITY PROGRAMS —

(A) IN GENERAL.—Obligation authority described in subparagraph (B) shall—

(i) remain available for a period of 4 fiscal years; and

(ii) be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(B) OBLIGATION AUTHORITY DESCRIBED.—

(i) OBLIGATION AUTHORITY.—Obligation authority described in this subparagraph is obligation authority—

(I) made available under subsection (a)(1)(A) that is associated with amounts made available for the purposes described in section 143 of title 23, United States Code; and

(II) made available under subsection (a)(4) that is associated with amounts made available for the purposes described in the provisions of law described in clause (ii).

(ii) PROVISIONS OF LAW.—The provisions of law described in this clause are the following:

(I) Sections 117, 124, 129(d), 151(f), 165(b), 165(c), 171, 173, 176(d), 202, 203, and 204 of title 23, United States Code.

(II) Section 1519(a) of the Moving Ahead for Progress in the 21st Century Act (Public Law 112-141).

(III) Section 1123 of the Fixing America's Surface Transportation Act (Public Law 114-94).

(IV) Sections 11204 and 11402 of the Infrastructure Investment and Jobs Act (Public Law 117-58).

(3) NO-YEAR FUNDING AVAILABILITY PROGRAMS.—

(A) IN GENERAL.—*Obligation authority described in subparagraph (B) shall—*

- (i) remain available until expended; and*
- (ii) be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.*

(B) OBLIGATION AUTHORITY DESCRIBED.—

(i) OBLIGATION AUTHORITY.—*Obligation authority described in this subparagraph is obligation authority—*

(I) made available under subsection (a)(1) that is associated with amounts made available for the purposes described in sections 140(b) and 140(c) of title 23, United States Code, and chapter 63 of title 49, United States Code; and

(II) made available under subsection (a)(4) that is associated with amounts made available for the purposes described in the provisions of law described in clause (ii).

(ii) PROVISIONS OF LAW.—*The provisions of law described in this clause are the following:*

(I) Sections 147, 503(b), 503(c), 504, and 512 through 518 of title 23, United States Code.

(II) The transportation infrastructure finance and innovation program under chapter 6 of title 23 United States Code.

(III) Section 5505 of title 49, United States Code.

(IV) Section 11509 of the Infrastructure Investment and Jobs Act (Public Law 117-58).

(e) REDISTRIBUTION OF CERTAIN AUTHORIZED FUNDS.—

(1) IN GENERAL.—*Not later than 30 days after the date of distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds (excluding funds authorized for the program under section 202 of title 23, United States Code) that—*

(A) *are authorized to be appropriated for such fiscal year for Federal-aid highway programs; and*

(B) *the Secretary determines will not be allocated to the States (or will not be apportioned to the States under section 204 of title 23, United States Code), and will not be available for obligation, for such fiscal year because of the imposition of any obligation limitation for such fiscal year.*

(2) RATIO.—Funds shall be distributed under paragraph (1) in the same proportion as the distribution of obligation authority under subsection (a)(5).

(3) AVAILABILITY.—Funds distributed to each State under paragraph (1) shall be available for any purpose described in section 133(b) of title 23, United States Code.

Reason for changes to section: The proposed changes to Sec. 120 will do the following: match the period of availability for obligation limitation and contract authority for allocated programs; and change the period of availability of the limitation on administrative expenses to two years, as opposed to the currently in place one-year availability.

SEC. 121. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to chapter 63 of title 49, United States Code, may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses.

SEC. 122. Not less than 15 days prior to waiving, under his or her statutory authority, any Buy America requirement for Federal-aid highways projects, the Secretary of Transportation shall make an informal public notice and comment opportunity on the intent to issue such waiver and the reasons therefor: *Provided*, That the Secretary shall post on a website any waivers granted under the Buy America requirements.

SEC. 123. None of the funds made available in this Act may be used to make a grant for a project under section 117 of title 23, United States Code, unless the Secretary, at least 60 days before making a grant under that section, provides written notification to the House and Senate Committees on Appropriations of the proposed grant, including an evaluation and justification for the project and the amount of the proposed grant award.

SEC. 124. (a) A State or territory, as defined in section 165 of title 23, United States Code, may use for any project eligible under section 133(b) of title 23 or section 165 of title 23 and located within the boundary of the State or territory any earmarked amount, and any associated obligation limitation: *Provided*, That the Department of Transportation for the State or territory for which the earmarked amount was originally designated or directed notifies the Secretary of its intent to use its authority under this section and submits an annual report to the Secretary identifying the projects to which the funding would be applied. Notwithstanding the original period of availability of funds to be obligated under this section, such funds and associated obligation limitation shall remain available for obligation for a period of 3 fiscal years after the fiscal year in which the Secretary is notified. The Federal share of the cost of a project carried out with funds made available under this section shall be the same as associated with the earmark.

(b) In this section, the term “earmarked amount” means—

(1) congressionally directed spending, as defined in rule XLIV of the Standing Rules of the Senate, identified in a prior law, report, or joint explanatory statement, which was authorized to be appropriated or appropriated more than 10

fiscal years prior to the current fiscal year, and administered by the Federal Highway Administration; or

(2) a congressional earmark, as defined in rule XXI of the Rules of the House of Representatives, identified in a prior law, report, or joint explanatory statement, which was authorized to be appropriated or appropriated more than 10 fiscal years prior to the current fiscal year, and administered by the Federal Highway Administration.

(c) The authority under subsection (a) may be exercised only for those projects or activities that have obligated less than 10 percent of the amount made available for obligation as of October 1 of the current fiscal year, and shall be applied to projects within the same general geographic area within 25 miles for which the funding was designated, except that a State or territory may apply such authority to unexpended balances of funds from projects or activities the State or territory certifies have been closed and for which payments have been made under a final voucher.

(d) The Secretary shall submit consolidated reports of the information provided by the States and territories annually to the House and Senate Committees on Appropriations.

[SEC. 125. (a) Of the unallocated and unobligated balances available to the Federal Highway Administration, the following funds are hereby permanently cancelled, subject to subsections (b) and (c), from the following accounts and programs in the specified amounts:

- (1) \$53,160,115 from funds available in the "Surface Transportation Priorities" account (69 X 0538).
- (2) \$1,839,130 from funds available in the "Delta Regional Transportation Development Program" account (69 X 0551).
- (3) \$11,814,580 from funds available in the "Appalachian Development Highway System" account (69 X 0640).
- (4) \$392,112 from funds available in the "Bridge Capacity Improvements" account (69 X 8057).
- (5) \$30,640,110 from funds available in the "Miscellaneous Highway Project" account (69 X 8058).
- (6) \$7,063,307 from funds available in the "Highway Projects" account (69 X 8382).

(b) No amounts may be cancelled under subsection (a) from any funds for which a State exercised its authority under section 125 of division L of Public Law 114-113, section 422 of division K of Public Law 115-31, section 126 of division L of Public Law 115-141, section 125 of division G of Public Law 116-6, section 125 of division H of Public Law 116-94, section 124 of division L of Public Law 116-260, section 124 of division L of Public Law 117-103, or section 124 of division L of Public Law 117-328.

(c) No amounts may be cancelled under subsection (a) from any amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.]

Reason for excluding section: These rescissions were proposed for FY 2024. No rescissions proposed for FY 2025.

[Sec. 126. (a) Notwithstanding any other provision of law, \$60,000,000 from the funds described in subsection (b) shall be available to the Secretary to carry out the active transportation infrastructure investment program under section 11529 of division A of the Infrastructure Investment and Jobs Act (Public Law 117-58) (23 U.S.C. 217 note).

(b) Funds described in this subsection are any funds that—

(1) are unobligated on the date of enactment of this Act; and

(2) were made available for credit assistance under—

(A) the transportation infrastructure finance and innovation program under subchapter II of chapter 1 of title 23, United States Code, as in effect prior to August 10, 2005; or

(B) the transportation infrastructure finance and innovation program under chapter 6 of title 23 United States Code.

(c) Funds made available under subsection (a) to carry out the active transportation infrastructure investment program shall—

(1) except as otherwise provided under section 11529 division A of the Infrastructure Investment and Jobs Act (Public Law 117-58), be administered as if apportioned under chapter 1 of title 23, United States Code;

(2) be subject to the obligation limitation for Federal-aid highway and highway safety construction programs; and

(3) remain available until expended.

(d) For purposes of carrying out this section, the term “State” in section 11529 of division A of the Infrastructure Investment and Jobs Act (Public Law 117-58) shall have the meaning given such term in section 101 of title 23, United States Code.]

Reason for excluding section: This proposal was for FY 2024. This proposal is not included in FY 2025.

Sec. 125. (a) Notwithstanding any other provision of law, \$800,000,000 from the funds described in subsection (b) shall be transferred to the National Infrastructure Investments account for the Office of the Secretary to carry out the national infrastructure project assistance grant program under section 6701 of title 49, United States Code, and the local and regional project assistance program under section 6702 of title 49, United States Code.

(b) Funds described in this subsection are any funds that—

(1) are unobligated on the date of enactment of this Act; and

(2) were made available for credit assistance under—

(A) the transportation infrastructure finance and innovation program under subchapter II of chapter 1 of title 23, United States Code, as in effect prior to August 10, 2005; or

(B) the transportation infrastructure finance and innovation program under chapter 6 of title 23 United States Code.

(c) Funds made available under subsection (a) shall—

(1) except as otherwise provided under this section, be administered as if made available to carry out sections 6701 and 6702 of title 49, United States Code, as applicable;

(2) be subject to the obligation limitation for Federal-aid highway and highway safety construction programs; and

(3) remain available until expended.

(d)(1) \$800,000,000 in obligation limitation, to remain available until expended, is provided in addition to the limitation provided in this Act under the heading “Department of Transportation—Federal Highway Administration—Federal-Aid Highways—(Limitation on Obligations)—(Highway Trust Fund)”.

(2) The obligation limitation provided under paragraph (1) shall be distributed to the programs identified under subsection (a) and not included in the distribution calculations required under section 120(a) of this Act.

Reason for including section: To provide funding for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program and Mega program through repurposing unobligated TIFIA funding.

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**FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAY PROGRAM AUTHORIZATIONS OF CONTRACT AUTHORITY AND GENERAL FUND (GF) SUPPLEMENTAL APPROPRIATIONS
UNDER THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (PUBLIC LAW 117-58), ALSO KNOWN AS THE BIPARTISAN INFRASTRUCTURE LAW**

(From the Highway Account of the Highway Trust Fund Unless Otherwise Indicated)

| Program | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Total Contract Authority | Total General Fund Supplemental Appropriations | Grand Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------|---|------------------------|
| Federal-aid Highway Program Apportioned Programs | 52,488,065,375 | 53,537,826,683 | 54,608,583,217 | 55,700,754,881 | 56,814,769,844 | 273,150,000,000 | - | 273,150,000,000 |
| Highway Safety Improvement Program (23 USC 148) ^{3/} | [2,979,761,019] | [3,044,326,241] | [3,110,182,769] | [3,177,356,425] | [3,245,873,542] | [15,557,499,996] | - | [15,557,499,996] |
| Rail-Highway Grade Crossings Program (Set-aside NLT) (23 USC 130) | [245,000,000] | [245,000,000] | [245,000,000] | [245,000,000] | [245,000,000] | [1,225,000,000] | - | [1,225,000,000] |
| Safety-Related Activities (MAP-21 §1519) (Allocated Set-aside) | [3,500,000] | [3,500,000] | [3,500,000] | [3,500,000] | [3,500,000] | [17,500,000] | - | [17,500,000] |
| National Highway Performance Program (23 USC 119) ^{1/} | [28,439,442,345] | [29,008,231,188] | [29,588,395,810] | [30,180,163,727] | [30,783,766,930] | [148,000,000,000] | - | [148,000,000,000] |
| Surface Transportation Block Grant Program (23 USC 133) ^{2/} | [13,835,404,382] | [14,112,112,470] | [14,394,354,721] | [14,682,241,816] | [14,975,886,619] | [72,000,000,008] | - | [72,000,000,008] |
| Congestion Mitigation & Air Quality Improvement Program (23 USC 149) | [2,536,490,803] | [2,587,220,620] | [2,638,965,032] | [2,691,744,332] | [2,745,579,213] | [13,200,000,000] | - | [13,200,000,000] |
| Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) (23 USC 176) | [1,402,756,277] | [1,430,811,405] | [1,459,427,633] | [1,488,616,183] | [1,518,388,500] | [7,299,999,998] | - | [7,299,999,998] |
| National Highway Freight Program (23 USC 167) | [1,373,932,519] | [1,401,411,169] | [1,429,439,392] | [1,458,028,180] | [1,487,188,740] | [7,150,000,000] | - | [7,150,000,000] |
| Carbon Reduction Program (23 USC 175) | [1,233,656,891] | [1,258,330,028] | [1,283,496,627] | [1,309,166,561] | [1,335,349,891] | [6,419,999,998] | - | [6,419,999,998] |
| Metropolitan Planning (23 USC 134) | [438,121,139] | [446,883,562] | [455,821,233] | [464,937,657] | [474,236,409] | [2,280,000,000] | - | [2,280,000,000] |
| Highway Infrastructure Program Formula Programs | 6,750,000,000 | 6,750,000,000 | 6,750,000,000 | 6,750,000,000 | 6,750,000,000 | - | 33,750,000,000 | 33,750,000,000 |
| Appalachian Development Highway System GF | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | - | 1,250,000,000 | 1,250,000,000 |
| Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Program GF | 5,500,000,000 | 5,500,000,000 | 5,500,000,000 | 5,500,000,000 | 5,500,000,000 | - | 27,500,000,000 | 27,500,000,000 |
| National Electric Vehicle Infrastructure Formula Program GF | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 | - | 5,000,000,000 | 5,000,000,000 |
| Federal Lands and Tribal Transportation Programs | 1,341,400,000 | 1,366,900,000 | 1,393,400,000 | 1,419,900,000 | 1,447,900,000 | 6,969,500,000 | - | 6,969,500,000 |
| Federal Lands Transportation Program (23 USC 203) | 421,965,000 | 429,965,000 | 438,965,000 | 447,965,000 | 455,965,000 | 2,194,825,000 | - | 2,194,825,000 |
| Federal Lands Access Program (23 USC 204) | 285,975,000 | 291,975,000 | 296,975,000 | 303,975,000 | 308,975,000 | 1,487,875,000 | - | 1,487,875,000 |
| Tribal Transportation Program (23 USC 202) | 578,460,000 | 589,960,000 | 602,460,000 | 612,960,000 | 627,960,000 | 3,011,800,000 | - | 3,011,800,000 |
| Nationally Significant Federal Lands and Tribal Projects (FAST Act §1123) | 55,000,000 | 55,000,000 | 55,000,000 | 55,000,000 | 55,000,000 | 275,000,000 | - | 275,000,000 |
| Competitive Programs | 5,067,000,000 | 5,257,000,000 | 5,467,000,000 | 5,542,000,000 | 5,717,000,000 | 14,465,000,000 | 12,585,000,000 | 27,050,000,000 |
| Bridge Investment Program (23 USC 124) HTF/GF | 2,447,000,000 | 2,487,000,000 | 2,497,000,000 | 2,522,000,000 | 2,547,000,000 | 3,265,000,000 | 9,235,000,000 | 12,500,000,000 |
| Charging & Fueling Infrastructure Grants (23 USC 151(f)) | 300,000,000 | 400,000,000 | 500,000,000 | 600,000,000 | 700,000,000 | 2,500,000,000 | - | 2,500,000,000 |
| Congestion Relief Program (23 USC 129(d)) | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 250,000,000 | - | 250,000,000 |
| Nationally Significant Freight & Highway Projects (23 USC 117) HTF/GF | 1,640,000,000 | 1,640,000,000 | 1,640,000,000 | 1,540,000,000 | 1,540,000,000 | 4,800,000,000 | 3,200,000,000 | 8,000,000,000 |
| PROTECT Grants (23 USC 176(d)) | 250,000,000 | 250,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 1,400,000,000 | - | 1,400,000,000 |
| Reduction of Truck Emissions at Port Facilities (§11402) HTF/GF | 80,000,000 | 80,000,000 | 80,000,000 | 80,000,000 | 80,000,000 | 250,000,000 | 150,000,000 | 400,000,000 |
| Rural Surface Transportation Grant Program (23 USC 173) | 300,000,000 | 350,000,000 | 400,000,000 | 450,000,000 | 500,000,000 | 2,000,000,000 | - | 2,000,000,000 |
| Federal Allocation Programs | 521,400,000 | 528,400,000 | 534,400,000 | 540,900,000 | 547,400,000 | 2,330,500,000 | 342,000,000 | 2,672,500,000 |
| Construction of Ferry Boats and Ferry Terminal Facilities (23 USC 147) HTF/GF | 178,400,000 | 180,400,000 | 182,400,000 | 184,400,000 | 186,400,000 | 570,000,000 | 342,000,000 | 912,000,000 |
| Disadvantaged Business Enterprises (23 USC 140(c)) | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 50,000,000 | - | 50,000,000 |
| Emergency Relief (23 USC 125) ^{1/} | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 500,000,000 | - | 500,000,000 |
| Highway Use Tax Evasion Projects (23 USC 143) | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 20,000,000 | - | 20,000,000 |
| On-the-Job Training (23 USC 140(b)) | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 50,000,000 | - | 50,000,000 |
| Territorial & Puerto Rico Highway Program (23 USC 165) | 219,000,000 | 224,000,000 | 228,000,000 | 232,500,000 | 237,000,000 | 1,140,500,000 | - | 1,140,500,000 |
| Research, Technology, and Education | 517,000,000 | 518,000,000 | 519,000,000 | 520,000,000 | 521,000,000 | 2,500,000,000 | 95,000,000 | 2,595,000,000 |
| Highway Research & Development Program (23 USC 503(b)) | 147,000,000 | 147,000,000 | 147,000,000 | 147,000,000 | 147,000,000 | 735,000,000 | - | 735,000,000 |
| Technology & Innovation Deployment Program (23 USC 503(c)) | 110,000,000 | 110,000,000 | 110,000,000 | 110,000,000 | 110,000,000 | 550,000,000 | - | 550,000,000 |
| Intelligent Transportation Systems Program (23 USC 512-518) | 110,000,000 | 110,000,000 | 110,000,000 | 110,000,000 | 110,000,000 | 550,000,000 | - | 550,000,000 |
| Training & Education (23 USC 504) | 25,000,000 | 25,250,000 | 25,500,000 | 25,750,000 | 26,000,000 | 127,500,000 | - | 127,500,000 |
| University Transportation Centers Program (49 USC 5505) HTF/GF | 99,000,000 | 99,500,000 | 100,000,000 | 100,500,000 | 101,000,000 | 405,000,000 | 95,000,000 | 500,000,000 |
| Bureau of Transportation Statistics (49 USC Ch. 63) | 26,000,000 | 26,250,000 | 26,500,000 | 26,750,000 | 27,000,000 | 132,500,000 | - | 132,500,000 |
| Pilot Programs | 265,000,000 | 273,000,000 | 280,000,000 | 287,000,000 | 295,000,000 | 900,000,000 | 500,000,000 | 1,400,000,000 |
| Prioritization Process Pilot Program (§11204) | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 50,000,000 | - | 50,000,000 |
| Reconnecting Communities Pilot Program (§11509) HTF/GF | 195,000,000 | 198,000,000 | 200,000,000 | 202,000,000 | 205,000,000 | 500,000,000 | 500,000,000 | 1,000,000,000 |
| Wildlife Crossings Pilot Program (23 USC 171) | 60,000,000 | 65,000,000 | 70,000,000 | 75,000,000 | 80,000,000 | 350,000,000 | - | 350,000,000 |
| TIFIA (23 USC 601-609) | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 1,250,000,000 | - | 1,250,000,000 |
| FHWA Administrative Expenses (23 USC 104(a))^{4/} | 466,964,697 | 476,783,991 | 486,799,671 | 497,015,664 | 507,435,977 | 2,435,000,000 | - | 2,435,000,000 |
| Total, FHWA^{5/} | 67,666,830,072 | 68,957,910,674 | 70,289,182,888 | 71,507,570,545 | 72,850,505,821 | 304,000,000,000 | 47,272,000,000 | 351,272,000,000 |
| Contract Authority from the Highway Account of the Highway Trust Fund | 58,212,430,072 | 59,503,510,674 | 60,834,782,888 | 62,053,170,545 | 63,396,105,821 | 304,000,000,000 | - | 304,000,000,000 |
| <i>Exempt from Obligation Limitation^{1/}</i> | <i>739,000,000</i> | <i>739,000,000</i> | <i>739,000,000</i> | <i>739,000,000</i> | <i>739,000,000</i> | <i>3,695,000,000</i> | - | <i>3,695,000,000</i> |
| <i>Subject to Obligation Limitation</i> | <i>57,473,430,072</i> | <i>58,764,510,674</i> | <i>60,095,782,888</i> | <i>61,314,170,545</i> | <i>62,657,105,821</i> | <i>300,305,000,000</i> | - | <i>300,305,000,000</i> |
| Budget Authority from General Fund Supplemental Appropriations | 9,454,400,000 | 9,454,400,000 | 9,454,400,000 | 9,454,400,000 | 9,454,400,000 | - | 47,272,000,000 | 47,272,000,000 |

1/ Amounts exempt from obligation limitation include \$639 million of the National Highway Performance Program apportionments and \$100 million for Emergency Relief. Amounts do not reflect sequestration of 5.7 percent of contract authority exempt from obligation limitation.

2/ Amounts for the Surface Transportation Block Grant Program include the 10 percent set aside for Transportation Alternatives.

3/ Amounts exclude \$245 million for Railway-Highway Grade Crossings Program and \$3.5 million takedown for safety-related programs. Such amounts are shown on a separate line.

4/ Includes FHWA Federal-aid Highway Program General Operating Expenses (GOE) and transfers to the Appalachian Regional Commission (ARC) for administrative activities associated with the Appalachian Development Highway System. Excludes administrative takedowns from the General Fund Supplemental Appropriations.

5/ Includes \$100 million per fiscal

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EXHIBIT III-1
FEDERAL HIGHWAY ADMINISTRATION
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | FY 2023 ACTUAL | FY 2024 ANNUALIZE D CR | FY 2025 REQUEST |
|--|---------------------------|---------------------------------------|----------------------------|
| [Limitation on Administrative Expenses] ^{1/} | [\$476,784] | [\$476,784] | [\$564,016] |
| Federal-aid Highways | | | |
| Obligation Limitation (authorized in the IIJA) | \$58,764,511 | \$58,764,511 | \$61,314,171 |
| Obligation Limitation (for proposed repurposing of unused TIFIA funds) ^{2/} | ----- | ----- | \$800,000 |
| Exempt Programs ^{3/} | \$739,000 | \$739,000 | \$739,000 |
| Sequestered Exempt Contract Authority ^{4/} | -\$42,123 | -\$42,123 | -\$42,123 |
| Flex Transfers to/from FTA | -\$1,378,445 | -\$1,300,000 | -\$1,300,000 |
| Transfer to NHTSA ^{5/} | -\$127,631 | -\$138,860 | ----- |
| Transfer to/from OST | -\$10,000 | -\$10,000 | -\$10,000 |
| Total, Federal-aid Highways | \$57,945,312 | \$58,012,528 | \$61,501,048 |
| Highway Infrastructure Programs (GF) | | | |
| Department of Transportation Appropriations Acts (GF) ^{6/} | \$3,417,812 | \$3,417,812 | ----- |
| IIJA Supplemental (Division J) | \$9,454,400 | \$9,454,400 | \$9,454,400 |
| [Administrative Expenses] ^{7/} | [\$86,816] | [\$86,816] | [\$86,816] |
| Transfer to OIG | -\$1,000 | -\$1,000 | -\$1,000 |
| Total, Highway Infrastructure Programs | \$12,871,212 | \$12,871,212 | \$9,453,400 |
| Emergency Relief (GF) ^{8/} | \$803,000 | ----- | ----- |
| Miscellaneous Trust Funds (TF) | \$7,984 | \$7,984 | \$7,984 |
| Grand Total | \$71,627,508 | \$70,891,724 | \$70,962,432 |
| FTEs | | | |
| Federal-aid Highways | | | |
| Direct Funded ^{9/} | 2,668 | 2,705 | 2,740 |
| Reimbursable, allocated, other | 73 | 105 | 120 |

Program and Performance Statement

These accounts provide necessary resources to support Federal-aid Highways Program activities, Highway Infrastructure Program activities, Emergency Relief activities, and maintain the agency's administrative and oversight functions. Funding will aid in the development, operations, and management of an intermodal transportation system that is safe for all users, provides equitable travel for all people, addresses the climate change challenge, and spurs innovation.

[] Non-add

1/ All fiscal years include FHWA General Operating Expenses (GOE) and transfers to the Appalachian Regional Commission (ARC) for administrative activities associated with the Appalachian Development Highway System. All fiscal years do not include amounts for other non-administrative programs authorized under Administrative Expenses. FY 2025 includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IIJA contract authority level to enable FHWA to utilize carryover administrative expenses funding.

2/ The Budget proposes to redirect \$800 million in unused Transportation Infrastructure Finance and Innovation Act program (TIFIA) funding to fund the the National Infrastructure Project Assistance Grant Program (Mega) and the Local and Regional Project Assistance Program (RAISE). The proposal includes providing an additional \$800 million in obligation limitation.

3/ In all years, the exempt contract authority is comprised of \$639 million for the National Highway Performance Program and \$100 million for the Emergency Relief Program.

4/ FY 2023 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 28, 2022. FY 2024 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation per Sequestration Order dated March 13, 2023. FY 2025 reflects sequestration of 5.7 percent of contract authority exempt from obligation limitation pursuant to 2 U.S.C. 901a(6)(B)(ii).

5/ FHWA anticipates a transfer to NHTSA in FY 2025 in an amount to be determined based on State penalty information.

6/ The Consolidated Appropriations Act, 2023 provided \$3.4 billion in additional highway funding from the General Fund in FY 2023.

7/ The IIJA provided funding for administrative expenses as a takedown from the Highway Infrastructure Programs. Amounts shown reflect the aggregate of such takedowns.

8/ The Consolidated Appropriations Act, 2023 provided \$803 million in additional emergency relief funding from the General Fund for FY 2023.

9/ FY 2024 FTEs reflect anticipated hiring under a full-year CR. FY 2024 and FY 2025 FTEs include estimated increases to levels necessary to properly execute the increased amount of programs and funding in the IIJA.

EXHIBIT III-1a
FEDERAL HIGHWAY ADMINISTRATION
SUMMARY ANALYSIS OF CHANGE FROM FY 2024 TO FY 2025
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>(\$000)</u> | <u>FTE</u> |
|--|---------------------|--------------|
| FY 2024 ANNUALIZED CR | \$72,341,584 | 2,705 |
| <u>ITEM</u> | | |
| ADJUSTMENTS TO BASE: | | |
| Annualization of FY 2024 pay raise (5.2 percent) | \$5,517 | |
| Annualization of new FY 2024 FTE | \$6,230 | 35 |
| FY 2025 pay raise (2.0 percent) | \$6,542 | |
| GSA rent | \$1,001 | |
| Change in Working Capital Fund (WCF) | -\$729 | |
| Non-pay inflation | \$1,671 | |
| SUBTOTAL, ADJUSTMENTS TO BASE | \$20,232 | 35 |
| PROGRAM INCREASES/DECREASES | | |
| Other services | \$67,000 | |
| Federal-aid Highway Program | \$2,462,428 | |
| Highway Infrastructure Programs ^{1/} | -\$3,417,812 | |
| SUBTOTAL, PROGRAM INCREASES | -\$888,384 | |
| FY 2025 REQUEST | \$71,473,432 | 2,740 |

Executive Summary

Highway Safety Improvement Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$3.4 billion for the Highway Safety Improvement Program (HSIP) to address the safety crisis on our roads. This core Federal-aid highway program supports the Secretary's safety priority by aiming to reduce fatalities and serious injuries on all public roads and for all road users. The IJA provided \$3.3 billion and \$3.4 billion for HSIP in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Department of Transportation is committed to providing national leadership in highway safety as demonstrated by launching the National Roadway Safety Strategy (NRSS) in January 2022. The NRSS is built around the Safe System approach, which includes multiple elements including safer roads and identifies actions the Department will take to enable safer roads, including supporting the planning, design and implementation of safer roads and streets in all communities using all available and applicable Federal funding resources, including the HSIP. Making highways, roads, and streets safer will help decrease deaths and serious injuries on all public roads and for all road users and will help improve the social and economic well-being of our Nation.

The purpose of the HSIP directly aligns with the Department's Safety Strategic Goal. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads and for all road users, with a focus on performance. HSIP plays a critical role in helping States meet their safety performance targets as part of FHWA's transportation performance management framework. Accountability for meeting those targets is addressed through the HSIP.

What benefits will be provided to the American public through this request and why is this program necessary?

The National Highway Traffic Safety Administration (NHTSA) estimates that 42,795 people died in traffic crashes in 2022. This is a marginal decrease of about 0.3 percent as compared to 42,939 fatalities reported in 2021. The fourth quarter of 2022 represents the third straight quarterly decline in fatalities after seven consecutive quarters of year-to-year increases in fatalities, beginning with the third quarter of 2020.

Although many types of Federal-aid funds can and should be used to make roads safer, the HSIP anchors FHWA's safety efforts, providing States with critical safety funding that is used to save lives and prevent serious injuries on all public roads and for all road users. HSIP will support States in the implementation of the Safe System Approach, in which human life and health are primary considerations when designing a road. Furthermore, FHWA will work with States to encourage prioritizing safety-related investments in communities that have been historically underserved and adversely affected by past infrastructure decisions, with a focus on disadvantaged communities including high poverty and rural areas.

Detailed Justification Highway Safety Improvement Program

What is the request and what funds are currently spent on the program?

FY 2025 – Highway Safety Improvement Program (\$3.4 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Highway Safety Improvement Program | 3,292,826 | 3,358,683 | 3,425,856 |
| Total | 3,292,826 | 3,358,683 | 3,425,856 |

What is this program and what does this funding level support?

The HSIP is a core Federal-aid highway program that supports the Secretary’s safety priority by aiming to reduce fatalities and serious injuries on all public roads and for all road users. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads and for all road users with a focus on performance. The HSIP is legislated under sections 130, 148 and 150 of title 23, United States Code, and regulated under parts 490 and 924 of title 23, Code of Federal Regulations. The HSIP is a State-administered program that is driven by the Strategic Highway Safety Plan (SHSP) that each State creates and by a program of highway safety improvement projects. The HSIP also includes a set-aside for railway-highway crossing improvements and special rules for high-risk rural road safety, older driver and pedestrian safety, and vulnerable road user safety.

The Highway Safety Improvement Program contributes to the following performance measures:

- Reduce 66 percent of motor vehicle-related fatalities by 2040 to demonstrate progress to achieve zero roadway fatalities;
- By September 30, 2025, the Department will reduce the rate of motor vehicle fatalities from 1.36 per 100 million vehicles miles traveled (VMT) as of October 1, 2021, to no more than 1.22 per 100 million VMT;
- Reduce the number of non-motorized fatalities and serious injuries;
- Reduce the race fatality ratio by population;
- Reduce highway workers fatalities;
- Increase the Highway Safety Improvement Program obligation rate; and
- Reduce non-occupant (pedestrian/pedalcyclist/other non-occupant) fatalities per 100,000 population.

The HSIP provides resources that allow the States to implement innovations resulting from the latest highway safety research such as those disseminated through FHWA’s Every Day Counts (EDC) program and Proven Safety Countermeasures (PSC) initiative. EDC aims to identify and

rapidly deploy proven, yet underutilized innovations to, among other things, enhance road safety. The PSC initiative consists of a collection of proven countermeasures and strategies, updated in 2021, that provide options for immediate action to accelerate the achievement of local, State, and National safety goals.

In addition, \$245 million of HSIP funding in FY 2025 is set aside for the Railway-Highway Crossings program to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings. Through this program, State and local agencies implement data-driven practices and methodologies to administer their programs and to prioritize projects.

Another \$3.5 million of HSIP funding is set aside for transportation safety outreach, training, and education through the following activities: Operation Lifesaver, the Public Road Safety Clearinghouse, Work Zone Safety Grants, the National Work Zone Safety Information Clearinghouse, and guardrail training. These programs support training and public education focused on work zones, railway-highway crossings, and other safety efforts.

The HSIP is a critical component of implementation of the performance management system first put in place by Congress in MAP-21 and then continued under the FAST Act and now under the IIJA. States and metropolitan planning organizations (MPOs) set annual safety performance targets that are used to assess fatalities and serious injuries on their roads. Unfortunately, at the four-year mark the majority of States failed to meet or make progress toward at least one of their annual safety performance targets. States that do not meet their safety targets are required to direct funds toward safety projects and develop a plan that describes the actions the State will take to meet or make significant progress toward their future safety targets.

In addition to these safety performance targets, the HSIP also includes three special rules for high-risk rural road safety, older driver and pedestrian safety, and vulnerable road user safety. FHWA assesses States' safety performance in each of these areas based on specific criteria established in legislation. States that do not meet the conditions are subject to either financial or programmatic requirements.

The HSIP also supports implementation of DOT's National Road Safety Strategy (NRSS). The Safe System Approach (SSA) is at the core of the NRSS and aims to eliminate fatal and serious injuries for all road users through a holistic view of the road system that anticipates human mistakes and develops the road system to be forgiving of human errors. Safety is the Department's number one priority, and the NRSS represents a Department-wide approach to working with stakeholders across the country to achieve this goal. The HSIP is a critical Federal-aid program used for the planning, design and implementation of safer roads and streets in all communities. The HSIP sets the funding and policy tone for national safety implementation efforts and therefore serves as the springboard for States and communities to accelerate their full adoption of the SSA and implementation of the NRSS.

The program emphasizes coordination among all surface transportation safety modes, including the National Highway Traffic Safety Administration (NHTSA), Federal Railroad Administration (FRA), Federal Transit Administration (FTA), and Federal Motor Carrier Safety Administration (FMCSA).

One of the core principles of the SSA is that safety is a shared responsibility. The HSIP requires coordination with NHTSA on its Highway Safety Program as it relates to Highway Safety Plans, Safety Performance Targets, and State Safety Data Information Systems. FHWA also coordinates with other modes on the DOT Traffic Records Executive Committee and the DOT Safety Council. The HSIP also requires States to collaborate and coordinate with stakeholders on emphasis areas of concern and develop strategies to address their safety challenges. Additionally, FHWA recognizes that achieving continued success requires teamwork with external organizations. The agency coordinates and collaborates on safety programming with the American Association of State Highway and Transportation Officials (AASHTO), The National Association of City Transportation Officials, the Roadway Safety Foundation, the Road to Zero Coalition and many other associations and organizations. By working together, the United States can achieve our goal of zero fatalities on our Nation's roadways.

To ensure that the program successfully meets its goals, FHWA plans to conduct an evaluation of portions of FHWA's Safety Program to assess whether efforts are being implemented as intended. The Office of Safety's Focused Approach to Safety provides additional resources to eligible high priority States to address the Nation's most critical safety challenges through additional program benefits. FHWA would like to determine if delivery of this program is effective and efficient. Through this assessment, FHWA aims to establish how effective and compliant the agency is in the implementation of an aspect of the Safety Program. Among other goals, the assessment would focus on identifying risks in the current and desired future state of the program; establishing strategies to manage those risks; and identifying opportunities to streamline program implementation.

What benefits will be provided to the American public through this request and why is this program necessary?

The HSIP provides funds to States to address safety challenges on all public roads, including local and rural roads, and for all road users. The HSIP provides States the resources to address areas of risk, including vulnerable road user safety, with innovative proven safety interventions. Funding the program at the requested level will help States to achieve the goal of zero deaths on our Nation's roads.

Under the FAST Act (FY 2016 to FY 2020 and extended through FY 2021), States obligated \$22.72 billion for approximately 23,500 highway safety improvement projects. In the first year of IIJA (FY 2022), States obligated more than \$5.5 billion to approximately 5,200 highway safety improvement projects, improving safety at 4,515 intersections and across 69,075 miles of roadway.

Rural and local areas benefit from the HSIP. Based on information reported by the States in their 2022 annual HSIP reports, at least 26 percent of the States' HSIP projects are on rural roads representing on average 27 percent of HSIP expenditures. For rural safety projects, Lane and Roadway Departure accounted for 64 percent of projects, and Intersection projects were 24 percent of the total. In addition, 37 States obligated an average of 13 percent of the States' HSIP funds for projects on local and Tribal roads in 2022.

The HSIP provides resources that allow the States to implement innovations resulting from the latest highway safety research. The HSIP often funds new and innovative countermeasures to address high crash locations. Once those countermeasures are proven to be effective at reducing fatalities and serious injuries, they are deployed widely across the network via systemic safety improvements and integrated in State design standards and policies and systematically integrated across all projects. In 2022, 43 percent of HSIP projects were systemic safety improvement projects. These projects, of which there were 1,919 in 2022 totaling \$1.2 billion, included traffic signal improvements such as retiming, backplates and flashing yellow arrow, wrong way driving treatments, clear zone improvements, high friction surface treatments, lighting, pedestrian and traffic calming improvements, rumble strips, and more.

In FY 2025, the HSIP program will continue to help State, local and Tribal agencies address their safety needs to reduce fatalities and injuries on our Nation's roadways. The HSIP continues to provide a platform for State, local and Tribal agencies to advance implementation of the Safe System Approach by making roads safer, as well as to address equity in their data driven safety analysis.

