



PREPARED BY TAI GINSBERG &  
ASSOCIATES, LLC



# MONTHLY REPORT

FEB  
2026

LATEST LEGISLATIVE &  
REGULATORY UPDATES

# Table of Contents

---

Executive Summary	1
Appropriations Update	2
Notable February Hearings & Markups	5
Surface Transportation Reauthorization	10
Legislative Updates	11
USDOT Updates	13
Union Pacific & Norfolk Southern Merger	17

# EXECUTIVE SUMMARY

## FEBRUARY PRIORITIES

On Tuesday, February 3, President Donald Trump signed a **\$1.2 trillion Fiscal Year 2026 (FY26) funding package** into law, just hours after the House approved the “minibus” appropriations bill by a **217-214** vote, with support from 21 Democrats, following Senate approval. The measure ended a brief, partial government shutdown that began early Saturday, January 31.

However, the package did not include funding for the Department of Homeland Security (DHS), as Senate Democrats have tied their support for FY26 DHS appropriations to reforms of Immigration and Customs Enforcement (ICE) following multiple fatal federal immigration enforcement shootings in Minneapolis earlier this year, which have prompted calls for greater use-of-force safeguards and accountability.

After negotiations with the White House did not yield an agreement on those reforms, a partial government shutdown began on February 13, affecting only DHS operations. Lawmakers from both parties continue to negotiate funding and policy terms.

Meanwhile, President Trump held the first State of the Union of his second term, calling on Congress to pass Commercial Driver’s License (CDL) reform, and the Department of Transportation (USDOT) advanced several significant initiatives this month, including the rollout of new CDL compliance audits, the announced departure of Federal Transit Administration (FTA) Administrator Marc Molinaro, and efforts to modernize the nation’s air traffic control system.

## LOOKING FORWARD

Reaching an agreement on reforms to ICE to facilitate full government reopening remains a top congressional priority. Negotiations between Senate Democrats and the White House remain underway.

At the same time, policymakers are advancing several “must-pass” legislation, including the farm bill, the surface transportation reauthorization, and the Water Resources Development Act. The House Transportation and Infrastructure (T&I) Committee is planning a highway bill markup this spring, while the Senate Environment & Public Works (EPW) Committee is expected to release its surface transportation reauthorization text in April.

Members have also begun opening portals for FY27 appropriations requests. The TG&A team will continue to monitor key deadlines and provide timely updates.



*Politico, 2/3/26*

# APPROPRIATIONS UPDATE

## OVERVIEW

On February 3, President Trump signed into law a \$1.2 trillion FY26 appropriations package, ending the four-day partial government shutdown that began on January 31. The measure passed the House by a 217-215 vote following Senate approval. In the House, 21 Democrats voted in favor of the legislation, while 21 Republicans opposed it.

*Read more on the following pages.*



View the full  
legislative text [here](#)



View the THUD joint  
explanatory statement [here](#)

# APPROPRIATIONS UPDATE

## PARTIAL GOVERNMENT SHUTDOWN: DEPARTMENT OF HOMELAND SECURITY

While the FY26 appropriations package funds most federal agencies through the end of the fiscal year, it provided DHS funding only through **February 13**. DHS oversees agencies such as the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA).

Several senators cited recent shootings involving federal immigration enforcement personnel in Minneapolis as a factor in their decision to withhold immediate support for DHS funding.

In the days before the February 13 funding deadline, negotiations between the Senate and the White House did not yield an agreement on a standalone DHS appropriations bill.

**On February 12**, the Senate voted 52-47 on a motion to advance the House-passed DHS funding bill, falling short of the 60 votes required for debate. Senator John Fetterman (D-PA), who generally opposes government shutdowns, was the only Democrat to support the motion. Senate Majority Leader John Thune (R-SD) voted “no” for procedural reasons to allow for future reconsideration.



