Evergreen Collaborative

SURFACE TRANSPORTATION REAUTHORIZATION

Four Key Risks and Opportunities for Sustainable Transportation

Transportation is the highest-emitting sector of the U.S. economy. Surface Transportation Reauthorization will shape the future of American transportation and sector-wide decarbonization pathways. Ahead of the 2026 Reauthorization, Evergreen Collaborative modelled four potential legislative actions that reduce emissions, enhance safety, streamline transit, and advance vehicle electrification. The opportunities presented below are intended to garner bipartisan support while reducing emissions and improving transportation systems. The risks outlined should be heeded for their detrimental effects on our climate goals and economy.

Policy Proposal	Climate Pollution (CO_2e) Cumulative	Outcomes, Cumulative
EV Point of Sale & Annual Registration Fees	+230,000,000 MT	-7,300,000 BEVs
Safety Performance Measure Declining Target	-13,000,000 MT	-1,000 Crash Fatalities -320,000 Crashes
NEVI Reauthorized FY27-32	-6,700,000 MT	+170,000 BEVs +33,000 Charge Ports
Transit Project Delivery Streamlined	-3,500,000 MT	1-12 months time savings per project

RISK 1

EV point of sale and annual registration fees

🔗 3

- *230 million metric tons (CO2e) of additional climate pollution, 2027-2045*
- ***7.3 million fewer battery electric vehicles**, 2027-2045*

A fee on electric vehicles could have a catastrophic impact on national emissions, **equivalent to running 61 coal-fired power plants for a year**.

OPPORTUNITY 1

Safety Performance Measure Declining Target

🔗 9

- ***13 million metric tons (CO2e) climate pollution avoided**, 2027-2045*
- *1,000 fewer crash fatalities, 2027-2045*
- *320,000 fewer crashes, 2027-2045*

Evergreen proposes new legislation that requires states to adopt safety performance standards that target reductions in roadway .fatalities and invest in safety programs. Safety investments could take the equivalent of 1.5 million internal combustion engine vehicles off the road. Stronger safety guidelines could also save **1,000 people annually from fatal crashes**.

OPPORTUNITY 2

NEVI reauthorization, FY27-32

🔗 13

- ***6.7 million metric tons (CO2e) climate pollution avoided**, 2027-2045*
- *170,000 new battery electric vehicles, 2027-2045*
- *33,000 new charge ports by 2045*

The National Electric Vehicle Infrastructure (NEVI) Program continues to deliver cost-effective emissions reductions and induce electric vehicle purchases by enhancing the reliability of the public charger network.

OPPORTUNITY 3

Transit project delivery streamlining

🔗 16

- ***3.5 million metric tons (CO2e) climate pollution avoided**, 2027-2045*
- *1-12 months saved per project*

Delegating environmental review authority to transit agencies could enable more investment in public transit and reduce sector-wide emissions by up to 3.5 million metric tons. This authority could also save up to 12 months on significant transit projects and up to $100 million per project.

Background

A Surface Transportation Reauthorization bill could be an opportunity to develop more affordable, accessible, low-carbon transportation nationwide. Alternatively, our transportation sector could be a barrier to meeting meaningful climate goals in our lifetime. The Infrastructure Investment and Jobs Act (IIJA) expires on September 30, 2026. With expiration, we face high risk and high opportunity for sustainable transportation and economy-wide emissions impacts.

Evergreen Collaborative is engaged with partner organizations and Hill staff to support the development of bill text aligned with climate and affordability goals. Evergreen has drafted this emissions impact analysis and descriptions of high-impact bill text to inform the stakes and opportunities for climate-concerned Members of Congress on the bill. This analysis includes both the highest risk to climate goals in Surface Transportation Reauthorization and a few opportunities for emissions reductions. The emissions-reduction opportunity areas were chosen for their clear bipartisan potential and alignment with leadership goals to improve roadway safety and increase project delivery efficiency.

RISK 1

Electric Vehicle Point Of Sale And Annual Registration Fees

Policy

Congressional Republicans are threatening to impose annual fees for electric vehicles (EVs). These fees would apply to both battery-electric vehicles (BEV) and hybrid-electric vehicles (HEV). Republican leadership erroneously asserts that a tax on electric vehicles is necessary to address the Highway Trust Fund's insolvency, created by decreased gas tax revenue, which is driven by both inflation and increased fuel efficiency of internal combustion engine (ICE)

vehicles. While an EV fee would not solve Highway Trust Fund solvency issues, it would create major economic risks for the EV industry, which currently includes 704 EV manufacturing-related facilities nationwide, supporting 253,300 jobs and $243 billion dollars in investments. This analysis focuses on the emissions impacts of an EV fee, but decision-makers should also consider the detrimental economic impacts.

One proposal introduced by Senator Fischer calls for a one-time point-of-sale fee of $1,000. A House Committee on Transportation and Infrastructure proposal calls for an annual registration fee of $250 for BEVs and $100 for HEVs. Senator Moreno proposed a $500-per-year fee on BEVs and $250-per-year fee on HEVs. In this analysis, we examine the ceiling impact of the Senate point-of-sale fee and the House annual fee combined and disaggregated for EVs.