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Executive Summary

National Highway Performance Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$30.2 billion for the National Highway Performance Program (NHPP), which supports the Secretary's key priorities of enhancing transportation safety, building economic strength by providing efficient access to resources, markets and good-paying jobs, reducing inequities across transportation systems, tackling the climate crisis by reducing greenhouse gas emissions and investing in the transformation of our Nation's transportation infrastructure by improving the condition and performance of the National Highway System (NHS). Performance management requirements represent a key component of the NHPP. These requirements hold States accountable for achieving performance targets while continuing to give them the flexibility to make transportation investment decisions. The IIJA provided \$29.0 billion and \$29.6 billion for NHPP in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The NHPP provides funds to the States on a formula basis. In direct support of the Secretary's key priorities of safety and infrastructure, the NHPP's purpose is to preserve and improve the NHS. Due to expected population and economic growth, freight and passenger transportation demands are projected to increase 250 percent by 2050. Modernizing and preserving an efficient transportation system in this environment is critical to maintaining economic competitiveness.

Funding the NHPP at \$30.2 billion in FY 2025 supports improvements toward achieving a state of good repair and improved operations on the NHS and is consistent with the analyses presented in the biennial *Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance* report to Congress (25th Edition). Maintaining a state of good repair on the NHS reduces costly improvements that would be required if infrastructure were allowed to deteriorate.

What benefits will be provided to the American public through this request and why is this program necessary?

Preserving and improving the NHS through the NHPP keeps our Nation's highways and bridges safe, benefits both urban and rural areas nationwide, creates employment opportunities to support the development of a skilled and diverse transportation workforce, and strengthens the economy through the efficient movement of freight. It binds the country together by making interstate and intra-state commerce possible; helping connect people to their communities, jobs, and other vital resources. The NHPP emphasizes preservation of the NHS while giving States flexibility to make additional investments to enhance NHS condition and operational performance and to build new capacity. Furthermore, improvements to the NHS benefit both urban and rural areas nationwide.

Detailed Justification National Highway Performance Program

What is the request and what funds are currently spent on the program?

FY 2025 – National Highway Performance Program (\$30.2 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| National Highway Performance Program ^{1/} | 29,008,231 | 29,588,396 | 30,180,164 |
| Total | 29,008,231 | 29,588,396 | 30,180,164 |

1/ \$639 million in FY 2023, FY 2024, and FY 2025 is exempt from obligation limitation of which \$36.4 million is sequestered each year (sequestration not reflected in table).

What is this program and what does this funding level support?

The NHPP, requested at \$30.2 billion in FY 2025, is a formula-based program that supports the Secretary’s key priorities of preserving safety and infrastructure by improving the condition of highways and bridges. It helps to keep roads and bridges safe; improves the Nation’s competitiveness in global trade; and maximizes the economic returns from transportation policies and investments.

Key features of the program include:

- a focus on improving and preserving the NHS;
- a performance-based framework;
- flexibility to the States for making transportation investment decisions; and
- requirements for risk-based asset management plans.

The NHPP requires a risk-based asset management approach. States must have a strategic and systematic process for operating, preserving, and improving physical assets on the NHS. It focuses on engineering and economic analysis using quality information to identify a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve a desired state of good repair over the lifecycle of the assets at minimum cost. The intent of this approach is to better manage system condition and performance.

The Federal Government has periodically defined and focused resources on the roads that were critical to national interests and that enhanced mobility, security, economic growth, and quality of life. Each time, the decision was made to emphasize a limited network of roads of critical national priority – the Federal-aid system (1921), the Interstate System (1956), and the National Highway System (1995). MAP-21 defined the NHS as a network comprised of the Interstate System, all principal arterials including border crossings, intermodal connectors, and roads important to national defense. The FAST Act maintained this network and added provisions for

removing some principal arterials from the NHS after review and reclassification by the States and FHWA.

The NHS totals approximately 220,000 miles. It provides mobility to the vast majority of the Nation's population and almost all of its commerce, supports national defense, and promotes intermodal connectivity. While NHS mileage is only a small portion of the Nation's overall public road mileage, it carries 55 percent of all vehicular traffic. Furthermore, the NHS is vital to rural communities. In rural areas, the NHS carries just under 50 percent of all vehicle miles traveled, and provides critical access for jobs, health care, and commerce.

The NHPP contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of interstate pavements in either good or fair condition will be maintained at 95 percent;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

The NHPP will continue to direct Federal funds towards addressing national performance goals for the NHS. Among these are the condition of pavements and bridges. Past performance has demonstrated that sustained investment in the Nation's roads and bridges leads to better roadway and bridge conditions. A couple examples of this include:

- The share of travel on NHS pavements with good ride quality rose from 48 percent to 62 percent between 2000 and 2020. This improvement came despite MAP-21 increasing NHS mileage by almost 60,000 miles. Bringing pavements up to a state of good repair provides the following benefits: decreased wear and tear on vehicles, and reduced repair costs; reduced traveler delays; and lowered crash rates. Given that the NHS carries the majority of all vehicular traffic, a 1 percent increase translates into 18 billion more vehicle miles travelled occurring on pavements with good ride quality.
- Even as the total number of NHS bridges in the Nation's inventory increased from 143,165 in 2014 to 146,983 in 2023 the percentage of the deck area on NHS bridges classified as in "Poor" condition dropped from 5.8 percent to 4.0 percent¹.

Additionally, the NHPP has performance provisions that will improve investment decision-making through a greater level of accountability for States to improve or preserve the condition of NHS pavements and bridges, and the performance of the system. These provisions require States to carry out a risk-based asset management process to monitor and evaluate conditions, establish future condition targets for eight performance measures, plan investment strategies, and program funding in support of these strategies. The NHPP has additional requirements for States

¹ In 2012, the Moving Ahead to Progress in the 21st Century Act (P.L. 112-141) required the establishment of measures to assess the condition of bridges on the NHS. Beginning in 2018, FHWA transitioned from the bridge classification of structurally deficient to various measures to assess the condition of NHS bridges established in 23 CFR 490 Subpart D.

to maintain minimum-level conditions for NHS bridges and interstate pavements, and to make significant progress in meeting their NHPP conditions and performance targets. The regulations to implement these new requirements took effect on May 20, 2017.

To ensure that the program successfully meets its goals, FHWA intends to conduct an evaluation of portions of the National Highway Performance Program (NHPP) to assess certain aspects of program implementation. This multibillion-dollar program provides support for the condition and performance of the National Highway System (NHS) and for the construction of new facilities on the NHS. It also ensures that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS. While the NHPP contains multiple program areas, FHWA's evaluation will focus specifically on implementation of 23 USC 119 (e) – State Performance Management. The assessment will measure the efficiency, effectiveness and compliance in the implementation of the State Performance Management by identifying risks in the current, or desired future state of the program, as well as establishing strategies to successfully manage these risks and streamline program delivery.

What benefits will be provided to the American public through this request and why is this program necessary?

Preserving and improving the NHS through the NHPP keeps our Nation's highways and bridges safe, benefits both urban and rural areas nationwide, creates employment opportunities to support the development of a skilled and diverse transportation workforce, and strengthens the economy through the efficient movement of freight. The NHPP emphasizes preservation of the NHS while giving States the flexibility to make additional investments to enhance NHS condition and operational performance and to build new capacity while holding them accountable to minimum infrastructure condition requirements and the achievement of NHPP condition and performance targets.

Furthermore, the public investment in transportation will be more effectively utilized through improved decision-making that emphasizes safety for all users and equity in transportation, while addressing climate change and resilience in transportation infrastructure.

Executive Summary

Surface Transportation Block Grant Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$14.7 billion for the Surface Transportation Block Grant (STBG) Program to support the Secretary's infrastructure priority by providing flexible funding that States and localities can use to improve the condition and performance of their multimodal transportation networks through a wide range of eligible projects including roads and bridges, transit and bicycle, and pedestrian facilities. The IIJA provided \$14.1 billion and \$14.4 billion for STBG in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

In direct support of the Secretary's key priorities of safety, transportation equity, addressing climate change and resilience, improving core assets, and transforming our Nation's transportation infrastructure, the STBG is a formula-based program that helps States and localities to invest in Federal-aid roads and support safe and accessible, multimodal transportation networks within urban and rural communities.

The STBG program has the greatest flexibility of FHWA's core highway programs. Whereas the National Highway Performance Program (NHPP) is limited to the approximately 220,000-mile National Highway System (NHS); the STBG program is available for the roughly 1,034,000 miles of Federal-aid highways, for bridges on any public road, for on-road and off-road bicycle and pedestrian facilities, and for transit capital projects. This program gives transportation agencies, local governments, and communities the ability to direct funding to address State and local priorities and will help improve safety and accessibility for all users, including pedestrians and bicyclists, improve air quality, reduce congestion, foster affordable transportation, and improve quality of life.

What benefits will be provided to the American public through this request and why is this program necessary?

The flexibility of the STBG program provides transportation agencies with the ability to direct funding to State and local priorities. It increases mobility, access to community resources, and improves quality of life for all communities. Projects funded through this program enjoy broad popularity with communities across the country.

Detailed Justification Surface Transportation Block Grant Program

What is the request and what funds are currently spent on the program?

FY 2025 – Surface Transportation Block Grant Program (\$14.7 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Surface Transportation Block Grant Program | 14,112,112 | 14,394,355 | 14,682,242 |
| Total | 14,112,112 | 14,394,355 | 14,682,242 |

What is this program and what does this funding level support?

The STBG program supports the Secretary’s key priorities of safety, transportation equity, addressing climate change and resilience, improving core assets, and transforming our Nation’s transportation infrastructure by providing funds to States to invest in Federal-aid eligible highways to replace, rehabilitate, and preserve roads, bridges, and other highway infrastructure, and to expand or build new transportation facilities. The STBG program is the most flexible of the core highway programs. The STBG program is available for the roughly 1,034,000 miles of highways, roads and streets that are Federal-aid eligible (public roads that are not functionally classified as rural minor collectors or local roads). This includes not only the Interstate System and the NHS but also many other roads and streets, bridges on any public road, some transit projects, pedestrian and bicycle facilities, and projects that meet the eligibilities of the Recreational Trails Program and the Transportation Alternatives set-aside.

The Transportation Alternatives set-aside is frequently used by States, MPOs, and local governments for smaller scale but critically important multimodal transportation projects at both the State and local level, including pedestrian and bicycling infrastructure. In the IIJA, Congress increased the size of the Transportation Alternatives set-aside from \$850 million annually in the last years of the FAST Act to 10 percent of STBG per fiscal year, which amounted to \$1.38 billion in FY 2022 and increases to nearly \$1.5 billion by FY 2026. This set-aside helps States, local governments, and communities pursue transportation improvements that meet their priorities for safety, access, equity, mobility, recreation, development, or economic objectives. Transportation Alternatives funds are used to create safe, accessible, and environmentally sensitive communities through projects that provide access to jobs, services, housing, and recreation, and enhance and preserve the human and natural environment.

In addition, STBG contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of interstate pavement in either good or fair condition will be maintained at 95 percent;

- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

A long-term commitment to funding the STBG program has resulted in the following benefits:

- The share of vehicle miles travelled on Federal-aid highway pavements with good ride quality rose from 43 percent in 2000 to 54 percent in 2020.
- The percentage of the deck area of bridges classified as in “Poor” condition dropped from 6.7 percent in 2014 to 4.9 percent in 2023 even as the total number of bridges in the Nation's inventory increased from 610,749 to 621,581. The percentage of the deck area on bridges classified as in “Good” and “Fair” condition increased from 93.0 percent in 2014 to 95.1 percent in 2023.²
- More short trips are being accomplished by walking and biking. Approximately 12 percent of all trips were made by bicycling or walking in 2017, compared with 8 percent in 1994. In 2017, walking comprised 11 percent and bicycling 1 percent of all trips.

Funds are apportioned by formula and are subject to the overall Federal-aid obligation limitation. The following amounts are set aside from each State’s STBG apportionment:

- An estimated \$294 million in FY 2025 for State Planning and Research (SP&R).
- An estimated \$1.47 billion in FY 2025 for Transportation Alternatives.

After the SP&R and Transportation Alternatives set-asides have been calculated, 55 percent of a State’s annual STBG apportionment will be available for obligation in the following areas in proportion to the relative share of State population:

- Urbanized areas with population greater than 200,000.
- Urbanized areas with population 50,000 to 200,000.
- Areas with population 5,000 to 49,999.
- Areas with population of less than 5,000.

The remaining 45 percent of funding may be used in any area of the State.

- The Governor of a land border State may designate up to 5 percent of STBG program funds available for use in any area of the State for border infrastructure projects eligible under the SAFETEA-LU border program.
- STBG program funds available for use in any area of the State are subject to transfer penalties under section 154 (Open Container Requirements) and 164 (Minimum Penalties for Repeat DWI or DUI Offenders) of title 23, U.S.C., which, then, at the election of the

² Beginning in 2018, FHWA transitioned from the bridge classification of structurally deficient to various measures to assess the condition of NHS bridges established in 23 CFR 490 Subpart D.

State, are released as HSIP funds and/or transferred to the National Highway Traffic Safety Administration.

What benefits will be provided to the American public through this request and why is this program necessary?

The STBG program supports the Secretary's priorities by: funding projects which reduce transportation related fatalities and serious injuries of all roadway users, including pedestrians and bicyclists; improving quality of life and access to vital resources for all communities through targeted urban and rural funding; providing accessible transportation choices and connections through flexible funding and the Transportation Alternatives set-aside; and supporting the development of a skilled and diverse transportation workforce through the use of funds to supplement and expand upon FHWA's existing On-the-Job Training and workforce development programs. The STBG program supports communities of all sizes by directing funds to areas in proportion to the relative share of State population. Both urbanized areas and rural areas nationwide receive targeted funding through the STBG program.

By providing STBG funds to States, FHWA can encourage and work with the States to:

- Fund projects that increase the safety of America's roads and advance a future without transportation-related serious injuries or fatalities;
- Invest in a transportation system that will provide reliable and efficient access to resources, markets and good-paying jobs;
- Fund projects that will streamline the transportation system to reduce vehicle miles traveled and the time vehicles spend idling due to traffic congestion, thereby reducing greenhouse gas emissions;
- Fund projects that promote safe, affordable, accessible, and equitable multimodal access to opportunities and services; and
- Fund projects that meet the challenges of the transportation system today and in the future.

In 2020, 54 percent of vehicle miles travelled on Federal-aid highways occurred on pavements with good ride quality. The proposed investment level is projected to increase this share to over 60 percent in 2025. This forecast is based on analyses developed for the biennial *Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance (C&P)* report and takes into account increased funding requested for the STBG and NHPP programs. Given that Federal-aid highways carry five-sixths of all vehicular traffic, each 1 percentage point change translates into 28 billion more vehicle miles travelled occurring on pavements with good-ride quality.

Each biennial C&P report identifies a backlog of needed bridge rehabilitation investments, consisting of all potential improvements to bridges that appear to be cost-effective, based solely on their current conditions. The 25th Edition of the C&P report estimated this backlog to be \$191.3 billion. The proposed funding levels, including funding requested for the STBG and NHPP programs, is projected to help reduce this backlog for bridges by 23 percent by 2025.

The Transportation Alternatives set-aside provides funding to communities across America to expand travel choice, improve quality of life, and protect the environment. Transportation Alternatives encompasses a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity. This funding, through a combination of suballocation and competitive grants, flows directly to local governments, State and Federal resource agencies, and nonprofit organizations partnered with governments, for these vital projects. The program includes prioritization of project location and impact in high-need areas as defined by the State, such as low-income, transit-dependent, rural, or other areas, consistent with the Administration's Justice40 initiative. Recreational trail and environmental mitigation projects support the America the Beautiful initiative.

Through its flexibility, wide range of eligible projects, and targeted nature, the STBG Program improves safety, mobility, accessibility, transportation choices, and quality of life for all communities.

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Executive Summary

Congestion Mitigation & Air Quality Improvement Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$2.69 billion for the Congestion Mitigation and Air Quality Improvement (CMAQ) Program to help States and local governments reduce harmful emissions and highway congestion, and also assist many areas in reaching attainment of the National Ambient Air Quality Standards (NAAQS). The IJA provided \$2.59 billion and \$2.64 billion for CMAQ in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The CMAQ Program supports the Secretary's priority of reducing environmental harms, addresses environmental justice concerns and climate change by providing a funding source for transportation projects and programs that help meet the requirements of the Clean Air Act. CMAQ investments support transportation projects that reduce the mobile source emissions for which an area has been designated nonattainment or maintenance for ozone, carbon monoxide, and particulate matter by the Environmental Protection Agency (EPA). Many CMAQ funded projects, in addition to improving the Nation's air quality, can also address environmental justice concerns and reduce greenhouse gas emissions.

The CMAQ Program supports the Secretary's priority of safety by funding projects that reduce congestion thereby improving traffic flow and system efficiency resulting in lower vehicle crash and injury risk.

Projects funded through CMAQ enhance transportation equity and economic inclusion by improving air quality in communities near major roadways that are disproportionately affected by harmful emissions.

The CMAQ Program supports the Secretary's priorities of improving core assets and transforming our Nation's transportation infrastructure by providing funding to: improve transit; support Amtrak; install electronic vehicle charging stations and other alternative fuel projects; promote the use of advanced vehicle technologies and alternatively fueled vehicles; and improve multi-modal access via bicycle and pedestrian improvements and shared micromobility initiatives.

What benefits will be provided to the American public through this request and why is this program necessary?

The CMAQ Program provides funding for projects that improve air quality in areas with air quality challenges. Through its statutory focus on transportation projects and programs that reduce harmful emissions, the CMAQ Program enhances quality of life and improves health nationwide by contributing to the attainment and maintenance of the NAAQS that act as a public health benchmark for many of the densely populated areas of the country.

Detailed Justification Congestion Mitigation & Air Quality Improvement Program

What is the request and what funds are currently spent on the program?

FY 2025 – Congestion Mitigation & Air Quality Improvement Program (\$2.69 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Congestion Mitigation & Air Quality Improvement Program | 2,587,221 | 2,638,965 | 2,691,744 |
| Total | 2,587,221 | 2,638,965 | 2,691,744 |

What is this program and what does this funding level support?

The CMAQ Program serves a crossover function between transportation capital investments and environmental stewardship. Projects supported with CMAQ funds will help States improve air quality and reduce regional traffic congestion.

The CMAQ Program supports the Secretary’s safety, economic strength and global competitiveness, equity, climate change and sustainability, and transformation priorities:

- CMAQ projects can improve economic strength by providing additional transportation funding investments to densely populated areas with poor air quality. The investments may improve access to jobs and other growth opportunities via multi-modal improvements and transit enhancements.
- CMAQ projects that decrease emissions of criteria pollutants can also decrease greenhouse gas emissions, as well as decrease fuel consumption/energy use through the use of advanced vehicle technologies.
- CMAQ projects can enhance transportation equity and economic inclusion by supporting projects and programs such as retrofitting or replacing diesel engines with alternative fuels in port operations. These projects will improve air quality in communities near major roadways or transportation facilities that are disproportionately affected by harmful emissions.
- CMAQ funds can be used for projects that contribute to the transformation of our Nation’s infrastructure such as the installation of electric vehicle charging stations to support an expanding fleet of electric vehicles, support for Amtrak, improved public transit, new bicycle and pedestrian facilities, shared micromobility initiatives, and the use of private-public partnerships (PPP).
- CMAQ provides funds for infrastructure projects that target congestion relief and can improve traffic flow and system efficiency, resulting in lower vehicle crash and injury risk.
- CMAQ funds can be used to support new and innovative projects and programs that have potential emission reduction benefit.

Projects supported with CMAQ funds must meet the three primary eligibility requirements:

- Reduce emissions;
- Be located in or benefit an EPA-designated nonattainment or maintenance area; and
- Be identified as a transportation project.

Project selection and implementation are made at the State and local levels. FHWA provides program eligibility criteria and broad policy guidance, as well as final project approvals.

CMAQ Program funds are available to support a wide range of government and non-profit organizations, as well as private entities contributing to PPP, but are planned and administered by the State DOTs and metropolitan planning organizations (MPOs). These organizations often plan or implement air quality programs and projects as well as provide CMAQ funding to others to implement projects. Sharing of total project costs, both capital and operating, is a critical element of a successful public-private venture, particularly if the private entity is expected to realize profits as part of the joint venture. State and local officials are urged to consider a full range of cost-sharing options when developing a PPP, including a larger State or local match.

In addition, States provide annual reports on all CMAQ investments each fiscal year. These reports include: obligations of program funds; descriptions of individual projects; and potential impacts on air quality, congestion, and multimodal choice. The data provided in the annual reports and the CMAQ Public Access System allows for transparency; showing that the program continues to provide incremental benefits through enhanced regional and local air quality improvement, and through contributions to congestion relief. Both of these factors—air pollution and highway congestion—are considered to be negative externalities that reduce the quality of life in many metropolitan areas of the country.

The Congestion Mitigation & Air Quality Improvement Program contributes to the following performance measures:

- Alleviate freight congestion;
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent; and
- Reduce transportation emissions in support of net-zero emissions economy -wide 2050.

In 2021, approximately 102 million people nationwide lived in counties with pollution levels above the primary NAAQS. The program will provide continuity with State and local programming and provide adequate resources to maintain the air quality progress in many areas as they strive towards attainment of the NAAQS.

What benefits will be provided to the American public through this request and why is this program necessary?

The CMAQ Program provides funding for projects that improve air quality in areas with air quality challenges and reduce traffic congestion. Through its statutory focus on transportation projects and programs that reduce harmful emissions, the program enhances quality of life and improves health nationwide through its contributions to attainment and maintenance of the

NAAQS that act as a public health benchmark for many of the densely populated areas of the country.

The costs of congestion can be an obstacle to economic activity. In addition, congestion can hamper quality of life through diminished air quality, lost personal time, and other negative factors. Since some congestion relief projects also reduce idling, the negative emissions impacts of stop-and-go driving, and the number of vehicles on the road, they have a corollary benefit of improving air quality. Based on their emissions reductions, these types of projects are eligible for CMAQ Program funding. For example, CMAQ Program funded high-occupancy vehicle and high-occupancy toll lanes can help reduce congestion and improve traffic flow.

The CMAQ Program offers States and MPOs significant flexibility in selecting projects that provide air quality improvements and congestion relief benefits. Recent CMAQ-funded projects include converting high-occupancy vehicle lanes to high-occupancy toll lanes, installing alternative fuel charging and refueling infrastructure, supporting advanced intelligent transportation systems, retrofitting diesel engines in ferry boats, and applying advanced diesel engine technologies for trucks and locomotives.

For example, in Seattle, Washington, the Washington State Ferry (WSF) Hybrid Electric Ferry Conversion Project is part of a three-phase Washington State Department of Transportation (WSDOT) program to transition to a zero-carbon emissions ferry fleet. This project includes purchase of equipment needed for the conversion of two Jumbo Mark II Class (JMII) vessels to hybrid electric propulsion and integration of battery storage technology into the existing diesel electric propulsion systems.

In Atlanta, Georgia, Georgia Commute Options is a program managed by the Atlanta Regional Commission and funded through the Georgia Department of Transportation with support from CMAQ Program funding. The Commission has worked with employers, commuters, and schools to reduce the number of single-occupant vehicles on Metro Atlanta's roads-particularly during peak times. Free services are provided to motivate the public to choose clean commute alternatives and to get rewarded in the process. This effort includes various incentives such as trip planning, discounted transit passes, and guaranteed rides home, if a commuter switches from driving alone to a clean commute. Clean commute options promoted through the program include public transit, telework, carpool, vanpool, biking, and walking.

Since its inception through FY 2023, approximately \$45 billion in CMAQ funds have supported almost 46,000 projects that reduced emissions of particulate matter, carbon monoxide, nitrogen oxides, and/or volatile organic compounds. CMAQ-funded projects, such as public transit and bicycle and pedestrian facilities that promote air quality improvements, multimodal transportation options, and active living can lead to congestion reduction and positive health benefits.

Many CMAQ projects also provide additional benefits. For example, CMAQ projects that promote the use of alternative fuel vehicles can also reduce CO₂, a greenhouse gas that contributes to climate change. These reductions also support Executive Order 14008: *Tackling the Climate Crisis at Home and Abroad*. Also, in addition to congestion relief, projects that focus

on improved traffic flow and system efficiency can provide safety and public health benefits via lower vehicle crash and injury risk while also reducing traveler stress levels. Safety-related CMAQ-eligible projects are specifically permitted to receive 100 percent Federal funding.

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Executive Summary

Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Formula Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.49 billion for formula grants to States for activities to assess and address infrastructure vulnerabilities to current and future weather events, including natural disasters and climate change. The IJA provided \$1.43 billion and \$1.46 billion for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The PROTECT Formula Program apportions funding to States to build resilience improvements, including projects that use materials, structural techniques, or non-structural techniques to prepare more of the Nation's infrastructure for the impacts of climate change, extreme weather events, and natural disasters. Eligible projects include highways and bridges, public transportation facilities, and port facilities. Activities by States to assess their vulnerabilities to climate change, extreme weather events and natural disasters, which will help States plan more resilient systems and design more resilient and cost-effective projects, are also supported by the PROTECT Formula Program.

What benefits will be provided to the American public through this request and why is this program necessary?

PROTECT Formula Program activities will protect surface transportation assets by making them more resilient to current and future weather events and natural disasters. Community resilience improvements and strategies will allow for the continued operation or rapid recovery of surface transportation systems. Coastal infrastructure will be better protected from the long-term risk of sea level rise and other climate change risks, and infrastructure nationwide will be better protected from precipitation, flooding events, heat, and other consequences of a changing climate. Natural infrastructure can be utilized to protect and enhance surface transportation assets while improving ecosystem conditions.

The PROTECT Formula Program directly addresses the Secretary's key priority of climate and sustainability and will support the U.S. Department of Transportation Climate Action Plan: Revitalizing Efforts to Bolster Adaptation & Increase Resilience. It is the main Federal program designed to build more resilient and sustainable surface transportation systems to benefit and protect communities. It will also catalyze awareness and use of transportation funds generally to address climate adaptation needs. In addition, this program will advance Executive Order 14008: *Tackling the Climate Crisis at Home and Abroad* and will allow the United States to move quickly to improve transportation infrastructure resilience against the impacts of climate change that are already manifested and will continue to intensify according to current trajectories.

Detailed Justification PROTECT Formula Program

What is the request and what funds are currently spent on the program?

FY 2025 – PROTECT Formula Program (\$1.49 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|-------------------------|-------------------|-----------------------------|--------------------|
| PROTECT Formula Program | 1,430,811 | 1,459,428 | 1,488,616 |
| Total | 1,430,811 | 1,459,428 | 1,488,616 |

What is this program and what does this funding level support?

The PROTECT Formula Program apportions funding to States for activities that enable communities to assess and address vulnerabilities to current and future weather events and other natural disasters and changing conditions due to climate change, including sea level rise. Eligible projects include highways and bridges, public transportation facilities, and port facilities including intermodal connectors.

The PROTECT Formula Program contributes to the performance measure, by 2026, 50 percent of States/MPOs have developed Resilience Improvement Plans.

PROTECT Formula Program funds can be used for four types of activities:

- **Planning:** including projects to develop a Resilience Improvement Plan; resilience planning, predesign, design, or the development of data tools, including vulnerability assessments; technical capacity building; and evacuation planning and preparation.
- **Resilience Improvements:** including projects to improve resilience of existing surface transportation infrastructure to weather events, climate change, and natural disasters.
- **Community Resilience and Evacuation Routes:** including strengthening, protecting, and improving evacuation routes to meet future needs, ensuring access to critical destinations, and supporting safe passage during an evacuation.
- **At-Risk Coastal Infrastructure:** including work to make coastal highways and non-rail infrastructure more resilient to coastal flooding, coastal erosion, wave action, storm surge, or sea level rise, in order to improve transportation and public safety; and reduce future maintenance and rebuilding costs.

Eligible project costs include project development, planning, design, property acquisition, construction/reconstruction and rehabilitation, and environmental mitigation. PROTECT Formula Program funds also support planning activities, including systems level assessments of vulnerability to future climate and other natural hazards, and current and long-term planning activities and investments to promote resilience.

What benefits will be provided to the American public through this request and why is this program necessary?

The PROTECT Formula Program focuses work and resources on making the highway system and surface transportation more resilient to natural hazards, including climate change. Dedicated funding for resilience projects is needed to ensure that projects are built to withstand current weather impacts, natural disasters, and future changes in climate.

Projects funded by the PROTECT Formula Program will be more resilient to future threats and provide a range of benefits to the public. While coastal highways are exposed to storm surge, sea level rise and high tide flooding, inland areas are also vulnerable to future changes in climate such as flooding made worse by stronger precipitation events, heat waves that can damage pavements, and wildfires followed by rain events that can cause landslides. Resilience improvements and improved routes to support evacuations and relief efforts after events, for example, will improve the safety of the traveling public and our communities, support freight movements, and facilitate economic growth. These activities will also contribute to reductions in long-term/life-cycle infrastructure costs, to travelers and businesses. This program also provides funds for technical capacity building to address climate threats and supports improved regional planning, programming, and project level analysis that address future risks, not just historical risks, to ensure that communities can minimize life-cycle costs and maximize benefits resulting from building, operating and maintaining transportation systems.

Climate change presents a significant and growing risk to the safety, effectiveness, equity and sustainability of our transportation infrastructure and the communities it serves. We have a once-in-a-generation opportunity to mitigate this risk by investing in the resilience of our transportation networks.

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Executive Summary

National Highway Freight Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.46 billion for the National Highway Freight Program (NHFP). The IJA provided \$1.40 billion and \$1.43 billion for NHFP in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The NHFP provides funds to States on a formula basis to improve the efficient movement of freight on the National Highway Freight Network (NHFN). States have programmed funding in their State Freight Plans to invest in infrastructure and operational improvements that facilitate the movement of freight, address transportation bottlenecks in the supply chain, improve safety and productivity, and enhance economic competitiveness.

Investment in the Nation's freight infrastructure is vital for a safe and efficient freight transportation system that supports projected population and economic growth while maintaining a competitive edge in the global economy. Nationwide, truck Vehicle Miles Traveled on average increased nearly 3.5 percent per year on the Interstate from 2016-2021.³ Between 2020 and 2050, the U.S. is projected to see freight activity grow by 51 percent in tonnage.⁴ This growth will have an impact on the infrastructure and operations of the Nation's highways.

The NHFP will support projects to address growth and the need for more and better-directed investment in freight infrastructure, consistent with the U.S. DOT's National Freight Strategic Plan, individual State Freight Plans, the analyses developed by FHWA for the *Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance*, 25th Edition, and the U.S. DOT's Supply Chain Assessment of the Transportation Industrial Base: Freight and Logistics.

What benefits will be provided to the American public through this request and why is this program necessary?

This program addresses a longstanding need to improve the country's supply chains by reducing the existing backlog in freight infrastructure investment. The program eligibilities directly support the Secretary's priorities including safety, economic strength and global competitiveness, climate and sustainability, and transformation of our Nation's transportation infrastructure. The NHFP offers States and their private-sector partners guaranteed funding to plan and deliver improvements in freight infrastructure and operations that yield a high return on Federal investment for the economy and provide wide-ranging public benefits.

³ Source: Highway Statistics Series 2016 and 2021 <https://www.fhwa.dot.gov/policyinformation/statistics.cfm>

⁴ Source: U.S. Department of Transportation, Federal Highway Administration (FHWA), Bureau of Transportation Statistics (BTS), Freight Analysis Framework Version 5 (FAF5.3).

Detailed Justification National Highway Freight Program

What is the request and what funds are currently spent on the program?

FY 2025 – National Highway Freight Program (\$1.46 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|----------------------------------|-------------------|-----------------------------|--------------------|
| National Highway Freight Program | 1,401,411 | 1,429,439 | 1,458,028 |
| Total | 1,401,411 | 1,429,439 | 1,458,028 |

What is this program and what does this funding level support?

The NHFP provides funds to States, by formula, to improve supply chains and the efficient movement of freight on the NHFN. With the FY 2025 request of \$1.46 billion, States will be able to add projects to their State Freight Plans to further develop infrastructure and operational improvements that reduce congestion, improve safety and productivity, and strengthen the contribution of the NHFN to the economic competitiveness of the United States.

The NHFP advances the Secretary’s priorities of safety, economic strength and global competitiveness, climate and sustainability, and equity. The NHFP supports the following DOT Strategic Plan Goals:

- **Economic Strength and Global Competitiveness:** NHFP funding can enable more efficient movement of goods between suppliers and consumers that depend on our freight network. For example, the State of California used NHFP funds for the Route 57/60 Confluence Chokepoint Relief Program in Los Angeles County, to mitigate a truck bottleneck on a heavily traveled freight highway critical to the operation of Southern California’s ports, intermodal, warehousing, and manufacturing facilities (and export-dependent industries nationwide).
- **Safety:** NHFP funding can make highways safer by increasing capacity for truck parking, allowing drivers to rest safely while separated from moving traffic. As of June 2023, 10 States had obligated more than \$36 million in NHFP funds for truck parking projects. For example, the State of Illinois used NHFP funds for truck parking expansion at Funks Grove Rest Area on I-55 in McLean County.
- **Climate and Sustainability, and Equity:** NHFP funding can support projects that reduce greenhouse gas emissions on highways and around freight facilities, protecting nearby communities from the effects of freight transportation emissions. For example, the State of Washington used NHFP funds for the Big Pasco Intermodal Rail Reconstruction, which facilitates for intermodal transloading and bulk deliveries to the Port of Pasco. This

allows freight to be brought into the port by rail, then moved down the Columbia River by barge.

As part of the administration of the program in recent years, FHWA has:

- Released updated NHFP guidance and Q&A to address changes relating to the enactment of the Bipartisan Infrastructure Law and questions about the eligibility of multimodal projects.
- Provided input on the nexus to NHFP funding in guidance on State Freight Plans and State Freight Advisory Committees, on truck parking project eligibility, and for various Notices of Funding Opportunity for new grant programs.
- Released updated commodity flow data through the Freight Analysis Framework (FAF) that provides a comprehensive national picture of freight movement between States, major metropolitan areas, and other countries. The FAF is used by State DOTs, local transportation planning agencies, universities, and private industry for data-driven decision making and planning for infrastructure investment to support freight capacity, operations, and security. States often use FAF data in developing State Freight Plans and updating Freight Investment Plans to program the use of NHFP apportioned funding.
- Released a new Professional Capacity Development webpage that will assist with the use of NHFP funding by States through the provision of tools, training, summaries of data and research products and other materials compiled to improve the state of practice for freight planning and investment.

In addition, the National Highway Freight Program contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of interstate pavement in either good or fair condition will be maintained at 95 percent;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent;
- Alleviate freight congestion; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

The NHFP yields a high return on Federal investment for the economy and provides wide-ranging public benefits such as increased safety and mobility, as well as improved environmental conditions resulting in better quality of life. Freight projects are often multimodal, multi-jurisdictional, complex, or involve partnership with the private sector, making them difficult to administer under other Federal and State funding programs. The Department supports the provision of predictable Federal funds for implementing freight solutions to address the widespread need and a significant backlog of projects. The program is contributing to reducing this backlog, helping the U.S. freight industry meet the growth in demand in a responsible, effective, and sustainable way.

As of September 30, 2023, States had obligated 89 percent of all NHFP funds apportioned under BIL, beginning in FY 2022. In addition, some States have further leveraged the NHFP funding by offering it to other non-Federal partners through State-run competitive grant programs, expanding the range of funding partners beyond the typical Federal-State cost-share arrangement. At least four States (California, Illinois, Iowa, and Minnesota) sub-allocated NHFP funding to projects selected through a competitive grant program run by the State or a designated entity.

The program supports improvements across the multi-modal U.S. transportation system. For example, Ohio used NHFP funding to rehabilitate a portion of the Ohio South Central Railroad rail line. As part of the State Freight Plan updates occurring in 2022, 2023, and 2024, States continue to program NHFP funding for freight intermodal or freight rail projects, including rail projects at ports, highway-rail grade separation projects, and inland waterway improvements.

The program also advances safety improvements for the freight transportation system. As of June 2023, States authorized over \$36 million toward truck parking projects. These projects provide safe parking for truck drivers to take their required Hours of Service breaks and reduce driver fatigue. This program has been used to make improvements to truck parking at rest areas in Arizona, Colorado, Florida, Idaho, Illinois, Maryland, Minnesota, Nevada, New York, and South Dakota.

What benefits will be provided to the American public through this request and why is this program necessary?

An efficient, reliable transportation system supports economic competitiveness, which is vital to maintaining stability and supporting employment for the Nation, States, and localities. The U.S. population growth, coupled with consumer demand for goods, will continue to drive freight growth. In 2022, the transportation system handled an estimated 54 million tons of freight worth approximately \$51.5 billion daily.⁵ Although freight moves on all modes of transportation, trucking carries the predominant portion of freight by tonnage and value of goods moved. Investing in freight infrastructure is needed to enhance capacity, connectivity, and reliability of the freight transportation system. These investments in the freight transportation system will strengthen U.S. competitiveness and support economic development for years to come.

Disruptions to freight movement add to business costs, export costs, the cost of consumer goods, and the ability of industry to support jobs. On February 24, 2021, the President issued Executive Order 14017: *America's Supply Chains* that called for a review of the transportation and logistics industrial base. In response to E.O. 14017, the U.S. DOT released the Supply Chain Assessment of the Transportation Industrial Base: Freight and Logistics that provided a series of recommendations, including investing in freight infrastructure.

Continued investment in freight infrastructure will be important for the nation to meet its National Truck Travel Time Reliability target under the strain of increased demand on the supply chain. Nationwide, truck travel increased nearly 3.5 percent per year on the Interstate from 2016 through 2021. Freight tonnage across all modes is expected to grow by approximately 51 percent

⁵ Source: U.S. Department of Transportation, Federal Highway Administration (FHWA), Bureau of Transportation Statistics (BTS), Freight Analysis Framework Version 5 (FAF5.3).

between 2020 and 2050. Investment in the Nation's freight transportation infrastructure is needed to support safety and maintain a global competitive edge through projected population and economic growth. FAST Act State Freight Plans have identified projects to address freight bottlenecks, truck parking facilities, and Intelligent Transportation Systems improvements. NHFP funding is being used across the country for a variety of projects that benefit the safe and efficient movement of freight, ranging from truck parking facilities and real-time information systems to electronic vehicle screening and credentialing systems.

