TGA AMS

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MONTHLY REPORT

MAY 2026

LATEST LEGISLATIVE & REGULATORY UPDATES

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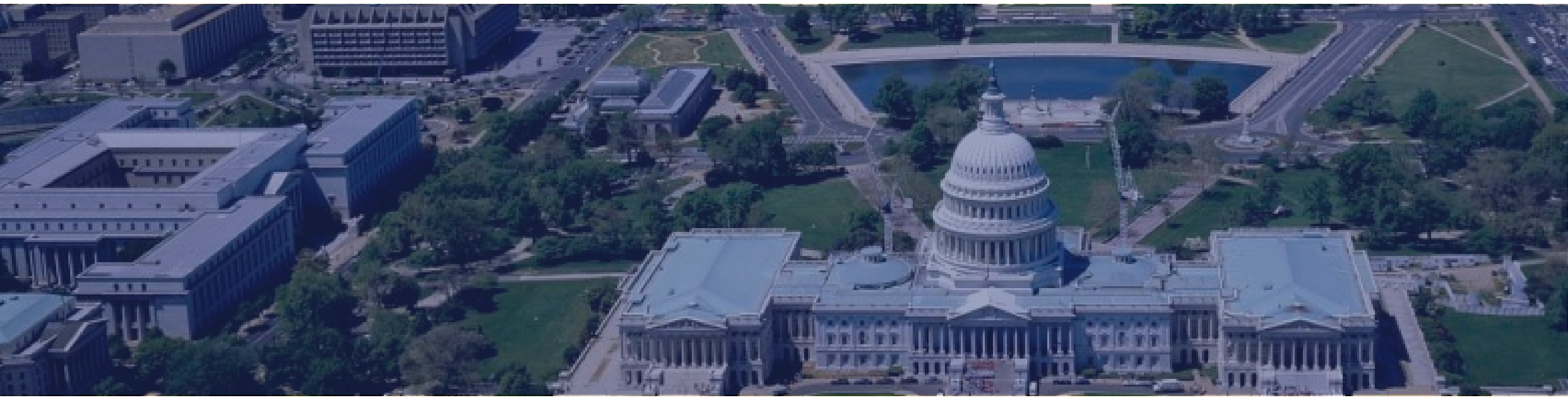

EXECUTIVE SUMMARY

MAY PRIORITIES

This month, the House Transportation and Infrastructure (T&I) Committee released the long-awaited bill text of its five-year surface transportation reauthorization proposal, H.R. 8870, the *Building Unrivaled Infrastructure and Long-term Development for America's 250th (BUILD America 250) Act.*

The bill provides roughly **$580 billion** in total authorizations over five years to support federal highways, transit, rail, and safety programs. Of this amount, **$474 billion** is guaranteed funding in contract authority from the Highway Trust Fund. After a fifteen-hour markup, the House T&I Committee voted to advance the *BUILD America 250 Act* by a vote of 62-2.

With the Department of Homeland Security (DHS) fully reopened following the partial government shutdown, congressional appropriators in both chambers have quickly turned their focus to Fiscal Year (FY) 2027. Lawmakers have held several hearings and markups, laying down early markers for spending priorities, funding levels, and program oversight.

On the executive side, the U.S. Department of Transportation (USDOT) continues to highlight ongoing initiatives to modernize the nation's air traffic control system.

LOOKING FORWARD

With the House successfully advancing its surface transportation reauthorization bill out of Committee, attention now turns to the Senate. The Senate Commerce, Science, and Transportation (Commerce) Committee, the Senate Banking Committee, and the Senate Environment and Public Works (EPW) Committee have not yet announced updated timelines for releasing their respective legislative drafts.

Senate action is required before a reauthorization bill can move to the President's desk for signature.

APPROPRIATIONS UPDATE

OVERVIEW

Last month Congress passed H.R. 7147 to reopen DHS, which included **$140 million** for the Federal Aviation Administration (FAA) to increase air traffic controller pay by 3.8 percent.

FAA Administrator Bryan Bedford must confirm that the increase addresses staffing shortfalls and improves aviation safety before it can take effect.

FAA Administrator Bedford, NYT, 7/9/25

FY27 APPROPRIATIONS

The House Appropriations Committee held multiple hearings throughout the month to review agency priorities and funding needs as part of its FY 2027 appropriations process.