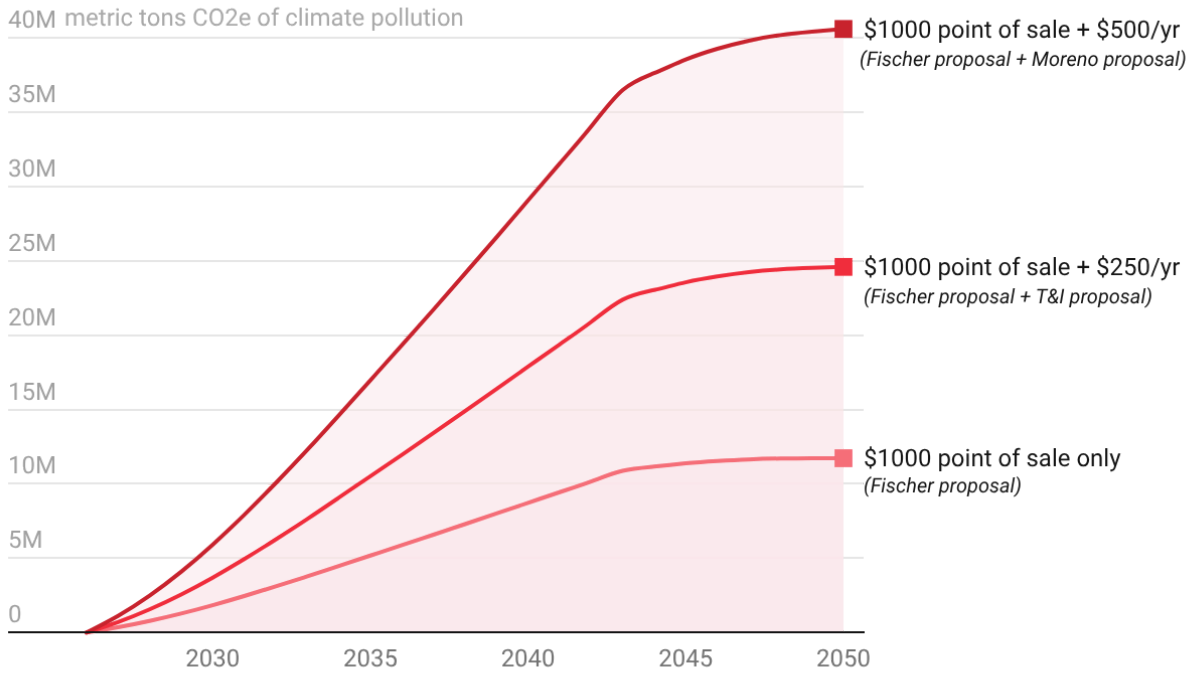
Impact

Consumers are highly sensitive to even modest changes in upfront EV costs. Taxing EVs would notably decrease their adoption compared to current business-as-usual forecasts. This also means that consumers are likely to purchase more internal combustion engine (ICE) vehicles, increasing total transportation sector emissions by 230 million metric tons (MT) CO2e by 2045. That is equivalent to the pollution from 61 coal plants running for one year, or the same as 54 million gasoline-powered passenger vehicles driven for one year.

We modelled both a point-of-sale fee and an annual fee together to assess their impacts on electric vehicle sales and the corresponding emissions.

Impact of EV fee proposals on climate pollution from the transportation sector

By effectively increasing the cost of battery electric vehicles and hybrid electric vehicles, fees on EV sales and ownership push drivers to instead purchase internal combustion engine vehicles, which create more climate pollution.



Source: Evergreen Collaborative • Created with Datawrapper

These emissions impacts are a result of the increased cost of owning an EV shifting consumers to purchase polluting ICE vehicles. We find that the combination of point-of-sale fees and annual recurring registration fees would significantly impact BEV adoption in the U.S., resulting in approximately 7 million fewer BEV purchases by 2045, roughly equivalent to an immediate 10% year-over-year decrease in BEV sales. Hybrid electric vehicles purchases would also decrease by approximately 400,000 units in the same time frame

Our modeling baseline accounts for the existing negative impacts on EV stock due to the sunset of the EV tax credit, weakened tailpipe rules, and rollback of Advanced Clean Cars II, Advanced Clean Trucks, and Clean Car Standards. However, we do not consider the impacts of forthcoming Corporate Average Fuel Economy standards, which are likely to disincentivize increased fuel economy for ICE vehicles in the United States. This would decrease the overall

fuel efficiency of the American passenger vehicle market as customers choose larger, less fuel-efficient vehicles, gas taxes continue to become a smaller share of overall gas costs due to inflation, and automakers face no requirements to maintain current fuel efficiency standards.

Cumulative change in transportation sector emissions from EV fee *($1000 point of sale + $250/yr, 2027-2045)*	
+230,000,000	metric tons CO2 equivalent
+61	coal plants running for one year, equivalent
+54,000,000	gas powered cars driving for one year, equivalent

Cumulative change in US EV stock *($1000 point of sale + $250/yr, 2027-2045)*	
-7,300,000	battery electric vehicles (BEVs)
-400,000	hybrid electric vehicles (HEVs)

Methodology

Consumers purchase vehicles based on three factors: upfront costs, regular operations costs, and “shadow” costs associated with EV uncertainty (i.e., range and charging time anxiety). A $1,000 EV point-of-sale fee would increase upfront costs. A BEV annual registration fee of $250 and $100 HEV fee would increase regular operations costs.

