



JOSH STEIN
GOVERNOR

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

February 24, 2025

The Honorable Sean Duffy
Secretary, US Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590

Subject: NCDOT Federal Grant Awards with No USDOT Agreement

Dear Secretary Duffy:

The State of North Carolina and the North Carolina Department of Transportation (NCDOT) look forward to working with your new administration. We appreciate the magnitude of the tasks before you and recognize that establishing new protocols for decision making will take time. This letter provides information concerning the potential impacts to North Carolina if the grant pause remains in place or if the awarded grants are cancelled.

The White House Office of Management and Budget's (OMB) implementation of Executive Order (EO) 14154 (Unleashing American Energy) caused obligations or disbursements of federal financial assistance and grants related to the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act of 2022 (IRA) to be paused. While the January 27 OMB directive has been rescinded and a U.S. district court has directed the administration to end the funding pause, the EO remains in place and the funding freeze continues for many IIJA and IRA programs.

Attached is a list of federal grants secured by the NCDOT for NCDOT projects and for local projects to be administered by NCDOT. These projects are in various stages of approval. NCDOT has aggressively pursued IIJA infrastructure grants and has worked diligently to secure grant agreements. However, the majority of IIJA grant award funds, totaling over \$1.8 billion, do not have USDOT agreements in place and are paused. The pause has caused confusion and concern throughout the transportation community in North Carolina.

These projects are transformational to the state's economy and local communities. Projects impacted include the Raleigh to Richmond S-Line passenger rail project in Wake County (\$1.1 billion), the Alligator River Bridge Replacement in Dare and Tyrrell Counties (\$110 million), and the Cape Fear Memorial Bridge replacement in Wilmington (\$242.2 million). The pause and potential cancellation of these critical infrastructure projects would be extremely detrimental to North Carolina. The impact would spread throughout the state's capital program and bridge replacement program with reverberating project delays and cancellations. It would also reduce the condition of the state highway system, increase safety issues and congestion, and slow the movement of interstate commerce.

NCDOT appreciates your leadership and advocacy to secure federal approval. Please let us know if we can provide more information or be of assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Josh Stein".

Josh Stein
Governor, State of North Carolina

A handwritten signature in cursive script, appearing to read "J.R. Hopkins".

J.R. Hopkins, P.E.
Secretary, NCDOT