*Bloomberg, 2018*



*AFP, 1/8/26*

**On February 24**, Senate Democrats once again blocked a full-year DHS funding bill, voting 50-45 on cloture, short of the 60 votes needed. Sen. John Fetterman (D-PA) was the lone Democrat supporting it alongside all Senate Republicans.

The bill, H.R. 7147, had bipartisan House passage with six moderate Democrats. Negotiations between the White House and Senate Democrats are ongoing.

# APPROPRIATIONS UPDATE

## IMPACT OF PARTIAL GOVERNMENT SHUTDOWN

As a result, funding for key agencies such as TSA, FEMA, and the U.S. Coast Guard have lapsed. However, ICE and Customs and Border Protection continue operations without disruption due to previously enacted funding provided in the One Big Beautiful Bill Act.

According to DHS's shutdown contingency plan, published in September 2025, approximately 95 percent of TSA employees are classified as exempt and will remain on duty during the shutdown. The remaining workforce, an estimated 2,933 employees, has been furloughed.

Air traffic controllers are not directly impacted during this period, as they are employees of the Federal Aviation Administration (FAA), which is funded through the USDOT. However, the DHS shutdown may still affect air travel across the nation.

On February 13, a coalition of industry groups - U.S. Travel, Airlines for America, and the American Hotel Association - warned that the DHS shutdown could affect air travel. In a [joint statement](#), the organizations noted that last fall's funding lapse resulted in an estimated \$6 billion in economic impact and disrupted travel for more than six million passengers.

 [Read the joint industry statement here](#)

## FY27 APPROPRIATIONS

With the FY26 funding package largely finalized, congressional attention is shifting toward the FY27 appropriations process.

On February 25, the House Appropriations Committee released its FY27 guidance and deadlines for programmatic and community project (earmark) submissions. Click [here](#) to view the guidance. The Senate Appropriations Committee is expected to initiate the process in the coming weeks.

The President's budget request for FY27 is not expected to be released until later this spring. The TG&A team is monitoring developments and preparing for another active appropriations season as timelines and priorities take shape.



*The New York Times, 2/22/26*



*Chip Somodevilla, 3/15/22*

# NOTABLE FEBRUARY HEARINGS & MARKUPS

## **FEBRUARY 3 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION**

The Committee voted on the following nominations:

- John DeLeeuw (TX) to be a Member of the National Transportation Safety Board (15-3);
- Daniel Edwards (NC) to be an Assistant Secretary of Transportation (21-7);
- Steven Haines (VA) to be an Assistant Secretary of Commerce (15-13);
- Robert Harvey (FL) to be a Federal Maritime Commissioner (15-13); and
- Ryan McCormack (VA) to be Under Secretary of Transportation for Policy (20-8).

Among those advanced, John DeLeeuw's nomination to the National Transportation Safety Board (NTSB) has drawn attention. This past fall, ten Democrats on the Committee, including Ranking Member Maria Cantwell (D-WA), urged Chair Ted Cruz (R-TX) to reconsider DeLeeuw's nomination following the removal of former NTSB Vice Chair Alvin Brown, a Biden appointee. DeLeeuw is slated to fill the seat formerly held by Brown, who continues to challenge his removal in federal court after serving only one of his five-year term.

## **FEBRUARY 4 - SENATE COMMERCE COMMITTEE HEARING // HIT THE ROAD, MAC: THE FUTURE OF SELF-DRIVING CARS**

Witnesses:

- Mr. Lars Moravy, Vice President of Vehicle Engineering, Tesla
- Dr. Mauricio Peña, Chief Safety Officer, Waymo
- Mr. Jeff Farrah, Chief Executive Officer, Autonomous Vehicle Industry Association
- Mr. Bryant Walker Smith, Associate Professor of Law, University of South Carolina

In early February, the Senate Commerce Committee held a hearing on the future of autonomous vehicles (AVs). Senators highlighted the technology's potential to reduce crashes caused by distracted or impaired driving, while also expressing concerns about recent AV safety incidents.