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Executive Summary

Carbon Reduction Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.31 billion for formula grants to States to reduce transportation emissions. The IIJA provided \$1.26 billion and \$1.28 billion for the Carbon Reduction Program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Carbon Reduction Program was created by the IIJA to provide formula grants to States to reduce Carbon Dioxide (CO₂) emissions from highway transportation. Approximately two-thirds of the funding under this program is suballocated to States by population. The projects and programs funded by the Carbon Reduction Program support the Administration's efforts to make progress towards tackling the climate crisis by reducing CO₂ emissions while improving mobility and accessibility, reducing local environmental impacts, and supporting alternative fuel vehicles.

Carbon Reduction Program funds can be used for projects that contribute to the modernization and transformation of our Nation's infrastructure such as vehicle-to-infrastructure communications equipment, public electric vehicle charging infrastructure, energy efficient alternatives to existing street lighting and traffic control devices, advanced congestion management projects, transit projects, on- and off-road pedestrian and bicycle trail facilities, and projects to reduce the environmental and community impacts of freight movement.

The program also requires States to develop a carbon reduction strategy that supports efforts to reduce transportation emissions within two years of enactment.

What benefits will be provided to the American public through this request and why is this program necessary?

Transportation has become the largest source of U.S. CO₂ emissions. The Carbon Reduction Program will reduce CO₂ emissions from transportation, consistent with Executive Orders and other commitments prioritizing actions throughout the Government to address climate change. Projects funded under this program will help build a modern, sustainable infrastructure to provide an equitable, clean energy future.

The Carbon Reduction Program offers States and MPOs significant flexibility in selecting projects that meet local needs. The program provides funding for States to implement a mix of strategies appropriate to each State that address the transportation carbon footprint while also providing for increased safety, equity, and mobility performance. The American public will benefit from a clean, efficient, multimodal and smart transportation system that works for all users and enables the sustainable, safe, efficient, and environmentally conscious movement of goods.

Detailed Justification Carbon Reduction Program

What is the request and what funds are currently spent on the program?

| FY 2025 – Carbon Reduction Program (\$1.31 billion) | | | |
|--|-------------------|-----------------------------|--------------------|
| (\$000) | | | |
| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
| Carbon Reduction Program | 1,258,330 | 1,283,497 | 1,309,167 |
| Total | 1,258,330 | 1,283,497 | 1,309,167 |

What is this program and what does this funding level support?

The Carbon Reduction Program is a Federal-aid highway program enacted under the IIJA that provides formula grants to States to reduce CO₂ emissions from transportation sources. The program supports Executive Order 14008: *Tackling the Climate Crisis at Home and Abroad* through a Government-wide approach to reducing climate pollution in every economic sector. The program directly supports the Secretary’s climate change and transformation priorities by providing funding for States to implement projects and programs that make progress towards a clean, efficient, multimodal, and smart transportation system that supports and efficient movement of goods and works for all users. In addition, the Carbon Reduction Program contributes to the performance measure to reduce transportation emissions in support of net-zero emissions economy-wide by 2050.

The Carbon Reduction Program provides a flexible funding source for transportation projects and programs to help reduce CO₂ emissions and improve the way that the transportation system interacts with people and the environment. Carbon Reduction Program funds can be used for projects and programs that contribute to the modernization and transformation of our Nation’s infrastructure such as vehicle-to-infrastructure communications equipment, public electric vehicle charging infrastructure, energy efficient alternatives to existing street lighting and traffic control devices, advanced congestion management projects, transit projects, on- and off-road pedestrian and bicycle trail facilities, and port electrification and other projects to reduce the environmental and community impacts of freight movement.

The FY 2025 budget requests \$1.31 billion for the Carbon Reduction Program. Of the total funding under this program, 65 percent will be suballocated by population. For eligible projects located outside of a Transportation Management Area, States are required to first coordinate or consult with any MPO or regional transportation planning organization where the project is located before obligating funding for the projects.

The Carbon Reduction Program also required that by two years after the date of the IIJA enactment, November 15, 2023, each State develop a carbon reduction strategy which supports efforts to reduce on-road CO₂ emissions. The strategy must identify projects and strategies to

reduce transportation CO₂ emissions and support the reduction of transportation emissions in the State. The strategies must be developed in consultation with any MPO designated within the State, submitted to the Secretary for certification, and updated every four years.

What benefits will be provided to the American public through this request and why is this program necessary?

The Carbon Reduction Program will help respond to an increasingly urgent climate crisis by funding projects that reduce CO₂ emissions, the largest component of greenhouse gas (GHG) emissions associated with human activity. These projects will also reduce environmental impacts in American communities, expand multimodal transportation options, and increase access to public charging and fueling facilities for alternative fuel vehicles.

The Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC), released on August 7, 2021, confirms that human activities are increasing GHG concentrations that have warmed the atmosphere, ocean, and land at a rate that is unprecedented in at least the last 2000 years.⁶ Each additional ton of CO₂ produced by the combustion of fossil fuels and other activities contributes to future warming and other climate impacts.

Transportation has become the largest source of U.S. CO₂ emissions. Between 1990 and 2020, transportation sector CO₂ emissions increased by 7.0 percent, while CO₂ emissions from all other sectors have declined by 14.0 percent. The increase in transportation sector GHG emissions has occurred despite increasingly stringent fuel economy standards for light-duty and medium- and heavy-duty vehicles.

The Carbon Reduction Program will reduce GHG emissions from transportation, consistent with Executive Orders and other commitments prioritizing actions throughout the Government to address climate change. These include Executive Order 13990, which articulates national policy objectives including reducing GHG emissions, and Executive Order 14008, which recommits the U.S. to the Paris Agreement and calls for the U.S. to begin the process of developing its nationally determined contribution to global GHG reductions. Under that nationally determined contribution, the U.S. will target reducing GHG emissions by 50-52 percent below 2005 levels by 2030. E.O. 14008 also calls for a Government-wide approach to the climate crisis, acknowledging opportunities to create jobs to build a modern, sustainable infrastructure, to provide an equitable, clean energy future, and to put the United States on a path to achieve net-zero emissions, economywide, no later than 2050.

The Carbon Reduction Program offers States and MPOs significant flexibility in selecting projects that meet local needs. The program provides funding for States to implement a mix of strategies appropriate to each State that address the transportation carbon footprint while also providing for increased safety, equity, and mobility performance. The American public will benefit from a clean, efficient, multimodal and smart transportation system that works for all users and enables the sustainable, safe, efficient, and environmentally conscious movement of goods.

⁶ See IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, *available at* <https://www.ipcc.ch/report/ar6/wg1/#SPM>.

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Executive Summary

Metropolitan Transportation Planning

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$465 million for Metropolitan Transportation Planning funding. The IJA provided \$447 million and \$456 million for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

Metropolitan areas are comprised of multiple governmental agencies and jurisdictions, which have an interest in and needs for transportation investment. Through a coordinated, regional approach to planning, a metropolitan planning organization (MPO) engages the local jurisdictions, as well as the State Department of Transportation (State DOT) and transit operators in a regional process that identifies the needs and investment priorities for the region. The results are a performance-based long range (20-year) Metropolitan Transportation Plan and a shorter term (4-year) program of transportation projects (Transportation Improvement Program). The MPOs are required to establish system performance goals and outcomes as part of the metropolitan transportation planning process and direct their investments toward meeting those outcomes.

This \$465 million request will provide MPOs with adequate resources to conduct the metropolitan planning process. Furthermore, this program supports the Secretary's safety and infrastructure goals by helping MPOs follow a coordinated transportation planning process that meets system performance goals, objectives, and indicators.

What benefits will be provided to the American public through this request and why is this program necessary?

This request will help MPOs make investments that improve the Nation's transportation system in a safe, transparent, and accountable manner while engaging the public, elected officials, and other stakeholders in the process. MPOs will then use Federal transportation funds more efficiently and effectively to focus on national performance goal areas.

Through this program, MPOs promote equity in transportation planning by working with States to identify transportation improvement options, including improved access to all modes (e.g., bicycle, pedestrian, and transit), increased transportation network connectivity, and telecommunications and delivery services.

Detailed Justification Metropolitan Transportation Planning

What is the request and what funds are currently spent on the program?

FY 2025 – Metropolitan Transportation Planning (\$465 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--------------------------------------|-------------------|-----------------------------|--------------------|
| Metropolitan Transportation Planning | 446,884 | 455,821 | 464,938 |
| Total | 446,884 | 455,821 | 464,938 |

What is this program and what does this funding level support?

MPOs use Metropolitan Planning funds for multimodal, performance based, transportation planning and programming in metropolitan areas. Metropolitan planning activities include the collection and analysis of data on demographics, trends, and system performance; travel demand and system performance forecasting; identification and prioritization of transportation system improvement needs; performance management, and coordination of the planning process and decision-making with the public, elected officials, and stakeholder groups.

Metropolitan areas are comprised of multiple governmental agencies and jurisdictions, which have an interest in and have needs for transportation investment. Through a coordinated, regional approach to planning, an MPO engages the local jurisdictions as well as the State DOT and transit operators in a regional process that identifies the needs and investment priorities for the region. The results are a long range (20-year) Metropolitan Transportation Plan (MTP) and a shorter term (4-year) program of transportation projects (Transportation Improvement Program (TIP)). The Infrastructure Investment and Jobs Act (IIJA) added housing coordination and planning for Complete Streets to the metropolitan and statewide transportation planning processes. MPOs establish system performance goals and outcomes as part of the metropolitan transportation planning process and direct their investments toward meeting those system performance outcomes. This program supports the Secretary’s goals of transportation equity, and safety, as well as renewed emphasis on Complete Streets, climate change and planning for a resilient transportation network, by helping MPOs follow a coordinated transportation planning process that meets system performance goals and objectives.

The IIJA also requires each MPO to use not less than 2.5 percent of its metropolitan planning funds on specified planning activities to increase safe and accessible options for multiple travel modes for people of all ages and abilities. (Similarly, a State must use not less than 2.5 percent of its State Planning and Research funds for such activities.) However, a State or MPO, with the approval of the Secretary, may opt out of the requirement if the State or MPO has Complete Streets standards and policies in place, and has developed an up-to-date Complete Streets

prioritization plan that identifies a specific list of Complete Streets projects to improve the safety, mobility, or accessibility of a street.

This \$465 million FY 2025 budget request will provide the metropolitan transportation planning program with adequate resources for MPOs to conduct the metropolitan planning processes and direct investments toward improving transportation system outcomes while engaging the public, elected officials, and other stakeholders.

These funds will allow each MPO to carry out a coordinated transportation planning process and develop long range MTPs and TIPs that make effective use of limited transportation funding. These fiscally constrained, prioritized plans and programs account for transportation system performance needs, future population and employment, future land use, economic development, public involvement, multimodal considerations and connectivity (including bicycle, pedestrian, highway, and transit), freight movement, environmental mitigation, transportation systems operation, safety, and congestion mitigation. Furthermore, in support of a performance-driven, outcome-based planning process, the IJJA continued the requirement that MPOs have a performance-based process for developing their TIPs.

Additionally, Metropolitan Planning funds are used by MPOs to conduct corridor studies that lead to project development; demonstrate explicit consideration and response to public input; update demographic information to use in travel demand modeling; increase the accessibility and mobility of people and freight; develop policies and standards for complete streets; and improve the resiliency and reliability of the transportation system.

What benefits will be provided to the American public through this request and why is this program necessary?

This request supports the Secretary’s strategic goals of Economic Strength and Global Competitiveness, Equity, and Transformation by helping MPOs direct investments toward improving transportation system outcomes in a safe, transparent, equitable, and accountable manner while engaging the public, elected officials, and other stakeholders in the process. MPOs will then use Federal transportation funds to focus on the national goal areas more efficiently and effectively through a continuing, cooperative, and comprehensive planning process. MPOs’ use of performance measures and targets in the decision-making process will provide transparency, and their reporting of progress toward achieving performance targets will lead to improved accountability.

Through this program, MPOs engage the public and promote equity in transportation planning by working with States to identify transportation improvement options, including improved access to all modes (e.g., bicycle, pedestrian, and transit), increased transportation network connectivity, and improved telecommunications and delivery services.

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Executive Summary

Appalachian Development Highway System

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$250 million in advance supplemental appropriations to support the completion of the Appalachian Development Highway System (ADHS). Funds will be distributed by formula to States with one or more counties (including any political subdivision within the area) in the Appalachian Region. The IJA provided \$250 million in both FY 2023 and FY 2024. Additionally, \$100 million from the General Fund was provided through the appropriations act in FY 2023. This program is funded through the General Fund.

What is this program and what does this funding level support?

The funds under this program are apportioned to the Appalachian States according to the percentages derived from the 2021 Appalachian Development Highway System Cost-to-Complete Estimate, dated March 2021, and confirmed as each Appalachian State's relative share of the estimated remaining need to complete the ADHS. This apportionment is adjusted to exclude those corridors that such States have no current plans to complete, as reported in the 2013 Appalachian Development Highway System Completion Report, unless those States have modified and assigned a higher priority for completion of an ADHS corridor, as reported in the 2021 Appalachian Development Highway System Future Outlook (or as otherwise identified).

The formula for this program contains the following considerations:

- No Appalachian State will be apportioned an amount more than 30 percent of the amount made available for construction of the Appalachian Development Highway System under this program.
- Each State will be apportioned an amount not less than \$10 million for each of fiscal years 2022 through 2026.
- A State will not receive an apportionment that exceeds the remaining funds needed to complete the Appalachian development highway corridor or corridors in the State, as identified in the latest available cost-to-complete estimate for the system prepared by the Appalachian Regional Commission.

What benefits will be provided to the American public through this request and why is this program necessary?

The ADHS Program supports the Secretary's priorities by providing for critical infrastructure, spurring economic growth in this historically isolated region, and ensuring rural regions are connected to cities and towns. The ADHS Program provides residents with safe and reliable access to jobs, education, health care, and social services. It also plays a vital role in giving the Appalachian region access to economic opportunities. Having a modern system of highways is essential for economic growth and for enabling Appalachia to become a net contributor to the national economy.

Detailed Justification Appalachian Development Highway System

What is the request and what funds are currently spent on the program?

FY 2025 – Appalachian Development Highway System (\$250 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Appalachian Development Highway System | 350,000 | 250,000 | 250,000 |
| Total | 350,000 | 250,000 | 250,000 |

What is this program and what does this funding level support?

The ADHS was initiated in 1965 because Appalachia was underserved by the interstate highway system, which sometimes bypassed the rural region’s rugged terrain. The system is a network of 33 distinct corridors (about 3,000 miles) linking the region to interstates and providing access to regional and national markets. The ADHS provides reliable transportation access in 13 States: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.

In addition, the Appalachian Development Highway System contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of interstate pavement in either good or fair condition will be maintained by 95 percent;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

Today, more than 91 percent of the ADHS is under construction or open to traffic. By 2045, close to 100 percent of the network is expected to be complete and open to traffic. The funding provided by this Program will help finalize the network.

The ADHS Program distributes funds by formula to States with one or more counties (including any political subdivision within the area) in the Appalachian Region for construction of the ADHS.

The funds under this program are apportioned to the Appalachian States according to the percentages derived from the 2021 Appalachian Development Highway System Cost-to-Complete Estimate, dated March 2021, and confirmed as each Appalachian State’s relative share

of the estimated remaining need to complete the ADHS. This apportionment will be adjusted to exclude those corridors that such States have no current plans to complete, as reported in the 2013 Appalachian Development Highway System Completion Report, unless those States have modified and assigned a higher priority for completion of an Appalachian Development Highway System corridor, as reported in the 2021 Appalachian Development Highway System Future Outlook, or more recent estimate and outlook as identified.

In implementing the ADHS Program, FHWA works closely with the Appalachian Regional Commission (ARC) – an economic development agency of the Federal government that partners with State governments and counties in the region. The ARC’s mission is to promote innovation, partnership, and investment to build communities, strengthen the economy and improve socioeconomic conditions in Appalachia.

What benefits will be provided to the American public through this request and why is this program necessary?

This program supports the President’s efforts outlined in the Executive Orders 14002: *Economic Relief Related to the COVID-19 Pandemic*, 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and 14008: *Tackling the Climate Crisis at Home and Abroad*. This program does so by improving the quality of life of the Appalachia residents and visitors. Projects funded through the ADHS Program include components that strengthen safety, expand lifestyle choices, and enhance the economic standard of living. By significantly increasing the number of areas that are within a reasonable driving distance, this project will greatly increase people’s access to jobs, housing, recreation, healthcare, shopping, and other amenities. As a result of shorter commute times, greenhouse gas emissions are reduced and underserved communities can have better access to healthcare facilities.

The IJA provides more than \$1.2 billion for the ADHS from FY 2022 through FY 2026. Annual funding for the ADHS will increase approximately 150 percent compared to FY 2021, providing dedicated funding to the ADHS to spur economic growth in the Appalachian region.

Ensuring rural regions are connected to the rest of America’s cities and towns is key to our Nation’s economic success. In FY 2023, FHWA made available a total of \$346 million to the Appalachian States for ADHS projects.

The construction of the ADHS has increased economic activity across the region – including job creation and business expansion. According to a 2017 analysis titled “Economic Analysis of Completing the Appalachian Development Highway System”, funded by and completed for the ARC, more than 168,000 jobs were created or maintained due to increased economic activity associated with the ADHS while \$9 billion was added to the gross regional product. The ADHS also saves 231 million hours of travel time annually. Completion of the ADHS is estimated to create 47,000 more jobs and add \$8.7 billion in goods and services annually across the Appalachian States.

The ADHS also has improved travel time for commuters and truckers. Much of the freight transported through the region travels long distance to destinations outside of Appalachia. The

region's corridors serve as important national transportation links. According to the above-cited study, in 2015, use of the ADHS resulted in approximately \$10.7 billion in transportation cost savings and productivity gains. These benefits extend beyond the Appalachian States. Twenty percent of car vehicle hours saved, and 31 percent of freight truck vehicle hours saved are for trips with the beginning, end, or both located outside the Appalachian States. This shows that the ADHS plays a vital role for regional and national freight movement.

Executive Summary

Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction (Bridge Formula Program)

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$5.5 billion in advance supplemental appropriations for a formula program that provides funds to States for highway bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads. The IIJA provided \$5.5 billion in both FY 2023 and FY 2024. This program is funded through the General Fund.

What is this program and what does this funding level support?

The Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Program (hereafter, Bridge Formula Program (BFP)) supports the Secretary's key priorities of safety, transportation equity, addressing climate change and resilience, improving core assets, and transforming our Nation's transportation infrastructure by providing funds to the States to invest in highway bridge replacement, rehabilitation, preservation, protection, or construction projects on any public road.

What benefits will be provided to the American public through this request and why is this program necessary?

The BFP represents the single largest dedicated bridge investment since the construction of the interstate highway system – providing over \$26.5 billion to States, the District of Columbia and Puerto Rico over five years and \$825 million for Tribal transportation facilities. Nationwide, the BFP is expected to help repair approximately 15,000 highway bridges.

The BFP supports the Secretary's priorities by keeping our Nation's bridges safe, addressing equity, barriers to opportunity, and challenges faced by individuals and underserved communities in rural areas, as well as restoring community connectivity – benefiting both urban and rural areas nationwide. Additionally, the BFP is vitally important in creating employment opportunities to support the development of a skilled and diverse transportation workforce, strengthening the economy through the efficient movement of freight, providing equitable access to services, and improving our Nation's transportation infrastructure.

Detailed Justification Bridge Formula Program

What is the request and what funds are currently spent on the program?

| FY 2025 – Bridge Formula Program (\$5.5 billion) | | | |
|---|-------------------|-----------------------------|--------------------|
| (\$000) | | | |
| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
| Bridge Formula Program | 5,500,000 | 5,500,000 | 5,500,000 |
| Total | 5,500,000 | 5,500,000 | 5,500,000 |

What is this program and what does this funding level support?

The BFP supports the Secretary’s key priorities of safety, transportation equity, addressing climate change and resilience, improving core assets, and transforming our Nation’s transportation infrastructure by providing funds to the States to invest in highway bridge replacement, rehabilitation, preservation, protection, or construction projects on any public road. In January 2022, FHWA released the first tranche of BFP funding to States for FY 2022 and published initial guidance for the program. In October 2022, FHWA released the second tranche of BFP funding for FY 2023.

This program includes two set-asides:

- 15 percent is set-aside for use on off-system bridges, an estimated \$796 million for FY 2025. For funds used on an off-system bridge that is owned by a county, town, township, city, municipality or other local agency, or federally recognized Tribe, the Federal share is 100 percent.
- 3 percent is set-aside for use on Tribal Transportation Facility bridges, an estimated \$165 million for FY 2025. The Federal share for these projects is 100 percent.

After these set-asides, funds for this program are distributed by the following statutory formula:

- 75 percent by the proportion that the total cost of replacing all bridges classified in poor condition in such State compared to the sum of the total cost to replace all bridges classified in poor condition in all States.
- 25 percent by the proportion that the total cost of rehabilitating all bridges classified in fair condition in such State compared to the sum of the total cost to rehabilitate all bridges classified in fair condition in all States.

The program also requires that the apportionments be adjusted so that each State receives no less than \$45 million each fiscal year.

The BFP has a broad range of eligibilities to address the Nation’s bridge needs. Funds can be used on any highway bridge that is listed in the National Bridge Inventory (NBI), which in 2023 included 621,581 bridges. It can also be used on any new highway structure that upon the completion of construction would meet the established definition of a highway bridge and would be required to be reported to the NBI, irrespective of what public agency owns the bridge.

As this is a new program that was established by the enactment of the IIJA, data is not yet available to show its impact on the transportation infrastructure. However, this program supplements the other FHWA programs in which highway bridge projects are eligible, such as the Bridge Investment Program (BIP), the Surface Transportation Block Grant (STBG) Program and National Highway Performance Program (NHPP). Long-term commitments to funding the STBG and NHPP have resulted in the percentage of the deck area of highway bridges classified as in “Poor” condition dropping from 6.7 percent in 2014 to 4.9 percent in 2023 even as the total number of bridges in the Nation's inventory increased from 610,749 to 621,581. With the BFP, additional benefits are expected as program funds are encouraged to be first used for projects that improve the condition of in-service highway bridges classified in poor condition and that preserve or improve the condition of in-service highway bridges classified in fair condition.

Additionally, States are required to set aside 15 percent of their BFP funding to address off-system bridge needs. This set-aside will supplement the existing STBG off-system bridge set-aside, and the expectation is that additional benefits will be achieved in addressing the needs and improving the condition of off-system highway bridges. To maximize the benefits of this program with respect to off-system bridges, an increased Federal share is provided for off-system bridge projects not owned by a State Department of Transportation or a Federal agency. The Federal share for costs reimbursed with BFP funds under this program for an off-system bridge, owned by a county, town, township, city, municipality or other local agency, or Federally recognized Tribe, is 100 percent.

What benefits will be provided to the American public through this request and why is this program necessary?

The BFP supports the Secretary’s priorities by keeping our Nation’s highways and bridges safe, addressing equity, barriers to opportunity, and challenges faced by individuals and underserved communities in rural areas, as well as restoring community connectivity – benefiting both urban and rural areas nationwide. Additionally, the BFP is vitally important in creating employment opportunities to support the development of a skilled and diverse transportation workforce, strengthening the economy through the efficient movement of freight and providing equitable access to services, and improving our Nation’s transportation infrastructure.

The Bridge Formula Program contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent;
- Fix the 10 most economically significant bridges and repair the 15,000 in-most-need smaller bridges; and

- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

Executive Summary

National Electric Vehicle Infrastructure Formula Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.0 billion in advance supplemental appropriations to support deployment of electric vehicle (EV) charging infrastructure. The IIJA provided \$1.0 billion for this program in both FY 2023 and FY 2024. This program is funded through the General Fund.

What is this program and what does this funding level support?

The National Electric Vehicle Infrastructure (NEVI) Formula Program provides funding to States to build out a national electric vehicle charging network, an important step towards making electric vehicle charging accessible to all Americans. Funds from this program are used for:

- The acquisition and installation of EV charging infrastructure to serve as a catalyst for the deployment of such infrastructure and to connect it to a network to facilitate data collection, access, and reliability.
- Proper operation and maintenance of EV charging infrastructure.
- Data sharing about EV charging infrastructure to ensure the long-term success of investments.

States are required to submit a plan describing the use of funds distributed under this program. No State may obligate its apportioned NEVI Formula Program funds for EV charging infrastructure projects until that State's Plan has been submitted and approved by FHWA.

From the funds for this program, ten percent will be set aside for grants to States or localities that require additional assistance to strategically deploy EV charging infrastructure.

In FY 2022, \$300 million was set aside to establish a Joint Office of Energy and Transportation. No additional funds are requested in FY 2025 for the Joint Office.

What benefits will be provided to the American public through this request and why is this program necessary?

The program represents the first-ever major Federal investment program specifically dedicated to EV charging infrastructure and reflects the Administration's commitment to combating climate change by helping to facilitate increased adoption of zero-emission vehicles.

The goal of the NEVI Formula Program is to strategically deploy an interconnected network of EV charging stations along highway corridors by providing States with formula funding. It creates the building blocks to facilitate a national network in a way that provides drivers across America with the confidence that they can drive long distances and have reliable charging infrastructure when needed.

Detailed Justification
National Electric Vehicle Infrastructure Formula Program

What is the request and what funds are currently spent on the program?

FY 2025 – National Electric Vehicle Infrastructure Formula Program (\$1.0 billion)
(\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| National Electric Vehicle Infrastructure Formula Program | 1,000,000 | 1,000,000 | 1,000,000 |
| Total | 1,000,000 | 1,000,000 | 1,000,000 |

What is this program and what does this funding level support?

The NEVI Formula Program provides funding to deploy a historic nationwide charging network that will make EV charging accessible for more Americans. In addition to providing formula funding for States, ten percent of the NEVI Formula Program will be set aside each fiscal year for the Secretary of Transportation to provide discretionary grants to help fill gaps in the national network.

To implement this program, each State is required to submit an EV Infrastructure Deployment Plan that describes how the State intends to use its apportioned NEVI Formula Program funds. No State may obligate its NEVI Formula Program funds for EV charging infrastructure projects until that State’s Plan has been submitted and approved by FHWA. Initially, funding under this program is directed to designated Alternative Fuel Corridors for electric vehicles to build out this national network, particularly along the Interstate Highway System. When the national network is fully built out, funding may be used on any public road or in other publicly accessible locations. States can use NEVI Formula Program funding for a wide range of investment types that directly support the installation of EV charging infrastructure in eligible locations to include planning, acquisition and installation; operating assistance; development phase activities; traffic control and signage; data sharing; and mapping/analysis activities.

This program directly addresses several of the Secretary’s key priorities, including climate and sustainability and the transformation of our Nation’s existing transportation network into one that meets the future needs of travel and transportation. The transportation sector has become the largest source of U.S. greenhouse gas (GHG) emissions. Reducing emissions from transportation through increased adoption of zero-emission vehicles is consistent with Executive Order 13990⁷, which includes a national policy objective to reduce GHG emissions, and Executive Order

⁷ [Federal Register :: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#)

14008⁸, which recommits the U.S. to the Paris Agreement. EVs have been identified as a cleaner, more equitable, and more affordable form of transportation. In addition, they represent an opportunity to support good-paying, union jobs.⁹

In addition, the National Electric Vehicle Infrastructure Formula Program contributes to the following performance measures:

- Reduce transportation emissions in support of net-zero emissions economy-wide by 2050; and
- Build a national network of 500,000 EV charges by 2030 to accelerate the adoption of EVs.

Other key priorities addressed by this program include economic strength, global competitiveness, and equity. State EV Infrastructure Deployment Plans must specifically include sections that detail how States will address labor, workforce, and equity considerations in a manner consistent with the Justice40 Initiative, as described in E.O. 14008, as well as with the Administration’s Policy to empower workers through rebuilding our Nation’s infrastructure for a sustainable economy.

All 50 states, the District of Columbia and Puerto Rico will be required to submit EV infrastructure deployment plans for FY 2025. These plans are required to unlock the FY 2025 NEVI Formula Program funding to help states accelerate the important work of building out the national EV charging network and making electric vehicle charging accessible to all Americans. The FY 2025 Plans will build upon the prior plans for FY 2022/2023, and FY 2024. These plans demonstrate a widespread commitment from states to build out EV charging infrastructure to help accelerate the adoption of electric vehicles, create good jobs, and combat the climate crisis.

What benefits will be provided to the American public through this request and why is this program necessary?

The Administration has set an ambitious target of 50 percent EV sale shares in the U.S. by 2030.¹⁰ The NEVI Formula Program will help put the U.S. on a path to establish an equitable network of 500,000 chargers to make EVs accessible to all Americans.

This program addresses the need of standardizing travelers’ experience along the Nation’s burgeoning long-distance EV charging network by both facilitating the identification of locations where EV charging infrastructure is needed in regular intervals along corridors that facilitate long-distance travel, and by outlining minimum standards and requirements for EV charging infrastructure deployment to provide a convenient and reliable charging experience along these corridors. The NEVI Formula Program helps to create an expectation for consistent and convenient EV charging experiences, thus facilitating large-scale adoption of EVs.

⁸ Section 219 of Executive Order 14008, Tackling the Climate Crisis at Home and Abroad and OMB, “Interim Implementation Guidance for the Justice40 Initiative,” M-21-28 (July 20, 2021) available at <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>

⁹ [FACT SHEET: The Biden-Harris Electric Vehicle Charging Action Plan | The White House](#)

¹⁰ [FACT SHEET: The Biden-Harris Electric Vehicle Charging Action Plan | The White House](#)

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Executive Summary

Federal Lands & Tribal Transportation Programs

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.42 billion for the Federal Lands and Tribal Transportation Programs (FLTTP). IJA provided \$1.37 billion and \$1.39 billion for these programs in FY 2023 and FY 2024, respectively. IJA funding for the FLTTP is through the Highway Trust Fund. In FY 2023, an additional \$40 million from the General Fund was provided through the FY 2023 appropriations act for the Nationally Significant Federal Lands and Tribal Projects Program.

What is this program and what does this funding level support?

Federal Lands Transportation Program (FLTP) –\$448 million for projects that improve multimodal transportation on roads, bridges, trails, transit systems, electric vehicle infrastructure, and other transportation facilities *within* the Federal estate (e.g., national forests, parks, wildlife refuges, and recreation areas and other Federal public lands) on infrastructure primarily *owned (or maintained) by the Federal Government*.

Federal Lands Access Program (FLAP) –\$304 million for projects that improve multimodal transportation on roads, bridges, trails, transit systems, and other transportation facilities that *access* the Federal estate on infrastructure *owned (or maintained) by States, local governments, or Tribes*, with an emphasis on high-use Federal recreation sites or Federal economic generators.

Tribal Transportation Program (TTP) –\$613 million for projects to provide safe and adequate multimodal transportation and public road access to and within Indian reservations, Tribal lands, and Alaska Native Village communities. The TTP contributes to the economic development, self-determination, and employment of federally recognized Tribes and Native Americans.

Nationally Significant Federal Lands and Tribal Projects Program (NSFLTTP) – \$55 million for the construction, reconstruction, and rehabilitation of nationally significant projects within, adjacent to, or accessing Federal and Tribal lands.

What benefits will be provided to the American public through this request and why is this program necessary?

These programs support safe, seamless, equitable, and multimodal transportation access to and within Federal and Tribal lands which represent nearly 32 percent of the Nation’s land area. Rural areas benefit greatly from these programs as many rural townships’ local economies, adjacent to national parks, forests, and other Federal and Tribal lands, are fueled by recreational opportunities within the Federal estate. In addition to recreational uses, these lands support the economy and communities in energy generation, resource extraction, agriculture, and tourism, among other uses. A reliable and safe surface transportation infrastructure that provides access to these areas is critically important to sustaining and growing jobs in these areas.

Detailed Justification Federal Lands Transportation Program

What is the request and what funds are currently spent on the program?

FY 2025 – Federal Lands Transportation Program (\$448 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--------------------------------------|-------------------|-----------------------------|--------------------|
| Federal Lands Transportation Program | 429,965 | 438,965 | 447,965 |
| Total | 429,965 | 438,965 | 447,965 |

What is this program and what does this funding level support?

The Federal Government owns approximately 30 percent of the land in the United States. The Federal Lands Transportation Program (FLTP) invests in the Nation’s infrastructure and supports critical transportation needs within the country’s transportation network by providing access *within* the national parks, forests, wildlife refuges, recreation areas, and other Federal public lands. These Federal public lands are found across the Nation’s rural and urban areas.

Of these funds:

- The FLTP partners – National Park Service (NPS), Fish and Wildlife Service (FWS), and Forest Service (FS) – are provided approximately \$417 million. Of the authorized amount:
 - \$354 million is authorized for the National Park Service;
 - \$36 million is authorized for the Fish and Wildlife Service; and
 - \$27 million is authorized for the Forest Service.
- FHWA will allocate \$31 million equally among four other eligible recipients including the Bureau of Land Management (BLM), Bureau of Reclamation (BOR), U.S. Army Corps of Engineers (USACE), and the Presidio Trust.
- FHWA will reserve a percentage of the funding, not to exceed twenty percent, for integrated transportation planning between FLMAs and State Departments of Transportation (SDOTs) which includes the following activities: long range transportation planning, bridge inspections, collection of road and bridge inventory and condition data and management, and cooperative research and technology deployment. This set-aside supports comprehensive multi-agency planning efforts and positions the program to more effectively support economic growth, safety, connectivity to under-served communities, and climate change initiatives.

The FLTP funding provides an effective mechanism to leverage resources from other Federal and non-Federal funding sources. The Federal funding is sometimes pooled with other State and/or county funds to deliver a single project consisting of multiple owners. This saves taxpayers' dollars and expedites project delivery through a single acquisition.

Each eligible Federal agency submits a single investment plan which describes how it intends to use the funds. Each proposed investment plan is required to demonstrate how it supports authorizing legislation, including the Secretary of Transportation's goals and principles and how it supports the resource and asset management goals of the Secretary of the respective FLMA. These goals and principles include those that:

- improve the condition, resilience and safety of road and bridge assets consistent with asset management plans (including investing in preservation of those assets);
- promote and improve safety for all road users, particularly vulnerable users;
- make streets and other transportation facilities accessible to all users and compliant with the Americans with Disabilities Act;
- address environmental impacts ranging from stormwater runoff to greenhouse gas emissions;
- prioritize investment in infrastructure that is less vulnerable and more resilient to a changing climate;
- future-proof our Nation's transportation infrastructure by accommodating new and emerging technologies like electric vehicle charging stations, renewable energy generation, and broadband deployment in transportation rights-of-way;
- reconnect communities and reflect the inclusion of disadvantaged and under-represented groups in the planning, project selection, and design process; and
- direct Federal funds to their most efficient and effective use, consistent with these objectives.

Based on data reported from these seven FLMA's, this program can support the combined transportation infrastructure across the Federal estate:

- Over \$21.8 billion in deferred maintenance needs;
- Over 380,000 miles of roads open to the public;
- Over 11,000 vehicle bridges and over 8,500 trail bridges;
- Over 190,000 miles of trails;
- Over 1,400 transit systems;
- Jurisdiction of over 1 billion acres; and
- Over 865 million annual visitors across all 50 States.

The FLTP supports and improves safety. FLMA's are required to report on the condition of their roads and bridges in their official National Federal Lands Transportation Inventory. Safety features are promoted according to their crash reduction factor to maximize safety.

The FLTP fosters innovation in transportation and transportation technologies. Projects are evaluated for compatibility with FHWA's Every Day Counts initiative, as well as other innovation deployment priorities that will improve infrastructure performance and investment. These innovation efforts identify and rapidly deploy proven, yet underutilized, innovations to

shorten the project delivery process, enhance roadway safety, reduce traffic congestion, enhance the life of infrastructure, and integrate automation.

What benefits will be provided to the American public through this request and why is this program necessary?

The FLTP supports the Secretary's priorities by ensuring that roads and bridges on Federal lands are safe, well-maintained, equitable, and accessible to all. FLTP outcomes include completed infrastructure projects that provide safe, seamless, multimodal access on Federal lands thereby supporting increased visitation, improved transportation infrastructure safety, condition, and reduced congestion; development of transportation inventories and plans that support informed decision-making and policymaking; and research and innovation development and deployment. These outcomes help expand economic development and create new jobs in and around rural and urban Federal lands that contribute to the local, regional, and national economies.

FLTP projects are implemented by FHWA and FLMA's. FHWA anticipates the following project accomplishments:

- Improve over 800 lane miles of roadways on Federal lands;
- Enhance safety through innovation deployments on projects;
- Repair and replace 106 bridges to improve safety and mobility;
- Invest in several transit systems; and
- Advance National Transportation Plans benefitting: USACE, BLM, and FS.

The following examples illustrate how the American public benefits from FLTP-funded projects.

- The Valley-Wide continuous Flow Intersection Improvement project in Yosemite National Park will improve safe access and reduce significant congestion for visitors to this national treasure. Through traffic demand modeling, a solution was developed to make improvements to the network configuration and parkwide circulation, including changing parts of the network to one-way, adding continuous flow intersections, removals of some of the stop controls, and improvements to the visitor shuttle route configuration.
- The Russian River Campground Access Road Phase 2 project is located on the Kenai Peninsula along the Russian River within the Chugach National Forest. This project addresses slope stability, traffic congestion, and road reconstruction. This project includes slope reinforcement through mechanically stabilized earth (MSE) walls and soldier pile walls to ensure the stability of the roadway, thus mitigating the potential of creating environmental damage caused by the road sluffing off into the river.

Detailed Justification Federal Lands Access Program

What is the request and what funds are currently spent on the program?