The Senate Appropriations Committee is expected to begin FY 2027 markups in early June, with initial bills likely to include Agriculture and Commerce, Justice, and Science.

See the House Appropriations schedule here.

See the Senate Appropriations schedule here.

NOTABLE MAY HEARINGS & MARKUPS

MAY 13 – HOUSE APPROPRIATIONS FULL COMMITTEE MARKUP (FY27 COMMERCE, JUSTICE, SCIENCE)

The House Appropriations Committee approved the FY 2027 Commerce, Justice, Science, and Related Agencies Appropriations bill by a vote of 32-28. The bill provides **$77.341 billion** in discretionary funding, $670 million below the FY 2026 levels.

The measure includes increased funding for the Drug Enforcement Administration (DEA) to combat fentanyl, continued support for state and local law enforcement programs, and investments related to countering China.

MAY 15 – HOUSE APPROPRIATIONS SUBCOMMITTEE MARKUP (FY27 ENERGY AND WATER DEVELOPMENT)

The Energy and Water Development Subcommittee advanced its FY 2027 proposal, which allocates **$58.5 billion** in discretionary funding - an increase of $461 million over the FY 2026 enacted level.

The bill provides $35 billion for defense activities and $23.5 billion for non-defense programs, with priorities including nuclear deterrence modernization, Navy nuclear propulsion, domestic critical minerals, baseload power generation, and grid cybersecurity, along with reductions to certain applied energy programs.

MAY 19 - SENATE COMMERCE AVIATION SUBCOMMITTEE HEARING // PREVENTING FUTURE COLLISIONS: EVALUATION OF FAA SAFETY MEASURES FROM THE DCA CRASH

FAA Administrator Bedford testified before the Senate Commerce Aviation Subcommittee on aviation safety, including a review of FAA safety measures related to the Washington, DC crash. He stated that the agency can deploy commercially available safety technologies without rulemaking, including tablets and electronic flight bags, at an estimated cost of under $5,000 per aircraft.

Bedford outlined a projected two-year timeline for integration and highlighted Automatic Dependent Surveillance-Broadcast (ADS-B) technology as a key tool for improving situational awareness.

NOTABLE MAY HEARINGS & MARKUPS

MAY 19 - SENATE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION (THUD) HEARING //

A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2027 BUDGET REQUEST FOR THE DEPARTMENT OF TRANSPORTATION

The hearing reviewed the President's FY 2027 budget request for USDOT. Members discussed the potential expiration of IIJA advance appropriations and a resulting estimated $37 billion funding gap across transportation programs. Secretary Duffy described the request as the largest USDOT budget submission to date. Discussion also included aviation modernization efforts, with the Secretary outlining a $12.5 billion air traffic control infrastructure overhaul and continued concerns over controller staffing shortages, as well as Amtrak and public transit funding levels and broader transit investment priorities.

The Secretary noted that proposed funding reductions were primarily attributed to the expiration of IIJA advance appropriations rather than a shift in policy intent, and reiterated that Amtrak privatization is not being considered.

USDOT Secretary Duffy (5/19/26)

MAY 20 - HOUSE APPROPRIATIONS FULL COMMITTEE MARKUP //

FULL COMMITTEE MARKUP OF FISCAL YEAR 2027 ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES BILL AND FISCAL YEAR 2027 LEGISLATIVE BRANCH BILL

The Committee approved the FY 2027 Energy and Water Development and Related Agencies Appropriations Act by a vote of 34-25. The bill provides $58.5 billion in discretionary funding - $461 million above the FY 2026 enacted level, and includes investments in nuclear modernization, energy infrastructure, and water resources.

The markup took place against the backdrop of the Trump administration's FY 2027 budget proposal, which included a reduction in Army Corps of Engineers funding of approximately $3.77 billion compared to FY 2026 enacted levels.

NOTABLE MAY HEARINGS & MARKUPS

MAY 20 - SENATE APPROPRIATIONS SUBCOMMITTEE ON ENERGY (E&W) HEARING //

A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2027 BUDGET REQUEST FOR THE U.S. ARMY CORPS OF ENGINEERS AND THE BUREAU OF RECLAMATION

The Subcommittee reviewed the President's FY 2027 budget request for the Army Corps of Engineers and the Bureau of Reclamation. Members from both parties raised questions regarding proposed funding levels and potential impacts on water infrastructure, navigation, and regional project delivery.

