

TGA ASSOCIATION MANAGEMENT SOLUTIONS, LLC

TO: Railway Systems Suppliers, Inc. ("RSSI")

FROM: TGA Association Management Solutions, LLC ("TGA AMS")

RE: Monthly Legislative Report for September 2024

DATE: October 1, 2024

KEY UPDATES

• Federal discretionary grants:

- o FRA grant NOFO and award tracker here
- o FRA Rail Crossing Elimination (RCE) grant program NOFO, apps were due on Sept. 23
- o FRA released Fed-State Partnership National NOFO on October 1
- USDOT calendar for key NOFOs <u>here</u>
 - FY23-24 \$2.4 billion in CRISI grant apps were due on May 28, awards to be made in October
- On August 14, FTA released its final rule on its version of Roadway Worker Protection (RWP) for transit workers, see the rule here
- Rail industry continues to fight <u>California Air Resources Board (CARB) rule</u> mandating zero emissions locomotives by 2030 now under review at USEPA
- East Palestine fallout
 - NTSB published final report <u>here</u>
 - o House T&I rail subcommittee Chairman Nehls introduced a rail safety bill on July 23
 - House T&I rail subcommittee held a hearing on East Palestine on July 23
- FY25 Appropriations bills moved through House and Senate Appropriations Committees, updated funding tables are included in the report
 - Congress passed a continuing resolution (CR) to keep government funded until December 20, 2024

FY2025 APPROPRIATIONS

- Congress passed a Continuing Resolution (CR) through December 20, 2024
- On July 25, Senate Appropriations Committee marked up its FY25 T-HUD approprations bill
- On July 10, House Appropriations Committee marked up its FY25 T-HUD approps bill
- On March 11, President Biden released his <u>FY2025 proposed budget</u>
- See funding levels below:

	IIJA	Final	Total	President	House	Senate
	Advance	FY24	FY24	request	FY25	FY25
	Approps	Approps	funding	FY25		
	FY24	bill				
USDOT RAISE	\$1.5b	\$345m	\$1.8b	\$800m	\$0	\$550m
USDOT MEGA	\$1b	\$0	\$1b	\$800m	\$0	\$0
USDOT INFRA	\$1.64b	\$0	\$1.64b	\$0	\$200m	\$0
Amtrak NEC	\$1.2b	\$1.14b	\$2.3b	\$1.2b	\$1b	\$1.02b
Amtrak National Network	\$3.2b	\$1. 2 9b	\$4.5b	\$1.305b	\$1.12b	\$1.6b
FRA CRISI	\$1b	\$199m	\$1.2b	\$250m	\$298.5m	\$375m

FRA Fed-State Partnership	\$7.2b	\$75m	\$7.3b	\$100m	\$0	\$100m
FRA Rail	\$50m	\$0	\$0	\$0	\$0	\$0
Restoration/Enhancement						
FRA Rail Crossing	\$600m	\$0	\$600m	\$0	\$0	\$0
Elimination						
FTA CIG	\$1.6b	\$2.2b	\$3.8b	\$2.4b	\$755m	\$2.262b
FTA Formula funds	-	\$13.99b	\$13.99b	\$14.28b	\$14.28b	\$14.28b
WMATA Special	-	\$150m	\$150m	\$150m	\$150m	\$150m
Appropriation						