FY 2025 – Federal Lands Access Program (\$304 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|-------------------------------------|-------------------|-----------------------------|--------------------|
| Federal Lands Access Program | 291,975 | 296,975 | 303,975 |
| Total | 291,975 | 296,975 | 303,975 |

What is this program and what does this funding level support?

The Federal Lands Access Program (FLAP) invests in the Nation’s infrastructure by funding and supporting transportation facilities owned (or maintained) by State, county, local, and Tribal governments, which provide access to lands owned and operated by the Federal Government, e.g., national parks, forests, refuges, national recreation areas, which are primarily rural in nature. FLAP (23 U.S.C. 204) and the FLTP (23 U.S.C. 203) are separate yet complementary programs that support seamless transportation access to and through Federal lands open to the public.

To promote efficient and effective access to destination points within the Federal estate, it is vitally important that the local, State, and non-Federally owned roads that connect with Federal Lands Transportation facilities, just outside a park or forest boundary, for example, are in safe and good condition so the traveling public can seamlessly access these Federal properties and enjoy the recreational and other opportunities therein.

Frequently, the local, State, and non-Federally owned roads for accessing Federal lands are lower classification roads that generally have lower State and local priority, as well as limited eligibility under the Federal-aid highway program. Prior to the authorization of FLAP, many of these important local, State, and non-Federally owned roads fell into a state of disrepair due to constrained transportation resources. FLAP addresses this gap and is intended to complement the FLTP.

Critical funding resources are made available to those local, State, and non-Federally owned transportation facilities that provide access to the high-use Federal recreational areas or Federal economic generators within the Federal estate, with the opportunity to produce the greatest return on investment to landowners, communities adjacent to Federal lands, and the American people, who are looking for seamless transportation to these popular recreational destinations.

The structure and allocation of the \$304 million FLAP is a formula distribution by State. Since all States have Federal lands of some type, each State benefits from some portion of this funding. The formula criteria include visitation to Federal lands, Federal public road miles, number of Federal bridges, and the amount of Federal public lands within each State. Further, 80 percent of the funds are directed towards the 12 western States with at least 1.5 percent of total Federal lands: Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The remaining 38 States, Washington D.C., and Puerto Rico receive the remaining 20 percent of the funds.

The selection of projects in each State is made locally by a Programming Decisions Committee comprised of representatives from the State DOT (SDOT), FHWA, and a local public agency. These decisions are made in coordination with FLMAs with an emphasis on improving safety and investing in the Nation's infrastructure. Funds are available for transportation infrastructure, owned (or maintained) by States, Tribes, or local public agencies, on improvement projects which support the Secretary of Transportation's goals and principles and provide critical access to Federal lands. These goals and principles include those that:

- improve the condition, resilience and safety of road and bridge assets consistent with asset management plans (including investing in preservation of those assets);
- promote and improve safety for all road users, particularly vulnerable users;
- make streets and other transportation facilities accessible to all users and compliant with the Americans with Disabilities Act;
- address environmental impacts ranging from stormwater runoff to greenhouse gas emissions;
- prioritize investment in infrastructure that is less vulnerable and more resilient to a changing climate;
- future-proof our transportation infrastructure by accommodating new and emerging technologies like electric vehicle charging stations, renewable energy generation, and broadband deployment in transportation rights-of-way;
- reconnect communities and reflect the inclusion of disadvantaged and under-represented groups in the planning, project selection and design process; and
- direct Federal funds to their most efficient and effective use, consistent with these objectives.

FLAP funds are commonly pooled with other Federal and non-Federal funding sources and serve as an effective mechanism for leveraging taxpayers' dollars in rural America. Through funding flexibilities in current law, and when coupled with integrated transportation planning between FLMAs and States, projects that otherwise may have been constructed separately can be combined into a single project and be delivered in a cost-effective and time-efficient manner.

FLAP will reserve a percentage of the funding, not to exceed twenty percent, for integrated transportation planning between FLMAs and SDOTs, which includes the following activities: long-range transportation planning, bridge inspections, collection of road and bridge inventory and condition data management, and cooperative research and technology deployment. This set-aside supports comprehensive, multi-agency planning efforts and positions that address the Administration's priorities of economic growth, safety, connectivity to under-served communities, and climate change.

What benefits will be provided to the American public through this request and why is this program necessary?

The FLAP supports the Secretary's priorities by ensuring that roads and bridges providing access to Federal lands are safe, well-maintained, and accessible to all. FLAP projects provide safe, seamless, and multimodal access to and through Federal lands which expands economic development and creates new jobs in and around Federal lands. Collectively, they improve the quality of life for all Americans by improving the condition, resilience and safety of road and bridge assets, promoting, and improving safety for all road users, connecting communities, addressing environmental impacts, and prioritizing infrastructure that is more resilient to climate change in and around our national treasures. In addition, Transportation investments stemming from FLAP allow visitors to experience America's treasures in a safe and seamless manner.

The FLAP funding projects are implemented by FHWA, SDOTs, and local governments, among others. FHWA anticipates the following project accomplishments with these funds:

- Improve over 164 lane miles of roadways accessing Federal lands;
- Improve safety through use of innovations and design;
- Repair and replace 8 bridges to improve safety and mobility;
- Invest in several transit systems; and
- Improve over 3 miles of trails.

The following examples illustrate how the American public benefits from FLAP-funded projects:

- The Klamath Beach Road FLAP project in California will improve the safety and reliability of access to Federal and Tribal Lands for the local underserved community, including the Yurok Tribe, and the general public by facilitating access to the Redwood National Park's Coastal Drive Loop, Yurok Tribe Ceremonial Grounds, and the Flint Ridge Segment Coastal Trail. The project will include drainage and roadway improvements to make this roadway more resilient to severe weather events in this coastal area, as well as remove barriers for the endangered Coho Salmon.
- The Columbia River Gorge National Scenic Area trail project restores and reconnects the 73-mile Historic Columbia River Highway and State Trail (Historic U.S. Route 30) between Portland and Hood River, Oregon either via roadway or a shared multi-use paved path. The project team is nearing completion of approximately 9 of the 22 miles that were originally identified in disrepair when the effort began. In the construction process, several unique challenges have been overcome, including: varied geologic conditions, steep topography, environmental considerations, traffic management of a major interstate, railroad coordination, historical context, and aesthetic requirements. In addition, the project included the construction of a 655-foot-long tunnel mined primarily using drill and blast techniques through basalt.
- The Brady Lane and Missouri State Highway 98 intersection improvements include: paving and drainage along Brady Lane and reconditioning Loesing Road. The work involves the installation of two right-turn lanes to address safety concerns at the intersection, replacement of culverts and headwalls, roadway resurfacing, advance warning signs, and other related improvements that would enhance safety and facilitate the traffic flow.

Detailed Justification Tribal Transportation Program

What is the request and what funds are currently spent on the program?

FY 2025 – Tribal Transportation Program (\$613 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|-------------------------------|-------------------|-----------------------------|--------------------|
| Tribal Transportation Program | 589,960 | 602,460 | 612,960 |
| Total | 589,960 | 602,460 | 612,960 |

What is this program and what does this funding level support?

The Tribal Transportation Program (TTP) promotes a coordinated approach to multimodal transportation in Indian country on roads owned by the Bureau of Indian Affairs (BIA), sovereign federally recognized Tribal governments, and other roads owned by States, counties, or local governments which provide access to, or are located within, Tribal communities. TTP funds are eligible for transportation planning, research, maintenance, engineering, rehabilitation, and construction of roads, bridges, trails, transit systems, and other transportation facilities on the National Tribal Transportation Facility Inventory (NTTFI).

The requested \$613 million for FY 2025 will support a comprehensive, coordinated, and goal-oriented approach to Tribal transportation infrastructure management. As of February 2024, Tribes recorded approximately 156,920 miles of existing roads on the NTTFI. Approximately 29,588 miles are identified as BIA routes and another 20,605 miles as Tribal routes. The remaining mileage is owned by others including States, counties, townships, boroughs, or other Federal agencies. Funding the TTP at the requested amount is necessary to invest in the Nation’s infrastructure, support and improve safety, and provide mobility and access for these communities.

Motor vehicle crashes leave an indelible mark on virtually every community. Traveling our national roadways network by car, truck, motorcycle, bicycle, or as a pedestrian, is a daily requirement for a large segment of the population, from infants to grandparents. This is especially true for the Native American and Alaska Native populations of our country who experience higher rates of fatal injuries associated with transportation than does the general population.

The structure and allocation of the \$613 million to the 574 federally recognized Tribes is based on a statutory formula that was established in MAP-21 and carried forward in the FAST Act and IJA. The statutory funding formula has various factors and takedowns, including four set-asides described below, that determine a “tribal share percentage” for each federally recognized Tribe.

This percentage is applied to the year's available program funding to calculate each Tribe's share of TTP funding for that year. Below are descriptions of the four set-asides in the TTP:

The **Tribal Transportation Program Safety Fund (TTPSF)** is a four percent set-aside that supports data driven safety priorities identified by Tribes. The intent of the TTPSF is to prevent and reduce deaths or serious injuries in transportation-related crashes on Tribal lands. The TTPSF emphasizes the development of strategic transportation safety plans using a data-driven approach to target transportation safety needs in Tribal communities. TTPSF places an emphasis on crash data collection and analysis. Ultimately, planning and data analysis leads to the implementation of infrastructure and non-infrastructure projects that improve transportation safety using both TTP funds and funding leveraged from other sources.

Since TTPSF was created under MAP-21, FHWA has awarded over \$100 million to federally recognized Tribes for 858 projects to address transportation safety issues in Tribal areas over 9 rounds of competitive grants for projects supporting the development of safety plans, data assessment, improvement, and analysis activities, and infrastructure improvements. TTPSF awards under IIJA promote equitable distribution of funding to Tribal areas that have historically been overlooked by many safety analyses due to various factors, including underreporting of crashes. Many of the projects will strengthen the local economies by generating job opportunities in economically disadvantaged communities.

In July 2023, FHWA announced that 67 Tribes will receive approximately \$21 million in TTPSF grants for 88 projects that improve road safety on Tribal lands. The funding is provided directly to Tribes for a range of projects, including the development of safety plans, data analysis activities, pedestrian infrastructure improvements, roadway departure countermeasures, intersection safety, visibility, and traffic calming. Per DOT's National Roadway Safety Strategy (NRSS), people who are American Indian and Alaska Native have roadway fatality rates more than double the national rate on a per population basis. Addressing this issue is one of the goals of the NRSS.

The **Tribal High Priority Projects (Tribal HPP) Program** is a \$9 million set-aside that directly supports underserved communities and racial equity as envisioned in Executive Order 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*. The Tribal HPP Program provides funds for an Indian Tribe to complete their highest priority project when their annual allocation of TTP funding is insufficient, or for any Indian Tribe that has an emergency or disaster affecting a transportation facility in the National Tribal Transportation Facility Inventory.

A similar set-aside from the Indian Reservations Roads Program was established through negotiated rulemaking under the Transportation Equity Act for the 21st Century. The resulting regulations at 25 CFR 170 directed the administration of the program from 2005 to 2012. In 2012, \$28,533,502 was awarded to Tribes for delivery of 37 high priority projects. The program was authorized but not funded under MAP-21, and it was not authorized under the FAST Act.

Transportation Planning is a two percent set-aside for each Tribe to carry out transportation planning activities through a cooperative process that fosters involvement by all users of the

transportation system. The purpose of transportation planning is to evaluate a wide range of alternatives to address a Tribe's multi-modal transportation needs, to develop short, mid-, and long-term strategies to meet transportation needs, and to support these strategies by defining future policies, goals, and investments. These strategies are developed through a comprehensive approach to analyzing how current and future land use, economic development, traffic demand, public safety, health, and social needs impact the Tribes' transportation system.

Program Management and Oversight (PM&O) is a five percent set-aside for administration of the program. The PM&O set-aside provides funding for payroll, office space, office supplies, travel, and for carrying out the stewardship and oversight and the inherent Federal functions/responsibilities of the TTP. These inherent Federal functions include fund distribution, environmental documentation review and approval, project construction inspection, financial management, and program reviews. PM&O funding also supports IT support and equipment, maintenance of the National Tribal Transportation Facility Inventory (NTTFI), and other special TTP-specific and required studies, and technical assistance. Technical assistance activities include funding the Tribal Technical Assistance Program (TTAP), outreach on Tribal government recreation travel and tourism activities, and bridge inspections on the Tribal and BIA bridges across the country. The FHWA retains approximately 18 percent of the overall PM&O budget to fund program administration for 23 full time employees with the balance of funds going to the BIA.

What benefits will be provided to the American public through this request and why is this program necessary?

The TTP supports the Secretary's priorities by improving transportation safety, access, and mobility in Tribal communities. This program provides better and more equitable access to housing, emergency services, schools, stores, jobs, and medical services, among others, and improves the quality of life on Tribal lands for all the 574 federally recognized sovereign Tribal governments. More than 8 billion vehicle miles are traveled annually on the NTTFI system, despite more than 60 percent of the system being unpaved.

These roads, trails, bridges, transit systems, and other transportation facilities provide safe and adequate transportation for public access to, within, and through Indian reservations and native communities for Native Americans, visitors, recreational users, resource users, and others, while contributing to the health, safety, and economic development of Native American communities.

The TTP is focused on improving transportation infrastructure in Indian Country, but many TTP projects also address community health, livability, sustainability, transportation alternatives, and mitigating climate change. The anticipated FY 2025 accomplishments will include significant improvements in safety, infrastructure, planning, and transportation capacity building and will continue to support more equitable access to resources that address transportation infrastructure needs in Indian Country.

The design and construction of Tribal transportation infrastructure consistent with strategic long-range transportation plans and goals of the Tribes and DOT, will considerably benefit facilities included in the NTTFI. Further, the development of data-driven transportation safety plans will lead to investment decision-making that prevents and/or significantly reduces fatalities and

serious injuries. Technical assistance and training will be provided to Tribes by FHWA and BIA to support Tribal transportation capacity building, foster innovation in transportation and transportation technologies, while providing stewardship and oversight of programs and priorities.

Detailed Justification
Nationally Significant Federal Lands and Tribal Projects Program

What is the request and what funds are currently spent on the program?

FY 2025 – Nationally Significant Federal Lands and Tribal Projects Program
(\$55 million – Highway Trust Fund)

(\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Nationally Significant Federal Lands and Tribal Projects | 95,000 | 55,000 | 55,000 |
| Total | 95,000 | 55,000 | 55,000 |

What is this program and what does this funding level support?

The Nationally Significant Federal Lands and Tribal Projects (NSFLTP) Program provides funding for the construction, reconstruction, and rehabilitation of nationally significant projects within, adjacent to, or accessing Federal and tribal lands. This Program provides an opportunity to address significant challenges across the Nation for transportation facilities that serve Federal and tribal lands. Federal land management agencies, federally recognized Indian Tribes, States, and local agencies are eligible applicants.

The NSFLTP Program provides discretionary grants for projects that have an estimated construction cost of at least \$12.5 million. Half of the funding provided must be awarded to projects on Tribal lands and half must be awarded to projects on Federal lands. FHWA will consider criteria established under section 1123 of the FAST Act, in addition to the Secretary’s safety, equity and other policy objectives, in rating all applications for funding under the NSFLTP Program.

Grants from the NSFLTP Program are in high demand among eligible recipients and FHWA has noted a steady rise in grant requests. Based on a trend analysis of recent applications to the NSFLTP Program, FHWA anticipates these requests will exceed \$900 million in FY 2025, reinforcing the value and need for this program.

What benefits will be provided to the American public through this request and why is this program necessary?

The NSFLTP Program provides a reliable source of funding for major, high-cost projects that typically cannot be funded with other funding sources due to the scope and expense of the project. This program complements both the Federal Lands Transportation and Access programs along with the Tribal Transportation Program by funding a small number of critical projects annually that require significant investments. Prior to the authorization of this program, these large, nationally significant projects were rarely funded.

This program provides the American people with safe, multi-modal access to Federal and Tribal lands and addresses this former funding gap. Through effective transportation access to Federal lands, visitors can enjoy the recreational opportunities within these Federal estates. In doing so, they are contributing significantly to economic generation in rural America, particularly the small businesses that operate just outside Federal lands within gateway communities across the country.

These significant transportation facilities also support access to clean energy sources, such as wind and solar farms on Federal lands, and frequently benefit transportation access in addition to conservation initiatives. An example is the selection of a project in Zion National Park that will result in the replacement of an aged, fossil fuel burning bus fleet with clean energy buses including electric vehicle charging stations. This award addressed local park congestion, while also yielding a significant environmental, clean air benefit for visitors and surrounding communities.

As noted, half of the authorized program is directed toward Tribal transportation facilities that provide access to critical community services within and to Indian country including schools, hospitals, and other vital community services. In August 2022, FHWA announced \$125 million in new funding for the Nationally Significant Federal Lands and Tribal Projects Program. Recent grant awards include \$46 million to the Native Village of Eyak in Alaska for the construction of a highway, dock support facilities, and a boat ramp at the Shepard Point Oil Spill Response Facility. The funding will support a highway extension that will connect the existing road systems near Cordova, AK, to a deep-draft dock, a small boat launch ramp, 3.5-acre pad, and uplands facilities at Shepard Point. This grant will help the Native Village of Eyak and surrounding communities respond to oil spills and other emergencies more effectively.

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Executive Summary

Bridge Investment Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$2.52 billion for a discretionary grant program to assist eligible entities in replacing, rehabilitating, preserving, or protecting highway bridges, including replacing or rehabilitating bridge-size culverts. The IJA provided \$2.49 billion and \$2.50 billion for the Bridge Investment Program in FY 2023 and FY 2024, respectively. This program receives \$1.85 billion from the General Fund in each of FY 2023, FY 2024, and FY 2025 through advance supplemental appropriations. Additionally, this program receives \$640 million, \$650 million, and \$675 million from the Highway Trust Fund in FY 2023, FY 2024, and FY 2025, respectively.

What is this program and what does this funding level support?

The Bridge Investment Program complements the Bridge Formula Program, also created by IJA, to increase investment in bridges that carry public roads and supports the Secretary's priorities of safety, transportation equity, addressing climate change and resilience, improving core assets, and transforming our Nation's transportation infrastructure. This program allows States, Metropolitan Planning Organizations, local governments, Federal land management agencies, Tribal governments, and other eligible entities to apply for funding to complete projects that improve the safety, efficiency, and reliability of the movement of people and freight over bridges and improve the condition of bridges. Additionally, the financial assistance provided by the program leverages and encourages non-Federal contributions from sponsors and stakeholders.

What benefits will be provided to the American public through this request and why is this program necessary?

This program creates opportunities for all levels of government to fund highway bridge projects while leveraging Federal funding. It offers States, Metropolitan Planning Organizations, local governments, Federal land management agencies, Tribal governments, and other eligible entities an ability to advance both large and other than large bridge projects. Projects funded by this program will fix our aging highway bridges, thereby enhancing the safety, capacity, and connectivity of our Nation's transportation infrastructure.

Detailed Justification Bridge Investment Program

What is the request and what funds are currently spent on the program?

FY 2025 – Bridge Investment Program (\$2.52 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|----------------------------------|-------------------|-----------------------------|--------------------|
| Bridge Investment Program | 2,487,000 | 2,497,000 | 2,522,000 |
| Total | 2,487,000 | 2,497,000 | 2,522,000 |

What is this program and what does this funding level support?

The Bridge Investment Program is a discretionary grant program that provides financial assistance to States, Metropolitan Planning Organizations, local governments, political subdivisions of a State or local government, special purpose districts or public authorities with transportation function, Federal land management agencies, and Tribal governments to complete highway bridge projects that align with the program’s statutory goals to:

- Improve the safety, efficiency, and reliability of the movement of people and freight over bridges.
- Improve the condition of bridges by reducing:
 - The number of bridges in poor condition or in fair condition and at risk of falling into poor condition within the next three years;
 - The total person miles traveled over bridges in poor condition or in fair condition and at risk of falling into poor condition within the next three years;
 - The number of bridges that do not meet current geometric design standards or cannot meet the load and traffic requirements typical of the regional transportation network; and
 - The total person miles traveled over bridges that do not meet current geometric design standards or cannot meet the load and traffic requirements typical of the regional transportation network.
- Provide financial assistance that leverages and encourages non-Federal contributions from sponsors and stakeholders.

The FY 2025 budget request of \$2.52 billion for this program will provide competitive grants for planning, feasibility analysis, and revenue forecasting associated with an application for Bridge Investment Program funding, as well as construction grants for two types of projects: Large Bridge Projects (eligible projects with total costs greater than \$100 million); and Bridge Projects. At least 50 percent of program funds made available out of the Highway Trust Fund will be used for Large Bridge Projects, and a portion of funds will be set-aside for Tribal Transportation Facility Bridge projects. For Large Bridge Projects, the Secretary will submit an annual report to

Congress on funding recommendations, based on project evaluations. For Bridge Projects, evaluations will also be used prior to providing a grant. Considerations for project evaluations will be based on statutory requirements and include whether the project:

- Addresses a need to improve the condition of the bridge;
- Generates safety, environmental, or economic benefits, improved movement of freight and people, or cost savings including reduced maintenance costs and costs avoided by the prevention of closure or reduced use of a bridge;
- Is cost effective based on an analysis of whether the benefits and avoided costs are expected to outweigh the project costs;
- Is supported by other Federal or non-Federal financial commitments or revenues adequate to fund ongoing maintenance and preservation; and
- Is consistent with the objectives of an applicable asset management plan.

In addition, the Bridge Investment Program contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair conditions will be maintained at or above 95 percent;
- Fix the 10 most economically significant bridges and repair the 15,000 in-most-need smaller bridges; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

What benefits will be provided to the American public through this request and why is this program necessary?

Nationally and regionally significant highway bridge projects are often complex, making them difficult to efficiently implement under other Federal and State funding programs. This program creates opportunities for all levels of government to fund highway bridge projects while leveraging Federal funding. It offers States, Metropolitan Planning Organizations, local governments, Federal land management agencies, Tribal governments, and other eligible entities an ability to advance large and smaller highway bridge projects.

This program supplements the other FHWA programs in which highway bridge projects are eligible, such as the Bridge Formula Program, the Surface Transportation Block Grant Program and National Highway Performance Program. Long-term commitments to funding the latter two programs have resulted in the percentage of the deck area of highway bridges classified as in “Poor” condition dropping from 6.7 percent in 2014 to 4.9 percent in 2023 even as the total number of bridges in the Nation's inventory increased from 610,749 to 621,581. With the Bridge Investment Program, additional benefits and improvements to highway bridge conditions are expected. This program is anticipated to have a significant effect on the Nation’s aging highway system, as it provides an opportunity to eligible entities an ability to advance both Large Bridge Projects and Bridge Projects. These improvements will contribute to enhancing the safety, capacity, and connectivity of our Nation’s transportation infrastructure.

In October 2022, FHWA distributed \$20 million in competitive planning grants for 24 projects in 24 States. In January 2023, the program awarded \$2.1 billion to four Large Bridge projects in five States: the Golden Gate Bridge in the City of San Francisco, Gold Star Memorial Bridge that carries I-95 traffic over the Thames River in Connecticut, the Brent Spence Bridge, which crosses the Ohio River at the Kentucky and Ohio border, and four bascule bridges over the Calumet River on the south side of Chicago. In April 2023, the program distributed more than \$295 million to nine Bridge projects in eight States and the District of Columbia. In December 2023, FHWA opened a notice of funding opportunity (NOFO) for up to \$9.6 billion in FYs 2023 through 2026 Bridge Project grant applications and \$80 million in FYs 2023 through FY 2026 Planning Project grant applications. With this funding, communities can plan and implement bridge projects that will improve safety and mobility for people in rural regions, urban areas, and places in between..

Executive Summary

Charging and Fueling Infrastructure Grants

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$600 million to fund two types of grants: corridor charging and community charging for the installation and deployment of electrical vehicle charging infrastructure along Alternative Fuel Corridors, or in publicly accessible locations. The IIA provided \$400 million and \$500 million for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Charging and Fueling Infrastructure Grants Program provides grants to support strategic deployment of publicly accessible electric vehicle (EV) charging infrastructure as well as hydrogen, propane and natural gas fueling infrastructure. This grant program complements the National Electric Vehicle Infrastructure (NEVI) formula program, which initially focuses on EV charging infrastructure along Interstates and Alternative Fuel Corridors.

Program funds will be equally divided between grants for charging and fueling infrastructure along travel corridors and grants for infrastructure in community locations. Fifty percent of total program funds will be made available for charging and fueling infrastructure along designated Alternative Fuel Corridors.¹¹

The other 50 percent of the total program funds will be made available each fiscal year for Community Grants to install EV charging and alternative fuel infrastructure in locations on public roads or other publicly accessible locations, such as schools, parks, and in publicly accessible parking facilities owned or managed by a private entity. These Community Grants will be prioritized for rural areas, low- and moderate-income neighborhoods, and communities with low ratios of private parking, or high ratios of multiunit dwellings.

What benefits will be provided to the American public through this request and why is this program necessary?

The discretionary Charging and Fueling Infrastructure Grants Program provides a mechanism to increase access to necessary infrastructure by accelerating EV charging and alternative fuel infrastructure deployments both along travel corridors and in community locations. It reflects the Administration's commitment to combatting climate change and reducing other pollutants by facilitating increased adoption of lower emission vehicles.

The projects funded by this program will support lower-emission charging and fueling infrastructure deployment to meet Administration priorities such as supporting rural communities, building resilient infrastructure, and increasing access in underserved and overburdened communities both along designated Alternative Fuel Corridors and in strategic, publicly accessible locations within communities.

¹¹ The FHWA has designated alternative fuel corridors (AFCs) to support installation of EV charging, hydrogen, propane, and natural gas fueling infrastructure at strategic locations along major national highways. AFCs are being updated and designated on annual basis by soliciting nominations from State and local officials. The latest round of designations was completed on October 10, 2023.

Detailed Justification Charging and Fueling Infrastructure Grants

What is the request and what funds are currently spent on the program?

FY 2025 – Charging and Fueling Infrastructure Grants (\$600 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Charging and Fueling Infrastructure Grants | 400,000 | 500,000 | 600,000 |
| Total | 400,000 | 500,000 | 600,000 |

What is this program and what does this funding level support?

The Charging and Fueling Infrastructure Grants Program provides grants to support strategic deployment of publicly accessible electric vehicle (EV) charging infrastructure as well as hydrogen, propane and natural gas fueling infrastructure.

Program funds will be divided between grants for charging and fueling along travel corridors and grants for infrastructure in community locations. Fifty percent of total program funds will be made available for charging and fueling infrastructure along designated Alternative Fuel Corridors. The other 50 percent of the total program funds will be made available each fiscal year for Community Grants to install EV charging and alternative fuel infrastructure in locations on public roads or other publicly accessible locations, such as schools, parks, and in publicly accessible parking facilities owned or managed by a private entity. These Community Grants will be prioritized for rural areas, low-and moderate-income neighborhoods, and communities with low ratios of private parking, or high ratios of multiunit dwellings.

Program funding will support grantees through a wide range of project eligibilities to include development phase activities, acquisition/installation, operations support, traffic control devices, and education/community engagement activities. Grantees are also permitted to enter into revenue-sharing agreements with contracted private entities if the revenue is used for purposes otherwise eligible through the program.

The Federal cost-share for a project may not exceed 80 percent. Further, as a condition of contracting with an eligible entity, a private entity must agree to pay the non-Federal share of project costs.

This program directly addresses several of the Secretary’s key priorities. Criteria to assess the Corridor-based charging grant applications will specifically address economic strength and global competitiveness. Corridor-based charging grant applications will be assessed based on how they meet current or anticipated market demands while supporting a long-term competitive market for charging and fueling infrastructure providers. The Community grant portion of the

program addresses equity by specifically prioritizing projects that expand access to lower emission charging and fueling infrastructure within rural areas, low- and moderate-income neighborhoods, and communities with more difficult access to parking.

In addition, the Charging and Fueling Infrastructure Grants Program contributes to the following performance measures:

- Reduce transportation emissions in support of net-zero emissions economy-wide by 2050; and
- Build a national network of 500,000 EV charges by 2030 to accelerate the adoption of EVs.

What benefits will be provided to the American public through this request and why is this program necessary?

By expanding infrastructure which improves access to, or adoption of, lower-and zero-emission vehicles, this program addresses two of the Secretary's key priorities: climate and sustainability; and the transformation of our existing transportation network into one that meets the future needs of travel and transportation. The transportation sector has become the largest source of U.S. greenhouse gas emissions (GHG). Reducing emissions from transportation through increased adoption of low-emission vehicles is consistent with Executive Order 13990¹², which includes a national policy objective to reduce GHG emissions, and Executive Order 14008¹³, which recommits the U.S. to the Paris Agreement. EVs and alternative fuel vehicles have been identified as cleaner, more equitable, more affordable, and represent an opportunity to support good-paying, union jobs.¹⁴

The Charging and Fueling Infrastructure Grants Program will increase the amount of available low-and zero-emission charging and fueling infrastructure in key locations, thus overcoming a challenge for the American public in accessing charging and fueling infrastructure. The Corridor charging components of the program will strategically deploy publicly accessible EV charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure along designated Alternative Fuel Corridors. The Community grants will strategically deploy publicly accessible EV charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure within communities where people live and work, with a particular focus on community locations where charging and fueling investments would otherwise be unlikely or delayed.

¹² [Federal Register: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#)

¹³ Section 219 of Executive Order 14008, Tackling the Climate Crisis at Home and Abroad and OMB, "Interim Implementation Guidance for the Justice40 Initiative," M-21-28 (July 20, 2021) available at <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>

¹⁴ [FACT SHEET: The Biden-Harris Electric Vehicle Charging Action Plan | The White House](#)

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Executive Summary

Congestion Relief Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$50 million to provide competitive grants to States, local governments, and metropolitan planning organizations (MPOs) to reduce congestion in the most densely populated metropolitan areas of the United States. The IIJA authorized \$50 million for this program in both FY 2023 and FY 2024. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Congestion Relief Program provides competitive grants to States, local governments, and MPOs to advance innovative, integrated, and multimodal solutions for congestion relief in the most densely populated metropolitan areas of the United States.

States and MPOs compete for grants to support eligible projects within urbanized areas containing populations of more than one million individuals. Priority is given to eligible projects located in urbanized areas that are experiencing high degrees of recurring congestion.

Eligible projects may include: the deployment and operation of mobility services; integrated congestion management systems; systems that implement or enforce high occupancy vehicle toll lanes, cordon pricing, parking pricing, or congestion pricing; and incentive programs that encourage travelers to carpool or use non-highway travel modes.

In addition, the Congestion Relief Program permits the Secretary to allow the use of tolls on the Interstate System as part of a project carried out with a program grant, subject to certain requirements. The Secretary may approve the use of tolls on the Interstate System under the program in up to ten urbanized areas.

What benefits will be provided to the American public through this request and why is this program necessary?

The goals of the program are to reduce congestion in the most densely populated metropolitan areas of the United States along with the economic, social, and environmental costs associated with that congestion, and to optimize use of the existing highway and transit systems.

Detailed Justification Congestion Relief Program

What is the request and what funds are currently spent on the program?

FY 2025 – Congestion Relief Program (\$50 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---------------------------|-------------------|-----------------------------|--------------------|
| Congestion Relief Program | 50,000 | 50,000 | 50,000 |
| Total | 50,000 | 50,000 | 50,000 |

What is this program and what does this funding level support?

The Congestion Relief Program provides competitive grants to States, local governments, and MPOs for projects in large, urbanized areas to advance innovative, integrated, and multimodal solutions to mitigate congestion in the most densely populated metropolitan areas of the United States. Grants are limited to eligible projects located in urbanized areas containing populations of more than one million. Priority is given to those areas that are experiencing high degrees of recurring congestion. The Federal cost-share will not exceed 80 percent of the total cost of a project. The minimum grant award is \$10 million.

Funds from a grant under the program may be used for a project or an integrated collection of projects, including planning, design, implementation, and construction activities to achieve program goals. Eligible projects may include: the deployment and operation of mobility services; integrated congestion management systems; systems that implement or enforce high occupancy vehicle toll lanes, cordon pricing, parking pricing, or congestion pricing; and incentive programs that encourage travelers to carpool, to use non-highway travel modes, or to travel during nonpeak periods.

The Congestion Relief Program contributes to the following performance measures:

- Alleviate freight congestion; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

In addition, the Congestion Relief Program permits the Secretary to allow the use of tolls on the Interstate System as part of a project carried out with a program grant, subject to certain requirements. The Secretary may approve the use of tolls on the Interstate System under the program for up to 10 urbanized areas.

The “integrated congestion management systems” supported by the program is defined to mean the integration of management and operations of a regional transportation system, that includes,

at a minimum, traffic incident management, work zone management, traffic signal timing, managed lanes, real-time traveler information, and active traffic management. This is intended to maximize the capacity of all facilities and modes across the applicable region.

What benefits will be provided to the American public through this request and why is this program necessary?

The goals of the program are to reduce highway congestion in the most densely populated metropolitan areas of the United States; to reduce the economic, social, and environmental costs associated with that congestion, including transportation emissions; and to optimize use of existing highway and transit systems.

The program aims to achieve these goals through: improving intermodal integration with highways, highway operations, and highway performance; reducing or shifting highway users to off-peak travel times or to non-highway travel modes during peak travel times; and value pricing. In addition, projects under the program include, if appropriate, an analysis of the potential effects on low-income drivers and may include mitigation measures to deal with any potential adverse financial effects upon them.

The Nation's local, regional, and national transportation systems play a vital role in creating access to goods and services which sustain and grow our Nation's economy. Highway congestion, therefore, is an economic development issue because it thwarts business attraction and expansion and reduces the quality of life for residents. The program supports advancement of innovative solutions to address the congestion challenge of the present and to modernize and effectively manage our transportation system for the future.

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Executive Summary

Infrastructure for Rebuilding America

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$1.54 billion for a discretionary grant program to support highway and freight projects of national or regional significance. The IIJA provided \$1.64 billion for this program in FY 2023 and FY 2024, comprised of \$1.0 billion and \$640 million from the Highway Trust Fund and the General Fund through advance supplemental appropriations, respectively. In FY 2025, the funding is comprised of \$900 million and \$640 million from the Highway Trust Fund and the General Fund through advance supplemental appropriations, respectively.

What is this program and what does this funding level support?

The Infrastructure for Rebuilding America (INFRA) discretionary grant program supports the Secretary's priorities by advancing nationally significant multimodal freight and highway projects to improve the safety, efficiency, and reliability of the movement of freight and people.

This program allows States, metropolitan planning organizations, local governments and other eligible entities to apply for funding to complete projects that improve safety, generate economic benefits, reduce congestion, enhance resiliency, and hold the greatest promise to eliminate freight bottlenecks and improve critical freight movements.

The FY 2025 budget request of \$1.54 billion for this program will advance critical highway and bridge projects on the National Highway Freight Network (NHFN) and the National Highway System (NHS) that improve the safe, secure, and efficient movement of people and goods throughout the United States and improve the national economy. The program also supports freight and highway projects that are multimodal, multi-jurisdictional, complex, or involve partnership with the private sector – projects which are difficult to develop and implement using other Federal and State funding programs.

What benefits will be provided to the American public through this request and why is this program necessary?

This program, which advances nationally significant multimodal freight and highway projects, offers public-sector agencies and their private sector partners a path forward to make real improvements in highway and freight infrastructure and operations that will leverage Federal investment. Projects supported by this program provide public benefits including improved national and regional economic vitality, innovation, and safety in both rural and urban areas.

The Department's approach for implementing INFRA addresses critical issues facing the Nation's highway, bridge, rail, and port infrastructure. Projects already funded by this program are fixing aging infrastructure and providing enhanced safety, capacity, and connectivity for highways and the freight system. This program creates opportunities for all levels of government and the private sector to partner in efforts to fund infrastructure, increasing accountability across a broader range of system providers and operators and leveraging Federal funding. The program also encourages innovative approaches to improve the necessary processes for building significant projects.

Detailed Justification Infrastructure for Rebuilding America

What is the request and what funds are currently spent on the program?

FY 2025 – Infrastructure for Rebuilding America (\$1.54 billion) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---------------------------------------|-------------------|-----------------------------|--------------------|
| Infrastructure for Rebuilding America | 1,640,000 | 1,640,000 | 1,540,000 |
| Total | 1,640,000 | 1,640,000 | 1,540,000 |

What is this program and what does this funding level support?

INFRA is a discretionary grant program that provides financial assistance to States, metropolitan planning organizations, Tribal governments, special-purpose districts, multistate corridor organizations and port authorities with a transportation function, and local governments to complete projects that align with the program’s statutory goals to:

- Improve safety, efficiency, and reliability of the movement of freight and people;
- Generate national or regional economic benefits and increase the global economic competitiveness of the U.S.;
- Reduce highway congestion and bottlenecks;
- Improve connectivity between modes of freight transportation;
- Enhance the resiliency of critical highway infrastructure and help protect the environment;
- Improve roadways vital to national energy security; and
- Address the impact of population growth on the movement of people and freight.

FY 2025 funds will be used to make awards that increase the impact of projects by leveraging capital and allowing innovation in the project delivery and permitting processes, including public-private partnerships. INFRA promotes innovative safety solutions that will improve the transportation system. INFRA also targets performance and accountability in project delivery and operations.

In addition, INFRA contributes to the following performance measures:

- Reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040;
- The percentage of interstate pavement in either good or fair condition will be maintained at 95 percent;
- The percentage of deck area on National Highway System (NHS) bridges in either good or fair condition will be maintained at or above 95 percent;

- Alleviate freight congestion; and
- The percentage of person-miles traveled on the interstate that are reliable will be at or above 82.8 percent.

The program is anticipated to have a significant effect on the ability of our Nation to meet the growth in freight and passenger demand in a responsible, effective, and safer way. Nationally and regionally significant highway and freight projects are often multimodal, multi-jurisdictional, complex, or involve partnership with the private sector, making them difficult to efficiently implement under other Federal and State funding programs.

