



NORTH CAROLINA
Department of Transportation

SIPS NCARPO Briefing

Amna Cameron

July 24, 2025

Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina

Revenue Update

North Carolina's Transportation Funding

5 state revenue sources make up 80% of state transportation funds.



Fuels



Highway
Use Tax



Sales Tax



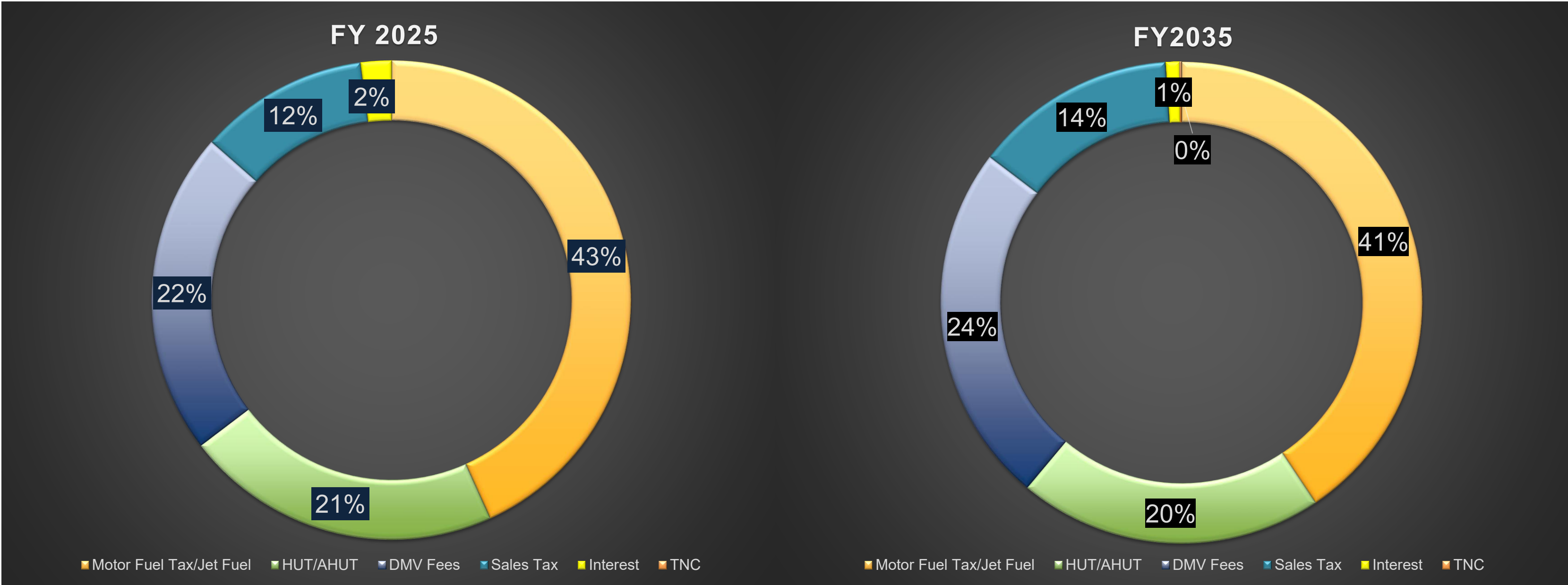
DMV Fees



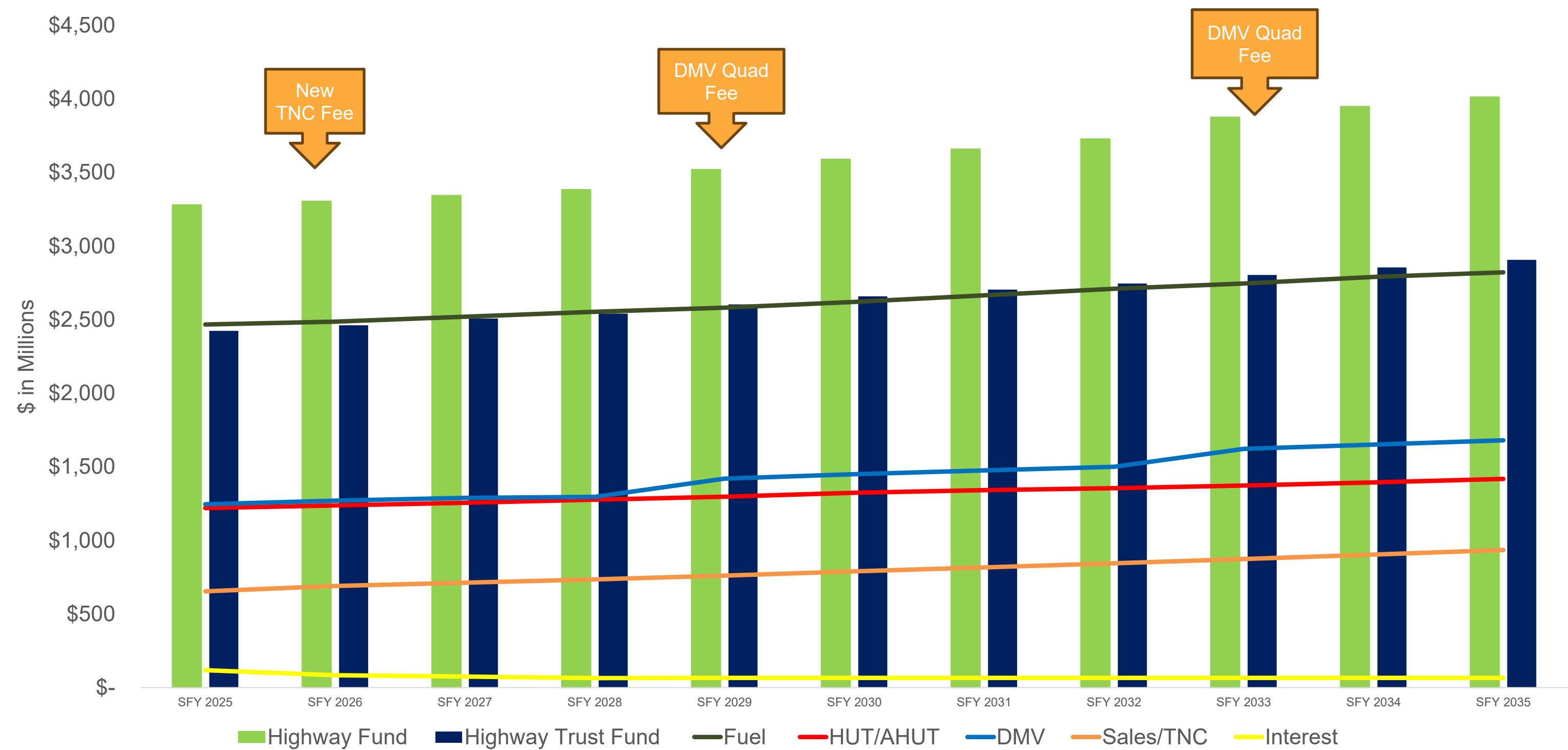
TNC Fees

The other **20%** comes from federal funds

Changes in Revenue Reliance



NCDOT FY2026-35 Revenue Forecast



Factors Influencing Forecast

Impact: \$1 Billion less for State Transportation Improvement Program

Fuels

Consumption flat and predicted MPG loss steadies.

Minor annual inflationary increase plus population growth stabilizes revenues.



Highway Use Tax

Tariffs create volatility in new vehicle prices and new and used vehicle inventories.

Economic uncertainty affects sales and price points.

Eventually, new vehicle prices are lowered, consumer spending moderates, and vehicle registrations slow.



Sales Tax

Revenues projections decline due to economic uncertainty.

Sales tax retains strongest growth pattern.



DMV Fees

Quadrennial increase boosts otherwise stagnant registration and vehicle fees.

EV/PHEV revenue projections decline.



Interest

Cash Balance remains steady.

Interest rates remain higher for longer.



Federal Update

USDOT Update

- 7% of employees accepted buyout
- NEVI remains frozen. 5 of 9 NEVI contracts in place
- NCDOT has established a strong relationship with USDOT Office of the Secretary and conforming applications to new directives
- Several grant agreements remain paused (S-Line, Cape Fear Bridge) while others have been approved (Alligator River Bridge, I-85)
- Grant program deadlines closed under last administration, but no information relayed yet on applications submitted (BIP, National Scenic Byways)
- NOFOs are being released (SS4A, Bus Facilities, Large Bridge, FLAP, RIA)
- Awards are being announced (Wildlife Crossings, BUILD)

One Big Beautiful Bill – Climate/Vehicle Provisions

USDOT IRA changes. Unobligated balances are rescinded in programs for: Alternative Fuel and Low-Emission Aviation Technology; Neighborhood Access and Equity Grant Program, Environmental Review Implementation Funds, and Low-Carbon Transportation Materials Grant Program.

