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JAN
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MONTHLY REPORT

LATEST LEGISLATIVE &
REGULATORY UPDATES

Table of Contents

Executive Summary	1
Appropriations Update	2
Notable January Hearings & Markups	6
Surface Transportation Reauthorization	8
Legislative Updates	9
USDOT Updates	11
Union Pacific & Norfolk Southern Merger	13

EXECUTIVE SUMMARY

JANUARY PRIORITIES

Congress started 2026 with high stakes for spending and homeland security. The House passed all 12 appropriations bills, which largely rejected President Trump's requested drastic budget cuts. But towards the end of January, progress stalled in the Senate, where a "minibus" package of spending bills, including Defense, Labor-HHS-Education, Transportation-HUD (THUD), and the Department of Homeland Security (DHS) ran into some challenges.

Recent federal law enforcement shootings in Minneapolis led some Senators to withhold support for DHS funding until reforms to Immigration and Customs Enforcement and related agencies were implemented. Due to Senate Democrats' pressure, Senate Republicans, backed by the White House, agreed to split the DHS funding bill off from the "minibus."

On January 30, the Senate passed the now four-bill minibuss and a stopgap funding bill known as a continuing resolution (CR) to fund DHS at current levels through Feb. 13 via a 71-29 vote. However, given that the House was still in recess over the weekend, a partial government shutdown began on January 31. The House is set to vote on the Senate-passed measures on February 2.

Meanwhile, the Department of Transportation has been active this month, announcing new Commercial Driver's License (CDL) compliance audits, revised airspace restrictions at Ronald Reagan Washington National Airport, and contracts to modernize the nation's radar infrastructure.

LOOKING FORWARD

The second session of the 119th Congress is shaping up to be a busy one. Major legislative priorities this year include reauthorization of the farm bill, surface transportation programs, and the Water Resources Development Act, all of which are expected to drive bicameral negotiations. At the same time, Congress is working to finalize FY 2026 appropriations even as Members begin opening portals for FY 2027 appropriations and Congressionally Directed Spending stakeholder requests. The TG&A team is closely monitoring key deadlines and will continue to provide timely updates.

APPROPRIATIONS UPDATE

OVERVIEW

On January 19, House and Senate Appropriations Committee leaders unveiled **H.R. 7148**, *the Consolidated Appropriations Act 2026*. The package includes funding for Defense, Labor-HHS-Education, Transportation-HUD (THUD), and the Department of Homeland Security, as well as several authorizing-committee add-ons, such as health care “extenders” and trade preference renewals.

SENATE UPDATES

Following recent events in Minnesota involving Immigration and Customs Enforcement (ICE), several Senate Democrats indicated that they would withhold support for the Department of Homeland Security’s (DHS) funding within the a five-bill appropriations “minibus” package.

This broader FY26 minibus spending measure was approved by the House earlier this month and includes approximately \$64.4 billion in DHS funding, of which about \$10 billion is allocated for ICE.

The events in Minnesota led some Senators to withhold support for DHS funding until reforms to Immigration and Customs Enforcement and related agencies were implemented. Due this pressure, largely from Senate Democrats, Senate Republicans, backed by the White House, agreed to split the bill funding DHS off from the minibus.

On January 30, Senate passed the now four-bill minibus and a stopgap funding bill known as a continuing resolution (CR) to fund DHS at current levels through Feb. 13 via a 71-29 vote. However, with the House still in recess over the weekend, a partial government shutdown began on January 31. The House is set to vote on the Senate-passed measures on February 2.

HOUSE UPDATES

On January 22, the House approved funding DHS by a vote of 220–207. The vote followed a request from Democratic House Members for a standalone consideration of DHS funding. Later that day, the House voted 341–88 to pass a broader, bipartisan “minibus” appropriations package funding Defense, Health and Human Services, Transportation-HUD, and Education through September 30, 2026.