Top executives from Waymo and Tesla testified, urging Congress to advance legislation aimed at accelerating deployment of self-driving vehicles on public roads. During the two-hour hearing, senators and witnesses addressed several topics, including robotaxi safety, legal liability, remote operation, and Chinese industry competition. While the hearing reflected bipartisan interest, senators did not indicate progress toward passing legislation related to AVs.

# NOTABLE FEBRUARY HEARINGS & MARKUPS

## FEBRUARY 10 - HOUSE ENERGY & COMMERCE COMMITTEE COMMERCE, MANUFACTURING, AND TRADE SUBCOMMITTEE EXECUTIVE SESSION

The Subcommittee advanced 12 motor vehicle safety bills to full committee consideration.

Among these was H.R. 7390, the SELF DRIVE Act, introduced by Representative Bob Latta (R-OH). The bill would establish a federal National Highway Traffic Safety Administration (NHTSA)-led federal framework for the safety and regulation of autonomous vehicle (AV) technology.

During committee debate, House Democrats raised concerns about changes from earlier bipartisan drafts, including gaps in data reporting, absence of first-responder guidance, proposed NHTSA budget cuts, and the timeline relative to the upcoming surface transportation reauthorization.

Representative Debbie Dingell (D-MI), who worked on the initial draft of the legislation with Chair Latta, withdrew her support for the bill. Republican members emphasized the importance of timely action and expressed willingness to collaborate on developing a national AV framework. The bill was advanced to the full committee via a 12-11 party line vote.

## FEBRUARY 10 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE EXECUTIVE SESSION

The Committee voted and approved the following legislation via voice vote:

- Amendment in the Nature of a Substitute (ANS) to H.R. 7342, *Made in America Jobs Act of 2026*
- ANS to H.R. 7388, *Smart Space Act of 2026*
- H.R. 7376, *Local Water Protection Act*
- H. Con. Res. 73, Authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service and the National Honor Guard and Pipe Band Exhibition

# NOTABLE FEBRUARY HEARINGS & MARKUPS

## **FEBRUARY 11 - HOUSE SCIENCE COMMITTEE RESEARCH AND TECHNOLOGY SUBCOMMITTEE HEARING // ACCELERATING PROGRESS: U.S. SURFACE TRANSPORTATION RESEARCH**

Witnesses:

- Ms. Diana Furchtgott-Roth, former Deputy Assistant Secretary for Research and Technology at USDOT
- Hon. Greg Winfree, Agency Director, Texas A&M Transportation Institute
- Dr. Henry Liu, Professor of Civil and Environmental Engineering, University of Michigan

The House Science, Space, and Technology Subcommittee on Research and Technology held a hearing on surface transportation reauthorization research. Key themes centered on potential foreign interference in the transportation sector, establishing a federal framework for AV safety testing and evaluation, and funding for the University Transportation Centers program.

## **FEBRUARY 12 - SENATE COMMERCE COMMITTEE HEARING // THE NTSB FINAL REPORT ON THE DCA MIDAIR COLLISION**

The Senate Commerce Committee held a hearing with NTSB Chair Jennifer Homendy to review the NTSB's final report on the 2025 midair collision near Washington, D.C. Lawmakers focused heavily on Automatic Dependent Surveillance-Broadcast (ADS-B), a safety technology that enhances situational awareness for pilots and air traffic controllers.

The FAA currently mandates ADS-B Out in certain airspace, but does not require ADS-B In, which allows pilots to receive traffic and weather data in real time. Following the D.C. midair collision, the NTSB investigation recommended that the FAA require ADS-B In for aircraft already required to carry ADS-B Out.

In opening remarks, Chair Ted Cruz (R-TX) urged the House to pass his bipartisan S. 2503, the Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act. NTSB Chair Homendy countered the cost argument, noting that portable ADS-B In receivers can cost as little as \$400. She also highlighted that ADS-B In technology is already present in commercial aviation.

Furthermore, Chair Homendy raised concerns about persistent communication gaps between the FAA and the Pentagon, citing the sudden closure and reopening of airspace around El Paso, Texas, as a recent example.