IRA programs administered by IRS – IRA energy provisions that are eliminated include Qualified Commercial Clean Vehicle Credit (9/30/25), Alternative Fuel Vehicle Refueling Property Credit (9/30/26), Previously Owned Clean Vehicle Credit (9/30/25), Clean Vehicle Credit (9/30/25)

Various EPA program changes – Unobligated balances are rescinded – but final bill does not repeal programs. Includes the Diesel Emission Reduction Act grants, air pollution monitoring, Climate Pollution Reduction Grants (paid for state Climate Change Action Plans), and Environmental and Climate Justice Block Grants

One Big Beautiful Bill – Climate/Vehicle Provisions

Department of Energy (DOE) program changes – Rescinds unobligated balances in programs for: State-based Energy Efficiency training grants, and advanced technology vehicle manufacturing credit.

CAFÉ standards – Eliminates penalties for noncompliance

Car loan interest – up to \$10,000/yr in tax free interest; amount reduced with incomes over \$100,000, must be purchased new and be assembled in US

X EV/Hybrid Registration Fee: House proposal to add an EV and hybrid registration fee is not included. Expect this to reemerge in reauthorization.

One Big Beautiful Bill – Expansions

FAA expansions – \$12.52 billion in FY2025 to the FAA to modernize and sustain air traffic control systems and infrastructure. This includes about \$1.1 billion in dedicated funding to consolidate older, larger air traffic control facilities that oversee air traffic at higher altitudes as well as routes closer to airports, and \$7.75 billion to replace outdated telecommunications systems and radar.

FY 2026 Federal Appropriations

House Appropriations Committee

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- CR expected.
- The FY 2025 THUD bill provides \$22.3 billion in new discretionary appropriations for FY 2026, representing a \$3.1 billion reduction from FY 2025. The bill honors IIJA's \$83.3 billion in obligation limitation for Trust Fund programs, including \$62.7 billion for the Federal-aid Highway Program and \$14.6 billion for transit formula programs.
- Redirects \$4 billion from IIJA Advance Appropriations to FAA and safety programs. AA transfers include most Capital Investment Grants, the Federal-State Partnership for Intercity Passenger Rail Program, Culvert replacements, Truck Emissions in Ports, and Reconnecting Communities.

FY 2026 Federal Appropriations

House Appropriations Committee

- Includes \$113.9M for Chapel Hill N-S BRT Small Starts program
- Includes funding for truck parking
- Dedicates \$3.8 billion Increases FAA budget and authorizes 2,500 air traffic controllers
- Dedicates \$3.8 billion Rebuilding America program for transportation infrastructure
- Prohibits NYC congestion pricing
- Supports Regional Infrastructure Accelerator program
- Includes language that prohibits funding if law not followed (immigration, DEI, English proficiency, no mask mandates)

FY 2026 House Community Projects

USDOT	Airports	Asheville	Taxiway Expansion	\$2.5M	Edwards
USDOT	Airports	RDU	Taxiway Reconstruction	\$850K	Foushee
USDOT	Airports	RDU	Replacement Runway	\$5M	Knott
USDOT	Airports	Charlotte	Aircraft Rescue Burn Prop	\$1M	Moore
USDOT	Airports	RDU	J Brantley Blvd Expansion	\$1.2M	Ross
USDOT	Highway	Greensboro	Fordham Blvd Sidepath	\$1M	Foushee
USDOT	Highway	Wilmington	Basin St Extension	\$3.9M	Rouzer
USDOT	Rail	Charlotte	Gateway Station	\$500K	Adams
USDOT	Rail	Tabor City	Tabor City Improvements	\$900K	Rouzer
USDOT	Transit	Go Triangle	Triangle Mobility Hub	\$2M	Foushee
USDOT	Transit	Go Triangle	Triangle Mobility Hub	\$1M	Ross
HUD	Ec Dev	Charlotte Hospital	Underpass Improvements	\$250K	Adams
HUD	Ec Dev	Williamston	Critical road repair	\$250K	Davis
HUD	Ec Dev	Cornelius	Emerald Necklace Greenway	\$1M	Moore
HUD	Ec Dev	Garner	Jones Sausage Road Safety/Capacity	\$850K	Ross