Prior to final passage, the House rejected two amendments offered by Republican Members. By a vote of 291–136, the chamber defeated an amendment offered by Representative Ralph Norman (R-SC) to eliminate earmarks in the Labor-HHS-Education portion of the bill. The House also rejected an amendment from Representatives Thomas Massie (R-KY) and Scott Perry (R-PA) that would have repealed the Department of Transportation’s requirement for drunk-driving prevention technology in new vehicles, enacted in 2021. The final vote against that amendment was 268–164.

The House is set to consider on the Senate-passed measures on February 2.

APPROPRIATIONS UPDATE

TRANSPORTATION-HUD BILL OVERVIEW (H.R. 7148)

The final, bipartisan Transportation-HUD (THUD) Appropriations bill included in H.R. 7148 provides the majority of public transit and passenger rail funding authorized under the Infrastructure Investment and Jobs Act (IIJA). When combined with IIJA advance appropriations, the measure provides **\$21.1 billion for public transit in FY 2026**, an increase of \$168 million over FY 2025 enacted levels.

The legislation also provides **\$15.9 billion for passenger and freight rail in FY 2026**, a \$298 million decrease from FY 2025 enacted levels. This total is **\$5.1 billion below** the funding level authorized in the IIJA.

SELECTED THUD HIGHLIGHTS

- **Aviation:** Funds approximately 2,500 air traffic controllers and provides **\$140 million** for the Federal Aviation Administration to implement a **3.8 percent pay increase** for air traffic controllers and related supervisory staff.
- **CRISI Grants:** Provides **\$137 million** for Consolidated Rail Infrastructure and Safety Improvement (CRISI) grants, a **\$37 million increase from FY 2025**, including **\$20 million transferred from IIJA funding**. Of this total, **\$87 million** is designated for **Congressionally Directed Spending projects**, and eligibility is expanded to include **commuter rail projects** that implement or sustain positive train control systems
- **Federal-State Partnership Grants:** The IIJA provides **\$7.2 billion** for the Federal-State Partnership for Intercity Passenger Rail Program, with an additional **\$20 million** provided through the THUD Appropriations Act.
- **Programmatic Shifts:** Compared with prior years, the bill reduces funding for electric vehicle charging infrastructure and high-speed rail programs.



*Rep. Steve Womack,
Chair of THUD Subcommittee
House Appropriations, 7/14/25*



*Sen. Cindy Hyde-Smith
Chair of THUD Subcommittee
Senate Appropriations, 7/24/25*



View an APTA breakdown [here](#)

APPROPRIATIONS UPDATE

THUD APPROPRIATIONS: MODAL AGENCY HIGHLIGHTS

Federal Highway Administration (FHWA)

- **\$62.7 billion** in obligation limitation from the Highway Trust Fund (HTF).
- From the General Fund: **\$1.5 billion** for earmarks, **\$350 million** for bridges in low-density/small-population states, **\$200 million** for federal/tribal projects, and **\$200 million** for truck parking.
- Total new General Fund appropriations in the THUD bill: **\$927 million**.

Federal Transit Administration (FTA)

- **\$14.6 billion** in obligation limitation from the HTF.
- From the General Fund for Transit Infrastructure Grants (TIG): **\$148 million** for earmarks, **\$45 million** for ferries, **\$15 million** for public safety.
- Total new General Fund appropriations in the THUD bill: **\$23 million**.

Federal Railroad Administration (FRA)

- **\$265 million** in additional General Fund appropriations for safety and operations.
- Amtrak funding from General Fund and IIJA Division J: **\$850 million** for the Northeast Corridor and **\$1.6 billion** for the National Network.

Federal Aviation Administration (FAA)

- **\$13 billion** from the Airport and Airway Trust Fund (AATF) for operations.
- **\$669 million** from the General Fund.
- Airport Improvement Program (AIP): **\$4 billion** from AATF plus **\$577 million** from IIJA Division J and new General Fund appropriations.
- **\$4 billion** in new General Fund appropriations for Facilities and Equipment.

Federal Motor Carrier Safety Administration (FMCSA)

- **\$542 million** for Motor Carrier Safety Grants.
- **\$390 million** from HTF for operations and programs.

