

Federal Surface Transportation Reauthorization

Background and MDOT Priorities

Baltimore Regional Transit Commission May 2, 2025

Overview

- Federal Surface Transportation Background
- Reauthorization Challenges
- MDOT Federal Reauthorization Priorities





Background

• There are two primary legislative processes that set the policy for and fund surface transportation activities at the federal level.

Reauthorization

Appropriations

Primarily sets the policy for surface transportation programs and authorizes user fee collection and spending authority from the Highway Trust Fund (HTF).

Long-term, typically a five-year bill to provide funding certainty from the HTF for state and local governments. Provides funding, with some policy directions, for various surface transportation programs up to their authorized limit.

Annual funding process, subject to shortterm political and budgetary pressures, through the Congressional appropriations process.



Background

- The federal government primarily provides <u>capital</u> funding to state and local governments.
- The most recent surface transportation authorization is the historic, \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA).
- The IIJA expires on September 30, 2026.
- Congress has begun the legislative process for the next infrastructure bill.



state of good repair, and

sustainability.

Background

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- Various Congressional committees play a role in the reauthorization process.
- Maryland is represented by:
 - Senator Angela Alsobrooks on the Senate Environment and Public Works Committee.
 - Senator Chris Van Hollen on the Senate Banking, Housing, and Urban Affairs Committee.
 - **Representatives Andy Harris** (MD-1) and **Glenn Ivey** (MD-4) serve on the House Appropriations Committee.





Reauthorization Challenges

- 1. Highway Trust Fund Solvency
- 2. The Future of the User Fee Model
- 3. Inflation, Supply Chain, and Tariffs ... Oh My!
- 4. Was IIJA a Ceiling or a Floor?
- 5. Short-term Extensions
- 6. Stakeholder Alignment

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-\$230

-\$279

2034

-\$51 -\$93 -\$137 -\$182 S 2024 2025 2026 2027 2028 2029 2030 2031 2032

Source: Congressional Budget Office

From 2024 to 2034, the Highway Trust Fund is projected to accumulate a funding shortfall of around \$280 billion Highway Trust Fund Cumulative Surpluses(+)/Deficits(-) (Billions of \$)

MDOT Federal Surface Transportation Priorities

- The process is already underway on Capitol Hill.
 - House Transportation & Infrastructure Committee collection of stakeholder policy proposals
 - Member Day hearings
 - Recent Senate and House IIJA implementation
 hearings
- In support of Governor Wes Moore's engagement and leadership with the National Governor's Association, we have prepared priorities to support Maryland's diverse and multi-modal surface transportation needs.





MDOT Federal Surface Transportation Priorities

- At a high-level, MDOT has provided priorities for:
 - Freight and Supply Chain
 - Innovative Finance
 - Predictable and Sustainable Funding
 - Strengthening Infrastructure Resilience and Sustainability
 - Safety
 - Streamlining
 - Transit Funding and Flexibility







Transit-Specific Programmatic Requests



Expanding eligibility for the Federal Transit Administration (FTA) Capital Investment Grant (CIG) Core Capacity Program to support modernization of legacy assets.



Equal treatment of all passenger rail services before the Surface Transportation Board.



Allowing transit agencies that meet or exceed FTA state of good repair standards to flex a portion of certain FTA formula funds to operations.



Thank you! Questions?

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