E&W Chair John Kennedy (R-LA)

E&W Ranking Member Patty Murray (D-WA)

MAY 21 - HOUSE APPROPRIATIONS SUBCOMMITTEE MARKUP (FY27 TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT)

The Subcommittee approved its FY 2027 Transportation, Housing, and Urban Development (THUD) appropriations bill by a vote of 9-7, with a total allocation of $92.224 billion - approximately $10.7 billion (10.4 percent) below FY 2026 enacted levels. The bill provides $28.29 billion for USDOT, about $1.5 billion above the President's budget request, and includes $7.86 billion repurposed from IIJA accounts for programmatic priorities.

Major investments include $22.7 billion for the FAA, including funding for 2,300 new air traffic controller hires and telecommunications infrastructure upgrades; $64.5 billion for highways; $2.1 billion for Amtrak (in line with the request); $875 million for transportation preparations for the LA 2028 Olympic and Paralympic Games; $538 million for the Essential Air Service program; $1.48 billion for the Maritime Administration (a $567 million increase); and $550 million for BUILD grants, with a set-aside for high-growth areas.

NOTABLE MAY HEARINGS & MARKUPS

MAY 21 - HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION HEARING //

BUDGET HEARING – DEPARTMENT OF TRANSPORTATION

Secretary Duffy testified on ongoing FAA modernization efforts, including air traffic control system upgrades, tower replacements, and staffing levels. He highlighted a need for an additional $10.2 billion to support software upgrades and new infrastructure, including a replacement air traffic control tower at Chicago O'Hare.

Controller staffing showed signs of improvement, with 2,400 controllers hired since March and a recruitment campaign generating 12,000 applications in a single day. Members also discussed the expiration of IIJA advance appropriations, Amtrak funding levels, transit safety priorities, and enforcement policies related to system performance and reliability. Public transit safety and cleanliness were recurring themes, including fare enforcement and rider safety in the context of continued federal support.

NOTABLE MAY HEARINGS & MARKUPS

MAY 21 - HOUSE T&I SURFACE TRANSPORTATION REAUTHORIZATION MARKUP

The House T&I Committee approved the five-year surface transportation reauthorization proposal, the *Building Unrivaled Infrastructure and Long-term Development for America's 250th (BUILD America 250) Act*, by a bipartisan vote of 62-2 after a 15-hour markup session.

The bill now makes its way through the Ways and Means Committee before it moves to the full House for consideration.

Read TG&A's in-depth breakdown of the bill on pages 8-13

View the full bill text here

Watch the hearing here

KEY AMENDMENTS AND OUTCOMES

- **Rail Safety Act:** Representative Nehlds (R-TX) offfered the *Rail Saftey Act* as an amendment which would mandate two people in the cab of a freight train, while also heightening standards for transportating hazardous materials, conducting inspections, and regulating wayside detectors. The amendment passed by a voice vote of 54-11.
- **EV Fee:** The bill includes new annual fees of $130 for electric vehicles and $35 for plug-in hybrid vehicles. Democratic members offered alternative amendments to eliminate the fees (Representative Huffman D-CA), revise the fee structure (Representative Davids D-KS), and add income-based or senior exemptions (Representatives Carbajal D-CA and Foushee D-NC), all of which were withdrawn or rejected.
- **Fare-Free Transit:** Representative Perry (R-PA) offered an amendment that would prohibit federally funded transit agencies from offering fare-free service. The amendment failed by a vote of 24-40.
- **Low- and No-Emission Buses:** Representative Nadler (D-NY) offered an amendment to adjust the low- and no-emission bus set-aside in the competitive bus grant program to 50 percent. Chairman Sam Graves (R-MO) opposed the amendment, stating it would redirect funding from the broader bus program. The vote failed.
- **CRISI State USDOT Funding:** Representative Foushee (D-NC) offered an amendment to reserve 3 percent of Consolidated Rail Infrastructure and Safety Improvements (CRISI) program funding for state DOTs to develop long-term rail plans and implement rail projects. The amendment failed by a vote of 27-37.

SURFACE TRANSPORTATION REAUTHORIZATION

OVERVIEW

On May 19, the House Transportation and Infrastructure (T&I) Committee released draft legislation for a five-year surface transportation reauthorization, the *Building Unrivaled Infrastructure and Long-term Development for America's 250th (BUILD America 250) Act* (H.R. 8870).