# NOTABLE FEBRUARY HEARINGS & MARKUPS

## FEBRUARY 12 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Committee approved Ranking Member Maria Cantwell's (D-WA) S. 3700, the *FAA SMS Compliance Review Act*, via voice vote.

The legislation would require external experts to review the FAA's Safety Management System (SMS) practices. It would also direct the FAA to establish an independent expert review panel to provide recommendations for a comprehensive, integrated, and effective FAA SMS to better predict, manage, and mitigate safety risks across the agency.

## FEBRUARY 24 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE HEARING // PROPOSALS FOR A WATER RESOURCES DEVELOPMENT ACT OF 2026 – ADMINISTRATION PRIORITIES

Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. "Butch" Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

The House T&I Subcommittee on Water Resources and Environment held a hearing focused on priorities for the Water Resources Development Act (WRDA) of 2026, with key testimony from Assistant Secretary Adam Telle and Lieutenant General William Graham of the Army Corps of Engineers.

The central theme was the Corps' new "Building Infrastructure, Not Paperwork" initiative - a sweeping reform effort aimed at cutting bureaucratic red tape, accelerating project delivery, and better prioritizing high-value navigation, dredging, and flood control projects. Members pressed the Corps on the inefficiency of environmental scheduling windows that force dredges to operate in illogical, costly sequences rather than efficiently.

Assistant Secretary Telle and Lt. Gen. Graham Jr. also testified before the Senate Environment and Public Works Committee the following day. *More details are available on the following page.*

# NOTABLE FEBRUARY HEARINGS & MARKUPS

## FEBRUARY 25 - SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE // HEARING TO EXAMINE THE WATER RESOURCES DEVELOPMENT ACT OF 2026 AND U.S. ARMY CORPS OF ENGINEERS PROJECTS, PROGRAMS, AND PRIORITIES

### Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. “Butch” Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

The Senate EPW Committee held its WRDA 2026 hearing with Assistant Secretary Adam Telle and Lieutenant General William Graham. Like the House T&I subcommittee hearing the day before, this hearing also focused on the Corps' new "Building Infrastructure, Not Paperwork" initiative and its implications for navigation, dredging, and water infrastructure delivery.

Dredging emerged as the dominant issue, with Telle reiterating that the Corps - as the nation's largest buyer of dredging services - is moving toward a national contracting strategy to replace inefficient regional contracts that currently force dredges to operate in costly, illogical sequences driven by outdated environmental windows.

Members raised issues with Corps maintenance backlogs, harbor maintenance trust fund protections, and the risk of politically motivated funding pauses disproportionately hitting coastal blue states.



*Adam R. Telle  
Assistant Secretary, United States Army*



*Lt. Gen. William H. Graham, Jr.  
Chief of Engineers, Commanding General,  
United States Army Corps of Engineers*

# SURFACE TRANSPORTATION REAUTHORIZATION

## OVERVIEW

Republican leadership on the House and Senate committees of jurisdiction is expected to release a preliminary draft of the surface transportation reauthorization in the coming weeks. The draft is slated to omit several of the climate and clean energy provisions included in the previous \$1.2 trillion infrastructure legislation, instead prioritizing traditional transportation infrastructure. The House T&I Committee is planning a highway bill markup this spring, while the Senate EPW Committee is also aiming to release its text for surface transportation reauthorization in April.

Lawmakers are aiming to pass a bipartisan highway bill before the September expiration of the *Infrastructure Investment and Jobs Act (IIJA)*. Key policy challenges for committee leadership include permitting processes, EV programs, and biofuels.



*USDOT Secretary Duff;  
NYT, 1/28/26*



*Senate Commerce Committee Chair Ted Cruz  
and Ranking Member Maria Cantwell  
Roll Call 9/10/24*

At the same time, Senate Commerce Committee Ranking Member Maria Cantwell (D-WA) indicated that a federal framework governing AVs is unlikely to be included in this year's surface transportation reauthorization.