Using the RMI Energy Policy Simulator (EPS), an advanced energy economics model, we investigated the impacts of a nationwide 1) point-of-sale EV fee and 2) recurring annual EV registration fee on BEV and HEV adoption and

transportation sector emissions. We used the EPS "Federal Policy Rollback and Repeal" scenario to incorporate the impacts of current administration policies on EV adoption into our baseline. This baseline considers the repeal of EV tax credits, the halted adoption of Advanced Clean Cars I and II, and the rescission of vehicle tailpipe emissions standards (i.e., Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles and Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles – Phase 3). This impact is likely an underestimate of the increase in emissions from additional internal combustion engine vehicles on the market in the absence of the 2024 Corporate Average Fuel Economy standards non-compliance fees, which were cut to $0 per House Resolution (H.R.) 1. The Union of Concerned Scientists has done a preliminary analysis of the impacts of that bill on vehicle emissions.

In our analysis scenario, we then impose an additional "negative subsidy" on BEVs and HEVs to reflect the increased costs at the point of sale resulting from the proposed policies. The $1,000 fee is subtracted from the preset subsidy implementation schedule from 2027 onward. To evaluate the recurring registration fee, we use a net present value (NPV) method based on discount rates that reflect consumer sentiment towards future recurring operations charges. A range of adjusted values is also subtracted from the subsidy implementation schedule. This is consistent with the economic model underlying EPS, which also converts recurring costs to NPV using high discount rates that reflect observed consumer behavior.

BEV Policy Proposal	Net Present Value (NPV) of Fee at Time of Purchase	Discount Rate
Senator Fischer proposal $1,000 point of sale	**$1,000**	Not Discounted
House Transportation and Infrastructure proposal $250 annual recurring BEV fee	$1,100 - $2,500	20% - 3%
Combination of the Above Policies	**$2,100 - $3,500**	$1,000 Point of Sale Fee: not discounted. $250 Recurring Fee: 20% - 3%

Bold table values were modeled in EPS as increases in the upfront cost of purchasing a BEV. This exercise was repeated for HEVs.

The expiration of incentives and tax breaks had similarly sized impacts in European EV markets. For example, German sales collapsed by 27% in 2024 after ~€4,500 in subsidies expired, and as of 2025 still haven't recovered to 2023 market share. Swedish registrations decreased 15% after ~€4,600 subsidies expired, further demonstrating the role of consumer price sensitivity in EV adoption.

OPPORTUNITY 1

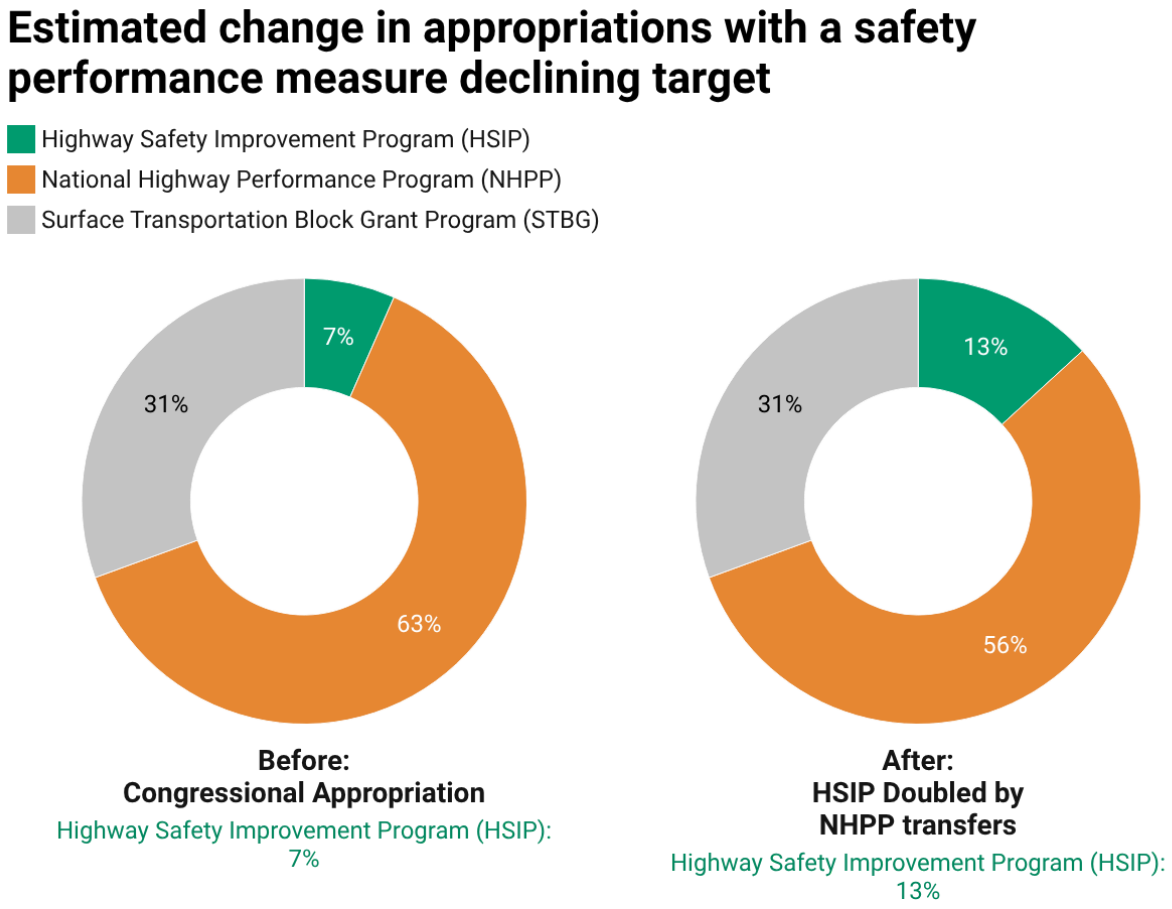
Safety Performance Measure Declining Target