FEMA Update – Under Consideration

Administration Changes

- ❖ Reduces the amount of federal personnel assistance provided to states and cities
- ❖ Staffing levels reduced by 1/3rd
- ❖ Shifts disaster response responsibilities to states
- ❖ Reduces FEMA door-to-door staff
- ❖ Reduces the number of declared declarations
- ❖ Penalizes states that don't try to mitigate disasters and allows for pre-approval for mitigation projects
- ❖ Streamlines the application process into single application
- ❖ Make permitting reforms to expedite recovery

Fiscal Changes

- ❖ Reduces the amount of federal financial aid provided to states and cities
- ❖ Increases qualifying damage threshold
- ❖ Reduces the federal reimbursement share
- ❖ Removes snowstorm eligibility
- ❖ Limits types of facilities eligible for assistance
- ❖ Ends the Building Resilient Infrastructure and Communities Grant Program (BRIC)
- ❖ Modifies homeowner reimbursements to cover permanent repairs

Tariff Update

Tariffs in Place:

- 10% for commodities imported outside Mexico, Canada, and China.
- 25% tariff on imported vehicles remains in place.
- 25% tariff on steel and aluminum remains in place.
- For Mexico and Canada, USMCA (trade agreement) goods are tariff-free, non-USMCA goods are 25% except for energy and potash at 10%.
- Chinese imports tariff rate of 145% went into effect 4/12, with new temporary exemption for smart phones, chips, computers and electronics.
- Ships built by or operated by China will pay a new US docking fee. Rule making to implement will take about 6 months.

