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MARCH
2026

MONTHLY REPORT

LATEST LEGISLATIVE &
REGULATORY UPDATES

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EXECUTIVE SUMMARY

MARCH PRIORITIES

The partial government shutdown affecting the Department of Homeland Security (DHS) continued through March, entering its second month. A funding bill for all DHS agencies except Immigration and Customs Enforcement (ICE) passed the Senate on March 27 but has not yet received House floor consideration.

Amid stalled legislative negotiations, President Trump dismissed DHS Secretary Kristi Noem and nominated Senator Markwayne Mullin (R-OK) to the position. Mullin has since been confirmed to lead the agency. Approximately 60,000 Transportation Security Administration (TSA) employees remain unpaid, with TSA security wait times reaching up to three hours at some airports. Long security lines at airports nationwide have increased pressure to end the shutdown, while the President's initiative to expand ICE personnel at airports may further complicate negotiations.

In Congress, the Railway Safety Act was introduced in both chambers. Separately, the U.S. Department of Transportation (USDOT) announced \$100 million in Federal Transit Administration (FTA) funding for World Cup host cities. USDOT also held its first autonomous vehicle (AV) safety forum and approved a new Electric Vertical Take-off and Landing (eVTOL) pilot integration program.

LOOKING FORWARD

The Fiscal Year 2027 (FY27) appropriations cycle is progressing, with the House conducting hearings and several Member offices closing their portals for stakeholder submissions in line with Appropriations Subcommittee deadlines. TG&A is closely monitoring all deadlines and actively supporting client requests.

Surface transportation reauthorization markups are set to take place in April for the House Transportation & Infrastructure (T&I) Committee and in May for the Senate Environment and Public Works (EPW) Committee. However, delays remain possible.

APPROPRIATIONS UPDATE

OVERVIEW

The partial government shutdown of DHS, which began **February 14**, has entered its second month. Agencies including the Transportation Security Administration (TSA), Federal Emergency Management Agency (FEMA), Immigration and Customs Enforcement (ICE), and the Coast Guard remain without full-year funding.

During the week of **March 23**, Senate Republicans proposed a DHS-funding framework that would fully fund most of the department while restructuring or limiting ICE enforcement operations, but it did not secure sufficient Democratic support.

Democrats offered a new counterproposal pairing DHS funding with ICE-reform guardrails (e.g., ID-badge requirements and limits on enforcement actions in sensitive locations), which Republican leaders rejected as insufficient to preserve enforcement authority.

On **March 27**, Senate Republicans joined Democrats to pass, by voice vote, a bill funding all DHS components except ICE and parts of CBP. Senators have since departed for a two-week recess. House conservatives have expressed opposition to the Senate bill and signaled they will vote against it, complicating its path forward. Instead, House Speaker Mike Johnson (R-LA) plans to bring forward a 60-day continuing resolution to fund DHS while negotiations continue.

Republicans have called for ending the shutdown, citing national security concerns, including the ongoing Iran conflict, and impacts on law enforcement resources. Democrats continue to condition full funding on changes to the administration's immigration enforcement policies.



Senate Leader Thune, Politico, 3/19/26



Rep. Julie Johnson speaks at a hearing on Oversight of DHS, AFP, 2/10/26

APPROPRIATIONS UPDATE

IMPACT ON AVIATION & TRANSPORTATION

The operational impacts of the shutdown are becoming increasingly acute. Approximately 60,000 TSA employees are working without pay, and security wait times at several airports have reached up to three hours. Acting TSA Administrator Ha Nguyen McNeill testified that more than 480 screeners have resigned since funding lapsed and that TSA expects more than \$1 billion in lost pay before the shutdown ends. To mitigate staffing shortage, ICE personnel have been detailed to airports to assist with non-screening functions.

In response, major airlines, represented by Airlines for America (A4A), submitted a letter to Congress, urging resolution of the shutdown, citing its effects on TSA's workforce and airport operations. In the letter, the group also called for permanent legislation to ensure essential aviation workers are paid during future funding lapses.



*Read the A4A
letter [here](#)*

DHS LEADERSHIP CHANGE

On March 5, President Trump announced the dismissal of DHS Secretary Kristi Noem and nominated Senator Markwayne Mullin (R-OK) as her successor.

Senator Mullin testified before the Senate Homeland Security and Governmental Affairs Committee on March 18. During the proceedings, Senator Rand Paul (R-KY) raised concerns regarding Senator Mullin's temperament and military record. Despite this opposition, the nomination advanced out of committee on March 19. Mullin was confirmed as DHS Secretary on March 23 by a 54-45 vote, with Senators John Fetterman (D-PA) and Martin Heinrich (D-NM) joining Republicans in support.