What benefits will be provided to the American public through this request and why is this program necessary?

INFRA grants advance projects that support economic growth and make use of project delivery and financing innovations. The INFRA program, for which the Bipartisan Infrastructure Law increased funding by more than 50 percent, also funds large scale transformational infrastructure projects. For example, in FY 2023-2024, the Minnesota Department of Transportation (MnDOT) was awarded a \$1 billion INFRA grant to replace the Blatnik Bridge, a major connection between the cities of Duluth, Minnesota, and Superior, Wisconsin. Without this project, the Blatnik Bridge is at risk of closing within the next ten years due to decaying infrastructure. The updates will help prevent fatalities and serious injuries that are seven to ten times higher than the State averages and will improve employment access for approximately 6,000 daily commuters. The new bridge will also alleviate current load restrictions and ease lengthy detours that regional freight currently experiences. In addition to other economic benefits, MnDOT has developed a contract with the Duluth Workforce Center for outreach to groups underrepresented in the heavy construction trades, while also using its workforce development program with Duluth Public Schools, which will create good-paying, union jobs within the area.

The FY 2023-2024 INFRA grants include 28 projects to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. Over half of the projects being funded through the INFRA program are in rural communities. For example, the Nebraska Department of Transportation (NDOT) was awarded an INFRA grant in the amount of \$21.17 million for the Interstate 80 (I-80) Odessa to Kearney project. This project is in central Nebraska and work will consist of reconstructing approximately 9 miles of I-80 within its current lane configuration along with shoulders and also replace a rural bridge over I-80. Approximately 7,500 trucks carrying an estimated \$336 million in freight use this segment of I-80 daily, and will benefit from restored, smoother pavement and fewer maintenance related delays over time. The project will also incorporate a defined Disadvantaged Business Enterprise (DBE) program to promote equity through the inclusion of DBE targets in the procurement process.

The necessity of this program is evidenced by the large number of eligible applications and the total dollar amount requested during the solicitations from FY 2016 to FY 2024. In the latest round of the INFRA program for FY 2023-2024, the Department received 190 eligible grant applications requesting more than \$24.8 billion in grant funding, approximately 17 times the awarded amount of \$1.5 billion.

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Executive Summary

Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Discretionary Grant Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$300 million for competitive grants to eligible entities for activities to assess and address infrastructure vulnerabilities to current and future weather events, including natural disasters and climate change. The IJA provided \$250 million and \$300 million for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund. The FY 2023 appropriation act provided an additional \$150 million in FY 2023 for this program from the General Fund.

What is this program and what does this funding level support?

The Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Discretionary Grant Program complements the PROTECT Formula Program, which is similarly focused on protecting surface transportation assets by making them more resilient to impacts of climate change, current and future weather events, and natural disasters. The program awards competitive grants to States, Metropolitan Planning Organizations, local governments, Tribes, and other recipients for projects in four areas: Planning Grants, Resilience Improvement Grants, Community Resilience and Evacuation Route Grants, and At-Risk Coastal Infrastructure Grants. Eligible PROTECT Discretionary Grant Program projects include highways, public transportation facilities, intercity rail passenger transportation, and ports.

What benefits will be provided to the American public through this request and why is this program necessary?

PROTECT Discretionary Grant Program activities will protect surface transportation assets by making them more resilient to impacts of climate change, current and future weather events, and natural disasters. For example, resilience improvements and strategies will allow for the continued operation or rapid recovery of surface transportation systems. Coastal infrastructure will be better protected from the long-term risk of sea level rise. Natural infrastructure can be utilized to protect and enhance surface transportation assets while improving ecosystem conditions.

The PROTECT Discretionary Grant Program directly addresses the Secretary's key priority of climate and sustainability and will support the U.S. Department of Transportation Climate Action Plan: Revitalizing Efforts to Bolster Adaptation & Increase Resilience. In addition, the PROTECT Discretionary Grant Program advances Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, and will allow the United States to move quickly to improve infrastructure resilience against the impacts of climate change that are already manifested and will continue to intensify according to current trajectories.

Detailed Justification PROTECT Discretionary Program

What is the request and what funds are currently spent on the program?

FY 2025 –PROTECT Discretionary Program (\$300 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|------------------------------|-------------------|-----------------------------|--------------------|
| PROTECT Discretionary Grants | 400,000 | 300,000 | 300,000 |
| Total | 400,000 | 300,000 | 300,000 |

What is this program and what does this funding level support?

The PROTECT Discretionary Grant Program awards competitive grants to eligible entities for activities that enable communities to assess and address transportation system vulnerabilities to current and future weather events and other natural disasters and changing conditions due to climate change, including sea level rise. Eligible projects include highway and bridges, public transportation facilities, intercity rail, and port facilities including intermodal connectors.

The PROTECT Discretionary Program contributes to the performance measure, by 2026, 50 percent of States/MPOs have developed resilience improvement plans.

PROTECT Discretionary Program funds can be used for four types of projects:

- **Planning Grants:** including projects to develop a Resilience Improvement Plan; resilience planning, predesign, design, or the development of data tools including vulnerability assessments; technical capacity building; and evacuation planning and preparation.
- **Resilience Improvement Grants:** including projects to improve resilience of existing surface transportation infrastructure to weather events, climate change, and natural disasters.
- **Community Resilience and Evacuation Routes Grants:** including strengthening, protecting, and improving evacuation routes to meet future needs, ensuring access to critical destinations, and supporting safe passage during an evacuation.
- **At-Risk Coastal Infrastructure Grants:** including work to make coastal highways and non-rail infrastructure more resilient to coastal flooding, coastal erosion, wave action, storm surge or sea level rise in order to improve transportation and public safety; and reduce future maintenance and rebuilding costs. (For these grants, eligible entities include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands and are restricted to those in, or

bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes.)

Eligible project activities include project development, design, property acquisition, construction/reconstruction and rehabilitation, and environmental mitigation. PROTECT Discretionary Grant Program funds also support planning activities, including systems level assessments of vulnerability to future climate and other natural hazards, and current and long-term planning activities and investments to promote resilience.

What benefits will be provided to the American public through this request and why is this program necessary?

The PROTECT Discretionary Grant Program is the first Federal-aid highways discretionary grant program that focuses work and resources on making the highway system and surface transportation more resilient to natural hazards, including climate change. Dedicated grant funding for resilience projects is needed to ensure that projects are built to withstand current weather impacts, natural disasters, and future changes in climate.

The PROTECT Discretionary Grant Program directly addresses the Secretary's key priority of climate and sustainability and will support the U.S. Department of Transportation Climate Action Plan: Revitalizing Efforts to Bolster Adaptation & Increase Resilience. In addition, the PROTECT Discretionary Program will advance E.O. 14008 and will allow the United States to move quickly to build resilience against the impacts of climate change that are already manifested and will continue to intensify according to current trajectories.

Projects funded by the PROTECT Discretionary Grant Program will be more resilient to future threats and provide a range of benefits to the public. While coastal highways are exposed to storm surge, sea level rise and high tide flooding, inland areas are also vulnerable to future changes in climate such as flooding made worse by stronger and more frequent precipitation events, heat waves that can damage pavements, and wildfires followed by rain events that can cause landslides. Resilience improvements and improved routes to support evacuations and relief efforts after events, for example, will improve the safety of the traveling public and our communities, support freight movements, and facilitate economic growth. The PROTECT Discretionary Grant Program also supports improved regional planning, programming, and project level analysis that address future risks, not just historical risks, to ensure that communities can minimize life cycle costs and maximize benefits resulting from building, operating and maintaining transportation systems.

Climate change presents a significant and growing risk to the safety, effectiveness, equity and sustainability of our transportation infrastructure and the communities it serves. The Protect Discretionary Grant Program will support projects to address the climate change crisis, thereby making our transportation more resilient to climate change impacts.

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Executive Summary

Reduction of Truck Emissions at Port Facilities

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$80 million for discretionary grants that reduce port-related emissions from idling trucks. The IJA provided \$80 million for this program in both FY 2023 and FY 2024. In FY 2023, FY 2024, and FY 2025, \$50 million and \$30 million are provided from the Highway Trust Fund and the General Fund through advance supplemental appropriations, respectively.

What is this program and what does this funding level support?

The Reduction of Truck Emissions at Port Facilities Program funds projects through competitive grants to reduce truck-related emissions at port facilities. Grantees will test, evaluate, and deploy innovative solutions such as port electrification and other emerging technologies and strategies.

What benefits will be provided to the American public through this request and why is this program necessary?

Port operations generate a significant amount of truck traffic. Commercial motor vehicles serve the port, picking up and dropping off freight shipments, and operating in service on port property. Trucks queue at port gates prior to port openings for credential checks and back-ups form due to heavy demand. There may also be trucks that need to stay at ports, or intermodal port facilities, to meet Federal hours of service requirements, for refueling, and for other driver or vehicle service needs.

This program can demonstrate strategies, designs, operational improvements, and technologies to reduce greenhouse gas emissions linked to commercial trucking activities at ports and intermodal port facilities. It offers an opportunity to explore innovative and alternative port infrastructure projects and streamline operations for improved public and environmental health. These solutions will leverage Federal investment in emissions reduction.

The program will also yield best practices that can be shared and implemented at ports and other areas of concentrated commercial motor vehicle activity nationwide. Projects supported by this program will provide public benefits to the port workforce and surrounding port community including reduced air pollution and a possible reduction in traffic congestion or noise. Truck parking solutions related to the provision of auxiliary services or vehicle charging may also reduce the incidence of trucks parking in unsafe locations or unofficial areas such as port neighborhoods.

Detailed Justification Reduction of Truck Emissions at Port Facilities

What is the request and what funds are currently spent on the program?

FY 2025 – Reduction of Truck Emissions at Port Facilities (\$80 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Reduction of Truck Emissions at Port Facilities | 80,000 | 80,000 | 80,000 |
| Total | 80,000 | 80,000 | 80,000 |

What is this program and what does this funding level support?

The Reduction of Truck Emissions at Port Facilities Program funds projects through competitive grants that reduce truck-related emissions at port facilities. Grantees will test, evaluate, and deploy innovative solutions such as port electrification and other emerging technologies and strategies. The program also supports studies and provides for a Report to Congress after all the projects are completed. Grants awarded will not exceed an 80 percent Federal share.

In addition, the Reduction of Truck Emissions at Port Facilities Program contributes to the performance measure to reduce transportation emissions in support of net-zero emissions economy-wide by 2050.

What benefits will be provided to the American public through this request and why is this program necessary?

Community health and environmental justice consequences of air pollution resulting from heavy-duty diesel trucks concentrated near ports can be substantial. A study of impacts from growth at the ports of Los Angeles and Long Beach, California¹⁵ found that vehicle-related air pollutants and their resulting health impacts, including the frequency of respiratory ailments and mortality, is highly localized within approximately 100 to 400 meters downwind. Emissions from total shipping (i.e., produced by international, domestic, and fishing) has risen 9.6 percent from 2012 to 2018, and carbon dioxide (CO₂) emissions grew 9.3 percent.¹⁶ Port traffic emissions are expected to increase 50 percent by 2050 from 2018 values under a business-as-usual scenario.¹⁷

This program will address emissions related to trucking operations and provide a framework for environmentally sound port expansion and growth. The Department will encourage projects that improve workforce conditions, the public and environmental health of nearby communities, and support growth and resiliency. Projects could be used to implement critical infrastructure and operations programs. This program offers an opportunity to explore innovative port

¹⁵ *Transportation Research Record: Journal of the Transportation Research Board*, No. 2067, Transportation Research Board of the National Academies, Washington, D.C., 2008, pp. 38–46

¹⁶ Fourth International Maritime Organization Green House Gases Study of 2020

¹⁷ [Green Shipping Corridors Framework](#), Department of State, April 12, 2022

infrastructure projects and streamlined operations for improved public and environmental health, such as charging facilities, staging/parking improvements, and port electrification. These solutions will leverage Federal investment in emissions reduction and yield best practices for other ports and areas of concentrated truck activity nationwide.

Projects supported by this program will provide benefits to the port workforce and surrounding port community, including reduced air pollution and a possible reduction in traffic congestion or noise. Truck parking solutions related to the provision of auxiliary services or vehicle charging may also reduce the incidence of trucks parking in unsafe or unofficial areas.

This program aligns with the following departmental priorities:

- *Climate and Sustainability* – This program coordinates and provides funding to test, evaluate, and deploy projects that reduce port-related emissions from idling trucks, including through the advancement of port electrification and improvements in efficiency, focusing on port operations, including heavy-duty commercial vehicles. It helps to significantly reduce greenhouse gas emissions in the transportation sector by transitioning to clean vehicles and fuels, including electrification, and incorporating carbon reduction strategies. The program also impacts the lifecycle greenhouse gas emissions by reducing the emissions from the manufacturing, installation, maintenance, and disposal of project materials.
- *Equity and Justice⁴⁰* – The program considers the benefits and potential burdens a project may create, who would experience them, and how they may be measured over time, with a specific focus on the impact on underserved communities. Through a meaningful public involvement process, inclusive of underserved populations throughout the project lifecycle, the program provides an opportunity for benefits that would accrue to underserved communities outside of the specific project area.
- *Transformation* – the program is expected to help design infrastructure for the future by investing in purpose-driven research and innovation to meet the challenges of the present.

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Executive Summary

Rural Surface Transportation Grant Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$450 million for competitive grants to eligible entities to improve and expand the surface transportation infrastructure in rural areas. The IJA provided \$350 million and \$400 million for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Rural Surface Transportation Grant Program provides competitive grants to eligible entities to improve and expand the surface transportation infrastructure in rural areas. The goals of the program are to increase connectivity, improve safety and reliability of the movement of people and freight, generate regional economic growth, and improve quality of life.

The Federal share is at least 80 percent, and up to 100 percent for projects on the Appalachian Development Highway System (ADHS), or for projects that address a surface transportation infrastructure need identified for the Denali access system program. At least 25 percent of the funds are reserved for projects that further the completion of designated routes of the ADHS. The program sets aside 15 percent of the funding for eligible projects in States with higher-than-average rural roadway lane departure fatalities. At least 90 percent of rural grant amounts must be for projects of at least \$25 million.

What benefits will be provided to the American public through this request and why is this program necessary?

Rural transportation networks are critically important for domestic production and export of agriculture, mining, and energy commodities, as well as the quality of life for all Americans. Two-thirds of rail freight originates in rural areas, and nearly half of all truck vehicle-miles-traveled (VMT) occur on rural roads. Rural roads account for a significant proportion of total lane miles in the United States, and they play a significant role in our nation's transportation system, safely moving people and goods to their destinations. However, rural areas face several transportation challenges relating to safety, usage, and infrastructure condition. While only 19 percent of the U.S. population lives in rural areas, 43 percent of all roadway fatalities occur on rural roads, and the fatality rate on rural roads is almost 2 times higher than on urban roads.¹⁸ Rural bridges that are closed or posted, for example, require American travelers to make detours nearly twice as long as those necessitated by their urban counterparts.

This program provides grants for rural areas to address transportation gaps and challenges. Addressing these challenges will facilitate supply chains and getting goods to market, providing economic benefits both to these regions and to the entire U.S. economy. It also helps to address safety challenges disproportionately faced by rural communities and travelers.

¹⁸ U.S. Department of Transportation, Bureau of Transportation Statistics, Rural Transportation Statistics available at <https://www.bts.gov/rural>

Detailed Justification Rural Surface Transportation Grant Program

What is the request and what funds are currently spent on the program?

FY 2025 – Rural Surface Transportation Grant Program (\$450 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Rural Surface Transportation Grant Program | 350,000 | 400,000 | 450,000 |
| Total | 350,000 | 400,000 | 450,000 |

What is this program and what does this funding level support?

The Rural Surface Transportation Grant Program provides competitive grants to eligible entities to improve and expand the surface transportation infrastructure in rural areas. The goals of the program are to increase connectivity, improve safety and reliability of the movement of people and freight, generate regional economic growth, and improve quality of life.

The Federal share is at least 80 percent, and up to 100 percent for projects on the ADHS or that address a surface transportation infrastructure need identified for the Denali access system program. At least 25 percent of the funds are reserved for projects that further the completion of designated routes of the ADHS. The program sets aside 15 percent of the funding for eligible projects in States with higher-than-average rural roadway lane departure fatalities. At least 90 percent of rural grant amounts must be for projects of at least \$25 million.

This program provides grants for rural areas to address transportation gaps and challenges. Addressing these challenges will facilitate supply chains and getting goods to market, providing economic benefits both to these regions and to the entire U.S. economy. It also helps to address safety challenges disproportionately faced by rural communities and travelers. Eligible entities are States, regional transportation planning organizations, local governments, Tribal governments or consortia of Tribal governments, and multijurisdictional groups comprising the previously listed entities.

Eligible projects include:

- A highway, bridge, or tunnel project eligible under the National Highway Performance Program, the Surface Transportation Block Grant, and the Tribal Transportation Program; or a highway freight project eligible under the National Highway Freight Program.
- A highway safety improvement project, including a project to improve a high-risk rural road as defined by the Highway Safety Improvement Program.

- A project on a publicly owned highway or bridge that provides or increases access to an agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area.
- A project to develop, establish, or maintain an integrated mobility management system, a transportation demand management system, or on-demand mobility services.

Rural Surface Transportation Grant Program funding focuses on supporting projects that improve safety, economic strength and global competitiveness, equity, and climate and sustainability consistent with the Department's strategic goals. It is also executed consistently with the priorities in Executive Order 14052: *Implementation of the Infrastructure Investments and Jobs Act*, which are to invest efficiently and equitably, promote the competitiveness of the U.S. economy, improve job opportunities by focusing on high labor standards, strengthen infrastructure resilience to all hazards including climate change, and to effectively coordinate with State, local, Tribal, and territorial government partners.

What benefits will be provided to the American public through this request and why is this program necessary?

This program provides grants for rural areas to address transportation gaps and challenges. Addressing these challenges facilitates supply chains and getting goods to market, providing economic benefits both to these regions and to the entire U.S. economy. It also helps to address safety challenges disproportionately faced by rural communities and travelers. Rural roads account for 68 percent of total lane miles in the United States and play a significant role in our Nation's transportation system, safely moving people and goods to their destinations. However, rural areas face several transportation challenges relating to safety, usage, and infrastructure condition.

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Executive Summary

Federal Allocation Programs

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$541 million for the Federal Allocation Programs. The IJA provided \$528 million and \$534 million for these programs in FY 2023 and FY 2024, respectively. These programs are funded through the Highway Trust Fund, with the exception of \$68 million from the General Fund through advance supplemental appropriations in each of FY 2023, FY 2024, and FY 2025 for the Construction of Ferry Boats and Ferry Terminal Facilities.

What is this program and what does this funding level support?

This program category contains six separate programs that have had a long-standing, positive impact on our Nation's highway infrastructure.

What benefits will be provided to the American public through this request and why is this program necessary?

The **Construction of Ferry Boats and Ferry Terminal Facilities** program provides funding for ferry services which are important links in the network of Federal-aid highways, and in many cases, are the only reasonable form of transportation.

The **Disadvantaged Business Enterprise Supportive Services** program benefits the American public by assisting small and disadvantaged firms with building capacity and improving their ability to compete for Federal-aid highway contracts. Moreover, a healthy small business sector creates jobs, stimulates innovation, and provides employment opportunities for many people, including women and minorities.

Emergency Relief program funds are critical to maintaining mobility and safety for the American public following a disaster. The ER program provides funding to States, Federal Land Management Agencies, and Tribal governments for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster.

The **Highway Use Tax Evasion Projects** program provides funding to the Internal Revenue Service and the States to carry out intergovernmental enforcement efforts, along with training and research, to reduce evasion of payment of motor fuel and other highway use taxes, which are the principal sources for Federal and State highway funding.

The **On-the-Job Training Supportive Services** program helps develop the capacity of the Nation's current and future highway construction industry workforce by providing the development and diversity of skilled labor. A skilled workforce is vital to constructing and maintaining a safe and efficient transportation system.

The **Territorial and Puerto Rico Highway Program** has provided for the construction of critical infrastructure in Puerto Rico and the four territories. The program stimulates local economic growth, which generates a positive impact on a national level. It also provides critical infrastructure that serves key facilities with a strategic role for national defense.

Detailed Justification

Construction of Ferry Boats and Ferry Terminal Facilities

What is the request and what funds are currently spent on the program?

FY 2025 – Construction of Ferry Boats and Ferry Terminal Facilities (\$184 million)
(\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Construction of Ferry Boats and Ferry Terminal Facilities | 180,400 | 182,400 | 184,400 |
| Total | 180,400 | 182,400 | 184,400 |

What is this program and what does this funding level support?

The FY 2025 budget request of \$184 million is required to maintain and improve important transportation connections on the Federal-aid highway system, as well as provide access to remote areas where other modes of transportation may not be available for passengers and vehicles.

The Construction of Ferry Boats and Ferry Terminal Facilities (FBP) program provides funding to construct ferry boats and ferry terminal facilities. Funds are proportionally distributed to eligible ferry operations, based on the number of ferry passengers, the number of vehicles carried, and the total route miles serviced.

Ferry services are important links in the network of Federal-aid highways. Often ferries carry significant numbers of passengers and vehicles. In many cases, they are the only reasonable form of transportation, particularly on coastal islands which have year-round residents.

What benefits will be provided to the American public through this request and why is this program necessary?

This program supports the following DOT priorities and initiatives:

- **Safety:** projects utilizing the FBP funding address roadway safety and implement the Safe System approach wherever possible.
- **Equity:** FHWA will work with States to ensure consideration of using FBP funds for projects and inclusion of project elements that proactively address equity, workforce development, economic development, and remove barriers to opportunity, particularly in traditionally underserved and underrepresented populations. In addition, FBP projects can support the Justice40 Initiative, which establishes a goal that at least 40 percent of the benefits of Federal investments in climate and clean energy infrastructure are distributed to disadvantaged communities.

- **Climate Change:** FHWA encourages recipients to consider projects under the FBP that support climate change resilience, including consideration of the risks associated with wildfires, drought, extreme heat, and flooding, in line with guidance for projects in floodplains. FHWA also encourages recipients to consider projects under the FBP that address environmental justice concerns. Section 11117 (b)(1) of the IIJA provides a temporary increased Federal share of 85 percent on projects to replace or retrofit a diesel fuel ferry vessel that provides substantial emissions reductions through September 30, 2025.

The Construction of Ferry Boats and Ferry Terminal Facilities program addresses mobility and access in urban and rural areas by providing valuable assistance to help States and other entities replace or acquire new ferry boats; replace propulsion systems with newer, cleaner, and more energy-efficient power plants; update navigational control systems; construct new terminals; improve access for the disabled; and replace and construct new docking facilities. Through these activities, the program supports the Secretary's priorities by providing vital connections on the network of Federal-aid highways, increasing mobility and safety particularly for citizens for which ferry services are the only reasonable transportation option. For FY 2023, this program has made \$171.5 million in formula funding available for 112 eligible ferry operations in 35 States and three U.S. territories.

Detailed Justification

Disadvantaged Business Enterprise Supportive Services Program

What is the request and what funds are currently spent on the program?

FY 2025 – Disadvantaged Business Enterprise Supportive Services (\$10 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Disadvantaged Business Enterprise Supportive Services ^{1/} | 10,000 | 10,000 | 10,000 |
| Total | 10,000 | 10,000 | 10,000 |

1/ Program funded as set-aside from Administrative Expenses.

What is this program and what does this funding level support?

The FY 2025 budget requests \$10 million for the Disadvantaged Business Enterprise Supportive Services (DBE/SS) Program. The FY 2025 request supports the ability of States to enhance vital DBE/SS programs and supports three of the Secretary’s key priorities for the FY 2025 budget: Economic Strength and Global Competitiveness; Equity; and Transformation. Further, the program directly supports Executive Order 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* and is an essential element for wealth creation.

State Departments of Transportation (State DOTs), as recipients of Federal-aid highway funds are required to administer a Disadvantage Business Enterprise (DBE) program. The DBE/SS program supports the ability of State DOTs to achieve the objectives of the DBE program, which are to ensure nondiscrimination and allow small businesses owned primarily by minorities and women to compete fairly for DOT-assisted contracts in the transportation industry (49 CFR Part 26).

The DBE/SS Program under section 140(c) of title 23 United State Code, authorizes FHWA to fund \$10 million annually to participating State DOTs to administer programs that develop and provide training and technical assistance to DBE firms to improve their business practices, overcome barriers to success, and develop and diversify to improve their ability to participate on federally assisted contracts. This program seeks to redress current discrimination and the effects of past discrimination that historically excluded firms owned by minorities and women from participation in contracts funded by the Federal government. A more diverse make-up of firms participating on improving America’s infrastructure helps ensure competition, job creation, supports the creation and transfer of wealth, and strengthens the economic base of our country.

The DBE/SS funds made available each fiscal year are allocated by the FHWA Office of Civil Rights to State DOTs by formula and are eligible for a 100 percent Federal share, with no State

match required. The primary purpose of the DBE/SS program is to provide training, capacity building assistance, and services to firms certified in the DBE program. This training and support is intended to increase their activity within the program, and to facilitate the firms' development into viable, self-sufficient organizations capable of competing for, and performing on, federally assisted highway projects.

Since FY 2015, FHWA has required State DOTs accepting DBE/SS funds to create and administer Business Development Programs (BDPs). These BDPs must provide DBEs the opportunity to be evaluated and must provide a structured process for the DBEs to receive firm-specific training and guidance to be competitive within the heavy highway marketplace. Program activities include seminars that highlight DBE program regulation and/or policy changes, workshops geared to help small firms grow their business capacity, and training in bonding and financial assistance, marketing, and accounting.

What benefits will be provided to the American public through this request and why is this program necessary?

This program supports three of the Secretary's key priorities for the FY 2025 budget: Economic Strength and Global Competitiveness; Equity; and Transformation. Further, the program directly supports Executive Order 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*. The program directly supports small business development, specifically small businesses owned by minorities and women. Small businesses are vital to the health of the Nation's economy and can significantly contribute to infrastructure redevelopment initiatives. Small businesses generate new employment opportunities within their local communities and thereby contribute to the economic strength and stability of these communities.

The program is necessary to assist a sector of the small business community to build their capacity and ability to compete for contracts. Additionally, this program assists with creating a more diverse make-up of firms participating in improving America's infrastructure that, in turn, contributes toward ensuring competition, job creation, and strengthens the economic base of our country.

With respect to E.O. 13985, this program serves to address ongoing discrimination and the effects of past discrimination that historically excluded firms owned by minorities and women from participation in transportation projects funded by the Federal government.

Detailed Justification Emergency Relief Program

What is the request and what funds are currently spent on the program?

FY 2025 – Emergency Relief Program (\$100 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Emergency Relief Program ^{1/} | 100,000 | 100,000 | 100,000 |
| Total | 100,000 | 100,000 | 100,000 |

1/ In FY 2023, \$5.7 million (5.7 percent) and in FY 2024, \$5.7 million (5.7 percent) of contract authority was sequestered; exempt from obligation limitation. Table does not reflect sequestration.

What is this program and what does this funding level support?

Congress authorized the Emergency Relief (ER) program from the Highway Trust Fund in section 125 of title 23, United States Code, providing for the repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of: (1) natural disasters; or (2) catastrophic failures from an external cause. This program supports the Secretary’s key priorities of infrastructure and safety by supplementing the commitment of resources from States, their political subdivisions, or other Federal agencies, to help pay for unusually heavy expenses resulting from extraordinary conditions that damage existing infrastructure and allow such infrastructure to return to a safe condition.

Examples of natural disasters include floods, hurricanes, earthquakes, tornadoes, tidal waves, severe storms, landslides, and wildfires. A catastrophic failure from an external cause is defined as the sudden and complete failure of a major element or segment of the highway system that causes a disastrous impact on transportation services. The cause of the catastrophic failure must be determined to be external to the facility. A bridge suddenly collapsing after being struck by a barge is an example of a catastrophic failure from an external cause. Failures due to an inherent flaw in the facility itself do not qualify for ER assistance.

When a natural disaster or catastrophe strikes, the ER program is available to provide assistance to restore essential traffic, prevent future damage and protect the remaining facility. Longer-term permanent repairs to restore damaged highways are also funded through the ER program. When economically justified, betterments to damaged highways, including those aimed at improving the resiliency of those facilities, would be eligible for funding through the ER program. Additionally, the law makes eligible the cost of a comparable facility that is designed to current geometric and construction standards required for the types and volume of traffic the facility will carry over its design life.

The ER program has been funded through a recurring annual authorization of \$100 million since 1972. When the ER program has demonstrated needs exceeding available funding, Congress has provided supplemental appropriations, typically from the General Fund.

Over the past 6 years, the costs of nationwide ER events have averaged about \$865 million annually. Since 2005, over \$18.8 billion has been provided through supplemental appropriations to the ER program, in addition to the annual \$100 million authorization. This includes recent appropriations of \$1.5 billion in FY 2017, \$1.4 billion in FY 2018, \$1.7 billion in FY 2019, \$2.6 billion in FY 2022, and \$803 million in FY 2023 for nationwide disasters. These appropriations were funded by the General Fund.

In May 2023, FHWA announced \$749 million in Emergency Relief funds to help 39 States, the District of Columbia, and Puerto Rico make repairs to roads and bridges damaged by storms, floods, wildfires, and other events in recent years. The Fiscal Year 2023 allocation provides funding for continued repairs from the 2017 Hurricanes Irma and Maria; 2019 Camp, Woolsey, and Hill Wildfires; 2022 flooding in and around Yellowstone Park; 2022 Hurricane Ian; and other disasters across the country. In January 2024, FHWA provided \$729.4 million to 34 states, the District of Columbia, the U.S. Virgin Islands and Puerto Rico. The funds will be used to support repair needs following natural disasters, extreme weather, or catastrophic events, such as hurricanes, flooding and mudslides.

As of January 2024, the estimate of nationwide unmet ER needs was \$2.029 billion.

What benefits will be provided to the American public through this request and why is this program necessary?

ER program funds are critical to maintaining mobility and safety for the American public following a disaster. Natural disasters and catastrophes that destroy highways and bridges are unpredictable events and can occur anywhere in the country. The ER program provides funding to States, Federal Land Management Agencies, and Tribal governments for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster. The ER Program supports the Secretary's priorities by returning damaged roads and bridges to safe operating conditions, improving damaged roads and bridges by upgrading to current design standards, and, when eligible, improving resiliency. In accordance with the Bipartisan Infrastructure Law (PL 117-58) and Executive Order 14008, incorporating economically justifiable improvements and protective features into ER-funded projects will help to mitigate the risk or recurring damage from extreme weather events and other natural disasters and build resilience against the impacts of climate change.

Through the Emergency Relief Program, FHWA often provides "quick release" funding which helps restore critical transportation infrastructure immediately after an event. These funds are a down payment toward restoring damaged transportation infrastructure. During FY 2023, FHWA distributed \$79.8 million in Emergency Relief quick release funding to: offset costs of emergency repair work needed as the result of multiple "atmospheric river" and winter storm events in California; provide funding for critical repairs to I-95 in Philadelphia to restore essential traffic after a truck fire resulted in the collapse of a bridge; repair roads and bridges in

Vermont after multiple storms and flooding events; and fund emergency repairs to damaged roads in Maui after the wildfires.

Detailed Justification Highway Use Tax Evasion Projects

What is the request and what funds are currently spent on the program?

FY 2025 – Highway Use Tax Evasion Projects (\$4 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Highway Use Tax Evasion Projects ^{1/} | 4,000 | 4,000 | 4,000 |
| Total | 4,000 | 4,000 | 4,000 |

1/ Program funded as set-aside from Administrative Expenses.

What is this program and what does this funding level support?

The Highway Use Tax Evasion Projects (HUTE) program provides funding to the Internal Revenue Service (IRS) and the States to carry out intergovernmental enforcement efforts, along with training and research, to reduce evasion of payment of motor fuel and other highway use taxes, which are the principal sources for Federal and State highway funding. The budget requests \$4 million to fund this program in FY 2025. Of this amount: \$2 million is available to make grants for intergovernmental enforcement efforts, including research and training. The intergovernmental enforcement efforts grants are awarded to State agencies through a competitive application process from which FHWA and the IRS make selections based on the most innovative, intergovernmental proposals. The States then perform various tasks, including increased enforcement, enhancement of data systems, and coordination with other State agencies.

The remaining funding may, at the discretion of the Secretary of Transportation, either be awarded for intergovernmental enforcement efforts grants, or allocated to the IRS for their enforcement efforts.

While the statute allows for the IRS to determine the use of their allocations, they must be used in some fashion related to the identification and elimination of highway use tax evasion. IRS initiatives may include, but are not limited to, office examinations, refinery and terminal examinations, and on-road enforcement in areas such as the illegal use of dyed diesel fuel by motor vehicles.

The FY 2025 request will continue to fund IRS initiatives, including the expansion of the Joint Operations Center for National Fuel Tax Compliance (JOC), a joint FHWA/IRS/State initiative and new, innovative, and intergovernmental enforcement efforts at the State level.

Through the efforts of this program, the IRS has launched a number of initiatives over the past ten years, including: Diesel Examinations, Tire Tax Examinations, the review of Heavy Highway Vehicle Use Tax (HVUT) returns, mislabeled imported fuel examinations, examinations of

mislabeled products at refineries and terminals, and examinations of questionable credit claims. These are just some of the efforts supported in part by the annual allocation to the IRS.

Over the past five years, \$10 million in funding was provided to the IRS, which resulted in \$480 million in assessments through various activities, including internal audits, refinery and terminal inspections, and retail truck inspections. The IRS initiatives are not solely funded from Highway Use Tax Evasion funds, but they provide a significant portion of the funding.

The following table shows examples of initiatives at the State level, comparing amounts provided by this program and the results from Fiscal Years: 2021, 2022, and 2023.

| Year | Agency | Expenditures | Results | Description |
|------|---|--------------|---------------|---|
| 2023 | Arizona Department of Transportation | \$ 59,288 | \$ 265,622 | Results are from State assessments on 283 leads from 39 taxpayers. Amount includes taxes, penalties, and interest. Information mainly from comparisons of State data and ExStars (IRS reporting) data. |
| 2023 | Kentucky Finance and Administration Cabinet | \$ 2,194 | \$ 495,730.13 | Results are from audits including additional taxes and refund reductions. |
| 2023 | North Carolina Department of Revenue | \$ 117,951 | \$ 1,200,468 | For the reporting period, 21 audits were completed generating \$1,200,468 in revenue assessments. A total of 90 JOC audits have been completed, resulting in \$10,728,298 in revenue assessments, since 2015. |
| 2022 | Arizona Department of Transportation | \$ 90,520 | \$ 4,772,084 | Results are from State assessments on 283 leads from 39 taxpayers. Amount includes taxes, penalties, and interest. Information mainly from comparisons of State data and ExStars (IRS reporting) data. |

| | | | | |
|------|--------------------------------------|------------|---------------|---|
| 2022 | Colorado Department of Revenue | \$ 82,400 | \$ 7,044,555 | Based on information provided by fuel distributor data, information received from other distributors, and information received from other states, the Fuel Unit tracks assessments made for the FHWA Motor Fuel Tax Compliance project. |
| 2022 | North Carolina Department of Revenue | \$ 36,204 | \$ 1,961,343 | Since North Carolina began actively auditing in 2015 utilizing JOC data, a total of 69 audits have been completed, resulting in \$9,527,830 in revenue assessments, and an overall efficiency rating of \$4,563 per hour spent on an audit. |
| 2021 | Arizona Department of Transportation | \$ 108,444 | \$ 14,649,522 | Results are from State assessments on 565 leads from 45 taxpayers. Amount includes taxes, penalties, and interest. Information mainly from comparisons of State data and ExStars (IRS reporting) data. |

As the data indicates, there are significant findings at the IRS and State levels; however, highway use tax evasion persists with new methods of evasion regularly employed. The continued funding of this program would strengthen not only the successful efforts already in place, but also the enhanced practices resulting from training and vital equipment, such as enhanced motor fuel tracking computer software that is critical for sharing information between the IRS and States. The HUTE program funding can also be used for training in the assessment of highway tax evasion. Many States have opted for this training, which provides great value by preparing practitioners to complete the assessments noted in the above table.

What benefits will be provided to the American public through this request and why is this program necessary?

The collection of highway use taxes is a critical part of the Federal-aid highway program. The HUTE program will increase transportation revenues at the Federal and State levels ensuring that these valuable tax dollars can be properly used to increase the safety and mobility of the Nation’s roads and bridges.

The HUTE program aligns with the following Secretary's key priorities:

Safety – Due to the unique nature of this program, there is a heavy emphasis on identifying and preventing evasion of highway use taxes. In addition to the fact that motor fuels are hazardous materials, and evasion often accompanies theft, the unaccounted-for movement, and handling of the product can cause safety issues. Furthermore, the adulteration of fuel can create unstable mixtures, damaging engines and creating a potential for fires and other hazards. Often it is found that those who are evading the taxes have a willingness to avoid all safety protocols.

Economic Strength and Global Competitiveness – The evasion of highway use taxes directly impacts the Highway Trust Fund and thus reduces the revenue available for all highway-related programs. The revenue will help grow an inclusive and sustainable economy. We can invest in our transportation system to provide American workers and businesses reliable and efficient access to resources, markets, and good-paying jobs.

Organizational Excellence – This program shows that FHWA is committed to collecting the correct amount of taxes that are due, thus ensuring that the proper revenue is being deposited into the Highway Trust Fund, and ultimately providing the necessary funding to support our transportation programs.

Detailed Justification On-the-Job Training Supportive Services

What is the request and what funds are currently spent on the program?

FY 2025 – On-the-Job Training Supportive Services (\$10 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| On-the-Job Training Supportive Services ^{1/} | 10,000 | 10,000 | 10,000 |
| Total | 10,000 | 10,000 | 10,000 |

1/ Program funded as set-aside from Administrative Expenses.