SURFACE TRANSPORTATION BOARD

- Current STB members:
 - Acting Chair Robert Primus (Democrat): Career Democratic staffer on Capitol Hill, formerly served as Chief of Staff to Rep. Nanette Barragan (D-CA), Rep. Michael Capuano (D-MA), and Rep. Tony Cardenas (D-CA)
 - o Karen Hedlund (Democrat): former Obama FRA Deputy Administrator
 - Open Seat (Democrat): Former Chair Marty Oberman stepped down, awaiting nomination from President
 - Patrick Fuchs (Republican): Former Senate Commerce Committee staffer under Chairman John Thune (R-SD) who is well versed on regulatory issues affecting the railroad industry. He has been very friendly to freight railroads and we know where he stands on the issues
 - Michelle Schultz (Republican): Previously spent 14 years in leadership roles with SEPTA and had a career in law before that
- On September 16-17, the STB held a public hearing to gather input on recent trends and growth strategies in the freight rail industry. Attendees included Class I executives, short lines, shippers, suppliers, labor, and other stakeholders
- On April 30, 2024, the STB **announced** its final rule on reciprocal switching
- On March 28, 2024, the STB <u>announced</u> the inaugural membership for its Passenger Rail Advisory Committee (PRAC)
- On January 25, President Biden <u>nominated</u> Patrick Fuchs to serve a second term
 - Fuchs' nomination was paired with NTSB Chair Homendy and has cleared the Senate Commerce Committee
- On November 16, at the Railtrends conference, STB Chairman Oberman announced he will not seek another term on the STB but will remain on STB through the holdover authority until his replacement is named and confirmed
 - Chairman Oberman has announced he will be stepping down on May 10, 2024. The
 White House is yet to name his successor
- On November 21, the STB <u>announced</u> it was extending the comment period until December 20
 See AAR response <u>here</u>
- Regarding CP-KCS, on March 15 the STB approved CP-KCS merger with conditions

RAIL SAFETY LEGISLATION/ACTION

- NTSB held a <u>meeting on June 25, 2024</u>, with findings from its final report, which is due to be released in full in the coming weeks.
- Railroad Safety Enhancement Act of 2024 <u>was introduced</u> on July 23, 2024 by Rep. Troy Nehls (R-TX) and Rep. Seth Moulton (D-MA)
- Railway Safety Act of 2023 (S. 576) was introduced on March 1, 2023 by Senators Vance (R-OH), Brown (D-OH), Fetterman (D-PA), Casey (D-PA), Hawley (R-MO), and Rubio (R-FL)
 - o Revised bill passed out of the Senate Commerce Committee by a vote of 16-11
 - Bill did not receive a vote on the Senate floor
- RAIL Act (H.R. 1633) was introduced on March 17 by Reps. Johnson (R-OH) and Sykes (D-OH)
- FRA Rail Safety Advisory Committee (RSAC) held a special meeting on March 27 in response to the NS East Palestine, OH derailment
- Reps. Stansbury (D-NM) and Bowman (D-NY) released a labor and <u>rail safety bill</u> on September

TRUCK SIZE & WEIGHTS

- On August 9, 2024 the Coalition Against Bigger Trucks (CABT) sent a letter to Speaker Johnson (R-LA) and Minority Leader Jeffries (D-NY) along with House Transportation & Infrastructure Committee staff urging them to oppose H.R. 3372. On August 12, Politico wrote an article on the letter mentioning that a coalition of rail and smaller trucking interests and some unions are urging opposition to the bill. Rep. Dusty Johnson (R-S.D.), who introduced the legislation last year with Jim Costa (D-CA), in a statement on August 12 said "we have to ensure our supply chain keeps moving in an efficient manner" and said the bill would "safely overcome regulatory roadblock" in a time when there is "a shortage of more than 80,000 truck drivers." Last year, the House T&I Committee approved the bill 33-27, however the bill has yet to be brought to the floor and there is no companion bill in the Senate. It's also worth noting that the American Trucking Association (ATA) did not respond to comment when Politico reached out.
 - See CABT-led association letter <u>here</u>
- On May 23, 2023, the House Transportation and Infrastructure Committee passed two bills H.R. 3372 and H.R. 2948, both of which would allow heavier trucks on the interstate highway system. H.R. 3372 would allow states to increase the allowed weight of a commercial motor vehicle operating on interstate highways from the current maximum weight of 80,000 pounds up to 91,000 pounds. H.R. 2948 (CARS Act), would increase the permissible weight of an auto transporter by 10 percent, up to 88,000 pounds.