National Highway Traffic Safety Administration (NHTSA)

- **\$850 million** from HTF for Highway Traffic Safety Grants.
- **\$210 million** from HTF for operations and research.
- **\$200 million** from General Fund, including IIJA Division J transfers.

Office of the Secretary of Transportation (OST)

- **\$145 million** in new General Fund appropriations for BUILD grants.
- **\$514 million** for Essential Air Services subsidies.
- **\$205 million** rescinded from unobligated funds in the SMART Grants program.

APPROPRIATIONS UPDATE

UPDATES ON H.R. 6938 MINIBUS

On January 23, President Trump signed H.R. 6938, the Commerce, Justice, Science (CJS); Energy and Water Development (EWD); and Interior and Environment Appropriations Act, 2026, into law. The Senate approved the minibus package 82–15, and the House passed it 397–28. The legislation funds both CJS agencies and Interior, Environment, and Related Agencies.

Key highlights of the EWD portion:

- **Department of Energy (DOE):** Just over **\$49 billion**, with several clean energy and carbon management programs reduced or reprogrammed.
- **Army Corps of Engineers – Civil Works: \$10.4 billion** to support flood risk reduction, coastal resiliency, port navigability, and ecosystem restoration.
 - **Construction: \$3.2 billion** for priority new and ongoing projects, including critical dam safety initiatives.
 - **Mississippi River and Tributaries: \$531.6 million, \$275 million** above the FY26 President’s budget request.
 - **Operation and Maintenance: \$6 billion, \$460 million** above FY25 enacted, funding dredging, repairs, and operation of navigation structures.

*SEE THE FULL BILL
TEXT OF H.R. 6938 [HERE](#)*



View the Senate EWD
breakdown [here](#)



View the Senate CJS
breakdown [here](#)



*Senate Appropriations Chair Collins;
Politico, 1/27/25*

NOTABLE JANUARY HEARINGS & MARKUPS

JANUARY 21 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE EXECUTIVE SESSION

The Committee approved the following measures via voice vote:

- Amendment in the Nature of a Substitute (ANS) to H.R. 2247, *Pilot Certificate Accessibility Act* – This bill modernizes FAA requirements by allowing pilots and other FAA certificate holders to present digital certificates instead of physical ones. This legislation was introduced by Representative Tim Burchett (R-TN) with Tracey Mann (R-KS) as an original cosponsor.
- ANS to H.R. 2474, *Expanding Appalachia's Broadband Access Act* – This bill directs the Government Accountability Office (GAO) to study whether satellite broadband can be effectively incorporated into broadband projects supported by the Appalachian Regional Commission. This legislation was introduced by Representative Dave Taylor (R-OH).
- ANS to H.R. 6618, *Wildfire Aerial Response Safety Act* – This bill directs the FAA to conduct a study and report on how unmanned aircraft system (UAS) incursions impact wildfire suppression efforts. This bipartisan legislation was introduced by Representative Janelle Bynum (D-OR) with Elijah Crane (R-AZ), Joe Neguse (D-CO), and Juan Ciscomani (R-AZ) as original cosponsors.
- ANS to H.R. 6744, *Military Air Traffic Control Transition Act* – This bipartisan bill strengthens efforts to help experienced military air traffic controllers more easily transition into civilian roles at the FAA, addressing the ongoing air traffic controller shortage. This bipartisan legislation was introduced by Representative Laura Gillen (D-NY) with Tracey Mann (R-KS) as an original cosponsor.
- ANS to H.R. 7084, *Defending American Property Abroad Act of 2026* – This bill aims to protect U.S.-owned infrastructure assets in foreign countries by authorizing the president to deny port entry to vessels that have also called at ports or terminals that were expropriated or nationalized from U.S. persons by governments in Western Hemisphere countries with U.S. free trade agreements. This bipartisan legislation was introduced by Representative August Pfluger (R-TX) and Salud Carbajal (D-CA).