What is this program and what does this funding level support?

The On-the-Job Training Supportive Services (OJT/SS) Program under section 140(b) of title 23, United States Code (U.S.C.), supports the State Departments of Transportation (DOTs) On-the-Job Training (OJT) programs. As recipients of Federal transportation funds, State DOTs must establish an OJT program.

The primary objective of On-the-Job Training/Supportive Services (OJT/SS) is to increase the overall effectiveness of each State Transportation Agency’s approved OJT program in connection with Federal-aid highway construction projects and to seek other ways to increase the training opportunities for women, minorities, and disadvantaged individuals. The OJT/SS program provides resources to program participants that create more opportunities for individuals to participate in the OJT program – especially those who are members of underrepresented groups.

Supportive services may include, but are not limited to, the following: assistance with childcare expenses; temporary lodging associated with the training; transportation assistance such as vouchers from public transit or rideshares; personal protective equipment and work gear such as steel-toed boots; stipends for necessities such as food while actively in training. The objective is to enhance capacity of the highway construction workforce. The supportive services funding is used to build skill sets and job accessibility in local, state and federally funded construction projects.

Many States are expanding their OJT programs to include justice challenged individuals and other groups that haven’t had access in the past. These groups may require additional supportive services such as addiction counseling. Because of the challenges associated with this expansion, many States have requested additional funding that isn’t currently available within authorized levels.

Additionally, 23 U.S.C. 140(b) provides authority to support efforts within the academic community to engage students in transportation-related career opportunities. Funding is provided to States to partner with accredited academic institutions for the National Summer Transportation Institute (NSTI) program focused on science, technology, engineering, and math opportunities for high school and junior high/middle school students to learn about, and become familiar with, transportation-related career options. Funding also supports the Summer Transportation Internship Program for Diverse Groups, which provides internship opportunities for college students to engage with DOT modes to work in a transportation-related career field.

What benefits will be provided to the American public through this request and why is this program necessary?

This program supports four of the Secretary's key priorities for the FY 2025 budget: Economic Strength; Ensuring Investments Meet Equity and Economic Inclusion Goals; Climate and Sustainability; and Transformation of our Nation's Transportation Infrastructure. Further, the program directly supports the Administration's Executive Order 13985: *Advancing Racial Equity and Support for Underserved Communities*.

The OJT/SS and NSTI programs advance the U.S. Department of Transportation's (DOT) key equity objective under Executive Order 13985 by providing supportive services and training and educational opportunities to women, minorities, and disadvantaged individuals. The OJT/SS program seeks to address the historical under-representation of women, minorities, and disadvantaged individuals in the highway construction industry by establishing targeted apprenticeship and training programs. The NSTI program creates awareness and stimulates interest in transportation career opportunities among middle school and high school students.

The OJT/SS and NSTI programs advance equity by promoting economic and employment opportunities for rural and historically underserved communities. Many States implement their programs in rural and historically underserved communities and provide supportive services and training to disadvantaged individuals who live and work in these communities.

The OJT/SS program supports the highway construction industry establishing and maintaining apprenticeship and training programs targeted to move minorities, women, and disadvantaged individuals into journey-level positions. It is necessary to expand the diversity of skilled labor to support the capacity of the Nation's current and future highway construction industry workforce. It familiarizes individuals with transportation-related training opportunities and encourages them to pursue a career in transportation.

In addition, the OJT/SS program prepares students to be competitive in transportation careers. It offers an opportunity for individuals to retool their skills due to changes in industries related to climate change, such as fossil fuels like coal. For the American public, a skilled workforce is vital to designing, constructing, operating, and maintaining a safe and efficient transportation system that underpins the national economy.

According to a 2021 national survey by the Associated General Contractors of America¹⁹, 89 percent of construction firms reported difficulty finding qualified workers. The OJT/SS program

¹⁹ Source: https://www.agc.org/sites/default/files/2021_Workforce_Survey_National_Autodesk.pdf

is necessary to assist the highway construction industry with identifying, training, and placing individuals on highway construction projects. Additionally, the program assists with creating a more diverse make-up of the highway construction workforce, which moves America more towards economic justice.

With respect to E.O. 13985, this program addresses ongoing discrimination and the effects of past discrimination that historically excluded minorities, women, and disadvantaged individuals from employment in the highway construction industry especially on transportation projects funded by the Federal government. FHWA is collecting national data to better understand the impact of the OJT/SS programs on increasing the employment of minorities, women, and disadvantaged individuals on highway construction projects.

Detailed Justification Territorial and Puerto Rico Highway Program

What is the request and what funds are currently spent on the program?

FY 2025 – Territorial and Puerto Rico Highway Program (\$233 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Territorial and Puerto Rico Highway Program | 224,000 | 228,000 | 232,500 |
| Total | 224,000 | 228,000 | 232,500 |

What is this program and what does this funding level support?

This program provides funding to Puerto Rico and the four territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands. Of the FY 2025 budget request of \$233 million, \$184 million would be provided to Puerto Rico, and the remaining \$49 million is divided among the four territories via an administrative formula.

The Transportation Equity Act for the 21st Century of 1998 established the Puerto Rico Highway Program. The Federal-Aid Highway Act of 1970 created the Territorial Highway Program, and subsequent legislation continued the program. The Bipartisan Infrastructure Law continues to provide dedicated funding to assist each territory in the construction and improvement of a system of arterial and collector highways, and necessary inter-island connectors.

In addition, the Territorial and Puerto Rico Highway Program contributes to the performance measure to reduce the backlog of \$830 billion in highway repairs by 50 percent by 2040.

In direct support of the Secretary’s key priorities of infrastructure and safety, 50 percent of the funds provided to Puerto Rico must be spent on projects eligible under the National Highway Performance Program (NHPP), 25 percent must be spent on projects eligible under the Highway Safety Improvement Program (HSIP), and the remaining 25 percent can be spent for any purpose under chapter 1 of title 23, United States Code. The location and eligibility requirements are similar to those that apply to the States.

Funds provided to the four territories may be used for projects eligible under the Surface Transportation Block Grant Program (STBG); preventive maintenance; ferry boats, terminals, and approach roadways; engineering, economic and planning studies; regulation and equitable taxation of highways; and research and development. Territorial funds are generally subject to the location requirements of the STBG, except that rural minor collector routes are eligible. The four territorial programs are administered under individual agreements between the Secretary and the chief executive officer of each of the territories.

Territorial and Puerto Rico Highway Program funding is critical to providing transportation infrastructure to Puerto Rico and the four territories. Puerto Rico and the four territories have military facilities or serve a strategic role important to national defense. They also contribute to the national economy through tourism, agriculture, and access to foreign trade.

What benefits will be provided to the American public through this request and why is this program necessary?

The Territorial and Puerto Rico Highway Program supports the President's efforts outlined in Executive Orders 14002: *Economic Relief Related to the COVID-19 Pandemic*, 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and 14008: *Tackling the Climate Crisis at Home and Abroad*. This program does so by creating projects that provide safe multimodal facilities and generate high paying jobs in underserved communities. Projects funded through these programs have a positive impact on the life of residents by improving access to job centers, as well as educational and healthcare facilities.

Specifically, this program helps repair and rebuild roads and bridges, allowing for funds to be applied to climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians. In addition to increasing safety, mobility, transportation equity, and accessibility, the Territorial and Puerto Rico Highway Program also provides critical infrastructure that serves key facilities, which have a strategic role for national defense.

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Executive Summary

Research, Technology & Education (RT&E) Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$520 million for the RT&E Program. The IIJA provided \$518 million and \$519 million for this program in FY 2023 and FY 2024, respectively. This program is funded through the Highway Trust Fund, with the exception of \$19 million from the General Fund in advance supplemental appropriations in FY 2023, FY 2024, and FY 2025 for University Transportation Centers.

What is this program and what does this funding level support?

The RT&E program delivers research, development, technology transfer, and training to address critical knowledge gaps that are not effectively addressed by other research sponsors and to foster the implementation of technologies to meet current and future highway transportation needs across all communities. Research products are transferred to the end users and/or made available in the marketplace through various technology transfer mechanisms supported by the RT&E Program.

The RT&E Program is comprised of the following subprograms:

- Highway Research & Development: \$147 million for research and development to produce transformative solutions to improve safety, foster innovation, accelerate projects, and better meet operations, policy, and infrastructure needs.
- Technology & Innovation Deployment: \$110 million to turn research products into proven technologies that address emerging needs, invest in the Nation's infrastructure, and promote rapid adoption of proven, market-ready technologies and innovations.
- Intelligent Transportation Systems Program (ITS): \$110 million for innovative research and rapid deployment of applications and tools that facilitate a safe, connected, integrated, and automated transportation system that is information-intensive to better serve the interests of users and be responsive to the needs of travelers and system operators.
- Training & Education Program (T&E): \$25.75 million to train the current and future transportation workforce, transferring knowledge quickly for effective deployment.
- State Planning and Research program (SP&R – Planning Portion: \$783 million; Research portion: \$261 million-- Non-add): The States must set aside \$261 million of their formula program funds to conduct research and deploy technologies and innovations of local, regional, and national interest. This program is a set-aside from the NHPP, STBG, HSIP, CMAQ, and NHFP programs.
- University Transportation Centers (\$100.5 million), and Bureau of Transportation Statistics (\$26.75 million): These programs are administered by the Office of the Assistant Secretary for Research and Technology.

What benefits will be provided to the American public through this request and why is this program necessary?

FHWA's contributions to researching and implementing transformative innovations and technologies are changing the way roads, bridges, and other facilities are planned, designed, built, managed, and maintained. Innovations developed and/or advanced through the RT&E program support and improve safety and enable a more efficient, reliable, and equitable transportation system that is cost-effective and sustainable, thus improving overall economic competitiveness and quality of life.

Detailed Justification Highway Research and Development Program

What is the request and what funds are currently spent on the program?

FY 2025 – Highway Research and Development Program (\$147 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Highway Research and Development Program | 147,000 | 147,000 | 147,000 |
| Total | 147,000 | 147,000 | 147,000 |

What is this program and what does this funding level support?

This request enables the Department to conduct, sponsor, sustain, and guide highway research and development activities that address current and emerging highway challenges across all communities and provide data and information to support policy decisions. This request aligns with the Secretary’s priorities and provides the funding required to support a comprehensive and coordinated research and development program that will advance the safety of the Nation’s surface transportation system, ensure economic strength and improve core assets, ensure investments meet racial equity and economic inclusion goals, improve resilience and address climate change, and enable the transformation of our Nation’s transportation infrastructure to provide accessibility and modernize the transportation system to meet future demands.

In addition, Highway Research and Development contributes to the following performance measures:

- Ensure that at least 40 percent of the benefits of U.S. DOT investments in the areas of clean energy and energy efficiency, clean transportation, and the remediation and reduction of legacy pollution flow of disadvantaged communities;
- Doubles the number of research and deployment projects centered on breakthrough discoveries that introduce new technologies or approaches not currently deployed in the transportation system;
- By 2026, support 25 novel data and technology approaches related to artificial intelligence, cybersecurity, and infrastructure resilience in communities across the U.S.;
- By 2026, create a digital forum to engage 10,000 transportation professionals to share best practices and use cases on smart cities/communities, technology, and data in transportation; and
- By 2026, support 25 projects that build data and technology systems for transportation planning and infrastructure operations that serve as interoperable platforms that can engage with various tools, technologies, and approaches.

Highway Research and Development (HRD) governs the Research and Development (R&D) portion of FHWA's RT&E program. Eligible research areas under HRD include improving highway safety; improving infrastructure integrity; strengthening transportation planning and environmental decision-making; reducing congestion, improving highway operations, and enhancing freight productivity.

The FHWA fosters innovation development as a continuous cycle by working with stakeholders and private partners to identify and invest in emerging needs. The FHWA has a long history of strong partnerships with the States, Federal agencies, academia, and private industry to coordinate efforts and leverage the unique capabilities of each to advance shared goals. In addition, FHWA develops joint strategies to address Departmental goals with modal stakeholders. Leveraging the outputs of this process, the Agency sets goals to address the national gaps and opportunities through research and technology deployment.

FHWA's Office of Research, Development, and Technology (RD&T) is located at the Turner-Fairbank Highway Research Center (TFHRC), a federally owned and operated national research facility in McLean, Virginia. The TFHRC houses 15 laboratories and support facilities and conducts exploratory and applied research, as well as development activities. The TFHRC staff administers the majority of FHWA's research and development activities in the areas of infrastructure, digital project delivery, operations, and safety. Research in areas of Intelligent Transportation Systems, policy, innovative finance, planning, operations, and the environment is primarily conducted or administered by FHWA offices located at DOT Headquarters.

HRD is administered in conjunction with the Technology and Innovation Deployment Program and supports the Training and Education Program, the Intelligent Transportation System Program, and the State Planning and Research Program.

What benefits will be provided to the American public through this request and why is this program necessary?

The programs under FHWA's R&D portfolio cover exploratory advanced research, applied research and development, and initial testing of technological solutions that address emerging needs and support the infrastructure of the future. FHWA's research programs seek to improve safety, reduce congestion, enhance infrastructure design and construction, and provide data and analyses to decision-makers throughout the transportation community. The FHWA research programs fill a critical gap in the development of transformative innovations. While the private sector and university research programs are critical to the advancement of highway safety, operations, and infrastructure, the FHWA research program is not constrained by the same barriers to innovation such as risk aversion and long-term investments. This allows FHWA, in coordination with these other research entities, to lead the way and accelerate innovation in critical areas that will serve as a direct benefit to taxpayers across the Nation and will support continued economic competitiveness.

The Improving Highway Safety for All Users program aims to help stakeholders reduce fatalities and serious injuries for all users on all public roadways. The program conducts research, develops training, and assists DOT's partners and stakeholders in applying the Safe System Approach. It researches needs among all roadway users to better understand human

behavior and the relationship among all users, infrastructure, and vehicles. The research includes projects to provide improved State and local safety data systems that commonly record crash, roadway inventory, and traffic volume data, as well as improve the ability of road owners and operators to make science-based safety decisions. FHWA works with NHTSA Crash Data Systems to identify how data analytics can be applied to combine multiple data sets and define the effectiveness of safety countermeasures through Crash Modification Factors. FHWA staff regularly meet with the National Center for Statistics and Analysis from NHTSA to discuss novel ways to analyze the data collected at NHTSA. FHWA is working to leverage NHTSA's efforts in collecting information on personal conveyance vehicles (i.e., scooters/bikes) in crashes as well as more accurate and timelier information from all crash data elements.

The program will advance key actions from the National Roadway Safety Strategy that considers human error and focuses on countermeasure development that improves the protection of vehicle occupants, pedestrians, bicyclists, and other vulnerable road users. This effort will involve collaboration with agencies as they design and operate roadways to fully integrate the needs of all users, accommodate human behavior and human error, and minimize injury severity. Pedestrian and bicycle safety continue to be focus areas of the broader safety program because annual pedestrian and bicyclist fatalities have been at their highest levels in decades. Equity-focused research in roadway safety will work to close disparities in roadway fatalities and serious injuries for underserved communities through research, training, and awareness-raising activities. A study on equity as a morbidity factor is scheduled for completion in 2025.

The Improving Infrastructure Integrity, Sustainability, and Practices program consists of a coordinated set of RD&T activities focused on leading, supporting, and enabling improvements in highway infrastructure safety, accessibility, efficiency, integrity, sustainability, resiliency, and practices. The program provides the data, information, and systems required to link Federal transportation investments to improvements in system performance. It delivers tools, technologies, information, and guidelines that highway owners can apply to effectively maintain and improve infrastructure integrity and meet user needs. Accessibility and efficiency are being achieved by developing and advancing technologies to enable data management, data integration, and the digital transformation of project delivery.

New areas of exploration planned for FY 2025 include: assessment of impacts of changing climate conditions on bridge scour and development of scour hazard curves using probabilistic analysis; development of methods to improve pavement life cycle assessments; improved infrastructure resilience to manmade and natural hazards; assessment and deployment of highway speed continuous friction measurements for pavement safety; development of a performance framework for the use of low-carbon materials in infrastructure systems; and improvement of long-term infrastructure performance forecasting accounting to multiple applicable factors.

The Institutionalizing Equity, Strengthening Transportation Planning, and Enhancing Environmental Decision-making research program will carry out RD&T to improve and minimize the cost of transportation planning and environmental decision-making processes and minimize the potential impact of surface transportation on the environment. It supports

innovative research programs to address environmental stewardship and advances equity in project delivery by creating opportunities that benefit historically underserved communities.

The Reducing Congestion, Improving Operations, and Enhancing Freight Productivity program results in innovative technologies and processes that lead to systemwide improvements in how FHWA, along with State and local agencies, manages and improves the efficiency and reliability of the National Highway System (NHS). Program activities require research and specialized attention to assess the opportunities and challenges presented by new and advanced technologies.

In FY 2025, FHWA will incorporate new data, algorithms, artificial intelligence (AI), and machine learning (ML) tools and techniques being developed in other Federal and University laboratories into research on policy, strategy effectiveness, and advanced analysis, modeling, and simulation (AMS) tools. Advanced AMS tools will allow for a more detailed and comprehensive assessment of how transformative technologies, such as Automated Driving Systems and Cooperative Driving Automation (CDA) will impact the NHS. AMS tools will also enable the assessment of operations strategies that leverage CDA to smooth traffic flow and reduce climate change impacts.

In FY 2025, FHWA will update and incorporate new data and analysis with the Freight Mobility Trends tool, visualization tools for the Vehicle Inventory and Use Survey and the Freight Analysis Framework (FAF), as well as the Vehicle Size and Weight Enforcement data portal. This information assists with policy decisions that respond to freight transportation and supply chain needs and provides data for the National Freight Strategic Plan, and the Highway Freight Conditions and Performance Report to Congress, while providing national data on freight mobility to support stakeholders at State DOTs and MPOs.

New and ongoing research will focus on a select number of areas including, but not limited to:

- Mitigating freight impact on air quality and communities near major freight facilities;
- Freight transportation improvements to support supply chain reliability and resilience;
- Developing a truck size and weight research implementation plan;
- Methods to prevent bridge strikes through countermeasures such as warning systems and oversized vehicle routing procedures;
- Addressing the shortage of truck parking needed for safe commercial motor vehicle operations; and
- Advancement of new technologies with connected/automated freight vehicles and electric and alternative fuel freight corridors.

The Accelerating the Implementation and Delivery of New Innovations and Technologies program encompasses a variety of initiatives and activities that seek to address all aspects of highway transportation, including planning, financing, operation, structures, materials,

pavements, environment, construction, and the duration of time between project planning and project delivery.

Accelerating the Discovery of Transformational Solutions program supports strategic investment to respond to changing needs and capabilities in transportation infrastructure, safety, operations, planning, policy, and innovation development and deployment. The program monitors legislative developments, helps to coordinate the RT&E budget allocation, maintains TFHRC, organizes strategic R&D investment, and provides marketing and communications. It administers research in ITS, policy, innovative finance, planning, and the environment.

Exploratory Advanced Research conducts initial stage investigations; and supports early stage, extramural research, and intramural research through open solicitations, partnering with other agencies, and placement of postdoctoral researchers in FHWA. It is the only funding specifically addressing the need for longer term, higher risk research in highway transportation. In addition, Small Business Innovation Research (SBIR) is a highly competitive, awards-based activity that encourages domestic small businesses to engage in R&D addressing high-priority research areas within DOT.

Strategic Innovation for Revenue Collection (SIRC) and the National Motor Vehicle Per-Mile User Fee Pilot are two legislatively mandated programs included in the BIL. Both programs aim to identify innovative, sustainable, and operationally effective solutions for funding highway infrastructure investments in the future.

The Crosscutting program encompasses a diverse set of programs that support all DOT strategic goals, including RD&T initiatives in Policy Analysis, Global Outreach, HDI, Civil Rights, and Federal Lands Highway. The program also allows FHWA to provide special focus each year on legislative mandates, Administration priorities, and certain emerging RD&T issues that the agency would like to accelerate through increased investment.

Detailed Justification Technology and Innovation Deployment Program

What is the request and what funds are currently spent on the program?

FY 2025 – Technology and Innovation Deployment Program (\$110 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Technology and Innovation Deployment Program | 110,000 | 110,000 | 110,000 |
| Total | 110,000 | 110,000 | 110,000 |

What is this program and what does this funding level support?

This request will enable the Department to accelerate the integration and adoption of proven innovative practices and technologies into standard usage to significantly improve safety, system efficiency, infrastructure, reliability and performance, and sustainable communities. The Technology Innovation and Deployment Program (TIDP) will fund efforts to advance research products into proven technologies and demonstrated practices; identify the market forces that will influence successful technology and innovation deployment; and plan and deliver effective technical assistance, training, communication and outreach to promote rapid adoption of proven, market-ready technologies and innovations.

The TIDP reflects the Department’s approach to modernizing infrastructure with safety, resilience, and all users in mind. The program will continue to foster innovation and actively accelerate the deployment of innovative technologies and practices that improve system safety, enhance project delivery, improve core transportation assets, support resiliency, address climate change, and transform our Nation’s infrastructure. The TIDP benefits all aspects of highway transportation and includes the following eligible activities:

- Deploying research results and products developed under the Highway Research and Development (HRD) program.
- Establishing and carrying out demonstration programs.
- Providing technical assistance and training to transportation agencies and stakeholders.
- Developing tools and methods to enhance and accelerate the adoption of proven innovative practices and technologies into standard usage.

This program will support the deployment of proven technologies and transportation-related innovations and processes through financial and technical assistance, training, peer exchanges, collaboration with industry groups, and information and knowledge exchange. Through its oversight role, FHWA will evaluate the deployment methods to determine effectiveness, assess needed improvements, and document outcomes.

In the early stages, as an innovation or new technology moves from research to development, FHWA will seek out willing State, local, and Tribal transportation agencies to pilot new technologies or be early adopters. These early adopters often receive financial and technical assistance to mitigate the increased risk of piloting new technologies or initiatives.

As an innovation or new technology becomes more mature and is ready for more widespread use, training aids will be developed for delivery, and early adopters often become “lead” States. Lead States share best practices, challenges, and successes and encourage others to adopt the innovation. Peer exchanges and pooled funds are used to encourage States or other transportation agencies to directly share knowledge and information and transfer technology.

The TIDP will promote proven, market-ready technologies and innovations. Specific programs will provide resources that enable States and local agencies to accelerate the speed with which innovative technologies and practices enter into standard usage. FHWA Resource Center technical specialists, program office subject matter specialists, and field office personnel will work with State and local agencies to encourage the use of these technologies and practices by their peers as they are best positioned to discuss how these innovations address specific transportation issues and provide benefits and efficiencies.

The TIDP is administered in conjunction with the HRD Program and supports the Training and Education Program (T&E), the Intelligent Transportation System (ITS) Program, and the State Planning and Research (SP&R) Program.

What benefits will be provided to the American public through this request, and why is this program necessary?

Key stakeholders and beneficiaries from this program include State transportation agencies, Federal Land Management agencies (FLMAs), local public agencies, Tribal transportation agencies, and industry groups. FHWA’s technology deployment programs within TIDP seek to improve safety and performance, enhance infrastructure design and construction, and provide data and analyses to transportation decision-makers. The primary programs to accomplish these goals are:

Improving Highway Safety for All Users: This program addresses the contributing factors of roadway deaths and injuries related to roadway design, construction, and maintenance. The program promotes information exchange among peer organizations and proven infrastructure-oriented safety treatments and strategies. The program collaborates with State and local agencies as they design and operate roadways to fully integrate the needs of all users, accommodate human error, and minimize injury severity. The program also provides guidance, policies, tools, and technical assistance to help State and local agencies manage and administer initiatives like the Highway Safety Improvement Program and the Strategic Highway Safety Plans.

Improving Infrastructure Integrity, Sustainability, and Practices: This program delivers tools, technologies, information, and guidelines to help highway owners maintain and improve infrastructure integrity and sustainability and meet user needs. Activities include training and guidance in applying standards, technologies, datasets, and state-of-the-art engineering practices. FHWA infrastructure leaders and program staff regularly engage with key stakeholders to gather

input concerning challenges, address opportunities through the program, and information on other organizations' work.

Institutionalizing Equity, Strengthening Transportation Planning, and Enhancing Environmental Decision-making: This program improves and minimizes the cost of transportation planning, environmental decision-making, and the potential impact of surface transportation on the environment. The program works with States and metropolitan planning organizations (MPOs) to provide a strategic and data-driven approach to transportation decision-making that efficiently allocates resources, maximizes return on investments, and achieves performance goals. Decisionmakers are taught techniques and tools to efficiently make tradeoffs between performance metrics and understand how a complex transportation system reacts to investments and policy changes. Program activities include rulemaking, guidance, training, and technical assistance.

This program also supports the Transportation Access Pilot Program. The pilot will procure an accessibility dataset; make the dataset available to requested States, MPOs, and regional transportation planning organizations (RTPOs); and work with the States, MPOs, and RTPOs to assess changes in accessibility.

Reducing Congestion, Improving Operations, and Enhancing Freight Productivity: This program supports innovative technologies and processes that lead to systemwide improvements in the management, efficiency, and reliability of the National Highway System. A foundation of the program is the continued development of outreach and training materials. Through targeted outreach and technology transfer (T2), the program advances state-of-the-practices, improves the capabilities of agencies to develop and deliver Transportation Systems Management and Operations (TSMO) activities, and fosters the coordination and collaboration necessary to move toward implementing roadway investments that support the program while providing new capabilities and strategies to improve safety and contribute to infrastructure preservation.

Accelerating the Implementation and Delivery of New Innovations and Technologies: This program supports numerous T2 activities to accelerate the implementation and delivery of innovations and technologies that result from highway R&D and that benefit all aspects of highway transportation:

- Accelerated Deployment of Pavement Technologies (AID-PT): This program encourages highway agencies to adopt and implement new pavement technologies that save money, enhance safety, improve performance, increase efficiency, and reduce delay. Program activities focus on providing tools, technologies, and guidance, supporting updated policies, and improving the safety, durability, sustainability, and cost-effectiveness of highway infrastructure materials.
- Accelerated Implementation and Deployment of Advanced Digital Construction Management Systems (ADCMS): ADCMS are market-ready digital technologies and processes for construction and engineering activities management. The ADCMS program aims to promote, implement, deploy, demonstrate, showcase, support, and document the application of ADCMS practices, performance, and benefits.

- Advanced Transportation Technologies and Innovative Mobility Deployment (ATTAIN): Formerly known as the Advanced Transportation and Congestion Management Technologies Deployment Program (ATCMTD), ATTAIN is funded by \$60 million in FY 2025 as a set-aside from the HRD, TIDP, and ITS programs. ATTAIN will award grants to States and other eligible entities to: improve the mobility of people and goods; improve the durability and extend the life of transportation infrastructure; reduce costs and improve return on investments; protect the environment and deliver environmental benefits; measure and improve operational performance; reduce the number and severity of traffic crashes and increase driver, passenger, and pedestrian safety; collect, disseminate, and use real-time transportation-related information; facilitate account-based payments for transportation access and services and integrate payment systems across modes; monitor transportation assets; deliver economic benefits by reducing delays, improving system performance, and providing for the efficient and reliable movement of goods and services; accelerate the deployment of connected/autonomous vehicles technologies; or incentivize travelers to share or shift trips depending on travel demand and system capacity.
- Accelerated Innovation Deployment (AID) Demonstration Program: AID provides funding to support and mitigate the risk associated with first-time or early adoption of innovations by State DOTs, Federal Land Management Agencies, local and Tribal governments, and MPOs. Funds are available to cover the cost of implementation innovations in planning, financing, operations, pavements, structures, materials, environment, and construction.
- Every Day Counts Program (EDC): EDC is a State and local-based program that identifies and rapidly deploys proven yet underutilized market-ready innovations that make the transportation system adaptable, sustainable, equitable, and safer for all. Proven EDC innovations facilitate greater efficiency at the State, local and Tribal levels, saving time, money, and resources that ensure infrastructure is built better, faster, and smarter. As of 2023, each State has used 20 or more of the 52 innovations promoted through EDC.
- State Transportation Innovation Council (STIC) Incentive Program: This program provides technical assistance and resources to help STICs foster a culture of innovation and make innovations standard practice. Additionally, the program provides funding of up to \$125,000 per State per fiscal year to support the standardization of innovative practices in a State's transportation agency or other public sector STIC stakeholders.
- Accelerating Market Readiness (AMR) Program: AMR moves highway industry innovations from prototype to market-ready status by funding pilot demonstrations and evaluations. Up to \$3 million in funding is available for annual AMR awards. The program matches emerging and transformative innovations to transportation organizations interested in testing and evaluating them. Eligible activities include field evaluations and testing, pilots, and performance results documentation.
- Innovation Implementation Deployment Management: FHWA programs and the FHWA Resource Center use TIDP funding to conduct technology and innovation deployment on other program priorities, provide technical resources to support the implementation of innovations, and develop appropriate guidance to aid in deployment.

Crosscutting: This program encompasses a diverse set of programs supporting RD&T and T2 initiatives in Policy Analysis, Global Outreach, HDI, Civil Rights, and Federal Lands Highway. T2 initiatives include new ways to tackle the climate crisis and promote transportation equity and access, adapting existing foreign innovations that could significantly improve highways and highway transportation services in the United States, facilitating knowledge exchange with other countries by leveraging binational government-to-government partnerships, and disseminating data and information by working with States, local, and Tribal transportation agencies, private businesses, and research communities.

**Detailed Justification
Intelligent Transportation Systems Program (ITS)**

What is the request and what funds are currently spent on the program?

**FY 2025 – Intelligent Transportation Systems Program (\$110 million)
(\$000)**

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Intelligent Transportation Systems Program | 110,000 | 110,000 | 110,000 |
| Total | 110,000 | 110,000 | 110,000 |

What is this program and what does this funding level support?

The Intelligent Transportation Systems (ITS) Program supports the Secretary’s priorities by fostering innovation in transportation through the development and deployment of interoperable advanced systems and technologies that transform and enhance safety and efficiency while reducing environmental impacts of surface transportation, resulting in improved access and equity, saved lives and time, and increased productivity. The ITS Program strategically leverages technological evolution, taking advantage of Information and Communications Technology (ICT) advances in: cybersecurity, automation, and communications technologies, among others, via cooperation with industry, academia, State, local, Tribal, and Territorial (SLTT) transportation operating agencies, vehicle and device manufacturers, and transportation application and service developers. The Program robustly supports all five key priorities of the Secretary’s FY 2025 Budget: 1) Safety; 2) Economic Strength; 3) Ensuring Investments Meet Equity and Economic Inclusion Goals; 4) Climate and Sustainability; and 5) Transformation of our Nation’s Transportation Infrastructure.

The ITS Joint Program Office (JPO) serves as the Department’s multi-modal technology research program, working toward improving transportation safety, mobility, and efficiency; while enhancing productivity, equity, convenience, and resiliency through the integration of innovative and interoperable technologies within the Nation’s surface transportation system. Through these efforts, the ITS JPO serves as a Departmental leader in addressing the Secretary’s priority of Transformation of our Nation’s transportation infrastructure by implementing intelligent technology. The ITS JPO is responsible for administering and coordinating the ITS Program and technology advancement initiatives among all DOT Operating Administrations. The research builds on and leverages the technologies and concepts developed across all modes to establish a multi-modal and seamless interoperable transportation environment. Through this undertaking, the ITS JPO serves as the DOT’s organizational resource for avoiding duplication and ensuring the Department is on the forefront of technological transformation to make certain our transportation system is safe, efficient, and resilient.

Deployment: The ITS Deployment Program enables communities to deploy innovative technologies, partnerships, and practices for advanced, interoperable ITS solutions to local or regional transportation challenges, and allows the Department to gather important information on how well the system performed and additional research needs. The Deployment Program initiatives bring publicly and privately sponsored research together to create large-scale, replicable, and integrated ITS deployments that address safety, environmental, mobility and equity challenges of today’s communities and populations. The program provides funding, technical assistance, and evaluation support to multiple deployment and research initiatives related to equity and the application of ITS solutions to enhance travel and mobility. One example, the Intersection Safety Challenge will improve intersection safety through the innovative application of emerging technologies including machine vision, sensor fusion, and real-time decision-making to identify and mitigate unsafe conditions involving vehicles and vulnerable road users.

Automation: The ITS JPO’s automation research is a component of the Department’s vision of supporting the safe, reliable, equitable, efficient, resilient, and cost-effective interoperable integration of automation into the broader multimodal transportation system. Driving automation is one of the major transportation industry trends of this decade. Through close collaboration and monitoring of current industry and academic technology innovators and leaders in automation, the ITS JPO continues the pursuit of goals supporting the safe and beneficial deployment of an automated future. Advanced Driver Assistance Systems (ADAS) are widely available in passenger vehicles, however their development and refinement continue. Automated Driving System (ADS)-equipped vehicles are being piloted in passenger vehicles, commercial motor vehicles, and transit buses. In addition, Cooperative Driving Automation (CDA) will be a focus of attention as interoperable connectivity between vehicles and infrastructure is established.

Emerging / Enabling Technologies: The Emerging and Enabling Technologies Program focuses on cultivating the next generation of transportation systems. As the scale of ITS increases and expands to become part of other industry environments (i.e., smart cities and communities), vehicle manufacturers, infrastructure providers, innovators, and entrepreneurs discover new opportunities to use technology and associated data. These technological advances, along with new functionality, new applications, new operational concepts, and disruptive innovations, need to be tracked and planned for by DOT. Current examples of these Emerging and Enabling technologies include Artificial Intelligence (AI), Next Generation Wireless Communications (including the emerging 5G variations), quantum computing, edge computing, and blockchain. These technologies have the potential to greatly impact transportation operations, for which the ITS JPO will leverage past and current ITS and research into new, innovative opportunities in partnership with modal administrations and stakeholders.

Cybersecurity for Intelligent Transportation Systems: Security and resiliency are a necessary precondition to deploy, operate, and maintain interoperable, safe, effective, and efficient ITS deployments. The Department’s Cybersecurity for ITS Research Program supports research needed to facilitate adaption and implementation of ICT cybersecurity best practices across the diverse and complex ITS system of systems; including infrastructure and connectivity needs along with supporting research needed to meet ITS-specific needs. These efforts are conducted in cooperation with stakeholder communities to support well-informed implementations by the

diverse community of Infrastructure Owner Operators (IOO) including SLTT agencies, private and public-private facility operators, along with vehicles and other mobile participants in the transportation system. While individual IOOs may have limited capabilities in this area; DOT-led collaboration, informed by ICT best practices including those recommended by the National Institute of Standards and Technology (NIST) and the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA), can support widespread interoperable integration of suitable security and resiliency across complex ITS implementations using a broad range of equipment – some new, some decades old.

Accelerating Deployment: The ITS JPO seeks to spur adoption of ITS technology, and help stakeholders and localities deploy maturing ITS systems. The ITS Program provides knowledge and technology transfer, while additionally supporting technical assistance, training, outreach, program evaluation, and other stakeholder engagement through a variety of means. One example is the Smart Community Resource Center (SCRC), which serves as a tool to connect deployers with resources that can be used to develop intelligent transportation systems and smart community transportation programs. Importantly, this Resource Center raises overall awareness of ITS to new groups of professionals who typically work in urban planning disciplines other than transportation. Another example is the National ITS Architecture reference, which currently supports over 150 ITS services, and continues to evolve with technological advancements, research breakthroughs, and changing stakeholder needs.

What benefits will be provided to the American public through this request and why is this program necessary?

The ITS JPO includes a portfolio of rigorous research, development and technology deployment support intended to optimize public benefit from technological transformation of transportation via large-scale interoperable deployments that enhance safety and mobility. This work is directly aligned with DOT's mission of ensuring the Nation has the safest, most efficient, and modern transportation system in the world. The Program's work is designed to leverage rapidly occurring public and private innovations which will allow the Program to continue serving as an innovative hub for all aspects of American transportation, from automation and digital infrastructure/data to accessibility and cybersecurity. Over the past three decades, the ITS JPO has enabled intelligent transportation technology to be integrated into vehicles and infrastructure and has catalyzed existing and planned deployments by government agencies and private entities. As the private sector's role in technology development and implementation has accelerated, the ITS JPO has funded training and outreach activities to develop a modern transportation workforce that can adapt to new technology needs. Coordinating with states, local communities, and the private sector, the ITS JPO continues to help in implementing and evaluating new emerging technologies and collaborating on interoperability research.

Detailed Justification Training and Education Program

What is the request and what funds are currently spent on the program?

FY 2025 – Training and Education (\$25.8 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|------------------------|-------------------|-----------------------------|--------------------|
| Training and Education | 25,250 | 25,500 | 25,750 |
| Total | 25,250 | 25,500 | 25,750 |

What is this program and what does this funding level support?

Training and Education (T&E) is responsible for the training and professional capacity building of the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals, and providing education solutions throughout the full innovation lifecycle.

T&E provides a wide variety of services and products:

- *The National Highway Institute (NHI)* delivers quality training for transportation professionals through a broad range of continuously evolving courses and delivery options. NHI’s course catalog includes over 400 training courses in nearly 20 transportation industry-related program areas. The delivery options span the spectrum from web-based training available any time of day to in-person training. The delivery options integrate the latest digital tools, adult learning models, and industry trends, and are designed and developed in collaboration with professionals from FHWA, State and local agencies, and industry partners. For FY 2023, NHI delivered 502 instructor-led training courses reaching over 10,000 learners. Also, in FY 2023, NHI’s self-directed web-based training reached 60,199 learners. The course content is routinely and continuously reviewed and updated to incorporate innovative technologies and practices. As an accredited provider, NHI offers individuals receiving training an opportunity to earn continuing education units toward their professional credentials. NHI’s training solutions, along with innovative curriculum and delivery methods, will build new skills and improve the professional capacity of America’s transportation workforce.
- *The Local and Tribal Technical Assistance Programs (LTAP/TTAP)* deliver training, technical assistance and technology transfer tailored to the needs and capacity of local public agencies and Tribal governments. Deployed and administered in concert with State transportation agencies, the LTAP maintains and builds the local public agencies’ professional capacity as their workforce is responsible for networks that are an integral and vital component of the Nation’s transportation system. Serving a comparable function for the Native American Tribal Governments across the U.S., the TTAP is

deployed and administered by FHWA. Both programs consider and integrate innovative technologies and practices into the resources they provide.