INFRASTRUCTURE BILL (IIJA)/BIPARTISAN INFRASTRUCTURE LAW (BIL)

See links below for some helpful summaries of programs and provisions contained in the IIJA/BIL:

CRS Report on Highway and Transit funding in IIJA (NEW)			
WH technical asst guide	USDOT BIL NOFO Tracker		
Section 130 program BIL fact sheet	Brookings Online Hub		
CRS Report on FHWA programs in IIJA	CRS Report on passenger rail programs in IIJA		
White House Guidebook	Updated WH Fact Sheet		
White House Fact Sheet	USDOT State Fact Sheets		
AASHTO IIJA Summary 9 15 2021	APTA IIJA Passenger Rail Investment		

ARTBA IIJA Summary 8 2 2021	FTA Key Priorities
IIJA Summary	CBO Score of IIJA
National Association of Regional Councils	Dept. of Energy IIJA Fact Sheet
National Association of Counties NACo	T&I Links to Excel Apportionment Charts
APTA IIJA Public Transportation Investment	AASHTO Implementation Outline for IIJA

SHORT LINE 45G TAX CREDIT

- On September 11, 2024, S. 5008 and H.R. 9522, were introduced. The bill modernizes 45G by:
 - Updating the credit cap to \$6,100/mile from \$3,500/mile
 - o Index the credit cap per mile to inflation in future years
 - o Allow for all short line track to be eligible for the credit

CONGRESSIONAL HEARINGS

- <u>September 25, 2024</u>. The Senate Committee on Commerce, Science, & Transportation held a
 Full Committee hearing to consider several Presidential nominations: <u>Thomas Chapman</u> to
 serve another term as a Member on the National Transportation Safety Board, and <u>Lanhee Chen</u>
 to be a Director on the Amtrak Board of Directors. See Senator Cantwell's opening statement
 here. <u>Committee Link and Testimony</u>. <u>Covered by TGA AMS Summary Available Upon</u>
 Request
- <u>September 18, 2024</u>. The House Committee on Appropriations held a hearing to discuss and receive testimony on matters pertaining to, "<u>Oversight Hearing Inspectors General HUD, DOT, and Amtrak.</u>" <u>Committee Link and Testimony</u>. See 16-page statement of Eric J. Soskin, Inspector General US DOT, <u>here</u>, "Oversight of DOT Programs and Activities."
- September 18, 2024. The House Committee on Transportation and Infrastructure held a Full Committee markup hearing to consider several bills including: Amendment in the Nature of a Substitute (ANS) to H.R. 8689, the Amtrak Executive Bonus Disclosure Act, ANS to H.R. 8692, the Amtrak Transparency and Accountability for Passengers and Taxpayers Act, ANS to H.R. 9135, the Ensuring Airline Resiliency to Reduce Delays and Cancellations Act, and H.R. 8995, the Baby Changing on Board Act, et al. Committee Link. The Committee approved 29 measures, including: the Amtrak Executive Bonus Disclosure Act introduced in the House by Rep. Marcus Molinaro (R-NY), the Amtrak Transparency and Accountability for Passengers and Taxpayers Act introduced in the House by Rep. Troy E. Nehls (R-TX) Press Release here, the Ensuring Airline Resiliency to Reduce Delays and Cancellations Act introduced in the House by T&I Ranking Member Rick Larsen (D-WA), and the Baby Changing on Board Act introduced in the House by Rep. Lauren Underwood (D-IL).
- September 11, 2024. The Senate Committee on Commerce, Science and Transportation held a Full Committee hearing to consider several Presidential nominations to the Amtrak Board of Directors: * David Capozzi to be a Director on the Amtrak Board of Directors, * Samuel Lathem to be a Director on the Amtrak Board of Directors, and * Elaine Clegg to be a Director on the Amtrak Board of Directors. The nominees testified in their own behalf. Earlier this year (1/23/2024), the Senate confirmed three members to the Amtrak Board: Anthony Coscia, Christopher Koos, and Joel Matthew Szabat. Committee Link.