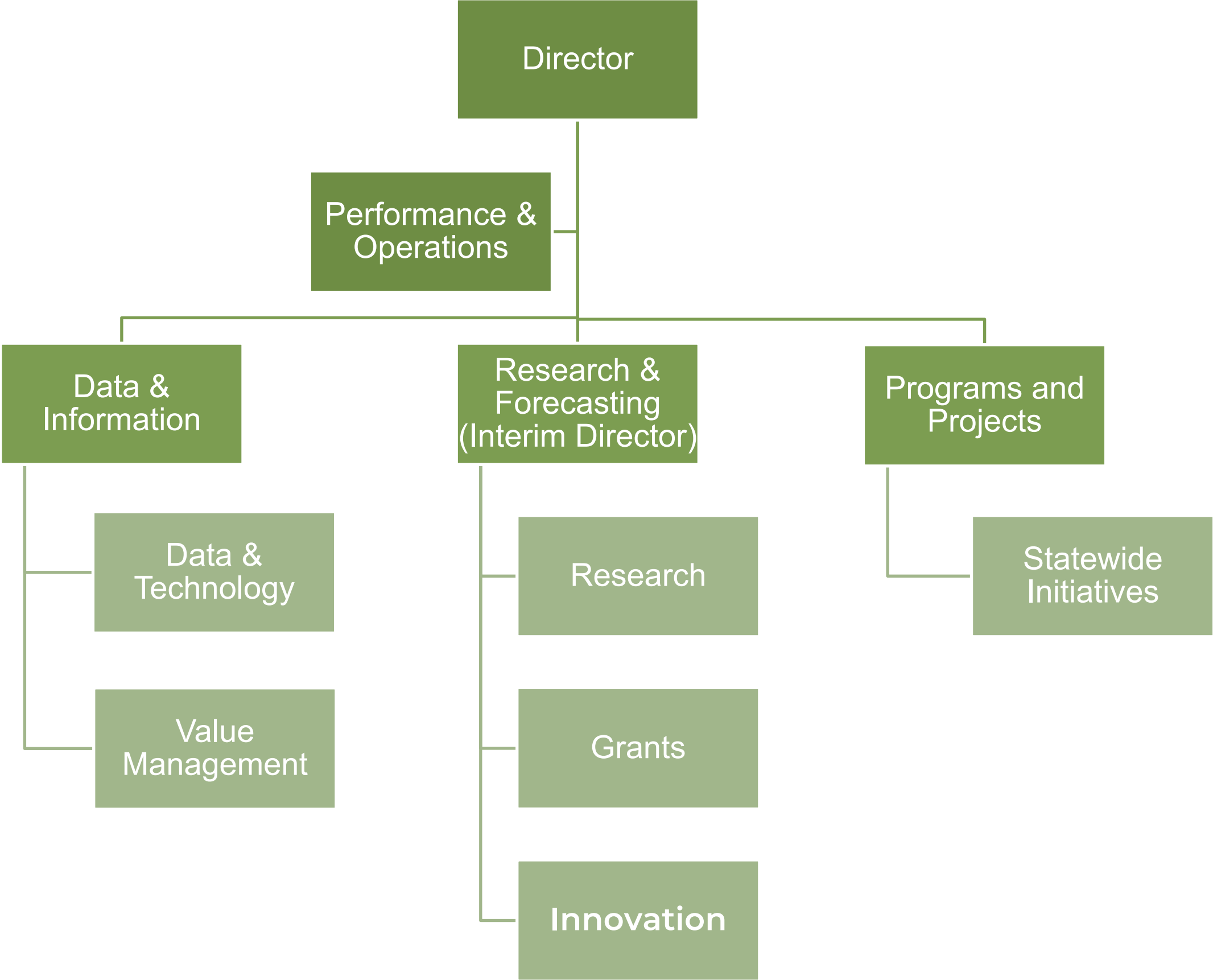
Tariff Update

Agreements in Place:

- **China/US Temporary Agreement.** The US has agreed to temporarily reduce the tariff on Chinese goods from 145% to 30% and Chinese tariffs will fall from 125% to 10%. The agreement will last 90 days (July 17). The 10% base tariff remains in effect.
- **US/UK Agreement.** The US has renegotiated its first trade pact with the UK. The US will eliminate the 25% tariff on steel and aluminum, cut the vehicle tariff to 10%, but the 10% tariff on goods will stay in place.
- **Vietnam Trade Agreement** – 20% tariff on exports to US and 40% tariff on passthrough exports (not Vietnamese)
- **Japanese Trade Agreement** – 15% tariff (includes vehicles) and agreement that Japan will import goods (agricultural, trucks) from US

Next Steps: Country specific tariffs and 50% copper tariff are expected to become effective on 8/1

SIPS Update



Statewide Multimodal Freight Plan

The update of the 2023 Statewide Multimodal Freight Plan is expected to kickoff in August.

A survey was conducted in June asking internal and external partners how the Statewide Freight Plan has been used in the past and how it might be more useful in the future. This information will be used to help guide development of the plan.

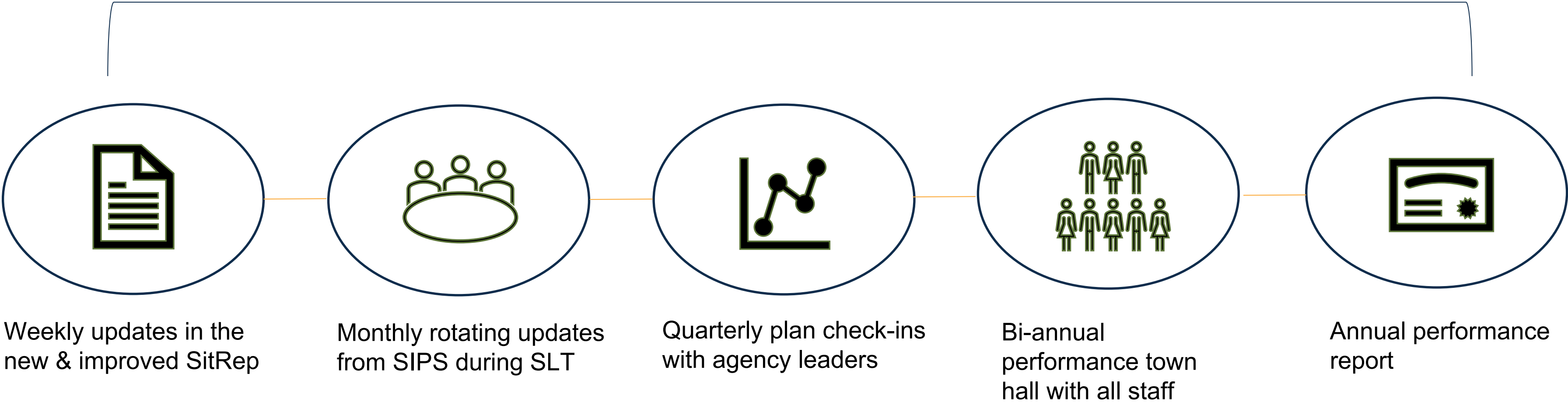
A Steering Committee consisting of internal and external partners/stakeholders has been identified with more being identified once the consultant is selected, and the standing Freight Advisory Committee will be engaged during the process. (Sam Boswell and Stephanie Harmon will be serving as NCARPO’s representatives on the Steering Committee.)

