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Submitted to the United States Senate Committee on Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies May 5, 2025

Fiscal Year 2026 Appropriations

Chair Hyde-Smith, Ranking Member Gillibrand, and Members of the Subcommittee, the Western Governors' Association (WGA) appreciates the opportunity to provide written testimony on the appropriations and activities of the U.S. Departments of Transportation (DOT) and Housing and Urban Development (HUD). WGA is an independent organization representing the Governors of the 22 westernmost states and territories. The Association is an instrument of the Governors for bipartisan policy development, information sharing, and collective action on issues of critical importance to the western United States.

Western Governors underscore the importance of a close and productive working relationship between states, territories, and the federal government and understand that more effective cooperation depends on federal recognition of states as co-sovereigns and partners. The promotion of greater partnership between states and the federal government is central to the mission of WGA and is reflected in the Governors' Policy Resolution 2024-01, Strengthening the State-Federal Relationship. Given the numerous federal programs, policies, and regulations directly affecting states and territories, Western Governors encourage the Subcommittee to direct federal agencies to improve their internal processes and coordinate with states and territories on federal policies and procedures, as well as integrate state and territorial data into federal programs, including for policymaking purposes.

WGA also commends your attention to other Western Governors' resolutions that articulate policy positions relevant to the Subcommittee's work. These include policy resolutions 2024-06, Transportation Infrastructure in the Western United States; 2023-04, Housing is Foundational to the Success of the West; and 2022-12, Recreation and Tourism on Public Lands.

Western Governors appreciate the diverse needs the Subcommittee must balance for transportation infrastructure across the nation. Western states are linked by vast expanses of national highways and interstates that often do not correlate with population centers but serve as critical freight and transportation routes for the nation. Investment in federal routes and in multimodal transportation networks throughout the West is critical to interstate commerce and to growing economic opportunity across the western United States.

Western Governors support funding for transportation infrastructure on federal lands. This infrastructure ensures appropriate access to manage, maintain, and restore western forests and rangelands and promotes recreational access to public lands.

Western Governors support a flexible federal transportation program that affords the opportunity to invest in urban and rural transportation needs including safety, congestion relief, mobility options, connectivity, and new or innovative transportation solutions, including passenger rail. Alongside supporting robust block grant funding, Western Governors urge the Subcommittee to consider additional ways to provide flexible funding for states to quickly address their most pressing needs.

In addition to surface transportation, air transport provides an essential connection for the scattered communities in the West. The Essential Air Service and the Small Community Air Service Development Program support the continued success of rural communities by providing critical connections and infrastructure investment, alongside attracting more businesses and workers by linking rural communities to airline hubs. Western Governors support adequate investments in these two important programs.

Western Governors believe modern port infrastructure, including inland ports, is essential to strong national and western economies and urge the Subcommittee to fully fund the Harbor Maintenance Trust Fund and to reform the Harbor Maintenance Tax distribution to ensure western ports remain competitive.

Like other regions of the nation, the western United States is facing a serious housing shortage. The insufficient pace of new development and high mortgage rates continue to limit homeownership opportunities and contribute to high rent costs. Western Governors appreciate the Subcommittee's attention to the shortage of affordable housing in the West and note the role of programs like the Community Development Block Grant, which assists states, territories, and localities in developing affordable housing units.

Western Governors request the federal government support state housing finance agencies and public housing authorities and request that the Subcommittee explore avenues to strengthen the services and resources provided to these organizations.

The Federal Housing Administration (FHA), which insures mortgages on single-family homes and multifamily properties made by private lenders, requires adequate resources to function effectively. Western Governors encourage the Subcommittee to continue funding FHA technology and system processing upgrades and increase the hiring of FHA state staff to improve communication and coordination between states and territories and the federal government.

Western Governors recognize the enormous challenge you have in balancing competing funding priorities and appreciate the difficulty of the decisions the Subcommittee must make. These recommendations are offered in a spirit of cooperation and respect, and WGA is prepared to assist you as the Subcommittee discharges its critical and challenging responsibilities.