The bill was marked up by the Committee on May 21. It now makes its way through the Ways and Means Committee before it advances to the House floor for consideration. Senate consideration is still required before a reauthorization bill can move to the President's desk for signature.

The full bill text can be found here. A funding summary table is provided below.

The IIJA vs the BUILD America 250 Act - Funds Directly Provided by the Bill (Million $)

	Provided by the IIJA 2022-2026			Provided by BUILD America 2027-2031		
	HTF Contr. Auth.	GF Advance*	Total Funding	HTF Contr. Auth.	GF Advance	Total Funding
Federal Highway Administration	304.0	47.3	351.3	376.0	0.0	376.0
Federal Transit Administration	69.9	21.3	91.2	87.6	0.0	87.6
National Highway Traffic Safety Administration	5.1	1.6	6.7	5.7	0.0	5.7
Federal Motor Carrier Safety Administration	4.5	0.7	5.1	5.0	0.0	5.0
Subtotal, traditional modes covered by bill	**383.4**	**70.8**	**454.2**	**474.4**	**0.0**	**474.4**
Federal Railroad Administration	0.0	66.0	66.0	0.0	0.0	0.0
Office of the Secretary*	0.0	19.1	19.1	0.0	0.0	0.0
Total Surface Transportation Programs	**383.4**	**155.9**	**539.3**	**474.4**	**0.0**	**474.4**
Increase/Decrease, Total Surface, C.A. only				+90.9 +23.7%		
Increase/Decrease, Total Surface, Total Funding						-65.0 -12.0%

*Includes $20 million/year General Fund mandatory asset concessions program as a GF advance.

TOTAL FUNDING

The bill authorizes approximately **$580 billion** over five years, including $474 billion in guaranteed contract authority from the Highway Trust Fund (HTF).The remaining funding is subject to annual appropriations decisions and is not guaranteed.

The proposal does not include advance appropriations. By comparison, the IIJA provided approximately $567 billion in guaranteed funding over five years through a combination of HTF revenues and advance appropriations.

SURFACE TRANSPORTATION REAUTHORIZATION

USDOT GRANTS

SURFACE TRANSPORTATION ACCELERATOR (STAG) GRANT PROGRAM

The bill establishes a new Surface Transportation Accelerator Grant (STAG) program funded at $2.4 billion annually from the HTF.

- Funding is divided among urban (25 percent), rural (25 percent), and local/regional (50 percent) project categories.
- Unlike the INFRA program, which is primarily focused on freight mobility projects, the STAG program would support a much broader range of transportation investments. Eligible projects vary somewhat across the three funding set-asides but generally include highways, bridges, public transit, passenger and freight rail, and port infrastructure.
- For the urban and rural set-asides, the minimum grant award is $5 million, although a portion of funding is reserved for smaller projects.
- The local and regional set-aside closely resembles the existing TIGER/RAISE/BUILD grant model, with a maximum grant award of $25 million and a requirement that funding be distributed evenly between urban and rural projects.
    - The House proposal also reauthorizes the BUILD program at $1.5 billion annually through non-guaranteed General Fund authorizations. By comparison, the IIJA provided $1.5 billion annually in guaranteed advance appropriations. Questions have been raised about whether the BUILD reauthorization will remain in the final legislation given the creation of the new STAG program.

MEGA GRANT PROGRAM

The Mega Grant program is authorized at **$2 billion** annually through General Fund authorizations. By comparison, the IIJA provides the program with $1 billion annually in guaranteed funding.

Current law requires that 50 percent of funding be awarded to projects with total costs exceeding $500 million, with the remaining 50 percent reserved for projects costing between $100 million and $500 million. The House proposal would shift that distribution, reserving 75 percent of funding for projects over $500 million and 25 percent for projects between $100 million and $500 million.

SURFACE TRANSPORTATION REAUTHORIZATION

RAIL PROGRAMS

The bill authorizes approximately **$64 billion** for rail programs over five years, a 38 percent decrease compared to IIJA funding levels. Unlike current law, however, these funds are not guaranteed and would be subject to the annual appropriations process.

While the proposed authorization level remains above pre-IIJA funding levels, Congress would need to appropriate roughly $13 billion annually to fully fund the authorized rail programs. By comparison, annual rail appropriations have historically fallen well below that level.