In addition, USDOT has drafted a legislative proposal that would prohibit state and local governments from using federal transit funds to provide free transportation to individuals not authorized to be in the United States. The proposal is intended to apply comprehensively to all programs administered by the FTA, including local bus networks, subways, light rail, and ferry systems.

# LEGISLATIVE UPDATES

## RAIL SAFETY ACT

On February 3, lawmakers, mayors, and union members held a press event marking the third anniversary of the East Palestine, Ohio, train derailment and hazardous-materials release.

The event pushed for the passage of rail safety legislation introduced exactly one year earlier. U.S. Representatives Chris Deluzio (D-PA), Mike Rulli (R-OH), and John Garamendi (D-CA), three of the original sponsors of **H.R.928, *Rail Safety Act of 2025***, were in attendance.

Speakers at the anniversary event urged congressional consideration of the legislation, either as a standalone bill or as part of the upcoming surface transportation reauthorization process.



*Rep. Chris DeLuzio*  
2/2/26



*Rep. John Garamendi*  
2/2/26

## RAIL SAFETY LEGISLATION

In turn, on February 24, Senate Commerce Ranking Member Maria Cantwell (D-WA) and Senator Jon Husted (R-OH) reintroduced **S. 3903, the *Bipartisan Railway Safety Act of 2026***. The Railway Safety Act of 2026 would codify National Transportation Safety Board (NTSB) recommendations. The legislation would require the use of defect detectors, expand hazardous materials train safety restrictions, and ensure railcars are properly inspected and maintained.

On February 25, Representative Troy Nehls (R-TX) and Seth Moulton (D-MA) introduced **H.R. 7662, the *Railroad Safety Enhancement Act of 2026***. This legislation incorporates components of the Railway Safety Act of 2024. Among its provisions, the legislation includes requirements for a Confidential Close Call Reporting System (C3RS), formalizes the use of the ASKRAIL app, and further funds the Railroad Crossing Elimination Grant Program.

# LEGISLATIVE UPDATES

## THE ROTOR ACT

On February 4, Senate Commerce Committee Chair Ted Cruz (R-TX) and Representative Bob Oander (R-MO) published an op-ed in RealClearPolicy calling for the swift House passage of **S.2503, Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act**, a bipartisan airspace safety reform bill prompted by last year's fatal midair collision at Reagan National Airport.

On February 24, following pressure from the Senate Commerce Chair Cruz, House Speaker Mike Johnson (R-LA) held a promised House vote on the ROTOR Act. The bill failed on a 264–133 vote, with more than 130 Republicans opposing the bipartisan measure, leaving it just one vote short of passage.

Prior to the House vote on passage, House GOP leaders privately urged defeat following a letter from Defense Secretary Hegseth citing national security risks, \$10 billion costs, and DoD concerns, reversing earlier support.

House Republicans are now pivoting to their own bipartisan *ALERT Act* for markup, asserting that it fully implements NTSB recommendations while preserving military operations. Victims' families counter that the legislation is too weak on ADS-B requirements and are calling for a new House vote on the ROTOR Act.

## NOMINATIONS

On February 26, Ryan McCormack was confirmed by the full Senate as Under Secretary of Transportation for Policy via a 57-33 vote.

“ The ROTOR Act rises above party lines and turns tragedy into action.

– Senate Commerce Committee Chair Ted Cruz (R-TX) and Rep. Bob Oander (R-MO)



Read the op-ed here

“ The best way to honor the victims and their families is by thoughtfully addressing the broad range of safety issues raised by the now-complete accident investigation, and that's just what the ALERT Act does.

– House Transportation Committee Chair Sam Graves

# USDOT & AGENCY UPDATES

## STATE OF THE UNION

In the first State of the Union (SOTU) of his second term, President Trump touched on key themes. Priorities outlined included improving affordability for all Americans, increasing fossil fuel drilling to improve American energy resilience, and reclaiming America's role as a leader in foreign affairs.