*Senator Markwayne Mullin (R-OK)
AP Photo, 3/18/26*

FY27 APPROPRIATIONS

The FY27 appropriations cycle is advancing in the House, though the President's Budget Request is not expected until the end of the month. Most House offices have closed their portals for stakeholder requests and Community Project Funding (CPF) submissions. This year, House offices were permitted to submit up to 20 CPF requests, up from 15 in previous cycles. Senate offices continue to accept submissions.

NOTABLE MARCH HEARINGS & MARKUPS

MARCH 12 - SENATE COMMERCE COMMITTEE // EXECUTIVE SESSION

The Committee voted on the following nominations:

- Matthew Anderson, of Colorado, to be Deputy Administrator of NASA (23-5)
- Michael Graham, of Virginia, to be a Member of the NTSB (21-7)
- Seval Oz, of California, to be the Assistant Secretary of Transportation for Research and Technology (16-12)
- Arvind Raman, of Indiana, to be Under Secretary of Commerce for Standards and Technology and Director of the National Institute of Standards and Technology (16-12)
- Jesse Millard to be Captain in the United States Coast Guard (15-13)
- Richard Kloster, of West Virginia, to be a Member of the STB (15-13)

MARCH 18 - HOUSE T&I COMMITTEE // EXECUTIVE SESSION

The Committee approved the following legislation:

- H.R. 5688, *Non-Domiciled CDL Integrity Act (Dalilab's Law)* (35-26)

The bill would prohibit states from issuing commercial driver's licenses to individuals who are not U.S. citizens, lawful permanent residents, or holders of specified visa categories — H-2A (temporary agricultural workers), H-2B (temporary non-agricultural workers), or E-2 (treaty investors). The eligibility criteria align with FMCSA's March 16, 2026 Final Rule on non-domiciled CDLs, which is already in effect. The bill also requires states to revoke CDLs held by individuals who no longer meet eligibility criteria, including those whose work authorization has changed.

MARCH 26 - HOUSE T&I COMMITTEE // EXECUTIVE SESSION

The Committee approved the following legislation:

- H.R. 7613, *Airspace Location and Enhanced Risk Transparency (ALERT) Act of 2026* (62-0)

An alternative to Senate Commerce Chair Ted Cruz (R-TX)'s ROTOR Act, the ALERT Act is the House's response to the NTSB's findings from the January 2025 midair collision near Reagan National Airport. While the bill passed unanimously, it has drawn criticism from the NTSB and pilot unions for not going far enough on ADS-B requirements and implementation timelines. Families of victims have also expressed support for alternative provisions not adopted.

The House Armed Services Committee also approved related provisions unanimously (53-0).



*Senate EPW Chair Shelley Moore Capito;
EPW, 3/16/25*



*House T&I Chair Sam Graves;
STLPR, 1/26/23*

ON THE HILL

SURFACE TRANSPORTATION REAUTHORIZATION

Surface transportation reauthorization markups are set to take place in April for the House T&I Committee and in May for the Senate EPW Committee, though delays are possible. Despite potential committee progress, the window for enactment this year remains narrow.

Delays stem from multiple factors, including last fall's government shutdown, ongoing negotiations over policy provisions (e.g., autonomous vehicle language, the ROTOR Act, and ALERT Act), and competing legislative priorities. Election-year dynamics and limited administration focus on reauthorization have also contributed to uncertainty.

HOUSE T&I LEADERSHIP

House T&I Committee Chair Sam Graves (R-MO) is expected to retire at the end of the current Congress. The Congressman announced this month that he is withdrawing his paperwork seeking re-election in Missouri's Sixth Congressional District on Friday, a reversal that comes ahead of the August primary for his seat.

Chair Graves has led Republicans on the T&I committee since 2019 and even received a term-limit waiver last year so he could continue as chair. He was first elected to Congress in 2000 and is leaving after 13 terms.

ON THE HILL

RAILWAY SAFETY ACT

On March 2, Representative Chris DeLuzio (D-PA), along with co-leads Nick LaLota (R-NY), Michael Rulli (R-OH), and John Garamendi (D-CA), introduced [H.R. 7748](#), the Railway Safety Act of 2026. This bill proposes expanded safety standards for freight rail and strengthened oversight for the transportation of hazardous materials.

Key provisions include:

- **Defect Detention Technology:** Mandating the implementation of defect detection technology to make railroads stop trains when defects are detected.
- **Emergency Response Notification:** Requiring railroads to notify states when hazardous materials are being moved by freight rail through their communities.
- **Expanded Hazardous Materials Classification:** Increasing safety requirements for a broader range of materials, including vinyl chloride.
- **Increased Civil Penalties:** Raising the maximum fine for safety violations from \$100,000 to \$10 million.
- **Grant Expansion:** Broadening the reach of existing Hazardous Materials Emergency Preparedness grants.
- **First Responder Reimbursement:** Authorizing USDOT to reimburse first responders for overtime, equipment costs, and health care assessments after responding to major derailments.