Policy

Safe pedestrian and bicycling infrastructure expands mobility choices and enables walking and biking while supporting access to public transit by allowing people to safely access transit stops. Areas with high rates of pedestrian fatalities are associated with infrastructure that exclusively prioritizes car travel at the expense of safe sidewalks and other people-centered infrastructure. Limiting travel choices to car travel contributes to increased emissions, whereas biking, walking, and transit are necessary to reduce them. Further, investments in auto-centric roadway design discourage alternative modes of travel by making walking and biking relatively more dangerous, while diverting scarce funding that could be used for climate-friendly projects.

Increased fatalities are correlated with increased emissions, since the same types of projects (such as lane expansions) that lead to more fatalities also lead to higher emissions. Fatalities are correlated with increased numbers of highway lane miles and associated increases in vehicle miles traveled (VMT), particularly on high-speed highways. Currently, states are required to set fatalities performance targets, but they often set those targets higher than current fatalities.

We propose legislative language requiring states to set declining fatality targets for their safety performance measure. States that are unable to meet their own declining targets would need to obligate apportioned federal-aid highway program funds into the Highway Safety Improvement Program (HSIP). See Appendix A for proposed legislation.



Impact

This proposed legislation would require states that fail to meet their targets to allocate 200% of HSIP funds from other federal-aid highway program funds to projects that reduce fatalities, including those that will support walking, biking, and public transit access. States could choose to allocate that funding from the National Highway Performance Program (NHPP) or the Surface Transportation Block Grant Program (STBG). Since NHPP has limited project eligibility and makes up the majority of federal-aid highway program funding, we assumed the allocation of this program. We developed a “highest impact” scenario in which every state triggered this requirement in order to demonstrate the potential impact of this safety measure.

Cumulative change in transportation sector emissions from safety performance measure declining target *(2027-2045)*	
-13,300,000	metric tons CO_2 equivalent
-4	coal plants running for one year, equivalent

Cumulative change in safety outcomes from safety performance measure declining target *(2027-2045)*	
-1,000	car crash fatalities
-15,000	car crash injuries
-320,000	car crash incidents

Methodology

This analysis relies on factors developed by Transportation for America (T4A) that evaluate the emissions impact of investments into specific federal aid programs.

To identify the maximum impact on emissions reductions and the maximum safety benefits, we analyzed both total non-compliance and total compliance scenarios. Total compliance would lead to significant reductions in fatalities but would have no emissions impact since the required reallocation to HSIP would not be triggered. Total non-compliance would result in no or insufficient decrease in roadway fatalities, but would trigger the HSIP reallocation in all

states and yield maximum emissions reductions. We assume the performance measure continues to be enforced for all subsequent years in the analysis period to maintain consistency with the broader analysis.

This analysis underestimates both the impact on emissions mitigation and the impact on fatalities avoided. This analysis considers only the emissions and fatalities avoided by moving dollars out of NHPP. HSIP dollars can fund pedestrian and bicyclist safety infrastructure for people with disabilities, in school zones, in rural areas (§ 11111; 23 U.S.C. 148 (a)(B)(v, xviii, xix, xxvi, xxvii, and xxviii), and systemically across the transportation system (xiii, xxii, xxiv, and xxix). These projects reduce fatalities by reducing vehicular-pedestrian and vehicular-bicyclist collisions. These projects also create more opportunities for safe walking and biking, as well as access to transit stops for pedestrians and cyclists. This, in turn, enables more low-carbon trips and a greater choice of transportation modes, which decreases transportation sector emissions.

Literature on exact impacts is limited. The Climate and Communities Institute has conducted research on the impact of shifting dollars from highway expansion projects to transit on emissions reductions. T4A assesses that the HSIP program has an average of 243 metric tons (MT) of CO2 emissions per million dollars. This is a lower emissions impact than NHPP, which is 672 tons of CO2 emissions per million dollars. The T4A analysis does take into account that some HSIP projects may induce additional emissions, such as the shoulder widening projects (§ 11111; 23 U.S.C. 148 (a)(B)(ii) eligible under the HSIP program.

This analysis assumes that state departments of transportation would choose to reallocate funds from the NHPP to HSIP. On average, states move more money out of programs with more restricted project eligibilities, including NHPP. A non-compliant state would be required to move 200% of HSIP dollars into the HSIP program. The HSIP program represents 6.71% of the state apportionment. A state would need to transfer 13.42% of total funds to HSIP. Ostensibly, a state could use 50% of either the STBG for this purpose if that state had no additional suballocation requirements or other limitations on the

use of STBG dollars. Given precedent, states may be more likely to preserve STBG funds due to their flexible project eligibilities.