In terms of transportation issues, President Trump called on Congress to swiftly pass a bill that would bar states from granting CDLs to undocumented immigrants. Trump dubbed it "The Dalilah Law," named for Dalilah Coleman, a first grader whose family's vehicle was struck by a semi driven by an undocumented immigrant. He said that the law would prevent "any state from granting commercial driver's licenses to illegal aliens." Coleman and her father were guests at the State of the Union.



*New York Times, 2/24/26*

## HIGHWAY

### FTA ADMINISTRATOR MOLINARO DEPARTURE

Earlier this month, FTA Administrator Marc Molinaro announced that he would depart the Trump Administration on February 20, after serving six months in the role. Molinaro has indicated plans to run for an upstate New York Assembly seat, citing a desire to focus on local public service.

No additional details about his departure have been released, and a successor at FTA has not yet been announced.



*FTA Administrator Molinaro;  
AP Photo, 9/22/23*

# USDOT & AGENCY UPDATES

## BUY AMERICA PROVISION FOR EV CHARGERS

On February 11, Secretary Duffy announced a proposed USDOT rule that would require all federally funded EV chargers to meet a 100 percent domestic manufacturing requirement. The proposal would increase the current domestic content threshold from 55 percent to 100 percent. According to the Secretary, the rule would advance U.S. manufacturing and strengthen national security.

Industry representatives and policy analysts have identified potential implementation considerations related to existing supply chains. Experts say that EV chargers rely on numerous components, some of which are sourced internationally. Additional clarification regarding how the 100 percent domestic content requirement would be defined and applied is expected through the rulemaking process.



[View proposed change here](#)



[Submit public comments here](#)

## ILLEGALLY ISSUED COMMERCIAL DRIVER'S LICENSES

**On February 6**, USDOT Secretary Sean Duffy announced that nearly 2,000 commercial drivers and vehicles were removed from service by the USDOT as part of Operation SafeDRIVE, a nationwide initiative coordinated by the Federal Motor Carrier Safety Administration in partnership with more than two dozen state departments of transportation.

**On February 11**, Secretary Duffy issued a final rule updating the eligibility criteria for non-domiciled commercial driver's licenses.



**On February 18**, Secretary Duffy announced that USDOT will require more than 550 commercial driving schools in the U.S. to close following inspections that identified shortcomings in instructor qualifications, student testing, and other safety procedures.

Additionally, as part of USDOT's nationwide audit of state practices for issuing non-domiciled CDLs, USDOT found that the Illinois Department of Transportation issued nearly 20 percent of its CDLs inconsistently with federal standards. In response, USDOT has indicated it may withhold up to \$128 million in federal funding if the state does not return to compliance and warned that continued noncompliance could affect the state's CDL program certification.

# USDOT & AGENCY UPDATES

## AVIATION

### GAO REPORT ON DRONES

On February 4, the Government Accountability Office released a critical report regarding FAA planning for drone integration into the National Airspace System (NAS).

The report urges the FAA to develop and begin implementing specific actions. This includes establishing clear federal and nonfederal roles and technical milestones, to ensure that drones can communicate with and detect and avoid other aircraft within an information-centric NAS. The USDOT concurred with this recommendation.



View and read the full report here

### AIR TRAFFIC CONTROL OVERHAUL

On February 11, FAA Administrator Bryan Bedford briefed senators on the Trump administration's air traffic control overhaul. Democratic Senators Ben Ray Lujan (D-NM) and Tammy Duckworth (D-IL) said that Bedford acknowledged the need for improved communication. House T&I Committee Republicans confirmed that Bedford held a similar briefing for Members of T&I and the House Appropriations Committee's THUD.

Following the briefing, several senators requested more information and a classified briefing on what led to the FAA airspace closure in El Paso, TX. Media reports have attributed the closure to a disagreement between the FAA and the Pentagon on the safety of anti-drone technology testing. Secretary Duffy has stated that the closure was implemented in response to a reported cartel-related drone incursion.