CORRIDOR ID

The proposal allows eligible entities to begin project development work for Service Development Plans on a concurrent basis, including preliminary engineering and environmental review, if the Secretary determines the entity has the necessary capability, authority, and experience and has secured required non-federal funding.

The proposal revises requirements for Service Development Plans to include:

- Projected operating revenues, including fare assumptions
- Maintenance costs in project cost estimates
- Detailed methodologies for all projections
- A financial contingency plan
- Analysis of alternative modal options, including a no-build alternative
- A freight rail impact assessment
- Evaluation of non-federal financial support for operations and maintenance

In addition, the proposal:

- Replaces references to "benefits" with "impacts" in required analyses
- Requires two new reports from the FRA:
  - **Project Pipeline Report (annual):** Describes non-federal financial commitments and evaluates the credibility of cost and utilization forecasts.
  - **Project Progress Report (quarterly):** Summarizes funds obligated, service development plan status, corridor timelines, and other issues affecting corridor development.
- Prohibits inclusion of new corridor selections after Oct. 1, 2031.
- Requires corridors without non-Federal match commitments must update plans to include new requirements.

RAIL PROGRAMS (CONT.)

NATIONAL INTERCITY PASSENGER RAILROAD PARTNERSHIP PROGRAM (NIPR)

**formerly FRA FSP and R&E*

The proposal authorizes **$18.5 billion** over five years for the new National Intercity Passenger Railroad Partnership (NIPR) Program. Unlike the IIJA, however, this funding would not be guaranteed and would remain subject to the annual appropriations process.

The NIPR program would consolidate the existing Federal-State Partnership for Intercity Passenger Rail and Restoration and Enhancement grant programs into a single funding stream.

- Eligibility for operating assistance for new, restored, or enhanced intercity passenger rail service, subject to a declining federal cost share and a five-year funding limit
- Eligibility for non-Amtrak passenger rail operators and lessees of federally owned passenger rail facilities
- Eligibility for rolling stock procurement and leasing through interstate equipment pools;
- Additional requirements for non-federal funding commitments, business plans, ridership and revenue projections, and financing assessments
- Priority consideration for projects that are ready to advance and those selected through the Corridor Identification Program
- Authority for the Secretary to require Amtrak to provide access to its reservation system, stations, and other facilities in exchange for compensation

CRISI GRANT PROGRAM

The proposal authorizes approximately **$1.8 billion** annually for the CRISI program through General Fund appropriations. Unlike current law, this funding would not be guaranteed and would remain subject to the annual appropriations process. By comparison, the IIJA provides the program with $1 billion annually in guaranteed funding.

RAIL CROSSING ELIMINATION (RCE)

The proposal authorizes approximately **$700 million** annually for the RCE program through General Fund appropriations, an increase over the $600 million in annual guaranteed funding provided under the IIJA. Unlike current law, however, this funding would not be guaranteed and would remain subject to the annual appropriations process.

AMTRAK

The proposal authorizes **$10.4 billion** for Amtrak's Northeast Corridor and **$20.7 billion** for Amtrak's National Network over five years, averaging approximately $2 billion and $4 billion annually, respectively.

SURFACE TRANSPORTATION REAUTHORIZATION

CAPITAL INVESTMENT GRANTS (CIG)

The CIG program would undergo a significant overhaul, shifting away from rigid ridership metrics toward faster project delivery, expanded financial thresholds, and greater local flexibility.

Small Starts Revamp: The bill rebrands the Small Starts program as "Streamlined Starts" and significantly expands its financial boundaries, allowing larger projects to bypass the more intensive New Starts regulatory process. Key changes include:

- **Total Project Cost Cap**: Increases from $400 million to $1 billion.
- **Federal Share Cap:** Shifts from a hard cap of $150 million to a maximum of 50 percent of total project costs, allowing up to $500 million in federal funding for a $1 billion project.
- **Metric Relief:** Removes the cost-per-rider cost-effectiveness metric, reflecting a broader view of transit value beyond peak ridership levels.

Core Capacity: Removal of the 10-Year Rule: Historically, Core Capacity grants required project sponsors to demonstrate that a corridor would reach or exceed capacity within 10 years. The bill eliminates this requirement, allowing projects to qualify based on current operational need rather than projected ridership growth. This change would enable more agencies to pursue state-of-good-repair and capacity expansion projects even where post-pandemic ridership projections have declined.