U.S. DEPARTMENT OF TRANSPORTATION/FRA/FTA

<u>September 25, 2024</u>. US DOT Secretary Pete Buttigieg, and US Dept. of Labor Acting Secretary
Julie Su, sent <u>a letter to the CEOs of three Class I freight railroads – CPKC, CN, and CSX</u> – calling

- on them to guarantee paid sick leave to all of their employees. The letter explains that since the end of 2022, the number of Class I freight railroad employees who have access to paid sick days increased from 5% to 90%. However, they also noted that the remaining 10 percent of workers who do not have paid sick time workers employed by the three recipients of the letter are no more immune to illness than those with coverage.
- September 17, 2024. The National Academies released a report entitled, "Long Freight Trains: Ensuring Safe Operations, Mitigating Adverse Impacts (2024)." A free copy of the report can be downloaded, as a guest, here. Driven by cost and efficiency considerations, freight railroads have been operating increasingly longer manifest trains over the past two decades. As the length of the train increases, it becomes more important to manage in-train forces by placing additional locomotives in the train and assembling trains correctly. In the report, the FRA notes that the heightened safety challenges and operational demands of long freight trains require a combination of actions from major freight railroad companies. The report says that the FRA should strengthen the requirements so that railroads must identify, analyze, and address the risks that arise from all major operational changes, including from the use of longer manifest trains. Railroads should also be required to regularly monitor and evaluate the effectiveness of these risk reduction measures and improve them as necessary. The report also analyzes the issue of freight trains blocking roads at rail crossings. The study undertaken by the Committee on the Impact of Trains Longer than 7,500 Feet was sponsored by the US DOT. Article here.
- <u>September 16-17, 2024</u>. The Surface Transportation Board (STB) held a hearing on the, "<u>Growth in the Freight Rail Industry</u>." The hearing was recorded, and the link to the recording is available on the Board's website at www.stb.gov, under the tab "News & Communications," by clicking on "Meetings & Hearings." See article <u>here</u>.
- <u>September 13, 2024</u>. The Federal Railroad Administration (FRA) issued a <u>Notice of Funding</u>
 <u>Opportunity</u> (NOFO) making available \$1 million under the <u>FY 2024 Railroad Rights-of-Way and Highway-Railroad Grade Crossing Safety Information and Education Program</u>. *[Only Operation Lifesaver Inc is permitted to apply for this announcement.]* Applications are due September 20, 2024.
- <u>September 12, 2024.</u> Operation Lifesaver, Inc. (OLI), in partnership with the Federal Highway Administration (FHWA), <u>announced \$200,000 in competitive crossing safety awareness grants</u> to Operation Lifesaver programs in 12 states. This is the second round of FHWA-funded crossing safety public awareness grants awarded in 2024. OLI <u>announced</u> \$200,000 in awards in April to programs in 10 States.
- September 10, 2024. The Federal Transit Administration (FTA) made available its presentation (slide deck) of the Public Transportation Safety Certification Training Program (PTSCTP) webinar held on September 5, 2024. The webinar highlighted key changes in the updated PTSCTP regulation and included an overview of frequently asked questions.
- September 9, 2024. The Federal Railroad Administration (FRA) published a Notice/Request For Comments regarding an application package from Ohio Department of Transportation (ODOT) in conjunction with the Ohio Rail Development Commission (ORDC), requesting participation in the Surface Transportation Project Delivery Program (Program). Under the Program, FRA may assign, and the State may assume, responsibilities under the National Environmental Policy Act (NEPA), and all or part of FRA's responsibilities for environmental review, consultation, or other actions required under any Federal environmental laws with respect to one or more railroad projects within the State. Comments must be received on or before October 9, 2024.