Scenarios where HSIP funds are transferred from NHPP to comply with the performance measure result in notable emissions reductions. In the scenario where HSIP funding is doubled, relying on an NHPP transfer, cumulative million metric tons of CO2e are reduced by 13.3 million MT over 19 years (summed by 2045). This is equivalent to the annual emissions of 4 coal plants running for a year.

OPPORTUNITY 2

National Electric Vehicle Infrastructure Program 2.0

Policy

The National Electric Vehicle Infrastructure (NEVI) Formula Program is essential to building a nationwide network of reliable and publicly accessible chargers. A national charger network obviates range anxiety and the limitations that long-range drivers face in adopting electric vehicles. While most EV drivers prefer at-home charging, we need a national charger network to realize the potential and the full emissions avoided of vehicle electrification. In this analysis, we consider only the benefits of reauthorizing NEVI for $5 billion in FY27-32.

Impact

The real-dollar number in the NEVI program is relatively small ($5 billion if funding levels are not adjusted for inflation) compared to other major infrastructure programs. However, the program has a proportionally outsized impact on emissions mitigation. We estimated that reauthorizing NEVI for FY27-32 would result in the construction of 33,000 direct current fast charging (DCFC) charging ports for electric vehicles. New publicly accessible ports

would spur the adoption of 170,000 battery electric vehicles (BEVs) and reduce emissions by 6.7 Million Metric Tons (MT) of CO2e by 2045.

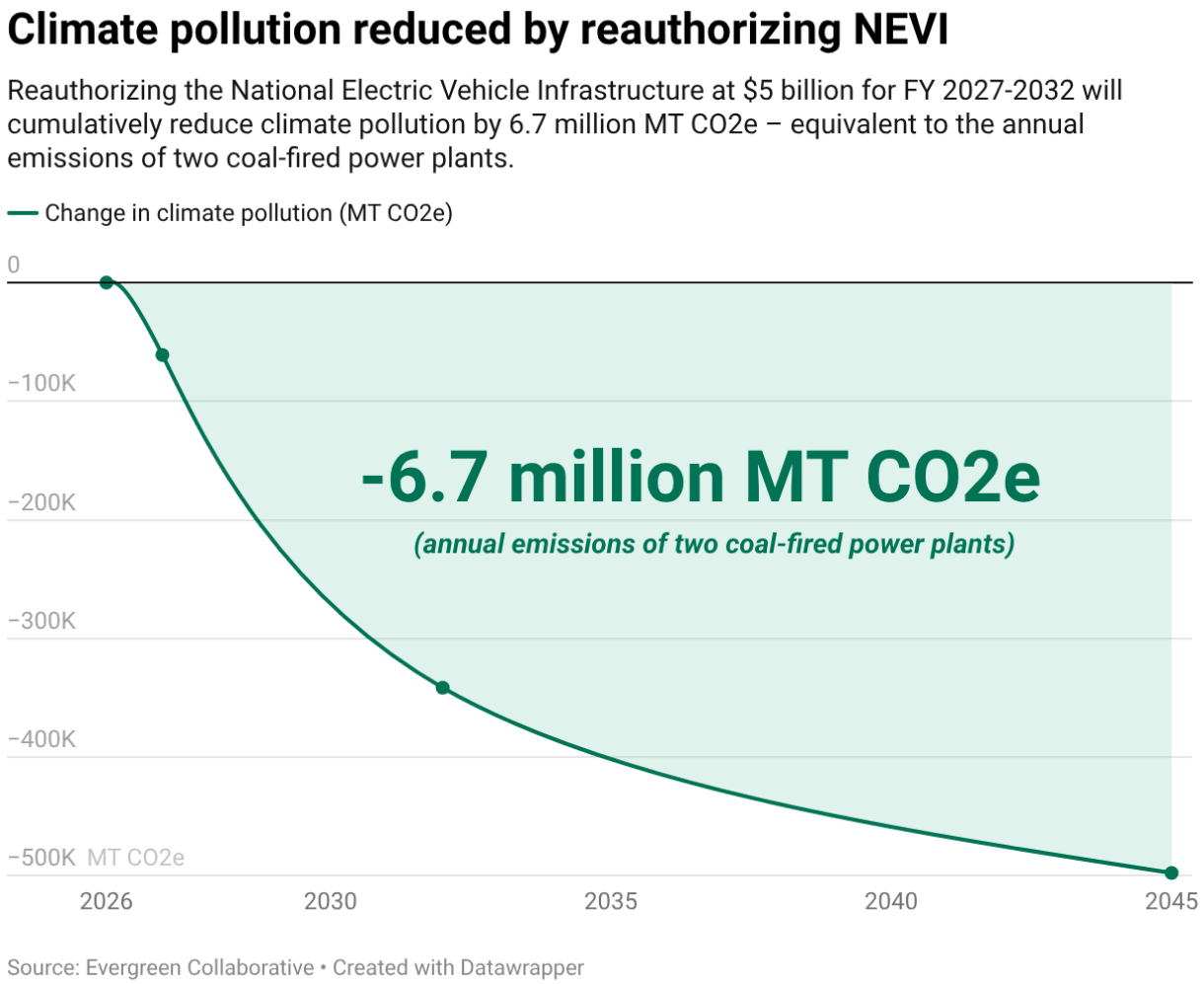
Cumulative change in transportation sector emissions from NEVI reauthorization *(2027-2045)*	
-6,700,000	metric tons CO2 equivalent
-2	coal plants running for one year, equivalent
-1,500,000	gas-powered cars driven for one year, equivalent