- *Education/Academic Programs* provide opportunities for potential and new entrants into the transportation workforce to acquire the skills and professional capacity to improve system performance. From early education through post graduate work, these programs focus on attracting, retaining, and advancing the transportation workforce by building awareness and interest in transportation career options; promoting an understanding of the positive impact transportation has on mobility and economic opportunity; and encouraging professionals to take the next steps in their careers through skills acquisition and enhancement. Many programs place a particular emphasis on reaching women, minorities, and disadvantaged groups and address transportation equity.
 - The Dwight David Eisenhower Transportation Fellowship Program (DDETFP) advances the U.S. transportation workforce by attracting the Nation's brightest minds and encouraging students from the community college level through the doctorate level to pursue careers in a transportation-related field by awarding grants to qualified students. The DDETFP enhances racial equity by providing opportunities to students enrolled in minority serving institutions of higher learning.
 - The Garrett A. Morgan Technology and Transportation Education Program promotes science, technology, engineering, and mathematics (STEM) applications with a transportation focus at elementary and secondary school levels to engage young minds, particularly women and minorities, toward the pursuit of a career in transportation.
- *The Transportation Education and Training Development and Deployment Program* works collaboratively with the academic community and State departments of transportation to evaluate current and future skills and training needs at all levels of the transportation workforce and to develop, test, review, and implement new curricula and education programs to meet those needs with a focus on enhancing equity in transportation education development and deployment.
- *The Transportation Centers for Excellence* provide technical assistance, information sharing of best practices, and training in the use of tools and decision-making processes that can assist States in effectively implementing surface transportation programs, projects, and policies. The three areas of focus are:
 - transportation safety;
 - project finance; and
 - environmental stewardship, including innovative ways to streamline the transportation delivery process.

What benefits will be provided to the American public through this request and why is this program necessary?

The Training and Education (T&E) Program provides resources for the development and delivery of technical assistance, training, professional development, and education programs to improve the professional capacity of the workforce that manages, develops and maintains the Nation's highway system. It provides educational and professional capacity building

opportunities and resources to the surface transportation community by routinely updating and delivering training and technical assistance on core competencies; identifying and developing training and technical assistance needs for emerging competencies and new skills; actively promoting technology transfer and innovative practices into the transportation workforce; and actively supporting the successive generations of transportation professionals in the acquisition of their advanced degrees.

This request enables the Department to directly support a key underpinning of a safe, efficient, and environmentally sound surface transportation system - improving the skills and increasing the knowledge of the current and future transportation workforce. By improving the current and future workforce, this program will advance the safety of the Nation's highways, promote economic stability, improve core assets, ensure investments meet equity and economic inclusion goals, address climate change, and contribute to the transformation of our Nation's transportation infrastructure to better meet the needs of the future.

The professional capacity and abilities of the transportation workforce are essential elements in the effective, efficient, and equitable development, maintenance, operation and expansion of the Nation's transportation system. The deployment of innovative methods, practices, and technologies that improve safety, system performance, sustainability, resilience, climate solutions, reliability, and economic competitiveness relies on the ability of the transportation workforce to absorb knowledge quickly and on the continuous building of professional capacity and skills. The T&E program advances strategies to meet emerging workforce challenges through the delivery of technical assistance, training, professional capacity building, and education programs that develop appropriately skilled and prepared transportation workers and directly supports the strategic objective for workforce development. The T&E program addresses the Secretary's priorities of safety, transportation equity, climate solutions, and includes these priorities as evaluation factors for the development of training and education development and dissemination.

The T&E program is administered in conjunction with the Highway Research and Development (HRD) Program and supports the Technology and Innovation Deployment Program (TIDP), the Intelligent Transportation System (ITS) Program, and the State Planning and Research (SP&R) Program.

Detailed Justification State Planning and Research

What is the request and what funds are currently spent on the program?

FY 2025 – State Planning and Research
(Planning: \$783 million; Research: \$261 million)
(\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| State Planning & Research (planning portion) ^{1/} | 752,300 | 767,420 | 782,843 |
| State Planning & Research (research portion) ^{1/} | 250,767 | 255,807 | 260,948 |
| Total | 1,003,067 | 1,023,227 | 1,043,791 |

1/ State Planning and Research is funded through a 2 percent set-aside from the National Highway Performance Program, the Surface Transportation Block Grant Program, the Highway Safety Improvement Program, the Congestion Mitigation Air Quality Improvement Program, and the National Highway Freight Program.

What is this program and what does this funding level support?

The State Planning and Research (SPR) Program provides funds to support the States' transportation planning (SPR-Subpart A) and research, development, and technology transfer (RD&T) activities (SPR-Subpart B).

Funding for the total SPR Program comes from two percent set-aside from each State's apportionments of five programs: National Highway Performance Program (NHPP); Surface Transportation Block Grant Program (STBG); Highway Safety Improvement Program (HSIP); Congestion Mitigation Air Quality Improvement Program (CMAQ); and National Highway Freight Program (NHFP).

SPR-Subpart A funding represents a maximum of 72.5 percent of the State's total SPR Program, which is used by the States to establish a continuous, comprehensive, and cooperative (3-C) statewide transportation planning process. Eligible SPR-Subpart A activities per 23 U.S.C. 505 (a) include:

- Engineering and economic surveys and investigations.
- The planning of future highway programs and local public transportation systems and the planning of the financing of such programs and systems, including metropolitan and statewide planning under United States Code sections 134 and 135.
- Development and implementation of management systems, plans, and processes under United States Code sections 119, 148, 149, and 167.
- Studies of the economy, safety, and convenience of surface transportation systems and the desirable regulation and equitable taxation of such systems.
- The conduct of activities relating to the planning of real-time monitoring elements.

SPR-B funding represents a minimum of 25 percent of the State's total SPR Program, which is used to support the States' research, development, and technology transfer (RD&T) activities. These funds are used to establish a comprehensive management process to identify, prioritize, conduct, and evaluate transportation research at the State level. Eligible SPR-Subpart B activities per 23 U.S.C. 505 (a) include:

- Research, development, and technology transfer activities are necessary in connection with the planning, design, construction, management, and maintenance of highways, public transportation, and intermodal transportation systems.
- Study, research and training on the engineering standards and construction materials for transportation systems described in the previous bullet, including the evaluation and accreditation of inspection and testing, and the regulation and taxation of their use.

Additionally, the IJA requires each State to use not less than 2.5 percent of its SPR funds on specified planning activities to increase safe and accessible options for multiple travel modes for people of all ages and abilities. (Similarly, an MPO must use not less than 2.5 percent of its Metropolitan Planning Program funds for such activities.) However, a State or MPO, with the approval of the Secretary, may opt out of the requirement if the State or MPO has Complete Streets standards and policies in place, and has developed an up-to-date Complete Streets prioritization plan that identifies a specific list of Complete Streets projects to improve the safety, mobility, or accessibility of a street.

What benefits will be provided to the American public through this request and why is this program necessary?

The FHWA SPR-Subpart-A program provides funding for the States to meet State-identified transportation planning needs and enables the States to foster innovation, invest in their infrastructure, and address the needs of all communities. This request supports the Secretary's strategic goals of Economic Strength and Global Competitiveness, Equity, and Transformation by helping State DOTs make investments that improve the Nation's transportation system in a safe, equitable, transparent, and accountable manner while engaging the public, elected officials, and other stakeholders in the process. States will then use Federal transportation funds more efficiently and effectively to focus on the national performance goal areas and the goals of the IJA. Examples of products that States produce using the SPR-Subpart-A program include the Long-Range Statewide Transportation Plan, Statewide Transportation Improvement Program (STIP), regional and corridor studies, data collection such as traffic counts, and forecasts of future transportation demand.

The FHWA SPR-Subpart-B program supports the Secretary's priorities by providing funding for the States to meet State-identified research needs. Using the research management process, high priority is given to applied research on State or regional problems, transfer of technologies from researchers to users, and research for setting standards and specifications. This results in better informed strategic goals that balance safety, economic growth, equity, climate solutions and infrastructure preservation (with a renewed emphasis on planning for a resilient transportation network). The States may adapt findings to practical applications by developing and transferring new technologies. Additionally, the program promotes enhanced collaboration with transportation stakeholders.

FHWA works with State Departments of Transportation (State DOTs) to administer the SPR-Subpart-B program. The State DOTs can use their SPR-B funds to address specific needs within their State or pool their contributions through different mechanisms to further leverage their funds.

States may use their SPR-B funds to do internal research. One example of this is a recently completed study conducted by the Iowa DOT, which focuses on updating Iowa DOT's current specifications for the design of a bridge pier system under expected truck collision loads to reflect recent updates referenced in the *AASHTO LRFD Bridge Design Specifications*.²⁰ The study will also introduce new specifications for a three-column frame pier that could be used as a standard design under collision.

In addition to providing stewardship and oversight of the SPR-Subpart-B program, FHWA works with State DOTs on the National Cooperative Highway Research Program (NCHRP), which is a State-driven program to address issues integral to State DOTs using SPR funds. The NCHRP program, which is funded by SPR-Subpart-B contributions, funds projects that are selected by the States through the American Association of State Highway and Transportation Officials (AASHTO) Special Committee on Research and Innovation. The NCHRP program has a long history of developing valuable tools, innovations, and resources for the States. A recent example is NCHRP Report 897: *Tools to Facilitate Implementation of Effective Metropolitan Freight Transportation Strategies*. This report provides transportation practitioners and decision makers with guidance for implementing effective metropolitan freight transportation strategies.

FHWA also administers the Transportation Pooled Fund (TPF) Program which enables State DOTs, and other public and private entities, to combine resources to address transportation-related challenges. By combining efforts and resources on high-priority highway research topics, our Nation's transportation agencies can advance solutions that increase safety, stimulate economic growth, advance equity, facilitate transformation and improve climate resilience. In pooling funds and expertise, States, FHWA and other transportation partners develop innovative solutions while extending the reach and impact of their research. The TPF studies often result in institutionalized practices that provide wide-ranging national benefits.

One example of this is a pooled fund study led by FHWA with over 43 partner States that evaluates low-cost safety improvement countermeasures. One of the greatest successes of this study is the now proven safety countermeasures have become institutionalized practices with States across the country to help reduce fatalities and injuries. Minnesota Department of Transportation is also leading a TPF study to help agencies make equitable decisions in transportation planning. With contributions from eleven other State DOTs, the TPF study will provide an updated national data set to determine transportation equity and reveal how the costs and benefits of transportation investments are distributed. This dataset can be used by agencies throughout the country to make more equitable transportation decisions.

²⁰ The *AASHTO LRFD Bridge Design Specifications* are intended for use in the design, evaluation, and rehabilitation of bridges. The specifications employ the Load and Resistance Factor Design (LRFD) methodology, using factors developed from current statistical knowledge of loads and structural performance. This 9th edition includes revisions to almost all sections of the specifications.

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Executive Summary

Prioritization Process Pilot Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$10 million for the Prioritization Process Pilot Program (PPPP). The IIJA provided \$10 million in both FY 2023 and FY 2024 for this program. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The PPPP awards discretionary grants to selected States and metropolitan planning organizations (MPOs) serving a population greater than 200,000 to fund the development and implementation of publicly accessible, transparent prioritization processes to assess and score projects according to locally determined priorities, and to use such evaluations to inform the selection of projects to include in transportation plans. The program will support data-driven approaches to planning that, on completion, can be evaluated for public benefit.

What benefits will be provided to the American public through this request and why is this program necessary?

FHWA recognizes that entrenched disparities in laws and public policies have denied equal opportunity to individuals and communities. FHWA is committed to advancing equity for all, embedding fairness in decision-making processes, and working to redress inequities in policies and programs that serve as barriers to equal opportunity. Through the development and implementation of an accessible, transparent, data-driven, and locally determined project evaluation and selection process, the PPPP will support the Administration's goal of reducing inequities across our transportation systems and the communities they affect.

Detailed Justification Prioritization Process Pilot Program

What is the request and what funds are currently spent on the program?

FY 2025 – Prioritization Process Pilot Program (\$10 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|---|-------------------|-----------------------------|--------------------|
| Prioritization Process Pilot Program | 10,000 | 10,000 | 10,000 |
| Total | 10,000 | 10,000 | 10,000 |

What is this program and what does this funding level support?

The Prioritization Process Pilot Program (PPPP) awards grants to selected States and MPOs serving urbanized areas over 200,000 to fund the development and implementation of publicly accessible, transparent prioritization processes to assess and score projects according to locally determined priorities, and to use such evaluations to inform the selection of projects to include in transportation plans and transportation improvement programs. The program will support data-driven approaches to planning that, on completion, can be evaluated for public benefit. The maximum amount of a grant under this program is \$2 million.

If a grant recipient has fully implemented a prioritization process, they may use any additional remaining grant funds for any transportation planning purpose. If the inclusion or exclusion of a project on a transportation improvement program or statewide transportation improvement program deviates from the long-term transportation plan, the eligible entity is required to provide a public explanation for the decision.

What benefits will be provided to the American public through this request and why is this program necessary?

The PPPP will encourage States and MPOs to develop transparent and accountable processes to guide project selection in the development of the transportation plan and transportation improvement program and will lead to the development of data-driven approaches to planning that can be evaluated for public benefit. The process will assess and score projects on the basis of priority objectives that are developed by the State or MPO for their local area, and on the basis of their contribution and benefits toward meeting the priority objectives for the area, the costs of the project or strategy relative to the contribution and benefits, and public support. The process will lead to the development of a prioritized list of projects, include an opportunity for public input, and will support equitable transportation decision-making.

Executive Summary

Reconnecting Communities Pilot Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget includes \$202 million for the Reconnecting Communities Pilot (RCP) Program. Of this amount, \$100 million is advance supplemental appropriations from the General Fund and \$102 million is funded through the Highway Trust Fund. In FY 2023, \$198 million was provided for this program, of which \$100 million is advance supplemental appropriations from the General and \$98 million was funded through the Highway Trust Fund. In FY 2024, \$200 million is provided for this program, of which \$100 million is advance supplemental appropriations from the General Fund and \$100 million is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The RCP Program will provide planning, planning technical assistance, and capital construction grants to assess the feasibility and impacts of removing, or retrofitting existing transportation facilities that create barriers to mobility, or to carry out projects that remove, retrofit, or replace an eligible facility.

The planning grants study the feasibility and impacts of removing, retrofitting, or mitigating an existing eligible facility to restore community connectivity. The construction grants carry out the project which may include removing, retrofitting, mitigating, or replacing a facility. In addition, there are planning technical assistance grants to build organizational or community capacity to engage in transportation planning and identify innovative solutions to infrastructure challenges, including reconnecting communities.

What benefits will be provided to the American public through this request and why is this program necessary?

Our Nation's vast network of roads and bridges have connected communities from coast to coast and made it possible for people to access opportunities within their communities and beyond. However, past inequitable infrastructure decisions have at times divided and fragmented communities, which have often been home to historically disadvantaged peoples. Without access to safe and efficient transportation options, a community's ability to prosper, grow, and access opportunities is severely impacted. The RCP Program will support projects with the goal of redressing these historical inequities and providing equitable transportation.

Detailed Justification Reconnecting Communities Pilot Program

What is the request and what funds are currently spent on the program?

FY 2025 – Reconnecting Communities Pilot Program (\$202 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|-----------------------------|--------------------|
| Reconnecting Communities Pilot Program | 198,000 | 200,000 | 202,000 |
| Total | 198,000 | 200,000 | 202,000 |

What is this program and what does this funding level support?

The RCP Program will address ongoing inequities created when transportation infrastructure divides communities, creating environmental and community impacts and limiting mobility, access and/or economic development. The program will award both planning and construction grants to:

- Study the feasibility and impacts of removing, retrofitting, or mitigating existing transportation facilities that create barriers to mobility, access, or economic development.
- Conduct planning activities necessary to design a project to remove, retrofit, or mitigate an existing eligible facility.
- Conduct construction activities necessary to carry out a project to remove, retrofit, or mitigate an existing eligible facility.

Eligible facilities include highways or other transportation facilities that create barriers to community connectivity, including barriers to mobility, access, or economic development, due to high speeds, grade separations, or other design factors.

The Federal share for a planning grant project may not exceed 80 percent, and a planning grant may not exceed \$2 million per recipient. The minimum award amount for a capital construction grant shall be \$5 million and the Federal share may not exceed 50 percent. The maximum Federal assistance provided for a project award may not exceed 80 percent.

The RCP Program contributes to a performance measure to complete projects that reconnect communities that were divided by transportation corridors.

What benefits will be provided to the American public through this request and why is this program necessary?

The development of the Interstate Highway System connected our country in ways it had not been previously, but, in some instances, it also fragmented neighborhoods and divided

communities. Similar fragmentation has sometimes been created by other types of infrastructure including rail lines. In these communities, the nearby highway or transportation facility creates real barriers to community cohesion and limits transportation and economic opportunities for some communities and community residents.

Transportation can play an important role in supporting community revitalization. As multimodal transportation systems connect Americans to employment, education, healthcare and other essential services, these infrastructure investments create jobs and benefit businesses, particularly small and disadvantaged business enterprises. Providing transportation options that connect urban and rural communities can also offer public health, safety, and air and water quality benefits, among others.

In August 2023, DOT issued a Combined Notice of Funding Opportunity (NOFO) for the RCP Program (year two) and the Neighborhood Access and Equity (NAE) program to fund planning and capital construction projects with the goal of removing or retrofitting existing transportation facilities that create barriers to transportation within communities.

In February 2023, DOT announced a historic \$185 million in grant awards for 45 construction and planning projects that prioritize transformative community-led solutions to help revitalize communities and provide access to jobs, while reducing pollution.

In Spring 2024, DOT is expected to announce the results of RCP Year 2 and the NAE program combined grants.

Through this discretionary grant program, States, MPOs, nonprofit organizations, local governments, and Tribal Governments can apply for grants to lay the groundwork for restoring community connectivity by correcting historical barriers to mobility, access, and economic development, as well as grants for projects that mitigate or eliminate existing fragmentation and create new community connections.

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Executive Summary

Wildlife Crossings Pilot Program

What is the request and what funds are currently spent on the program?

The FY 2025 budget requests \$75 million for the Wildlife Crossings Safety Pilot Program to provide grants to eligible recipients for projects designed to reduce wildlife-vehicle collisions (WVC) and improve habitat connectivity. The IIJA provided \$65 million in FY 2023 and \$70 million in FY 2024 for this program. This program is funded through the Highway Trust Fund.

What is this program and what does this funding level support?

The Wildlife Crossings Safety Pilot Program is a competitive grant pilot program for projects that seek to achieve a reduction in the number of wildlife-vehicle collisions and improved habitat connectivity for terrestrial and aquatic species. The funding level will support a range of project types and include the full breadth of surface transportation project delivery starting with research and design through to construction activities.

The pilot program (23 U.S.C. 171) is complemented with legislative requirements under 23 U.S.C. 172, that promote outreach with a range of public and private stakeholders to leverage existing expertise, data, and tools to support the administration of this program. The early collaboration with stakeholders will support the efficient and effective delivery of this program through shared resources. In doing so, this funding can be targeted toward projects that yield the greatest safety outcomes to the traveling public while concurrently realizing the conservation and protection benefit to wildlife.

What benefits will be provided to the American public through this request and why is this program necessary?

The pilot program will benefit safety and reduce costs for the traveling public by reducing WVCs. In a 2008 study, the estimated cost of WVCs exceeded \$8 billion per year in injuries, deaths, and property damage. The savings from wildlife crossing structures generally exceed project costs when considering the reduced injuries, deaths, and property loss. The program will benefit wildlife conservation by improving habitat connectivity and species survival. Without the discretionary pilot program, States and other eligible recipients would continue to either eliminate or defer project designs that yield both safety and habitat protection benefits due to competing priorities thereby missing critical opportunities to save lives, preserve wildlife, and reduce property damage.

Detailed Justification Wildlife Crossings Pilot Program

What is the request and what funds are currently spent on the program?

FY 2025– Wildlife Crossings Pilot Program (\$75 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|----------------------------------|-------------------|-----------------------------|--------------------|
| Wildlife Crossings Pilot Program | 65,000 | 70,000 | 75,000 |
| Total | 65,000 | 70,000 | 75,000 |

What is this program and what does this funding level support?

The Wildlife Crossings Pilot Program (WCPP) is a competitive discretionary grant program for projects that increase the adoption of safety countermeasures for reducing wildlife-vehicle collisions (WVCs). Funding directly supports projects administered through the State Departments of Transportation and Federal Lands Highway for an array of projects to a broad spectrum of awardees and partners, including Federal Agency partners, Tribes, local governments, non-governmental organizations, and institutions of higher education.

What benefits will be provided to the American public through this request and why is this program necessary?

This pilot program, authorized under the IIJA, is one of many that will transform America’s transportation enterprise through DOT leadership, partnership, and timely execution of programs and projects that mutually support safety, equity, and sustainability, including the critical conservation and protection of our lands, waters, and wildlife.

The WCPP will benefit safety and reduce costs for the traveling public by reducing WVCs. According to the National Highway Traffic Safety Administration, between 2016 and 2020 over 930 fatal crashes were caused by collisions with live animals. In addition to injury and death, WVCs can result in property damage, economic impacts, emotional trauma, secondary crashes, and travel delays. Significant costs can be associated with vehicle repair or replacement, while emergency response services and maintenance staff are often required to assist with the aftermath of a WVC.

A majority of WVCs occur on two-lane roads which affect rural and Tribal communities. These rural areas, where at least 60 percent of the funds must be spent, will benefit greatly from improved traveler safety and reduction in WVCs.

The Wildlife Crossings Pilot Program will facilitate the transformation of our Nation's transportation system to one that is safer for travelers and more accommodating to the needs of wildlife to move across the landscape.

In December 2023, FHWA announced award selections for the first round of funding under this program—\$110 million in grants for 19 wildlife crossing projects in 17 States, including four Indian Tribes. A few notable project awards included:

- \$24 million to the Arizona Department of Transportation for the Interstate 17 Munds Park to Kelly Canyon Wildlife Overpass Project. The project will reduce wildlife vehicle collisions along I-17 while increasing habitat connectivity for local species, particularly the elk known to travel in this area;
- \$22 million to the Colorado Department of Transportation to build a dedicated, overpass on I-25 between Denver and Colorado Springs, the state's two most populous cities. Once completed, the Greenland Wildlife Overpass will be one of the largest overpass structures in North America, spanning six lanes of interstate highway. It will help reduce vehicle collisions with big game species such as elk and mule deer along I-25 and connect vital habitats on both sides of the highway from the Great Plains to the Rocky Mountains; and
- \$8.6 million to the Confederated Salish and Kootenai Tribes to construct a wildlife overpass spanning US Highway 93 within the Ninepipe National Wildlife Management Area in Montana, an area with high rates of WVCs. The proposed project will help reduce WVCs and improve habitat connectivity for grizzly bears.

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Executive Summary

Administrative Expenses

What is the request and what funds are currently spent on the program?

The FY 2025 Budget includes \$497.0 million in contract authority for FHWA administrative expenses and an equal amount of Limitation on Administrative Expenses (LAE). The request also includes an additional \$67 million of LAE above the authorized FY 2025 contract authority level to enable FHWA to utilize carryover administrative expenses funding. In addition, the IIJA provides \$86.8 million in appropriated budget authority for FHWA administrative expenses as takedowns from Highway Infrastructure Programs funding. The total requested for FY 2025 is \$650.8 million.

In FY 2024, the IIJA provides \$486.8 million in contract authority for administrative expenses. In addition, the IIJA provides \$86.8 million in FY 2024 in appropriated budget authority for FHWA administrative expenses as takedowns from Highway Infrastructure Programs funding.

The contract authority amount includes \$3.2 million each fiscal year for administrative expenses of the Appalachian Regional Commission (ARC). The remainder is for FHWA General Operating Expenses (GOE).

What is this program and what does this funding level support?

FHWA's GOE supports salaries and benefits for approximately 2,800 employees, as well as rent, communications, utilities, contractual services, travel, supplies, and equipment to support the delivery of FHWA's programs. The FY 2025 Administrative Expenses request is essential for FHWA to effectively deliver and manage the \$71.5 billion requested in the FY 2025 Budget for FHWA's programs. The Administrative Expenses request comprises less than one percent of the overall FHWA request.

What benefits will be provided to the American public through this request and why is this program necessary?

The IIJA substantially increases funding for FHWA's ongoing programs continued from prior authorization acts while also authorizing a significant number of new programs. Without a properly staffed, trained, and equipped workforce, FHWA's programs would not be able to make roadways safer for all people, repair and modernize our roads and bridges, plan and construct equitable transportation infrastructure, address the climate change challenge, and deploy transportation innovations.

Detailed Justification Limitation on Administrative Expenses

What is the request and what funds are currently spent on the program?

FY 2025 – Limitation on Administrative Expenses (\$650.8 million) (\$000)

| Program | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--|-------------------|--------------------------|--------------------|
| Limitation on Administrative Expenses ^{1/} | 476,784 | 486,800 | 564,016 |
| Highway Infrastructure Programs (administrative takedown) ^{2/} | 86,816 | 86,816 | 86,816 |
| Total | 563,600 | 573,616 | 650,832 |

1/ All fiscal years include FHWA General Operating Expenses (GOE) and transfers to the Appalachian Regional Commission (ARC) for administrative activities associated with the Appalachian Development Highway System (ADHS). Other non-administrative programs funded by set asides from administrative expenses are included in the Federal Allocation Programs justification. FY 2025 includes an additional \$67 million of limitation on administrative expenses above the authorized FY 2025 IJA contract authority level to enable FHWA to utilize carryover administrative expenses funding.

2/ The IJA provides funding for administrative expenses as takedowns from the Highway Infrastructure Programs (HIP). The HIP administrative expenses funding will be used for information technology investments, contractual services, and other investments and services to support the implementation and administration of the IJA.

What is this program and what does this funding level support?

FHWA administrative expenses provides the resources necessary to maintain oversight and administrative operations for the FHWA’s programs. Funding supports activities to meet the FHWA strategic objectives and other Federal mandates. Additionally, funding supports administrative expenses for the ARC.

In addition, FWHA administrative expenses will contribute to the following performance measures:

- By 2025, increase by 5 percent the number of U.S. DOT discretionary grant applicants from disadvantaged communities who have never applied for U.S. DOT funding before.
- Work to increase the diversity of applicants for mission-critical occupations in each OA.
- Increase the percentage of supervisors and managers who have received training on unconscious bias.
- Increase the number of partnerships with historically black colleges and universities and minority-serving institutes.
- Increase the number of funded positions including the Pathways Program and persons with disabilities.

- Achieve 99 percent payment accuracy rate for programs that include the Bipartisan Infrastructure Law to demonstrate robust internal controls at both the U.S. DOT and grant recipient levels.
- Achieve 100 percent submission rates on monthly and quarterly data accountability and Transportation Act reporting submissions for all Bipartisan Infrastructure Law programs to provide financial and award-level detail to the American people.

FHWA Field Organization

The majority of FHWA’s employees are located at 52 Division offices – one in each State; Washington, DC (co-located with FHWA Headquarters); and Puerto Rico. FHWA Division offices provide front line program delivery assistance to partners and customers, including but not limited to, planning and research, preliminary engineering, technology transfer, right-of-way, bridge, highway safety, traffic operations, environment, civil rights, design, construction, and maintenance, engineering coordination, highway beautification, and administration. In addition, jointly with the Federal Transit Administration, FHWA operates four metropolitan offices in Philadelphia, New York City, Chicago, and Los Angeles, that are extensions of their respective division offices. These offices provide technical assistance, guidance, and information regarding Federal transportation programs to local, State, and other Federal agencies in these metropolitan areas.

FHWA’s Resource Center operates as a national unit with teams and expert specialists staffed in localities throughout the United States. The Resource Center provides technical support and program assistance along with training, and technology delivery to FHWA’s Division Offices, State Departments of Transportation, Metropolitan Planning Organizations, and other transportation partners.

FHWA’s Office of Federal Lands Highway (FLH) promotes effective, efficient, and reliable administration for a coordinated program of Federal public roads and bridges; to protect and enhance our Nation’s natural resources; and to provide needed transportation access for Native Americans. FLH provides financial resources and transportation engineering assistance for public roads that service the transportation needs of Federal and Tribal lands. FLH provides these services in all 50 States, the District of Columbia, Puerto Rico, and United States Territories through three field offices located in Ashburn, Virginia; Lakewood, Colorado; and Vancouver, Washington. In addition, FLH staffs 13 Regional Project Offices throughout the Nation.

FHWA Headquarters Organization

FHWA’s Headquarters program staff, located in Washington, D.C., provide national leadership and work directly with Division offices, States, and other stakeholders to advance FHWA’s programs. FHWA’s Headquarters program offices are organized by discipline:

- The Office of Civil Rights provides national leadership to the multidisciplinary highway community ensuring that all FHWA programs are delivered in a nondiscriminatory manner.
- The Office of Infrastructure provides leadership, technical expertise, and program assistance in the areas of stewardship, oversight, and management, bridges and structures, and preconstruction, construction, and pavements.
- The Office of Innovation and Workforce Solutions provides the highway transportation community with access to world-class subject matter experts, resources, and leading-edge technologies and practices in the areas of workforce development, innovation management and deployment, training and technical assistance, and collaboration.
- The Office of Operations leads FHWA's efforts in the areas of congestion management, Intelligent Transportation Systems deployment, traffic operations, emergency management, and freight management and operations.
- The Office of Planning, Environment, and Realty serves as FHWA's advocate and national leader for environmental protection and enhancement, comprehensive intermodal and multi-modal transportation planning, and fair and prudent acquisition and management of real property.
- The Office of Research, Development, and Technology is located at the Turner-Fairbank Highway Research Center (TFHRC), a Federally owned and operated national research facility in McLean, Virginia. TFHRC provides the highway community with advanced and applied research and development related to new and existing highway technologies.
- The Office of Safety leads FHWA's safety initiatives and programs which include the Safe System Approach, Complete Streets, proven safety countermeasures, and the Highway Safety Improvement program.

In addition, FHWA's Headquarters support offices provide agency-wide support for FHWA's programs, including administration of information technology (IT) systems, such as those used to manage highway funding, or to report highway data; technical assistance on reauthorization and other legislation; and establishment and implementation of employee programs and training opportunities to maintain a skilled and knowledgeable workforce. Furthermore, these offices provide all legal, IT, policy, human resources, training, finance, budget, and acquisitions support for the entire agency.

Funding Request

The FY 2025 budget requests \$564.0 million in LAE for FHWA GOE, including \$3.2 million for administrative expenses of the ARC, and an additional \$86.8 million in budget authority as takedowns from Highway Infrastructure Programs funding, totaling \$650.8 million for FHWA administrative expenses.

Additional LAE Request

Since the enactment of IIJA, FHWA has worked to strategically increase staff in our headquarters and field offices to a level that can support and execute FHWA's programs, which have grown in size and complexity under IIJA. Concurrently, mandated pay raises, which have been significantly higher in recent years, have increased FHWA's payroll costs considerably as personnel costs are approximately 70 percent of FHWA's administrative costs. The administrative expenses funding under IIJA is not sufficient to cover these increased personnel costs, along with other increases such as inflation, into the future. If administrative expenses funding remains at the levels currently authorized in IIJA, FHWA is at risk of having to implement staffing reductions which could include hiring freezes or furloughs. In addition, FHWA may have to forgo discretionary investments, such as IT enhancements. These cost-reducing steps would hinder FHWA's ability to implement IIJA in the timely, efficient, and helpful manner that best supports our stakeholders.

The budget proposes providing FHWA with an additional \$67 million of LAE to enable FHWA to utilize carryover administrative expenses funding, as well as changing the period of availability from one year to two. Increasing the period of availability and providing the proposed access to carryover administrative expenses funding will ensure that FHWA can meet its operational needs while prudently utilizing the carryover funding.

The provision of additional LAE to FHWA within an annual appropriations act has a precedent. For example, in FY 2021, \$22 million in additional LAE was provided to FHWA to allow for the use of carryover administrative expenses funding while under the FAST Act Extension.

FHWA Staffing Needs

The IIJA significantly increased the funding levels for FHWA's ongoing programs while also authorizing many new programs. On average, including Highway Trust Fund funding and supplemental General Fund appropriations, the IIJA provides \$70.3 billion for FHWA programs from FY 2022 through FY 2026. This is an increase of over \$25 billion compared to the average yearly funding provided by the Fixing America's Surface Transportation Act. More than a dozen new programs were created, which support the Administration's goals of improving safety, fixing America's bridges and roads, ensuring transportation equity, and combating climate change. The new programs are a combination of formula programs that distribute funding based on statute and discretionary programs that will competitively award grants.

FHWA will utilize this administrative funding to ensure that the Administration's vision for building a better transportation system is well executed and realized. Since the enactment of the IIJA FHWA has increased hiring to ensure that appropriate staffing is in place to implement FHWA's programs, which have increased in size and complexity under the IIJA. By the end of FY 2024 FHWA anticipates onboarding over 100 new staff.

ARC Administrative Funding

The administrative funding estimate for ARC is included within FHWA's overall administrative expenses request. ARC administrative funds provide for salaries, benefits, travel, and related expenses for both ARC and FHWA employees that are working on the ADHS. The budget requests \$3.2 million for ARC administrative expenses, which is included in the overall LAE request of \$564.0 million.

What benefits will be provided to the American public through this request and why is this program necessary?

FHWA administrative funding is integral to the effective delivery of FHWA's programs in accordance with Federal laws and regulations, as well as the Department's Strategic Goals.

Focusing on Safety

FHWA believes that zero is the only acceptable number of deaths on our roads and that a Safe System Approach is how we get there. FHWA staff plays an important role in implementing the Department of Transportation's National Roadway Safety Strategy, which has formally adopted zero deaths as the DOT-wide vision and emphasizes the Safe System Approach.

- FHWA Division Offices work closely with State and local stakeholders to ensure that they can fully leverage and utilize the Federal transportation resources available to them. An important aspect of this work is providing guidance on the funding and resources available, and then helping to put these resources to work. For example, in May 2023, as part of National Bike Month, FHWA released new guidance to support bicycle, pedestrian, and micromobility projects. Through this guidance FHWA Division Offices will help State and local agencies better understand and utilize the available pedestrian and bicycle funding opportunities along with planning and design resources that can be used to address safety and connectivity among multiple modes of travel.
- Since 2011, FHWA staff have championed groundbreaking innovations through the Every Day Counts (EDC) Program. A key focus for the 2023-2024 round of the EDC Program is improving nighttime safety. The nighttime fatality rate on our Nation's roadways is three times higher than the daytime rate, and 76 percent of pedestrian fatalities occur at night. Enhancing nighttime visibility where non-motorists mix with traffic during darkness will save lives. Through the Nighttime Visibility for Safety EDC initiative, FHWA staff will champion the deployment of countermeasures that improve nighttime visibility, such as new approaches for lighting design, to safely connect people to the community and essential services.
- Every person in a work zone is somebody's parent, child, sibling, loved one, or friend. FHWA is committed to ensuring that all those working in work zones return safely to their homes and loved ones each day. FHWA will work closely with our State and local partners to leverage the opportunities laid out in the IIA to help save lives and strengthen the safety of those working in our Nation's construction zones. For example, FHWA encourages the use of Highway Safety Improvement Program funding on automated traffic enforcement

system programs in a work zone. Safe, modern roads and bridges ensure that first responders can get to emergencies more quickly, communities are connected to economic opportunities, shipments reach businesses on time, and drivers can get to where they need to go.

Restoring Economic Strength

Our Nation's bridges and roads connect communities and are vital to the everyday lives of working people and freight travel that supports our national economy. The IIJA provides a historic investment in our Nation's transportation system. FHWA is rising to meet the challenge of implementing this once-in-a-lifetime investment in transportation.

- FHWA's programs provide funding for nationally and regionally significant infrastructure, such as the National Highway System and Interstate System, while also dedicating funding for community-based projects and off-system roads and bridges. FHWA values the roles of States, local governments, Tribes, and other stakeholders in deciding how to prioritize projects and understands that communities have different needs when it comes to transportation assets. FHWA's programs provide flexible funding for a broad range of eligible projects to help communities repair, rebuild, and modernize their roads and bridges.
- FHWA's bridge programs provide opportunities to modernize large bridges that are not only pillars of our economy, but also iconic symbols of their States' past and future. For example, through FHWA's Bridge Investment Program California received \$400 million to replace, retrofit, and install critical structural elements on the Golden Gate Bridge to increase resiliency against earthquakes. An estimated 37 million vehicles cross the Golden Gate Bridge per year, including 555,000 freight trucks, as well as waterborne commerce through the Golden Gate Strait connected to the Port of Oakland. These improvements will ensure the structural integrity of this vital transportation link.
- FHWA's Bridge Investment Program is also an opportunity for communities to fund their small and medium-sized bridge projects. In December 2023, FHWA opened a notice of funding opportunity (NOFO) for up to \$9.6 billion in FYs 2023 through 2026 Bridge Project grant applications and \$80 million in FYs 2023 through FY 2026 Planning Project grant applications under the Bridge Investment Program. With this funding, communities can plan and implement bridge projects that will improve safety and mobility for people in rural regions, urban areas, and places in between. The Bridge Investment Program has already funded nearly 40 bridge projects nationwide and this funding will help communities continue to plan and advance important bridge projects in the years ahead.