Chart of IIJA funds obligated

	IIJA Financial S			
	(FYs 2022, 2023 ar	nd 2024)		
As of: June 2, 2024				
ADMINISTRATION	FUNDING SOURCE	ADJUSTED TOTAL	ORLICATIONS	PERCENT OBLIGATED
ADMINISTRATION Federal Aviation Administration	JOURCE	IOIAL	OBLIGATIONS	OBLIGATED
	IIIA Cumplamantal	2 000 000 000	1 205 420 000	42.2%
Facilities & Equipment	IIJA Supplemental IIJA Supplemental	3,000,000,000	1,265,436,000	26.7%
Airport Infrastructure Grants Airport Terminal Program	IIJA Supplemental	8,997,000,000 2,997,000,000	2,398,204,000 2,014,585,000	
_ · _ · _ ·	iiJA Supplementai	2,997,000,000	2,014,363,000	67.2%
Federal Highway Administration				
Federal-Aid Highways (Trust Fund)	IIJA Contract Auth.	155,854,895,000	120,719,443,000	77.5%
Highway Infrastructure Program	IIJA Supplemental	28,306,279,000	8,256,805,000	29.2%
Federal Motor Carrier Safety Administration				
Operations and Programs (Trust Fund)	IIJA Contract Auth.	1,126,404,000	892,721,000	79.3%
Operations and Programs	IIJA Supplemental	30,000,000	5,183,000	17.3%
Motor Carrier Safety Grants (Trust Fund)	IIJA Contract Auth.	1,517,760,000	995,776,000	65.6%
Motor Carrier Safety Grants	IIJA Supplemental	373,500,000	216,090,000	57.9%
National Highway Traffic Safety Administration				
Operations and Research (Trust Fund)	IIJA Contract Auth.	586,696,000	428,015,000	73.0%
Highway Traffic Safety Grants (Trust Fund)	IIJA Contract Auth.	2,779,369,000	2,733,532,000	98.4%
Operations and Research	IIJA Supplemental	216,500,000	129,699,000	59.9%
Crash Data	IIJA Supplemental	443,500,000	31,912,000	7.2%
Vehicle Safety & Behavioral Research	IIJA Supplemental	119,100,000	56,738,000	47.6%
Supp. Highway Traffic Safety Grants	IIJA Supplemental	186,000,000	127,232,000	68.4%
	поттопристи	100,000,000	127,232,000	00.470
Federal Transit Administration Capital Investment Grans	IIJA Supplemental	4,800,000,000	2,117,532,000	44.1%
All Stations Accessibility Program	IIJA Supplemental	1,049,895,000	363,999,000	34.7%
, <u> </u>			303,999,000	
Elec. Or Low-Emitting Ferry Program	IIJA Supplemental	149,985,000	44 924 000	0.0%
Ferry Service for Rural Communities	IIJA Supplemental	599,940,000	44,824,000	7.5%
Transit Infrastructure Grants Transit Formula Grants (Trust Fund)	IIJA Supplemental IIJA Contract Auth.	6,163,697,000	2,611,649,000	42.4% 36.8%
,	IIJA COITITACT AUTII.	44,410,514,000	16,353,666,000	30.676
Federal Railroad Administration				
NE Corridor Grants to Amtrak	IIJA Supplemental	3,592,020,000	3,574,648,000	99.5%
National Network Grants to Amtrak	IIJA Supplemental	9,584,000,000	9,399,393,000	98.1%
Consolidated Rail Infrastructure Safety/Improvements	IIJA Supplemental	2,980,000,000	16,300,000	0.5%
State of Good Repair/FedState Partnership	IIJA Supplemental	21,456,000,000	20,700,000	0.1%
Railroad Crossing Elimination	IIJA Supplemental	1,786,903,000	3,134,000	0.2%
Financial Assistance Oversight	IIJA Supplemental	197,010,000	56,985,000	28.9%
Pipeline/Hazardous Materials Safety Administration				
Emergency Preparedness Grans (Fee Based)	IIJA Mandatory	103,442,000	39,417,000	38.1%
Nat. Gas Dist. Infr. Safety & Modernization	IIJA Supplemental	599,940,000	165,510,000	27.6%
Maritime Administration				
Operations and Training	IIJA Supplemental	25,000,000	9,937,000	39.7%
Port Infrastructure Development Program	IIJA Supplemental	1,350,000,000	104,948,000	7.8%
Office of the Inspector General				
Division J Transfers	IIJA Supplemental	12,972,000	-	0.0%
	Д	==,e:=,ett		
Office of the Secretary of Transportation Asset Concessions	IIJA Mandatory	57,720,000	_	0.0%
TIFIA Highway Trust Fund Transfers	IIJA Mandatory IIJA Contract Auth.	678,899,000	17,773,000	2.6%
National Infrastructure Investments	IIJA Contract Autil.	7,350,000,000		3.1%
	IIJA Supplemental		224,951,000	31.6%
SMART Grants		294,000,000	92,784,000	
Safe Streets and Roads for All	IIJA Supplemental	2,940,000,000	254,128,000	8.6%
National Culvert Remov., Replcmt., Restoration	IIIA Supplemental	588,000,000	111 706 000	0.0%
Operational Support	IIJA Supplemental	304,768,000	111,706,000	36.7%
US DOT Total	:	317,608,708,000	175,855,355,000	55.4%