NOTABLE JANUARY HEARINGS & MARKUPS

JANUARY 28 - SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE HEARING: *EXAMINE THE FEDERAL ENVIRONMENTAL REVIEW AND PERMITTING PROCESSES PART II*

Senate Environment and Public Works (EPW) Committee Ranking Member Sheldon Whitehouse (D-RI) said that the Committee could revive stalled talks over easing federal permitting rules if the Trump administration stops its attacks on renewable energy projects. EPW Chair Shelley Moore Capito (R-WV) empathized with the Democrats' position and said that making it easier to build energy projects of all energy types would "relieve the economic pressure Americans are facing across the nation."

Solar Energy Industries Association President and CEO Abigail Ross Hopper said at the hearing that "the federal permitting process has lost credibility regarding solar projects." She emphasized that any reforms must reverse Interior Secretary Doug Burgum's order from last year requiring his personal review of each step of wind and solar projects built on federal lands. Dustin Meyer, Senior Vice President of Policy, Economics and Regulatory Affairs at the American Petroleum Institute, echoed that sentiment, stating that a permitting bill should prevent "arbitrary suspensions or revocations" of permits "driven by political or policy shifts rather than new facts or violations."

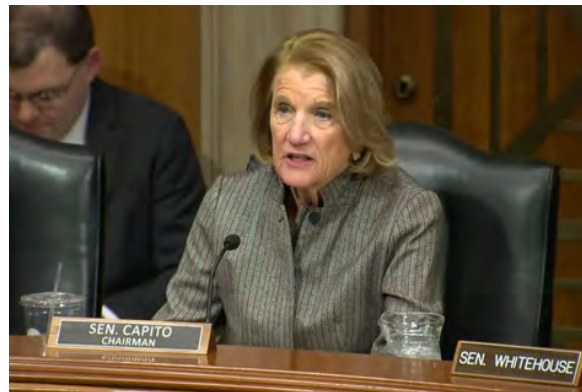


SURFACE TRANSPORTATION REAUTHORIZATION

The Senate Commerce Rail Subcommittee and Senate Banking's Transportation Subcommittee have not made progress on drafting the surface transportation reauthorization bill. Senate Environment and Public Works (EPW) Committee Chair Shelley Moore Capito (R-WV), whose committee has jurisdiction over the highway title, has indicated no plans to change her goal of releasing a draft surface transportation reauthorization bill by early March and to hold a markup later that month.

House Transportation and Infrastructure (T&I) Committee Chair Sam Graves (R-MO) has said the House plans to mark up its companion legislation in the "very first part" of 2026. Congressional leaders are eyeing the bill as a key vehicle for permitting reform. Climate and energy proposals, including potential fees on electric and hybrid vehicles, will also be at the heart of the negotiations.

Senate EPW Ranking Member Sheldon Whitehouse (D-RI) has voiced frustrations over the Trump Administration's handling of clean energy projects. He stated that he would stall updates to federal permitting, surface transportation reauthorization, and the Water Resources Development Act until the Trump administration lifts its restrictions on offshore wind. As the Ranking Democrat on the committee with primary jurisdiction over these bills, his concerns are likely to slow Senate negotiations.



*EPW Chair Capito;
Senate EPW, 1/29/25*



*House T&I Chair Graves;
T&I 1/21/25*



*EPW Ranking Member Whitehouse;
Politico, 1/28/25*

LEGISLATIVE UPDATES

PERMITTING REFORM

After House action on permitting reform, Senate momentum slowed last month after the Trump Administration escalated its opposition to offshore wind by issuing a 90 day pause on five ongoing projects off the Atlantic Coast.

Senate Environment and Public Works (EPW) Committee Ranking Member Sheldon Whitehouse (D-RI) and Senate Committee on Energy and Natural Resources (ENR) Ranking Member Martin Heinrich (D-NM) issued statements opposing the Administration's decision and declaring that no permitting deal could be reached if the "Administration refuses to follow the law." Both senators stated that the Administration must reverse its pause on the offshore wind projects and cease its attacks on fully permitted renewable energy projects before permitting talks to resume in the Senate.

At an EPW Hearing on permitting on January 28, EPW Ranking Member Whitehouse (D-RI) said that the Committee could revive stalled talks over easing federal permitting rules if the Trump administration stops its attacks on renewable energy projects. EPW Chair Shelley Moore Capito (R-WV) empathized with the Democrats' position and said that making it easier to build energy projects of all energy types would "relieve the economic pressure Americans are facing across the nation."

