

Shifting Gears: Navigating Federal Transportation Funding and Priorities in a Changing Landscape

ACEEE Energy Efficiency
Policy Forum

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Smart Energy. Clean Planet. Better Lives.



Presenters



Rachel Aland, Transportation Director, ACEEE

Rachel Aland leads ACEEE's Transportation Program. In this role she oversees transportation-related research and the development of policy priorities focused on transforming freight and passenger transportation systems to be more efficient, sustainable, and equitable.



Joung Lee, Director of Policy and Government Relations, American Association of State Highway and Transportation Officials (AASHTO)

Joung Lee leads AASHTO's transportation policy, strategic initiatives, and external affairs with Congress, federal agencies, and partner organizations. Joung began his career with the Federal Highway Administration. He serves on the advisory boards of the Cornell Program in Infrastructure Policy and The Road Gang in DC, along with the Congressionally-authorized Electric Vehicle Working Group.



Representative Sean Casten (IL-6)

Rep. Casten serves on the House Financial Services Committee and is Vice Ranking Member of the Science, Space, and Technology Committee. He also serves as Vice-Chair of the Sustainable Energy and Environment Coalition (SEEC) and is a Co-Chair of the Sustainable Investment Caucus. Rep. Casten draws upon his previous private sector experience in Congress to craft market-based solutions to reduce emissions while creating jobs and spurring economic growth.



Transportation Funding Policy and Regulations Overview

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Transportation Programs - BIL

- **Bipartisan Infrastructure Law**
 - \$643 billion for transportation 2022-2026
 - \$109B for transit
 - \$102B for rail
 - \$17B to modernize ports
 - \$5B for National Electric Vehicle Infrastructure formula funding
 - \$5B clean school bus program
 - \$6.4 billion Carbon Reduction Program - formula funding
 - Obligated funds:

Report Date	Enacted Budget Authority	Obligations	Outlays	% Obligated	% Outlaid
30-Sep-24	\$333,185,152	\$233,329,697	\$112,547,608	70.03%	33.78%

Transportation Programs - IRA

- Inflation Reduction Act
 - Tax credits
 - \$7,500 tax credit for light duty new
 - \$4,000 for light duty used
 - \$40,000 tax credit for heavy duty vehicles
 - \$1,000 tax credit for charging equipment
 - \$1B in grants for zero emission heavy duty vehicles
 - \$3B in grants for zero emission port equipment
 - \$2B in grants and \$3B in loans to incentivize domestic manufacturing of zero or low emission vehicles
 - \$30B advanced manufacturing production credit

Vehicle Emissions Rules

- **EPA new clean car standards, March 2024, vehicle model years 2027-2032**
 - 50% reductions in total light duty fleet-wide greenhouse gas emissions
 - 44% reductions in medium duty fleet in 2032 relative to the existing 2026 standards.
 - 7.2 billion tons of greenhouse gas pollution from being emitted into the atmosphere by 2055
 - The largest gross reduction of emissions by any one rule in U.S. history
- **EPA new clean truck standards, March 2024, vehicle model years 2027-2032**
 - Avoid approximately 1 billion metric tons of greenhouse gas emissions by 2055
 - Technology-neutral average emissions requirements across each manufacturer's sales through electric models as well as efficiency improvements to diesel trucks

Freight System Investments

- Supply Chain Disruptions Taskforce
- Creation of Multimodal Freight Office at Department of Transportation
- National Zero-Emission Freight Corridor Strategy, March 2024
 - Phase 1: Establish hubs
- National Freight Strategic Plan, to be released by the Office of Multimodal Freight Infrastructure and Policy by September 2025
- Freight Logistics Optimization Works

What's Up Next 2025-2026

Challenges:

- California waiver of the Clean Air Act and emissions standards
- Uncertain future for EV tax credits
- Future of unobligated IRA funds

Opportunities:

- Industrial policy and future EV funding
- Freight policy