RPO Representatives	Sam Boswell	Stephanie Harmon
MPO Representatives	Chris Lukasina	Eliud De Jesus

There will be numerous stakeholder engagement opportunities during the process – look out for emails in the coming months.

Feel free to reach out to Pam Cook (prcook@ncdot.gov) with any questions.

2025 NCDOT Strategic Plan Governance Proposal



NCDOT's New Strategic Plan Goals & Objective

Recover the transportation network after emergencies

Restore local transportation infrastructure in a timely fashion

Provide a safe and efficient transportation system in North Carolina

Improve safety for all modes

Increase reliability and access

Increase customer satisfaction

Improve efficiency and effectiveness of programs, projects, and services

Improve resource stewardship

Deliver our program

Operate and maintain our system

Strategic Plan Implementation

Preparing for
Implementation

SIPS is developing
structures and tools to
support plan
implementation.



Improving data sightlines to seamlessly monitor performance.



Developing new tools to track progress toward goals.



Establishing new data visualizations and reports.

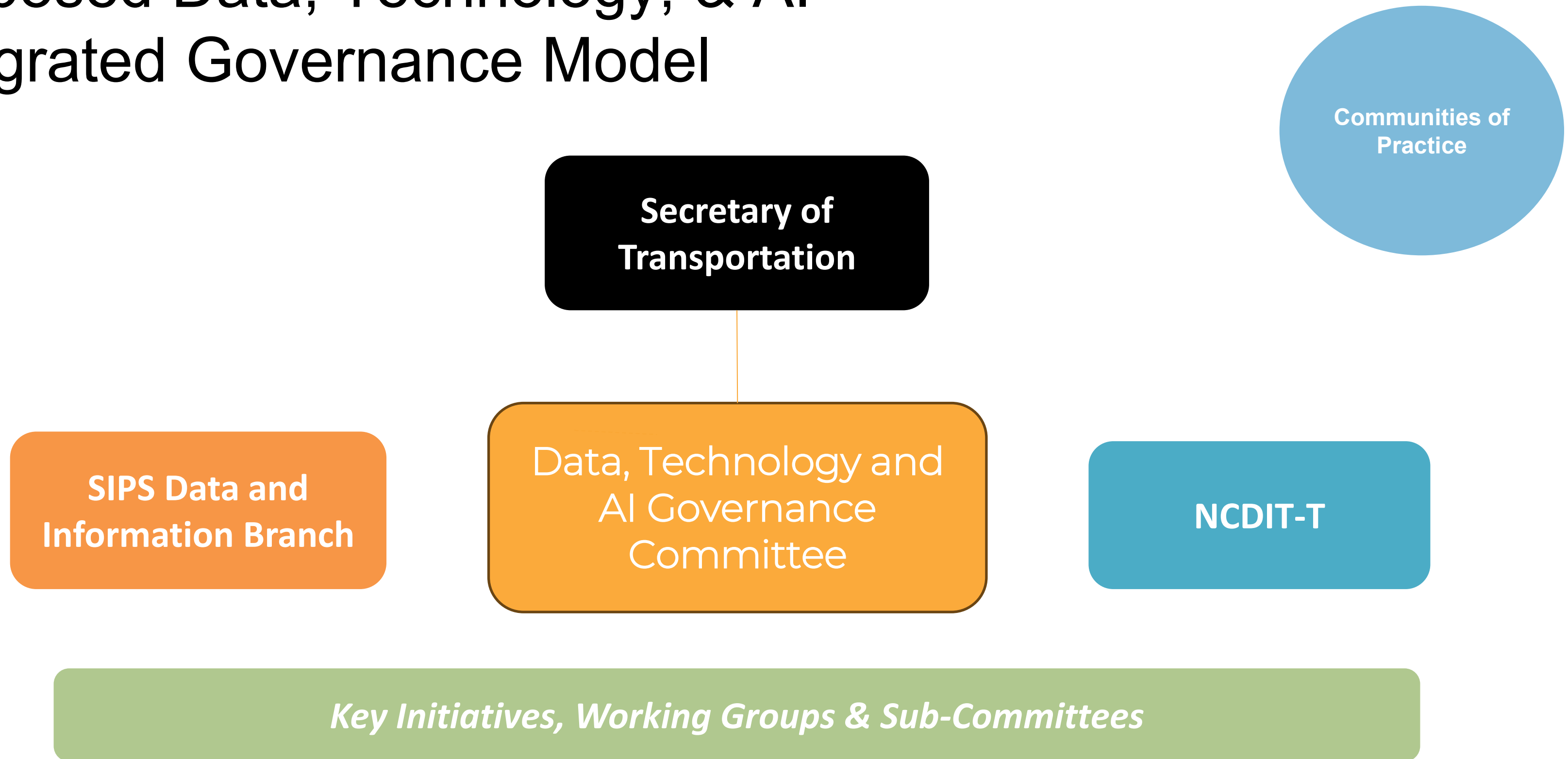


Planning new transparency, accountability, and governance structures.

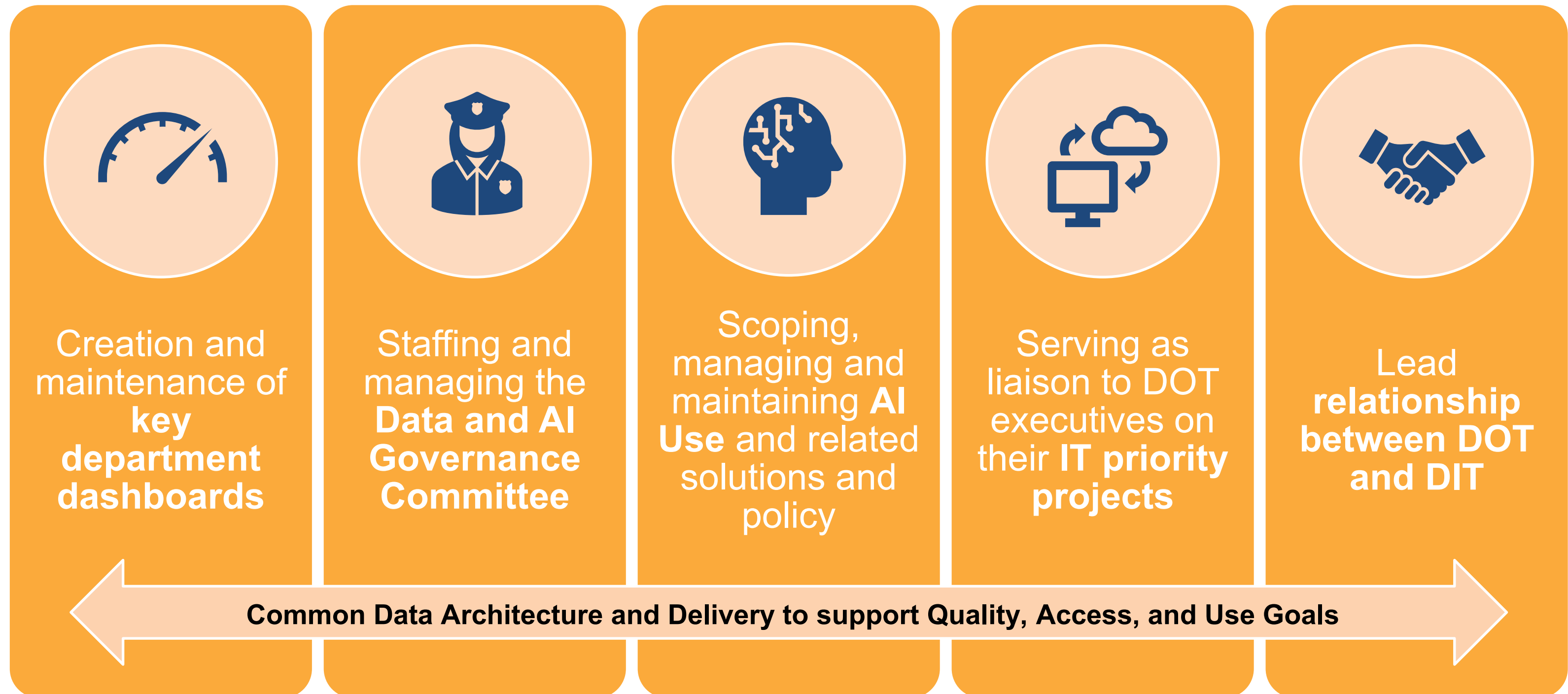


Plan governance to ensure open dialogue and frequent calibration as new information becomes available.

Proposed Data, Technology, & AI Integrated Governance Model



Scope of Branch



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