WATER RESOURCES DEVELOPMENT ACT

The House Transportation and Infrastructure (T&I) Committee is making progress on advancing the 2026 Water Resources Development (WRDA) Act. WRDA authorizes studies and projects within the United States Army Corps of Engineers (Corps) Civil Works mission areas, including navigation, flood damage reduction, hurricane and storm damage reduction, shoreline protection, and ecosystem restoration. The T&I Subcommittee on Water Resources and Environment issued a request for Member submissions, including Corps projects and policy requests, by January 30. Following that deadline, the T&I Subcommittee on Water Resources and Environment will review the requests for inclusion as it drafts the 2026 WRDA bill.

However, the Trump Administration's efforts to exert more control over which Corps projects receive priority has spurred backlash from Democrats, which could slow down progress on the bill. In November 2025, all nine Democrats on the Senate EPW Committee criticized the Administration's threat to pause \$11 billion in water infrastructure projects in blue states, warning it would undermine WRDA negotiations. Additionally, at a House T&I Committee hearing in December, Democrats expressed frustrations with a new Department of Defense policy that restricts the Corps's communication with Congress.



*CST Chair Cruz;
Politico, 12/17/25*



*CST Ranking Member Cantwell;
Yahoo, 10/16/25*

S 2503, ROTOR ACT

On January 19, Senate Commerce Chair Ted Cruz (R-TX) and Ranking Member Maria Cantwell (D-WA) sent a letter to Senate and Appropriations Committee leaders urging the inclusion of their bipartisan S. 2503, the Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act, in the FY26 Transportation, Housing, and Urban Development Appropriations (THUD) package.

The ROTOR Act was drafted in response to the January 29, 2025, collision between an American Airlines flight and an Army helicopter near Ronald Reagan Washington National Airport that resulted in 67 fatalities. The bill would limit the Army's ability to disable ADS-B Out on helicopters nationwide to prevent further collisions.



Read the letter [here](#)

In late December, the Senate passed the ROTOR Act as a standalone bill via unanimous consent late. However, House T&I Chair Sam Graves (R-MO) continues to oppose the current version of the ROTOR Act, as he argues that the requirement for location-receiving technology on aircrafts would be overly burdensome for small-scale aviation.

In the recent letter, both Commerce Committee leaders share that the Department of Transportation, Pentagon, Federal Aviation Administration, National Transportation Safety Board, and the families of the 67 victims all support the legislation. The Senators also urged that the ROTOR Act be included in the final THUD bill to close critical safety loopholes and avoid delays that could occur if the ROTOR Act was instead attached to the FY26 legislation as a floor amendment.

USDOT UPDATES

RAIL

FEDERAL-STATE PARTNERSHIP (FSP) NOFO

The Federal-State Partnership (FSP) for Intercity Passenger Rail Grant Program Notice of Funding Opportunity (NOFO) is still open for applications through February 6. The NOFO includes more than \$5 billion in funding for projects that enhance safety on intercity passenger rail networks.

This includes improvements to grade crossings. FSP funds capital projects not located on the Northeast corridor that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service.

 [Apply or learn more *here*](#)

Applications are due February 6, 2026.

HIGHWAY

COMMERCIAL VEHICLE SAFETY GRANT AWARDS

Transportation Secretary Duffy announced \$118 million in awards across three Federal Motor Carrier Safety Administration (FMCSA) grant programs designed to improve commercial vehicle safety.

- **\$71.6 million** in High Priority (HP) grants to support state and local enforcement efforts to reduce commercial motor vehicle (CMV) related crashes and deploy new technology to ensure CMV compliance with safety regulations.
- **\$43.8 million** in Commercial Driver's License Program Implementation grants to help states comply with federal CDL regulations and prevent fraud.
- **\$3.4 million** in Commercial Motor Vehicle Operator Safety Training grants to support servicemembers in accessing commercial driver training.