Ensuring Transportation Equity

FHWA is committed to pursuing a comprehensive approach to advancing equity for all. FHWA consistently emphasizes the importance of proactively addressing racial equity, workforce development, economic development, and removing barriers to opportunity.

- In May 2023, FHWA awarded more than \$52 million to eight States through the Advanced Transportation Technology and Innovation (ATTAIN) program. The ATTAIN program promotes advanced technologies to improve safety and reduce travel times for drivers and transit riders that can serve as national examples of innovation to improve access to transportation for all communities, with expanded eligibility for projects in communities that have previously lacked investments, including rural areas and areas of persistent poverty. For example, the Maryland Department of Transportation received \$11.9 million to deploy new technologies and traffic sensors for traffic prediction, signal timing, curve warning, and other messaging to improve safety and mobility along 113 miles of U.S. Route 50, an area home to disadvantaged communities. A NOFO making available \$120 million for the ATTAIN program was opened for applications in November 2023.
- FHWA works with Tribes to ensure that Federal funds go towards projects that proactively address safety, racial equity, workforce development, economic development and removing barriers to opportunity, including automobile dependence in both rural and urban communities as a barrier to opportunity, or to redress prior inequities and barriers to opportunity. Tragically, statistics show Native Americans remain the group most likely to lose their lives in car crashes. FHWA is committed to helping Tribes implement projects that will help save lives in Tribal communities. The BIL provides the largest funding level ever for the Tribal Transportation Program, including the Safety Fund, by increasing the total authorized from \$2.4 billion under the Fixing America's Surface Transportation Act to \$3 billion for Fiscal Years 2022 through 2026. The FY 2023 Tribal Transportation Program Safety Fund grant awards funded 29 safety plan projects, including grants for seven Tribes developing their first transportation safety plan. Applications for the FY 2024 funding cycle were accepted through January 15, 2024.
- The demand for highway construction, maintenance, and operations workers is growing while industry is experiencing a revolution of emerging technologies that will require new skills. Increasing the highway construction workforce can help communities thrive while solving one of today's most persistent national transportation problems and offers an opportunity to recruit underrepresented groups, including minorities and women, to jobs that can change their lives. Through the EDC Program, FHWA is championing strategic workforce development innovations to help build an equitable transportation workforce for the future. For example, FHWA developed a comprehensive toolkit, with factsheets, profiles, case studies, and marketing materials, to help identify potential workers to enter highway construction training programs and careers.

Addressing Climate Change

Climate change threatens not just our lives and livelihoods, but the infrastructure we rely on every day. FHWA is committed to the President's goal of building a national network of 500,000 public electric vehicle charging stations and reducing national greenhouse gas emissions by 50 percent by 2030. Additionally, FHWA emphasizes investing in projects to make the country's surface transportation system more resilient to the worsening impacts of climate

change, while reducing long-term costs by minimizing demands for more expensive future maintenance and rebuilding.

- When natural disasters destroy vital transportation links, it impacts countless people who rely on those roads, bridges, and tunnels every day. FHWA staff stands ready to help communities repair and recover from disasters and become more resilient to future events. For example, in October 2023, FHWA provided \$15.3 million in “quick release” ER funds for use by local public agencies in 12 counties in California. The funds will offset costs of repair work needed for roads, trails, parking areas, and other infrastructure damaged by Tropical Storm Hilary in August. In January 2024, FHWA announced the ER semi-annual allocation of funds, which distributed \$729.4 million to 34 States, the District of Columbia, the U.S. Virgin Islands and Puerto Rico. The funds will be used to support repair needs following natural disasters, extreme weather, or catastrophic events, such as hurricanes, flooding and mudslides. Through these long-term investments FHWA will continue to address the devastating impacts of climate change and work to build more resilient transportation infrastructure.
- FHWA’s National Electric Vehicle Infrastructure (NEVI) Formula Program enables States to create a network of convenient, affordable, reliable, and equitable EV charging stations, particularly along the Interstate Highway System. FHWA has worked to ensure that all 50 States, the District of Columbia and Puerto Rico have approved Electric Vehicle Infrastructure Deployment Plans, allowing them access to NEVI Formula Program funding to help build a network of electric vehicle chargers nationwide covering approximately 75,000 miles. In December 2023, FHWA announced the opening of the Nation’s first NEVI-funded EV charging stations in Ohio and New York. Other new charging station launches will follow with stations already under construction in Maine, Pennsylvania, and Vermont.
- In July 2023, the call for applications for the Reduction of Truck Emissions at Port Facilities Grant Program closed. This new competitive grant program will modernize and update our Nation’s port system by helping to combat a significant source of air pollution. Port-related trade has led to the queuing of trucks waiting to offload their goods. Port facilities, port workers, and surrounding neighborhoods often experience poor air quality due to significant truck congestion and idling both inside and outside the port facility. Through this program FHWA will fund projects that reduce truck emissions in communities adjacent to ports, which disproportionately bear the negative environmental impacts.

Investing in Transforming Transportation

FHWA’s suite of research, technology, and education programs develop and deliver the solutions that meet current challenges and future needs. These programs cover the entire innovation life cycle including agenda setting, research and development, technology testing and evaluation, and deployment and impact evaluation of market-ready technologies and innovations. Additionally, the Research, Technology, and Education program is committed to providing superior training and education to transportation professionals.

- The expertise of FHWA’s scientists, engineers, and support staff encompass more than 100 transportation-related disciplines and expertise areas. These experts utilize the laboratories housed at the TFHRC to help address national transportation goals. Using these laboratories, FHWA staff conduct applied and exploratory advanced research in vehicle-highway interaction, and a host of other types of transportation research in safety, pavements, highway structures and bridges, human-centered systems, operations and intelligent transportation systems, and materials.
- Safety is a central focus of FHWA’s TFHRC. As such, several TFHRC laboratories are dedicated to improving transportation safety. For example, the mission of the Human Factors Laboratory is to improve transportation safety by strengthening our understanding of user needs, and making recommendations for roadway design, signing, and advanced transportation technology. The Human Factors team uses state-of-the-art tools to conduct behavioral research on drivers, pedestrians, bicyclists, and other road users. Using virtual and real-world methodologies, the Human Factors team identifies solutions to potential safety concerns in existing and future roadway scenarios. The research topics explored in the Human Factors Laboratory include vulnerable road user safety, human factors related to driving automation, and driver comprehension of roadway infrastructure.
- It is vital that the innovations pioneered through FHWA’s programs reach communities and that training and education is available so that the innovations can be utilized. FHWA is proud to support a network of Local and Tribal Technical Assistance Program (LTAP/TTAP) centers. These centers help to grow the transportation workforce, encourage the use of innovations in technology that improve safety, and provide subject-matter support on transportation issues that help build communities.

There is an LTAP center in every State, including Puerto Rico, that services more than 38,000 local agencies. The training and partnership provided by the LTAP centers allow local and rural communities to maximize the performance of their transportation workforce, manage a safe, efficient, and environmentally sound transportation infrastructure, and integrate the deployment of innovations into daily operations.

The regional TTAP centers help meet the transportation training and education needs of Native American communities, building skills and expertise to ensure the safety and maintenance of Tribal roads. The centers provide American Indian and Alaska Native Tribal governments with training, technical assistance, and technology services that best meet the needs of Tribal communities, including on-demand, virtual, and hands-on services that strengthen Tribal capacity for self-governance of transportation programs.

Exhibit IV-1
Department of Transportation
FY 2025 Budget
Federal Highway Administration
Research, Technology, and Education Budget Narrative
(Budget Authority in Thousands)

| Budget Account | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request | Basic Research | Applied Research | Experimental Development / Advanced Research | Technology Transfer |
|---|-------------------|-----------------------------|--------------------|-------------------|---------------------|---|------------------------|
| Research, Technology & Education (RT&E) Program | | | | | | | |
| Highway Research and Development | 129,066 | 147,000 | 147,000 | ----- | 73,500 | 26,460 | 47,040 |
| Technology and Innovation Deployment Program | 96,580 | 110,000 | 110,000 | ----- | ----- | ----- | 110,000 |
| Training and Education Program | 22,170 | 25,500 | 25,750 | ----- | ----- | ----- | 25,750 |
| Intelligent Transportation Systems | 96,580 | 110,000 | 110,000 | ----- | 83,600 | ----- | 26,400 |
| University Transportation Centers (UTC) ^{1/} | 70,679 | 81,000 | 81,500 | ----- | 81,500 | ----- | ----- |
| State Planning and Research (SP&R) ^{2/} | 250,767 | 255,807 | 260,948 | ----- | 156,569 | 39,142 | 65,237 |
| Advanced Transportation Technologies & Innovative Mobility Deployment [Non-add] ^{3/} | [52,680] | [60,000] | [60,000] | ----- | ----- | ----- | [60,000] |
| Subtotal, RT&E Program | 665,842 | 729,307 | 735,198 | ----- | 395,169 | 65,602 | 274,427 |
| Administrative, RT&E | 25,805 | 26,191 | 26,406 | ----- | 14,193 | 2,356 | 9,857 |
| Add: Bureau of Transportation Statistics ^{1/} | 26,250 | 26,500 | 26,750 | ----- | 26,750 | ----- | ----- |
| Less: Administrative | -25,805 | -26,191 | -26,406 | ----- | -14,193 | -2,356 | -9,857 |
| Less: State Planning and Research (SP&R) | -250,767 | -255,807 | -260,948 | ----- | -156,569 | -39,142 | -65,237 |
| Total RT&E Program ^{4/ 5/} | 441,325 | 500,000 | 501,000 | ----- | 265,350 | 26,460 | 209,190 |
| IIJA HIP Supplemental Appropriations (GF) | | | | | | | |
| University Transportation Centers (UTC) ^{1/} | 19,000 | 19,000 | 19,000 | ----- | 19,000 | ----- | ----- |
| Subtotal, IIJA HIP Supplemental Appropriations (GF) | 19,000 | 19,000 | 19,000 | ----- | 19,000 | ----- | ----- |
| Administrative, IIJA HIP Supplemental Appropriations (GF) | 285 | 285 | 285 | ----- | 285 | ----- | ----- |
| Less: Administrative | -285 | -285 | -285 | ----- | -285 | ----- | ----- |
| Total HIP Supplemental Appropriations (GF) | 19,000 | 19,000 | 19,000 | ----- | 19,000 | ----- | ----- |
| Total Programs ^{4/ 5/} | 460,325 | 519,000 | 520,000 | ----- | 284,350 | 26,460 | 209,190 |

1/ Details for this program are contained in the Office of the Assistant Secretary for Research and Technology FY 2025 budget.

2/ Title 23 U.S.C. 505(b) requires State DOT's to expend no less than 25 percent of their annual SP&R funds on RT&E activities. Total SP&R funding represents 2 percent of apportioned programs, exclusive of the Metropolitan Planning Program, Carbon Reduction Program, and Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Program.

3/ Advanced Transportation Technologies & Innovative Mobility Deployment is funded by set-asides from Highway Research and Development, Technology and Innovation Deployment Program, and Intelligent Transportation Systems.

4/ Subtotals may not add due to rounding.

5/ The FY 2023 amounts reflect the 12.2 percent reduction resulting from the imposition of the obligation limitation. The FY 2024 and FY 2025 amounts reflect authorized amounts per program before the "lop-off" percentage has been applied.

Exhibit IV-2
 Department of Transportation
 FY 2025 Budget
 Federal Highway Administration
 RT&E Program Funding by DOT Strategic Goal
 (Budget Authority in Thousands)

| ACCOUNT/PROGRAM | FY 2025 Request | DOT STRATEGIC GOALS | | | | | |
|--|------------------|---------------------|-------------------|-----------------|--------------------------|------------------|---------------------------|
| | | Safety | Economic Strength | Equity | Climate & Sustainability | Transformation | Organizational Excellence |
| Research, Technology & Education (RT&E) Program | | | | | | | |
| Highway Research and Development | \$147,000 | \$36,750 | \$22,050 | \$14,700 | \$14,700 | \$44,100 | \$14,700 |
| Technology and Innovation Deployment Program | \$110,000 | \$27,500 | \$16,500 | \$11,000 | \$11,000 | \$33,000 | \$11,000 |
| Training and Education Program | \$25,750 | \$6,437 | \$3,863 | \$2,575 | \$2,575 | \$7,725 | \$2,575 |
| Intelligent Transportation Systems | \$110,000 | \$11,000 | \$33,000 | \$11,000 | \$11,000 | \$33,000 | \$11,000 |
| University Transportation Centers ^{1/} | \$81,500 | See footnote. | | | | | |
| Bureau of Transportation Statistics ^{1/} | \$26,750 | See footnote. | | | | | |
| Total, RT&E Program ^{2/} | \$501,000 | \$81,687 | \$75,413 | \$39,275 | \$39,275 | \$117,825 | \$39,275 |
| IIJA HIP Supplemental Appropriations (GF) | | | | | | | |
| University Transportation Centers ^{1/} | \$19,000 | See footnote. | | | | | |
| Total, IIJA HIP Supplemental Appropriations (GF) | \$19,000 | | | | | | |
| Total Programs ^{2/} | \$520,000 | \$81,687 | \$75,413 | \$39,275 | \$39,275 | \$117,825 | \$39,275 |

1/ Details for this program are contained in the Office of the Assistant Secretary for Research and Technology FY 2025 Budget.

2/ The amounts in this table reflect an illustrative distribution among the Strategic Goals. In most cases, activities funded through these programs will overlap with more than one of the Strategic Goals, as they are not mutually exclusive.

**FEDERAL HIGHWAY ADMINISTRATION
RESEARCH, TECHNOLOGY, AND EDUCATION (RT&E)**

RT&E PROGRAM NAME: HIGHWAY RESEARCH & DEVELOPMENT PROGRAM

Objectives: To research and develop transformational technologies that support and improve safety; improve the mobility of people and goods; stimulate growth, productivity, and competitiveness; reduce congestion; improve the durability and extend the life of transportation infrastructure; foster innovation in transportation and transportation technologies; accelerate and improve the efficiency of project delivery; and support the transition to the transportation system of the future through innovative practices and technologies that provide an equitable approach to serving all road users, including those in underserved social and demographic communities.

Fiscal Year 2023: \$129.1 million

In FY 2023, FHWA continued to foster innovation in tools, research, and models to improve the safety of the Nation's infrastructure; improve mobility and accessibility; stimulate economic growth, productivity, and competitiveness; lead in the development and deployment of innovative practices and technologies; and serve the Nation with greater equity, efficiency, effectiveness and accountability. For example, FHWA pursued roadway design, construction, and maintenance, and robust data analysis tools to reduce the number of fatalities and serious injuries on the Nation's roads, including for social and demographic communities that suffer disproportionately from preventable death and fatal injury from crashes; conduct forward-looking, transformative research that ensures a durable, resilient, cost-effective, and environmentally-friendly infrastructure; and invest in research that creates system-wide operational improvements, and plans for the integration of transformative technologies.

FHWA continued working with State and local transportation agencies and Tribal Governments across the United States to implement a Complete Streets design model that prioritizes safety, comfort, and connectivity to destinations for everyone who uses the street network. A Complete Street is safe, and feels safe, for everyone using the street. Work also proceeded on developing methods for reducing data collection costs on pedestrians, bicyclists, and other vulnerable road users (VRUs). The primary societal benefit of a Complete Street design model will be in the reduction of fatalities and serious injuries, which disproportionately affect minority, underserved, and rural communities. The FY 2023 funding level reflects the 12.2 percent "lop-off" resulting from the imposition of the obligation limitation.

Fiscal Year 2024: \$147.0 million

In FY 2024, FHWA will conduct research to enhance safety and mobility through developing tools to enhance the safety of vulnerable road users; promote equity by developing planning tools to provide for greater access to transportation by all user groups; lead research to prepare roadway infrastructure for, and to advance, emerging capabilities in automation and cooperation; pilot user-based alternative revenue mechanisms at the national and state levels; develop materials to enhance the strength, durability, and sustainability of the highway infrastructure; and enhance the ability to use non-traditional data sources to solve highway transportation issues.

The Strategic Innovation for Revenue Collection Program will provide grants to a State or a group of States; a local government or a group of local governments; or a Metropolitan planning

organization to demonstrate user-based alternative revenue sources to maintain the long-term solvency of the Highway Trust Fund.

Effectively addressing infrastructure vulnerability to the forces of flowing water is critical to improving infrastructure resiliency and safety. Hydraulics and geotechnical engineers at FHWA are collaboratively developing improved design tools to more reliably estimate scour around bridge foundations and soil erosion at roadside stream banks, while also facilitating the design of effective protective measures. The products of this research will enable more resilient highway infrastructure.

Fiscal Year 2025: \$147.0 million

In FY 2025, FHWA will build on prior research and continue to work toward solutions that address the Nation's most critical infrastructure-related needs. The FHWA R&T Program for FY 2025 will include both follow-on initiatives from prior work and new activities that address emerging needs. Specific activities will include research on automated driving systems, multimodal mobility, advanced infrastructure materials and infrastructure resilience. FHWA will carry out research that supports the National Roadway Safety Strategy, and the Complete Streets initiative will continue to develop and disseminate research to support better safety data collection and analysis, as well as guidelines for planning, project development, and roadway design that accounts for the safe and equitable use of all roadway users.

RT&E PROGRAM NAME: TECHNOLOGY AND INNOVATION DEPLOYMENT PROGRAM

Objectives: Accelerate the adoption of proven innovative practices and technologies as standard practices to significantly improve: safety, system efficiency, infrastructure health, reliability and performance, and a balanced approach to provide livable/sustainable communities across the Nation.

Fiscal Year 2023: \$96.6 million

In FY 2023, FHWA continued to support a series of critical technology deployment programs that provide direct benefits to State and local transportation departments. Accelerating the Implementation and Delivery of New Innovations and Technologies encompasses a variety of long-standing initiatives and activities that seek to address all aspects of highway transportation, including planning, financing, operation, structures, materials, pavements, environment, construction, and the duration of time between project planning and project delivery. Within this program, FHWA supports numerous efforts to accelerate the implementation and delivery of innovations and technologies that result from highway R&D and that benefit all aspects of highway transportation. The FY 2023 funding level reflects the 12.2 percent "lop-off" resulting from the imposition of the obligation limitation.

Fiscal Year 2024: \$110.0 million

In FY 2024, this program will continue to support the deployment of innovative and proven transportation technologies and processes through financial and technical assistance, training, peer exchanges, collaboration with industry groups, information, and knowledge exchange. Innovations will be rolled out to enhance the highway transportation system through the above initiatives. Following are specific examples of the EDC-7 innovations that FHWA is advancing:

- Nighttime Visibility for Safety;
- Next Generation Traffic Incident Management (TIM): Technology for Saving Lives;
- Integrating Greenhouse Gases (GHG) Assessment and Reduction Targets in Transportation Planning;
- Enhancing Performance with Internally Cured Concrete (EPIC2);
- Environmental Product Declarations (EPDs) for Sustainable Project Delivery;
- Rethinking Disadvantaged Business Enterprises (DBE) for Design-Build; and
- Strategic Workforce Development.

Fiscal Year 2025: \$110.0 million

In FY 2025, FHWA will continue to support a series of critical technology deployment programs that provide direct benefits to State and local transportation departments. These programs include:

- *Every Day Counts program*: Stakeholder-driven program that identifies underutilized market-ready technologies with high payoffs and accelerates their deployment and widespread adoption throughout the Nation. This program has successfully highlighted several safety-based initiatives (e.g., Safe Transportation for Every Pedestrian, Focus on Rural Roadway Departures) and others that address improvement of core assets (e.g., Targeted Overlay Pavement Solutions) and economic strength (Strategic Workforce Development).
- *Accelerated Innovation Deployment Demonstration Program*: Provides funding for eligible entities to accelerate the implementation and adoption of innovative technologies or practices on highway transportation projects. Through the Notice of Funding Opportunity for this grant program, FHWA solicits applications for projects that address the Departmental priorities and include these priorities as evaluation factors for consideration of an award.
- *State Transportation Innovation Council (STIC) Incentive program*: Each State DOT co-chairs a STIC that works collaboratively across public and private sectors to identify, evaluate, and actively promote the implementation and adoption of innovative technologies and practices in all communities across the Nation.
- *Accelerated Market Readiness program (AMR)*: Supports promising innovations that have the potential to be considered for accelerated deployment. This program is seeking innovations of a transformational nature that, when in a more market ready status, can be adopted by transportation agencies. When issuing a solicitation for proposals, FHWA seeks applications for projects that address the Departmental priorities and include these priorities as evaluation factors for consideration of award.
- *Innovation Implementation Deployment Management*: Provides tools, training, technology deployment, and technical assistance that support the transportation community's use of cutting-edge innovations and technologies to deliver critical infrastructure projects. FHWA's efforts in this area primarily consist of FHWA subject matter expert-led deployment activities including webinars, technical assistance, and just-in-time training.

- *Accelerated Implementation and Deployment of Pavement Technologies (AID-PT)*: Within the Technology and Innovation Deployment Program, \$12 million is designated to promote, demonstrate, support, and document the application of innovative pavement technologies, practices, performance, and benefits.
- *Advanced Transportation Technology and Innovation (ATTAIN) Program (formerly: Advanced Transportation and Congestion Management Technologies Deployment Program)*: Provides grants to deploy, install, and operate advanced transportation technologies to improve safety, mobility, efficiency, system performance, intermodal connectivity, and infrastructure return on investment. The IIJA funds this program at \$60 million per year for each of the fiscal years 2022 through 2026.
- *Advanced Digital Construction Management Systems (ADCMS)*: The IIJA established a program for ADCMS, funded at \$20 million per year for each of fiscal years 2022 through 2026, to promote, implement, deploy, demonstrate, showcase, support, and document the application of ADCMS, practices, performance, and benefits. ADCMS builds on earlier initiatives that FHWA led through research and Every Day Counts to advance digital project delivery.

RT&E PROGRAM NAME: TRAINING AND EDUCATION (T&E)

Objectives: To foster a safe, efficient, and sustainable surface transportation system by improving the skills and increasing the knowledge of the transportation workforce and decision-makers through training and information exchanges. To attract qualified students to the field of transportation and advance transportation workforce development.

Fiscal Year 2023: \$22.2 million

In FY 2023, FHWA continued to support the delivery of training and other educational resources to the surface transportation community. Innovations that are produced through FHWA R&T activities, as well as those produced through other means, are incorporated into training and education materials to support technology transfer and deployment. The T&E program engages in workforce development and professional capacity building to provide innovative tools, processes, and concepts to State, local, Tribal, and Federal Land Management Agencies. FHWA continues to support workshops and peer exchanges for the current workforce, as well as scholarships, fellowships, and workforce development centers to support the next generation of the surface transportation workforce. The FY 2023 funding level reflects the 12.2 percent “lop-off” resulting from the imposition of the obligation limitation.

Fiscal Year 2024: \$25.5 million

In FY 2024, FHWA will continue to support the delivery of training and other educational resources to the surface transportation community. Innovations that are produced through FHWA R&T activities, as well as those produced through other means, will be incorporated into training and education materials to support technology transfer and deployment. The T&E program will engage in workforce development and professional capacity building to provide innovative tools, processes, and concepts to State, local, Tribal, and Federal Land Management Agencies. FHWA will continue to support workshops and peer exchanges for the current workforce, as well as

scholarships, fellowships, and workforce development centers to support the next generation of the surface transportation workforce.

Fiscal Year 2025: \$25.8 million

In FY 2025 this program will continue to provide leadership, training, educational materials and resources for the development and delivery of training, professional development and education programs to improve the quality of our highway system and its intermodal connections. It will also continue to provide educational opportunities to the surface transportation community by developing core competencies and new skills, enabling technology transfer, and sharing best practices.

RT&E PROGRAM NAME: INTELLIGENT TRANSPORTATION SYSTEMS PROGRAM (ITS)

Objectives: The Intelligent Transportation Systems (ITS) Program seeks to support safer vehicles and roadways by fostering innovation in better crash avoidance and protection measures; enhancing mobility by exploring methods and management strategies that increase system efficiency and improve individual mobility; improving accessibility by better managing traffic flow, speeds, and congestion; promoting innovation by fostering technological advancement and innovation across the DOT's ITS Program; and supporting transportation system information sharing through the development of standards and systems architecture.

Fiscal Year 2023: \$96.6 million

In FY 2023, the ITS Program continued to engage in system-wide interoperability allowing transportation systems users to access ITS services anywhere they may travel. Interoperability is essential to maximize safety and mobility benefits from rapidly advancing ITS technologies. The ITS Program conducts research in coordination with other DOT modes, as well as State and local public agencies, academia, industry, and other surface transportation stakeholders to advance automation, cybersecurity, mobility, environmental impacts, as well as other critical research areas to enable efficient, safe and secure ITS deployments. The FY 2023 funding level reflects the 12.2 percent "lop-off" resulting from the imposition of the obligation limitation.

Fiscal Year 2024: \$110.0 million

In FY 2024, the ITS Program will continue to support the DOT's mission of using a balanced approach that ensures that the entire Nation has the safest, most efficient and modern transportation system in the world. The ITS Program will continue to serve as an innovative hub for projects impacting all aspects of American transportation, from AV policy and institutional issues to cybersecurity, artificial intelligence, data access and management, innovative deployments, and application testing. Through the development of cooperative and standards-based interoperable technologies and comprehensive, stakeholder-driven policies, the ITS Program will facilitate the deployment of technology to enhance the efficiency, safety, and convenience of surface transportation resulting in improved access, saved lives and time, and increased productivity.

Fiscal Year 2025: \$110.0 million

In FY 2025, the ITS Program will conduct automation research in conjunction with other DOT modes, as well as State and local public agencies, academia, industry, and other surface transportation stakeholders. These efforts will continue to increase multimodal mobility options for all travelers regardless of location, income, or disability; transform safety, mobility, energy, and environmental efficiency; increase productivity; facilitate freight movement within our Nation's transportation system; and facilitate the adoption and implementation of information and communications technology with tools such as the Smart Community Resource Center. Continued leadership with interoperable connectivity and the publication of a vehicle-to-everything (V2X) strategic plan will demonstrate DOT's commitment to the continued deployment of connected vehicle and infrastructure technologies. The Intersection Safety Challenge will improve intersection safety through the innovative application of emerging technologies including machine vision, sensor fusion, and real-time decision-making to identify and mitigate unsafe conditions involving vehicles and vulnerable road users.

RT&E PROGRAM NAME: STATE PLANNING & RESEARCH (SPR)

Objectives: To solve transportation problems identified by the States. To encourage cooperation among States to leverage funds and conduct research of relevance to multi-state regions. This program is funded by a set-aside from each State's apportionments from five programs: the National Highway Performance Program, the Surface Transportation Block Grant Program; the Highway Safety Improvement Program, the Congestion Mitigation and Air Quality Improvement Program, and the National Highway Freight Program.

Fiscal Year 2023: \$250.8 million

In FY 2023, the SPR program continued to support the identification and development of innovations that address State and local concerns related to highway transportation and engage in cooperative research programs and activities. These efforts will result in the deployment of proven technologies and transportation-related innovations and processes, financial and technical assistance, training, peer exchanges, collaboration with industry groups, information, and knowledge exchange.

Fiscal Year 2024: \$255.8 million

In FY 2024, the SPR program will continue to advance applied research related to highway transportation and engage in cooperative research programs such as the National Cooperative Highway Research Program and the Transportation Pooled Fund Program. These efforts will result in the deployment of proven technologies, innovation, technology transfer and peer exchanges.

Fiscal Year 2025: \$260.9 million

In FY 2025, the SPR program will continue to: meet local needs through applied research on State or regional problems; foster innovation through the transfer of technologies from researchers to users; and conduct research for setting standards and specifications. States will continue to support cooperative research programs such as the National Cooperative Highway Research Program and the Transportation Pooled Fund Program.

RT&E PROGRAM NAME: UNIVERSITY TRANSPORTATION CENTERS

Amount Requested for FY 2025: \$100.5 million

Project and activity summaries are provided in the Office of the Secretary of Transportation – Office of the Assistant Secretary for Research and Technology FY 2025 budget submission.

RT&E PROGRAM NAME: BUREAU OF TRANSPORTATION STATISTICS AMOUNT

Amount Requested for FY 2025: \$26.8 million

Project and activity summaries are provided in the Office of the Secretary of Transportation – Office of the Assistant Secretary for Research and Technology FY 2025 budget submission.

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FY 2025 Budget

Federal Highway Administration Information Technology Budget Narrative

(Budget Authority in Thousands)

| Budget Account | FY 2023 Actual | FY 2024 Annualized CR | FY 2025 Request |
|--------------------------------|---------------------------|----------------------------------|----------------------------|
| Federal-Aid Highways | | | |
| <i>Commodity IT SS WCF</i> | \$44,615 | \$49,534 | \$48,246 |
| <i>FHWA IT</i> | \$73,860 | \$79,424 | \$80,712 |
| Total | \$118,475 | \$128,958 | \$128,958 |

The Federal Highway Administration (FHWA) is requesting **\$129 million** in FY 2025 for information technologies (IT) that support the full spectrum of FHWA programs, as well as the Department’s initiative to transform and consolidate the management of certain IT solutions centrally by the Office of the Chief Information Officer (OCIO).

Commodity IT Shared Services through the WCF

OCIO will continue to provide FHWA Commodity IT Shared Services in FY 2025 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

- **Commodity IT Shared Services** - FHWA requests **\$48.2 million** for Commodity IT Shared Services. FHWA’s share was based on actual commodity IT consumption in prior years, as well as planned future consumption. OCIO, in collaboration with FHWA, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. FHWA will only be charged for services rendered.

FHWA IT

The following major mission-critical IT systems will be maintained by FHWA in FY 2025. This list is only a subset of all IT systems that support FHWA and are reported in the Office of Management and Budget’s (OMB) Corporate Investment Management System (CIMS).

Following passage of the BIL, FHWA instituted a workgroup that considers how best to use the additional administrative resources provided by the IIJA, including potential investments in IT. For example, FHWA’s mission-critical Fiscal Management Information System 5.0 (FMIS) has implemented enhancements to support expanded reporting, recipients, and other requirements under the IIJA. Additionally, as part of the Discretionary Grants Initiative, the FHWA BIL

Implementation Group has identified procurement of an agency-wide grants management solution as a top near-term priority. An agency-wide grants management system will enable FHWA to meet the Congressionally defined grants duties more efficiently with reduced risk and greater transparency. A comprehensive grants management solution will facilitate more than 40 programs defined in law to evaluate applications, track approvals and funding distribution, document compliance, and store critical project implementation updates.

- **FMIS** – FHWA requests **\$3.5 million** for the agency’s most mission-critical system, through which States receive reimbursements for Federal-aid program costs, authorize and modify projects, as well as track and report on critical financial and program information. FHWA staff use FMIS to apportion highway funding, set obligation limitations, transfer funds, approve projects, manage, and oversee financial management of the Federal-aid program, and report on FHWA funding. The requested funding is to support operations and maintenance, critical system enhancements necessary to meet Congressionally mandated requirements (e.g., DATA Act, audit requirements for Federal awards under 2 CFR 200, etc.), and new enhancements based on requirements from State and Federal users.
- **Highway and Bridge Data Collection** – FHWA requests **\$6.5 million** to manage several IT investments used to compile, manage, and make available vital highway and bridge data, some of which is statutorily required. These investments include:
 - The **Highway Performance Monitoring System (HPMS)** supports a data-driven decision-making process among FHWA, the Department, and Congress. HPMS data are used extensively in the analysis of highway system condition, performance, and investment needs that make up the biennial *Condition and Performance (C&P) Report* to Congress. The C&P Report serves to inform both authorization and appropriation legislation activities that ultimately determine the scope and size of the Federal-aid highway program and the level of Federal highway taxation.
 - The **National Bridge Inventory (NBI)** is a collection of bridge inventory and condition information collected under the auspices of the National Bridge Inspection Standards (NBIS) as prescribed by law. The information is used for performance measure reporting, National Highway System (NHS) penalty determination, and reporting to Congress.
 - The **Integrated Transportation Information Platform (ITIP)** provides a comprehensive source for infrastructure condition and performance and Federal-aid project data elements. The ITIP integrates and provides seamless access to a wide range of data elements, which are maintained within FMIS, HPMS, and the NBI. Through ITIP, users are provided with data analysis, visualization, and reporting capabilities.

- **Direct Program Support for the Office of Federal Lands and the Office of Research, Development, and Technology** – FHWA requests **\$24.1 million** to provide the necessary tools to effectively manage FHWA’s initiatives for Federal Lands, Tribes, and transportation research, including investments in innovative technologies that improve highway safety and infrastructure.
 - For example, FHWA’s **Turner-Fairbank Highway Research Center (TFHRC)** is a member of Internet2, which is a research and development consortium led by over 200 universities working in partnership with industry and government to develop and deploy advanced network applications and technologies. Internet2 operates the Nation’s largest and fastest, coast-to-coast research and education network that was built to deliver advanced, customized services that are accessed and secured by the community-developed trust and identity framework. TFHRC utilizes this high-speed, highly secure network to run applications on super computers at national labs, obtain access to massive data servers at research universities, and to send large amounts of data to test facilities that provide critical operational testing environments and which are operated by other Federal agencies. Access to this network is critical to support FHWA’s world-class research and to enable efficient data sharing and processing.

- **Interagency Agreements** – FHWA requests **\$20.8 million** for funding Interagency Agreements (IAAs). FHWA partners with the Enterprise Service Center (ESC) for support services provided for accounting, contracting, and time and attendance systems. Other IAAs support roadway safety, geo-economic system modeling, rural and statewide geographic information systems, motor vehicle registration, highway needs and investment analysis, and environmental reviews.

- **Additional IT maintenance and support contributions staying within the mode:** FHWA requests **\$25.8 million** to support IT systems that are critical to the successful delivery of the Federal-aid highway program. FHWA invests expertise and resources into various oversight and governance programs to reduce risk , positively impact program performance and effectiveness, align with strategic goals, and continuously enhance the IT environment to enable robust and flexible IT solutions. Examples of several programs are Data Management, IT Business Cases and Alternative Analysis, Enterprise Architecture (EA), and the Capital Planning and Investment Control (CPIC) program.

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**EXHIBIT VI-1
FEDERAL HIGHWAY ADMINISTRATION
HISTORICAL FUNDING LEVELS (2015-2024)
(\$000)**

| | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024 ANNUALIZED CR</u> |
|---|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------|---------------------------|---------------------------|--------------------------------------|
| Federal-Aid Highways | | | | | | | | | | |
| Obligation Limitation | \$40,256,000 | \$42,361,000 | \$43,266,100 | \$44,234,212 | \$45,268,596 | \$46,365,092 | \$46,365,092 | \$57,473,430 | \$58,764,511 | \$58,764,511 |
| Contract Authority Exempt from Obligation Limitation ^{1/} | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 | \$739,000 |
| Liquidation of Contract Authority | \$40,995,000 | \$43,100,000 | \$44,005,100 | \$44,973,212 | \$46,007,596 | \$47,104,092 | \$47,104,092 | \$58,212,430 | \$59,503,511 | \$59,503,511 |
| Limitation on Admin Expenses [non-add] ^{2/} | \$429,300 ^{3/} | \$429,000 | \$435,795 | \$442,692 | \$449,692 | \$456,798 | \$478,897 ^{4/} | \$466,965 ^{5/} | \$476,784 ^{5/} | \$476,784 ^{5/} |
| Supplemental Emergency Relief Funds (GF) | | | \$1,532,017 | \$1,374,000 | \$1,650,000 | | | \$2,600,000 ^{6/} | \$803,000 ^{6/} | |
| Highway Infrastructure Programs (GF Supplemental Appropriation) | | | | | | | | \$9,454,400 ^{5/} | \$9,454,400 ^{5/} | \$9,454,400 ^{5/} |
| Highway Infrastructure Programs (GF) | | | | \$2,525,000 | \$3,250,000 | \$2,166,140 | \$12,000,000 ^{7/} | \$2,444,928 ^{8/} | \$3,417,812 ^{8/} | \$3,417,812 |
| Neighborhood Access and Environmental Review (GF) | | | | | | | | \$5,305,000 ^{9/} | | |

1/ Does not reflect sequestration of contract authority exempt from obligation limitation.

2/ All fiscal years include FHWA General Operating Expenses and transfers to the Appalachian Regional Commission for administrative activities associated with the Appalachian development highway system. All fiscal years do not include amounts for other non-administrative programs authorized under Administrative Expenses.

3/ FY 2015 annual appropriations (PL 113-235) provided an obligation limitation of \$429.3 million for GOE and ARC. The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (PL 114-41) provided contract authority of only \$415 million.

4/ For 2021, FHWA used carryover administrative expenses contract authority to utilize the Limitation on Administrative Expenses provided in the Appropriations Act.

5/ The IJA provides funding for administrative expenses as a takedown from the Highway Infrastructure Programs. The aggregate of these takedowns is \$86.8 million in each of FY 2022, FY 2023, and FY 2024.

6/ The Disaster Relief Supplemental Appropriations Act, 2022 (Public Law 117-43) provided \$2.6 billion in additional emergency relief funding from the General Fund for FY 2022. The Consolidated Appropriations Act, 2023 (Public Law 117-328) provided \$803 million in additional emergency relief funding from the General Fund for FY 2023.

7/ The Department of Transportation Appropriations Act, 2021 (Public Law 116-260) provided \$2 billion in additional highway funding from the General Fund for FY 2021. The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Public Law 116-260) provided \$10 billion in additional highway funding from the General Fund for FY 2021.

8/ The Department of Transportation Appropriations Act, 2022 (Public Law 117-103) provided \$2.4 billion in additional highway funding from the General Fund in FY 2022. The Department of Transportation Appropriations Act, 2023 (Public Law 117-328) provided \$3.4 billion in additional highway funding from the General Fund in FY 2023.

9/ The Inflation Reduction Act of 2022 (Public Law 117-169) provided \$5.3 billion in additional highway funding from the General Fund in FY 2022.

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