Selected/Anticipated Transportation-Related NOFO Announcement Dates in 2024

Month Est. Notice of Funding Opportunity (NOFO) Operating/Admin. Office

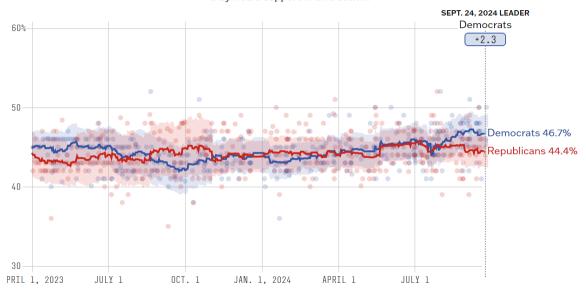
	0 11 / /	1 0
September 2024	Promoting Resilient Operations for Transformative, Efficient, and Costsaving Transportation (PROTECT)	FHWA
September 2024	Federal-State Partnership for Intercity Passenger Rail (National)	FRA
November 2024	Local and Regional Project Assistance Grants (RAISE)	Office of the Sec.
Fall 2024	Regional Infrastructure Accelerators Demonstration Program	Office of the Sec.
Winter 2024	Building Resilient Infrastructure and Communities Program	DHS/FEMA

POLITICAL ENVIRONMENT

• See latest polls below on voters' opinions of which party they would support in an election for Congress (slight favorability for Democrats):

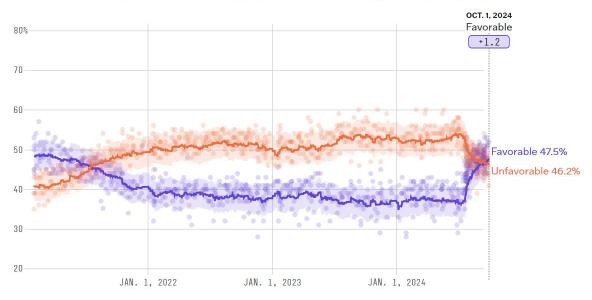
Do voters want Republicans or Democrats in Congress?

An updating estimate of the generic congressional ballot, based on polls that ask people which party they would support in an election.



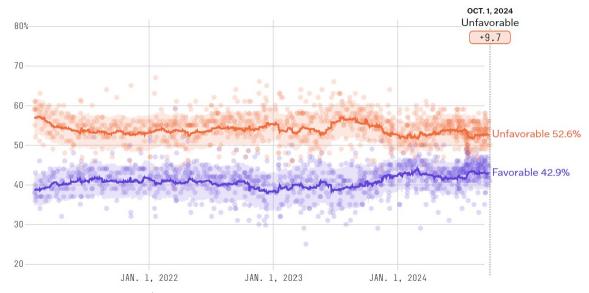
- Below charts show the favorability of candidates Kamala Harris (D) and Donald Trump (R)
 - Kamala Harris:

Do Americans have a favorable or unfavorable opinion of Kamala Harris?



O Donald Trump:

Do Americans have a favorable or unfavorable opinion of Donald Trump?



Current split for the 118th Congress

Senate: **51 Democrats – 49 Republicans**House: **220 Republicans – 213 Democrats**