Read the House Press Release [here](#) (H.R.7748)



Read the Senate Press Release [here](#) (S.3903)

On February 24, the Senate version ([S. 3903](#)) was introduced by Senators Jon Husted (R-OH), Maria Cantwell (D-WA), Eric Schmitt (R-MO), Amy Klobuchar (D-MN), Roger Marshall (R-KS), and Tammy Baldwin (D-WI). The bill represents a third iteration introduced in response to the 2023 Norfolk Southern derailment in East Palestine, Ohio.

USDOT & AGENCY UPDATES

KEEP AMERICA MOVING SUMMIT

Held on March 17, the summit, which convened stakeholders from the public and private sectors, focused on long-term infrastructure investment, permitting reform, and bipartisan coordination to modernize highways, bridges, rail, ports, and transit policies.

Speakers included:

- House Transportation and Infrastructure Chairman Sam Graves (R-MO)
- Senate Environment and Public Works Chairwoman Shelley Moore Capito (R-WV)
- House Transportation and Infrastructure Ranking Member Rick Larsen (D-WA)
- Representative Jeff Hurd (R-CO), delivering remarks on "Across the Aisle: Uniting on America's Infrastructure Priorities."
- UPS CEO Carol Tomé
- Derek Barrs, FMCSA Administrator, and Jonathan Morrison, NHTSA Administrator, led a discussion on "Federal Safety Strategy and Modernizing Rules for Next-Generation Transportation."
- Deputy Transportation Secretary Steven Bradbury
- Arizona Governor Katie Hobbs

“ [At the Department] we’re focused on consolidation of grant programs, simplification of programs, and giving more control of projects to state and local government ”

– U.S. Deputy Secretary of Transportation Steven Bradbury



Read more from the U.S. Chamber of Commerce [here](#).



Arizona Governor Katie Hobbs

USDOT Deputy Secretary Steven Bradbury

USDOT & AGENCY UPDATES

RAIL

\$100 MILLION FOR WORLD CUP HOST CITIES

On March 3, USDOT Secretary Duffy announced \$100.3 million in FTA funding for public transit systems in 2026 FIFA World Cup host cities to support increased demand.

The 2026 FIFA World Cup Funding:

- Will support planning, capital, and operating expenses supporting matches and other public events held in U.S. host cities.
- Will be apportioned by a formula accounting for stadium capacity and number of matches hosted per city.
- Allows for 100 percent federal funding share.
- Requires transit agencies to obligate funds within one fiscal year of the conclusion of the 2026 FIFA World Cup.

“ We’re proud to partner with host cities to provide fans with a seamless travel experience that will be part of the memories they cherish from attending these historic games.

– U.S. Transportation Secretary
Sean Duffy

INVESTIGATION INTO CHICAGO’S CTA

FTA launched a Safety Management Inspection (SMI) and issued a Special Directive to the Illinois Department of Transportation (IDOT) - the agency responsible for safety oversight of the Chicago Transit Authority (CTA) rail transit system - requiring 11 corrective actions to strengthen oversight of CTA rail operations. Following the inspection, FTA will evaluate whether additional enforcement actions are necessary.

USDOT & AGENCY UPDATES

HIGHWAY

AV SAFETY FORUM

On March 11, Secretary Duffy and National Highway Traffic Safety Administration (NHTSA) Administrator Jonathan Morrison hosted the inaugural National AV Safety Forum, releasing updated guidance and reviewing Zoox's deployment petition.

Key NHTSA announcements included

- Seeking public comment on Amazon Zoox's petition to deploy up to 2,500 steering-wheel-free robotaxis, requesting exemptions from eight Federal Motor Vehicle Safety Standards while asserting comparable or greater safety than human-driven vehicles.
- The release of updated technical guidance for AV developers, marking the first major revision since 2017.
- Proposed FMVSS updates to accommodate automated systems manufacturers.



*USDOT AV Safety Forum
3/11/26*

CALIFORNIA EMISSIONS GOALS LAWSUIT

USDOT filed a lawsuit challenging California's vehicle emissions authority, citing federal preemption. The action follows California Governor Gavin Newsom's \$200 million EV incentive program, which provided point-of-sale rebates to first-time EV buyers and required automakers to match state incentives.

SAFE STREETS FOR ALL NOFO

On March 27, Secretary Duffy announced \$999.5 million in available funding to strengthen U.S. safety infrastructure. The Safe Streets for All grant program will support improvements to emergency response times, expand truck parking capacity, modernize rail crossings, and enhance safety in neighborhood streets.

The [Notice of Funding Opportunity](#) outlines the application criteria. Partners are encouraged to submit eligible projects by May 26, 2026.