Cumulative change in US EV stock *(2027-2045)*	
+700,000	battery electric vehicles, US

Cumulative change in US EVSE ports *(2027-2045)*	
+33,000	150kW DCFC stock, US

Methodology

Using the GCC TEA-CART tool, we modeled the impact of a full reauthorization of the NEVI program for FY27-32. We assumed a $5 billion, 5-year federal program, complemented by a $1.25 billion local contribution (NEVI requires a 20% local match), for a total investment of $6.25 billion to construct 150 kW of DCFC infrastructure.



Because this analysis narrowly considers the emissions impacts of policies included in reauthorization, we do not account for the benefits of the NEVI originally authorized in the Infrastructure Investment and Jobs Act (IIJA). Reauthorizing NEVI will increase the availability and reliability of zero-emission charging infrastructure.

This analysis accounts for the program's current local match requirements, which raises the $5 billion of federal funding to a total of $6.25 billion. This analysis also assumes that each DCFC electric vehicle charger port costs $188,000 and that each port built induces 5 EV purchases.

Since the inception of NEVI 1.0, state departments of transportation have developed expertise and capacity in developing statewide electric vehicle

charging infrastructure networks. (See Evergreen Collaborative's analysis here on how states can build capacity for NEVI deployment). NEVI has also been destabilized by the 2025 funding freeze. Courts have since held that the U.S. Department of Transportation is required to disburse NEVI dollars to states in accordance with the Infrastructure Investment and Jobs Act. This means that a future NEVI program will see projects move faster, with dollars moving more quickly from the federal government to states, and with more state experience in executing projects. The positive benefits of NEVI 2.0 may be underestimated in this analysis.

OPPORTUNITY 3

Transit Project Delivery Streamlining

Policy

In order to meet public transit demand and deliver transportation abundance and optionality, we must enact public transit project delivery reforms. By implementing project reforms that will streamline environmental permitting, transit projects will be on par with highway projects, and transit agencies will be able to make their investments in public transit go further. Currently, any U.S. Department of Transportation modal administration may delegate National Environmental Policy Act (NEPA) authority to states per 23 U.S.C. 32 (including the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA)) 7:The following three environmental permit streamlining opportunities would have the greatest cost savings and emission reductions benefits.

1. Streamline Transit Projects Act (Senators Lee, Kelly, Warnock) delegates authority to transit agencies to process certain **categorical exclusion** (CE) reviews on transit capital projects.

2. Delegating authority to transit agencies to process certain **environmental assessments** (EA) on transit capital projects. This would require expanding the proposed legislation to include more complex projects.

3. Delegating authority to transit agencies to process certain **environmental impact statements** (EIS) on transit capital projects. This would require expanding the proposed legislation to include more complex projects.

See Appendix B for introduced legislation.

Impact

This analysis posits that the cost savings generated by expediting projects can enable a state transit agency (or the FTA) to prioritize additional projects. This increases the overall pipeline of transit projects and supports low-carbon mode share. The cumulative emissions reductions from these investments during the analysis time period would be 3.5 million metric tons (MT) CO2e.

Cumulative change in transportation sector emissions from transit project delivery streamlining *(2027-2045)*	
-3,500,000	metric tons CO2 equivalent
~-1	coal plant running for one year, equivalent
-800,000	gas-powered cars driven for one year, equivalent

Methodology

Several state DOTs publish cost and time savings attributed to their NEPA assignment programs with FHWA. This data is limited in its ability to isolate eliminating FHWA review as the sole cause of time savings. Other concurrent "background" factors include regulatory changes, funding delays, and design-related holdups. Thus, we compare reported state savings to national environmental review timeline datasets and make conservative assumptions about the role of NEPA assignment in reducing environmental review length.

For example, the California Department of Transportation (Caltrans) observed time and cost savings from over 18,000 projects over 17 years that benefited from the state's NEPA assignment program with the FHWA. Caltrans assignment began on July 1, 2007. Caltrans claims that NEPA assignment has resulted in median time savings of ~10 years per EIS project, 15 months for EA projects, and 1 month for CE assignment. Caltrans' findings do not explore the role of external factors in reducing environmental review timelines. Our analysis of federal data demonstrates the nation as a whole experienced significant reductions in EIS timelines since 2007. However, we do find that California EIS timelines decreased twice as fast as the national average during the same period from 2007-2012 during which Caltrans was the only transportation agency with NEPA assignment. This supports Caltrans' assertion that assignment generates substantial time and cost savings.

This is consistent with findings from other state agencies. The Texas Department of Transportation reports between 15-30% time savings for certain environmental reviews since NEPA assignment in 2014. The Ohio Department of Transportation projected 20% time savings from NEPA assignment based on a 2015 American Association of State Highway and Transportation Officials lessons learned report.