### NASA INVESTMENT IN ADVANCED AIR MOBILITY

NASA announced a \$750,000 investment in research at the University of Texas at Arlington (UTA) focused on safety challenges associated with advanced air mobility.

The three-year grant, awarded through NASA's Minority University Research and Education Project, will support UTA researchers developing reusable, impact-resistant materials designed for emerging aircraft platforms, such as eVOTL vehicles and urban air taxis.

# USDOT & AGENCY UPDATES

## USDOT OIG INVESTIGATION INTO AIR TRAFFIC CONTROLLER RETENTION

The USDOT's Office of Inspector General (OIG) will audit why the FAA continues to face challenges recruiting and retaining air traffic controllers. In a recent memo, the OIG noted that although the FAA plans to hire at least 8,900 air traffic controllers by 2028, attrition, retirements, and training program washouts may affect efforts to increase the number of fully certified controllers.

Secretary Duffy has stated that recent recruitment initiatives are intended to address longstanding workforce shortages. According to the OIG memo, the forthcoming audit will assess the effectiveness of the FAA's hiring and retention strategies and identify factors affecting workforce growth.

## MERIT-BASED PILOT HIRING

On February 13, Secretary Duffy announced that the FAA is issuing a new mandatory "Operations Specification" OpSpec requiring all commercial airlines to formally commit to merit-based hiring for pilots.

According to USDOT, the directive responds to concerns regarding airline hiring practices. Under the new mandate, all U.S. air carriers will be required to attest that pilot hiring decisions are based on merit and comply with applicable federal laws. Airlines that fail to provide the required certification may be subject to further review or enforcement action by the FAA.

## RAIL

## CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI)

USDOT is planning to release the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program Notice of Funding Opportunity (NOFO) shortly. It will be a streamlined NOFO with a little over \$1 billion in funding available.

# UNION PACIFIC AND NORFOLK SOUTHERN MERGER

## OVERVIEW

Union Pacific (UP) and Norfolk Southern (NS) informed the Surface Transportation Board (STB) that they intend to file a revised merger application on April 30.

## STATE ATTORNEY GENERAL INPUT

Seven Republican state attorneys general submitted a letter to the Department of Justice (DOJ) requesting a review of the proposed UP-NS merger. The coalition, led by Montana's AG Austin Knudsen, states that the east-west consolidation will stifle competition and increase costs for Americans.

The letter asks the DOJ Antitrust Division to provide analysis as the STB evaluates the transaction. While the STB has the sole authority to approve or reject the \$85 billion deal, the DOJ may submit views to the Board regarding competitive implications.

A preliminary review by the attorneys general found the companies may not have adequately addressed potential loss of horizontal competition, raising antitrust concerns. In addition to Knudsen, the letter was signed by attorneys general from Iowa, Kansas, Mississippi, North Dakota, South Dakota, and Tennessee.

“ [There is a] lack of serious and meaningful commitments to enhance competition and protect against service meltdowns.

– Representative Dusty Johnson (R-SD)

## CONGRESS

On February 6, a group of House Republicans urged the STB to conduct a thorough review of the proposed merger - and to reject the deal if it does not meet the high standards set by the board's merger rules set in 2001.

Representative Dusty Johnson (R-SD) - who sits on the House Agriculture Committee and the House T&I Committee - led the letter to STB Chairman Patrick Fuchs, as well as to STB members Michelle Schultz and Karen Hedlund, encouraging the regulator to “conduct a rigorous and comprehensive review of the proposed merger...to ensure it enhances competition and is clearly in the public interest.” The letter was co-signed by 46 other House Republicans.

Stakeholders, including certain shipper groups, have also voiced concerns about the merger. If approved, the transaction would create the first coast-to-coast freight railroad operating more than 50,000 miles of track across 43 states.



[View the State AG's letter here](#)



# CONTACT US

TAI GINSBERG & ASSOCIATES



202-536-6632