USDOT UPDATES

FMCSA NATIONWIDE COMMERCIAL DRIVER'S LICENSES (CDL) AUDIT

As part of USDOT's nationwide audit into state practices in issuing non-domiciled Commercial Driver's Licenses (CDLs), USDOT found that the North Carolina Department of Transportation had issued 54% of its CDLs in ways that did not comply with federal standards. Transportation Secretary Duffy has threatened to freeze \$50 million in USDOT funding for North Carolina and warned that continued noncompliance could lead to decertification of the state's CDL program.

After the State of California failed to cancel non-compliant CDLs by the January 5, 2026, deadline, Transportation Secretary Duffy directed the Federal Motor Carrier Safety Administration (FMCSA) to withhold approximately \$160 million in federal funding (National Highway Performance Program and Surface Transportation Block Grant). FMCSA issued a Final Determination on January 7, 2026.

AVIATION

NEW RADAR SYSTEM

On January 5, USDOT Secretary Duffy and Federal Aviation Administration (FAA) Administrator Bedford announced that the FAA will begin replacing the nation's aging radar system. Through funding from the One Big Beautiful Bill, USDOT will replace the ground-based radars to improve safety. RTX and Indra were awarded the contracts and will work to replace up to 612 radars by 2028 with modern, commercially available surveillance radars.

Replacements will begin in the first quarter of 2026 and will continue on a rolling basis, prioritizing high-traffic areas. In addition to modernizing the network of surveillance radars, the FAA will consolidate the 14 different configurations in the National Airspace System (NAS), simplifying maintenance and logistics.

NEW RESTRICTIONS FOR DCA AIRSPACE

On January 22, USDOT Secretary Duffy announced that the FAA is formalizing permanent restrictions for helicopters and powered-lift from operating in certain areas near Ronald Reagan Washington National Airport (DCA), unless these aircraft are conducting essential operations. These restrictions were put in place following the deadly American Airlines 5342 crash and are supported by the NTSB's preliminary recommendations.

The FAA [published](#) and implemented the new policy as an Interim Final Rule (IFR) to significantly reduce midair-collision risks.

 [Submit public comment here](#)

UNION PACIFIC AND NORFOLK SOUTHERN MERGER

OVERVIEW

On January 16, the Surface Transportation Board (STB) rejected the proposed Union Pacific (UP) and Norfolk Southern (NS) merger in its current form, stating that the application was incomplete. In its [15-page decision](#), the STB detailed problems with market-share data, failures to include the complete merger agreement between the two railroads, and issues with how the application addressed control of the Terminal Railroad Association of St. Louis. The board's decision will slow the merger process, as UP plans to file an expected merger application in March. Class I railroads, including Canadian National, BNSF, and CSX, released statements supporting the STB's initial decision. However, UP CEO Jim Vena remained optimistic amidst the setback and still expects the transaction to close in early 2027, assuming the board approves the \$85 billion deal.

In its press release, the STB noted that the decision "should not be read as an indication of how the Board might ultimately assess any future revised application." The recent CSX and Pan Am Railways merger provides a precedent where an initial rejection of an application was ultimately approved upon resubmission.

CONGRESS

Members of Congress are still voicing their opinions on the merger. A day prior to the STB's decision, Representatives Chris Deluzio (D-PA), Patrick Ryan (D-NY), Angie Craig (D-MN), Pramila Jayapal (D-WA), co-chairs of the Monopoly Busters Caucus, and Representatives Donald Norcross (D-NJ), Mark Pocan (D-WI), and Debbie Dingell (D-MI), co-chairs of the Congressional Labor Caucus, sent a letter to STB Chair Fuchs urging UP and NS to explain in detail how the railroads' potential merger would impact labor.

In the letter, the Members urge the STB to require UP and NS answer a set of questions as part of the board's public-interest review of the merger proposal. The questions focus on the labor implications of a potential merger, including how it may affect longstanding challenges in the rail industry related to work competition, safety, and reliable service.

The lawmakers requested that the board provide those answers to Congress at least 60 days before any decision on the merger and "consider those responses and potential harms to workers as part of its decision."



[Read the letter here](#)



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