While recent federal developments have put additional downward pressure on environmental review timelines, the data suggests that transportation projects still lag behind expedited targets.The passage of the infrastructure Investment and Jobs Act in 2021 and the Fiscal Responsibility Act in 2023 codified goals to complete EIS in less than 2 years. A 2025 report from the Council on Environmental Quality concluded that "EISs completed between 2021 and 2024 took a median time of 2.4 years" across all agencies. However, using this same dataset and timelines, we note that transportation projects led by FHWA and FTA still took a median of 5.6 and 4.4 years, respectively, to reach FEIS.

Especially given recent and significant reductions in force at FTA, we posit that NEPA assignment will be a useful tool for meeting the new statutory requirements to streamline environmental review timelines. Thus, we assign

the following time savings by environmental review type based on conservatively adjusted State DOT findings from FHWA assignment:

Affected Review	Annual FTA Project Load	Time Savings Per Project	Cost Savings Per Project	Total Annual Reinvestment
Categorical Exclusions (CE) *Sens. Lee, Kelly, Warnock STPA Bill*	~30-50	1 Month	$400,000	$17 million
Environmental Assessment (EA)	~5	6 Months	$2,500,000	$13 million
Environmental Impact Statement (EIS)	~5	12 Months	$100,000,000	$500 million

Time savings are monetized with a 5% annual carrying rate that is consistent with standard infrastructure finance practice. We assume FTA's project and environmental review load remains similar to [2020 through 2025 levels to develop portfolio wide savings.]

$$\text{Cost Savings (\$)} = \text{Capital Cost (\$)} \times \text{Carrying Rate (per year)} \times \text{Time Saved (years)}$$

Finally, using the Georgetown Climate Center [TEA-CART], we assume the total annual cost savings, $530 million, are reinvested into additional transit capital projects every year through FY27-45. For the sake of demonstration, we model the impacts of using 50% of the recovered funds to expand urban fixed-route service with new BEV buses, and the remaining 50% to replace existing urban service diesel buses with new BEV units.

We find that these investments would result in the purchase and operation of 6,700 new BEV buses during the analysis time period. The cumulative emissions reductions from these investments during the analysis time period

would be 3.5 million MT CO2e, which is equivalent to reducing greenhouse gas emissions from ~1 coal power plant running for one year or from 800,000 ICE vehicles driven for one year.

Conclusion

The surface transportation reauthorization bill presents the best near term bipartisan opportunity to reduce emissions and invest in safe, sustainable transportation systems. The opportunities presented each have the potential to provide significant emissions reductions over the next five years, and ideally all three opportunities would be used jointly to encourage efficient transportation options that maximize safety while minimizing harmful tailpipe emissions.

Appendix A: Proposed Legislation: Strengthening Safety Performance Measures

Proposed Legislative Language

Sec. 1. Safety performance measure and target.

Section 150(b) of title 23, United States Code, is amended—

(1) in subsection (b)(1) by inserting "or elimination" after "significant reduction";

(2) in subsection (d) by adding at the end the following:

"(3) Regressive targets.—

"(A) In general.—A State may not establish a regressive target for the measure described under subsection (c)(4).

"(B) Regressive target defined.—In this paragraph, the term 'regressive target' means a target that fails to demonstrate an absolute reduction in fatalities and serious injuries for each year."

Sec 2. Obligation requirement.

(a) In general.—If a State has not met the safety performance target described under 150(c)(4), such State shall be required to obligate, for each fiscal year following the fiscal year in which the performance target is not met, an amount not less than [200 percent] of the amounts apportioned to a state under section 104(b)(3).

(b) Source of funds.-Any amounts obligated under paragraph (1) shall be from amounts apportioned under section 104(b)(1) or (2)

Appendix B: Introduced Legislation: Streamline Transit Projects Act

Full legislative text as introduced can be found here.

To amend chapter 53 of title 49, United States Code, to allow funding recipients to assume certain responsibilities relating to the National Environmental Policy Act of 1969.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Streamline Transit 5 Projects Act"

SEC. 2. NEPA REFORM FOR CATEGORICAL EXCLUSIONS.

(a) IN GENERAL.—Chapter 53 of title 49, United States Code, is amended by inserting after section 5321 the following:

§ 5322. Transit agency assumption of responsibility for categorical exclusions

(a) DEFINITION.—In this section, the term 'eligible recipient' means a direct recipient of funds under this chapter that—

(1) is located in an urbanized area with a population of more than 200,000 individuals; and

(2) demonstrates to the Secretary that the recipient has the legal, technical, and financial capacity to perform the responsibilities required under this section.

(b) CATEGORICAL EXCLUSION DETERMINATIONS.—

(1) IN GENERAL.—The Secretary may assign to an eligible recipient, and an eligible recipient may assume, responsibility for determining whether certain designated activities are included within classes of action identified by the Secretary that are categorically excluded from requirements for environmental assessments or environmental impact statements pursuant to the interim final rule promulgated by the Secretary at part 771 of title 23, Code of Federal Regulations, any successor regulation.

(2) SCOPE OF AUTHORITY.—A determination described in paragraph (1)—

(A) shall be made by an eligible recipient in accordance with criteria established by the Secretary; and

(B) may only be made by an eligible recipient with respect to a type of activity under this chapter specifically designated by the Secretary.

