

USDOT's new memo requires a review of competitive grant awards (<https://t4america.org/2025/03/14/usdots-new-memo-requires-a-review-of-competitive-grant-awards/>)

14 Mar 2025 Posted by Transportation for America (<https://t4america.org/author/t4admin/>)

A leaked policy memo from leadership at USDOT will add a new layer of extra-legal review of all awarded competitive grant projects without fully signed federal funding obligations, calling for bicycle infrastructure, green infrastructure, and EV chargers to be cut from projects.

What's in USDOT's new memo?

Drawing authority from the President's inaugural slate of executive orders and the Secretary of Transportation's first round of policy memos (<https://t4america.org/2025/02/05/unflooding-the-zone-what-do-the-trump-administrations-latest-actions-signal-for-transportation/>), the Department of Transportation Secretary's office has, according to a leaked policy memo (<https://usa.streetsblog.org/2025/03/12/breaking-u-s-dot-orders-review-of-all-grants-related-to-green-infrastructure-bikes>), issued another round of unprecedented orders, **calling for the removal of all elements of projects related to bike infrastructure, charging infrastructure, climate change or those that take equity into account competitive grant funding. The memo specifically applies to competitive grants that have not yet completed grant agreements or obligated the funding**, including those that have only been partially obligated. Projects with existing and executed grant agreements are not subject to additional review, but any new federal dollars made out to those projects would be.

What's the difference between funding that is announced or obligated?

When the federal government **announces** an award, the awardee does not get that funding as a grant. First, the federal government and the awardee have to negotiate and sign a **funding agreement**, which lays out the project scope, schedule, and budget and demonstrates the availability of required nonfederal funding match.

Funds can be canceled or reclaimed until they are **obligated**, which is a binding commitment to pay out money. Funding cannot be obligated until the grant agreement is signed and all permitting and relevant regulations are complied with. Planning grants that don't have those regulatory requirements are obligated once there is a signed grant agreement. However, capital (ie, construction) projects would need to complete regulatory review and permitting before being obligated.

Once there is a grant agreement and funds are obligated, an awardee must spend their own funding and file for reimbursement from the federal government.

This memo instructs USDOT operating administrations, like The Federal Transit Administration (FTA) and The Federal Highway Administration (FHWA), to conduct a project-by-project analysis to identify any activities that include primary elements of "equity, climate change, environmental justice, green infrastructure, bicycle infrastructure, electric vehicles, and charging infrastructure." Once projects are identified for non-compliance with the administration's priorities, they will be subject to individual scrutiny for a final decision on whether they will be canceled, modified, or continue as planned. Projects that contain "flagged activities" could be revised, even if they meet all requirements of law, to comply with this administration's agenda. This comes full circle from the "Woke Rescission" (https://www.transportation.gov/sites/dot.gov/files/2025-01/Signed%20Secretarial%20Memo_%20Implementation%20of%20Executive%20Orders%20Addressing%20Energy%20Climate%20Change%20Diversity%20and%20Gender.pdf) memo, which we unpacked in a previous blog (<https://t4america.org/2025/02/05/unflooding-the-zone-what-do-the-trump-administrations-latest-actions-signal-for-transportation/>), and follows the episode (<https://amp.org/wp-content/uploads/2025/02/2.20-CLARIFICATION-USDOT-on-STIP-Amendment-Approvals-3-1.pdf>) of STIP and TIP review of obligated projects that were recently walked back (<https://apnews.com/article/trump-duffy-transportation-spending-delays-review-4142a698f51ba6429a2cbadc40a8c49c>) (though the new burdensome review remains an issue for environmental permits, according to a recent letter from AASHTO (<https://drive.google.com/file/d/1he3ZRdWwQIYpcizryx369kVXQnSOrQ5A/view?usp=sharing>)).

While it is normal for a new administration to set its own agenda, it has always applied to spending and policy going forward. This administration is setting the precedent that any project not underway can be undone when there is a new president. This memo furthers the agenda laid out in the "Unleashing American Energy" (<https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>) memo, which calls for increased reliance on fossil fuel consumption.

Under this approach, USDOT will reach back to 2022 to defund many projects that Congress specifically defined as eligible activities in the text of the Infrastructure Investment and Jobs Act. Congress defines the scope of what federal programs can fund. Even under the Biden administration—despite its commitments to advancing zero-emission transportation—USDOT still followed congressional intent by awarding the statutorily required 25% of funds to more emitting fossil fuel buses under the Low or No Emission bus program, despite strong demand for zero-emission buses from applicants (<https://t4america.org/2023/05/16/greener-fleets/>).