USDOT & AGENCY UPDATES

AVIATION

AIR TRAFFIC CONTROL TRAINING

On March 2, Secretary Duffy announced that the FAA authorized Aims Community College in Colorado to join the Enhanced Air Traffic – Collegiate Training Initiative (E-CTI).

Students who complete the E-CTI program and meet FAA requirements are eligible for an expedited hiring pathway, allowing them to bypass the FAA Academy in Oklahoma City and move directly to on-site facility training. Aims Community College is the 11th institution nationwide to join the E-CTI program.



University of Oklahoma. E-CTI Program

EVTOL INTEGRATION PILOT PROGRAM

On March 9, Secretary Duffy and the FAA announced the selection of eight proposals for the newly established Advanced Air Mobility and Electric Vertical Takeoff and Landing (eVTOL) Integration Pilot Program (eIPP). The eight selected projects encompass 26 states and involve a consortium of aircraft manufacturers, operators, and state partners.

The program includes several operational concepts, including:

- Urban air mobility;
- Regional passenger transportation (including short Takeoff and Landing aircraft);
- Cargo and logistics networks;
- Emergency medical response operations;
- Autonomous flight technologies; and
- Offshore and energy-sector transportation



NEW SAFETY MEASURE BETWEEN AIRPLANES & HELICOPTERS

On March 18, Secretary Duffy and FAA Administrator Bedford announced a new safety measure to address areas where helicopters intersect with arrival and departure paths near busy airports.

The general notice (GENOT) suspends the use of visual separation between airplanes and helicopters and instead requires air traffic controllers to use radar to maintain specified lateral or vertical separation. This updated protocol is based on a year-long FAA safety review using advanced tools to analyze cross-traffic data and incident reports.

NATIONAL TRANSPORTATION SAFETY BOARD

NTSB BOARD MEMBER REMOVAL

On March 6, the White House announced the removal of NTSB Member Todd Inman, citing alleged workplace misconduct.

Inman has denied the allegations and plans to challenge the decision. A former USDOT official during the first Trump administration, Inman was appointed to the NTSB by President Biden and confirmed by the Senate in March 2024.

The NTSB operates as an independent agency responsible for investigating accidents across aviation, surface transportation, and pipeline modes. While it lacks regulatory authority, the board is tasked with determining probable cause and issuing safety recommendations to prevent future incidents.



*Todd Inman;
Politico, 3/9/26*

MARITIME

PORT INFRASTRUCTURE DEVELOPMENT PROGRAM (PIDP)

On March 26, the USDOT announced \$488.6 million in Port Infrastructure Development Program (PIDP) funding to strengthen U.S. maritime capabilities and modernize ports and shipyards.

The funding will support projects that:

- Improve ports' ability to load and unload goods
- Streamline supply chain movements
- Modernize port infrastructure and operations
- Support the U.S. seafood and seafood-related businesses



MARINE HIGHWAY PROGRAM

On March 27, the USDOT awarded \$13.3 million through the U.S. Marine Highway Program to support 11 projects across seven states.

The funding will help public and private partners strengthen supply chains along marine highway routes, including waste transport in Oregon and barge dock improvements in Pennsylvania, enhancing system resiliency.



UNION PACIFIC AND NORFOLK SOUTHERN MERGER

OVERVIEW

The STB is requesting additional data on the proposed UP/NS merger, which would create the first U.S. transcontinental railroad. The document request ahead of the revised application may require submission of sensitive information data related to the proposed \$85 billion deal — the first to be evaluated under stricter rules adopted in 2001 following rail service disruptions tied to 1990s mergers. UP still plans to refile its application with the STB by April 30.

At an investor conference the week of March 23, UP CEO Jim Vena stated that the company has sufficient capacity to absorb projected merger-related traffic growth, citing a 24% reduction in active trains since adopting Precision Scheduled Railroading in 2019. UP and NS project the merger will increase volume by 11%, including shifting approximately 2 million truckloads annually to rail.

LABOR INPUT

The International Association of Sheet Metal, Air, Rail, and Transportation Workers – Transportation Division (SMART-TD) expressed support for the merger, noting workforce protections and potential improvements to national freight mobility. Under the terms of the agreement, train and yard service workers at both railroads will be protected from involuntary furloughs for the duration of their railroad careers if the merger is approved.

In a March 3 letter to Congress, SMART-TD voiced support for the proposed merger, stating it would strengthen freight mobility, expand service options, improve network fluidity, reduce truck congestion on taxpayer-funded highways, and support long-term economic growth.



Read the SMART-TD full letter [here](#)

INDUSTRY INPUT

The American Farm Bureau Federation released an analysis indicating the proposed UP/NS merger could reduce transportation options and increase shipping costs for the agricultural sector.

The Federation warned these higher costs could ultimately impact consumer food prices and formally expressed opposition to the merger, citing concerns about reduced shipping options across the agricultural supply chain.



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