(3) CRITERIA.—The criteria under paragraph (2)(A) shall include provisions for public availability of information consistent with section 552 of title 5 and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(4) PRESERVATION OF FLEXIBILITY.—The Secretary may not require an eligible recipient, as a condition of assuming responsibility under this section, to forego project delivery methods that are otherwise permissible for transit projects.

(c) OTHER APPLICABLE FEDERAL LAWS.—

(1) IN GENERAL.—If an eligible recipient assumes responsibility under subsection (b), the Secretary may also assign, and the eligible recipient may assume, all or part of the responsibilities of the Secretary for environmental review, consultation, or other related actions required under any Federal law applicable to activities that are classified by the Secretary as categorical exclusions, with the exception of government-to-government consultation with Indian Tribes, subject to the same procedural and substantive requirements as would be required if that responsibility were carried out by the Secretary.

(2) SOLE RESPONSIBILITY.—An eligible recipient that assumes responsibility under paragraph (1) with respect to a Federal law shall be solely responsible and solely liable for complying with and carrying out that law, and the Secretary shall have no such responsibility or liability.

(d) MEMORANDA OF UNDERSTANDING.—

(1) IN GENERAL.—The Secretary and an eligible recipient, after providing public notice and opportunity for comment, shall enter into a memorandum of understanding setting forth the responsibilities to be assigned under this section and the terms and conditions under which the assignments are made, including establishment of the circumstances under which the Secretary would reassume responsibility for categorical exclusion determinations.

(2) ASSISTANCE.—Upon request by an eligible recipient, the Secretary shall provide to the eligible recipient technical assistance, training, or other support relating to—

(A) assuming responsibility under subsection (b);

(B) developing a memorandum of understanding under this subsection; or "(C) addressing a responsibility in need of corrective action under subsection (e)(1)(B).

(3) TERM.—A memorandum of understanding under this subsection—

(A) except as provided under subparagraph (C), shall have a term of not more than 3 years;

(B) shall be renewable; and

(C) for an eligible recipient that has assumed the responsibility for categorical exclusions under this section for a period of not less than 10 years, shall have a term of 5 years.

(4) ACCEPTANCE OF JURISDICTION.—In a memorandum of understanding under this subsection, the eligible recipient shall consent to accept the jurisdiction of the Federal courts for the compliance, discharge, and enforcement of any responsibility of the Secretary that the eligible recipient assumes.

(5) MONITORING.—The Secretary shall—

(A) monitor— "(i) compliance by an eligible recipient with the memorandum of understanding entered into by the eligible recipient under this subsection; and "(ii) the provision by the eligible recipient of financial resources to carry out the memorandum of understanding; and

(B) take into account the performance by the eligible recipient when considering renewal of the memorandum of understanding.

(e) TERMINATION.—

(1) TERMINATION BY SECRETARY.—The Secretary may terminate the assignment of responsibilities to an eligible recipient under this section if—

(A) the Secretary determines that the eligible recipient is not adequately carrying out the responsibilities assigned to the eligible recipient;

(B) the Secretary provides to the eligible recipient— (i) a notification of the determination of noncompliance; (ii) a period of not less than 120 days to take such corrective action as the Secretary determines to be necessary to comply with the applicable agreement; and (iii) upon request by the chief executive officer of the eligible recipient, a detailed description of each responsibility in need of corrective action regarding an inadequacy identified under subparagraph (A); and

(C) after the notification and period described in clauses (i) and (ii) of subparagraph (B), the eligible recipient fails to take satisfactory corrective action, as determined by the Secretary.

(2) TERMINATION BY THE ELIGIBLE RECIPIENT.—An eligible recipient may terminate the assumption of responsibilities by the eligible recipient under this section—

(A) by providing to the Secretary a notice not later than the date that is 90 days before the date of termination; and

(B) subject to such terms and conditions as the Secretary may provide.

(f) RECIPIENT AGENCY DEEMED TO BE FEDERAL AGENCY.—An eligible recipient that is assigned a responsibility under this section shall be deemed to be a Federal agency for the purposes of the Federal law under which the responsibility is exercised.

(g) LEGAL FEES.—An eligible recipient assuming 1 or more responsibilities of the Secretary under this section for a specific project may use funds apportioned to the eligible recipient under this chapter for attorney's fees directly attributable to eligible activities associated with the project.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 53 of title 49, United States Code, is amended by inserting after the item relating to section 5321 the following:

5322. Transit agency assumption of responsibility for categorical exclusions.

Acknowledgements

Lead author Liya Rechtman. Analysis supported by Miguel Moravec and Taylor Reich (Ives Street Planning Analytics, LLC). Thanks to our reviewers Seth Nelson, Rachel Patterson, Dani Hupper, Andrew Hartnett, Corrigan Salerno (Transportation for America), James Bradbury (Georgetown Climate Center), Tina Hodges (Atlas Public Policy), Emmett Hopkins (Climate and Community Institute), Kevin Brubaker (Environmental Law and Policy Center), Andrea Marpillero-Colomina (GreenLatinos).

The perspectives expressed in this paper are solely those of the author and they do not necessarily reflect the views of our reviewers.