Project Delivery and Procurement: The proposal provides transit agencies with explicit statutory authority to use modern, alternative project delivery methods to help manage inflation and supply chain risks. It also shortens federal review timelines and creates a new expedited technical capacity review process. Projects with secured local funding commitments would be exempt from certain FTA information collection and analysis plan requirements.

Evaluation and Rating Incentives:

- Alternative Cost-Effectiveness: Expands the Secretary's authority to consider alternative cost-effectiveness metrics across the CIG program, rather than relying solely on traditional travel-time or cost-per-trip measures.
- Housing Bonus: Provides an additional point in CIG project ratings for applicants in jurisdictions that adopt policies supporting housing development near transit.

Pre-Award and Early Action Flexibilities: The bill expands eligibility for federal reimbursement prior to a full grant agreement, allowing project sponsors greater flexibility to acquire right-of-way, engage developers, and begin early project activities while approvals are pending.

PERMITTING REFORM

Sec. 1213 FTA Allowance of Land Acquisition

The proposal would allow the Federal Transit Administration (FTA) to reimburse transit agencies for property acquisitions made prior to completion of the federal environmental review process. Supporters of the provision note that this could reduce project development costs and expedite delivery, and would align FTA policy with existing Federal Highway Administration practices for highway and bridge projects.

Under current FTA policy, agencies are generally restricted from acquiring real estate before completion of the National Environmental Policy Act (NEPA) review due to concerns that early acquisition could be viewed as "predetermination" and potentially bias the environmental review process. As a result, early land purchases using local funds can risk jeopardizing eligibility for future federal funding, except in limited cases such as corridor preservation or narrow hardship and protective buying exceptions.

Sec. 1214 Categorical Exclusion for Projects of Limited Federal Assistance

The proposal expands eligibility for a categorical exclusion (CE) under the NEPA for certain transportation projects receiving limited federal funding. Projects receiving up to $12 million in federal assistance, and projects with total costs up to $70 million, would be eligible for the CE. This change is intended to reduce environmental review costs and expedite delivery for lower-dollar projects with limited federal involvement.

TRANSIT CRIME, SAFETY, AND FARE EVASION

Fare Evasion Penalty: Requires state and local governments to classify fare evasion as either a criminal or civil offense. Agencies that do not establish enforcement mechanisms by 2028 would face a 10 percent reduction in FTA formula funds.

F**unding for Enforcement:** Expands the 1 percent safety set-aside under Section 5336 to include crime prevention activities, allowing funds to be used for transit policing, fare enforcement, surveillance, and lighting improvements.

Mandatory Data Reporting: Requires transit agencies, including Metra, to report fare evasion-related revenue losses to the National Transit Database (NTD), along with additional reporting on assaults and violent incidents.

ACCESSIBILITY (ADA) MANDATES

The All Stations Accessibility Program is codified into law and includes new formula funding requirements. The bill requires rail systems to set aside a fixed percentage of federal formula funds for ADA-related projects. Rather than establishing a goal for station accessibility, this provision directs agencies to dedicate a portion of funding specifically to compliance-related improvements.

ON THE HILL

NOMINATIONS

On May 18, the Senate confirmed five transportation nominees, including the USDOT Assistant Secretary of Transportation for Research and Technology, by a 46–43 vote.

The nominees included:

- Seval Oz, Assistant Secretary of Transportation for Research and Technology;
- Daniel Edwards, Assistant Secretary of Transportation for Aviation and International Affairs;
- Michael Graham, member of the National Transportation Safety Board;
- Richard Kloster, member of the Surface Transportation Board; and
- Robert Harvey, member of the Federal Maritime Commission.

Seval Oz, Assistant USDOT Secretary for Research and Technology

ON THE HILL

SENATE DEMOCRATS INFRASTRUCTURE FUNDING

On May 12, Senate Democrats, led by Senate Commerce Committee Ranking Member Maria Cantwell (D-WA), wrote to Senate leadership and appropriators warning of potential impacts to the nation's transportation system and local economies if Congress does not maintain the multi-year investment levels established in the Infrastructure Investment and Jobs Act (IIJA). The law's $36.8 billion in annual advance appropriations for key transportation programs has supported more than 62,000 projects nationwide to upgrade bridges, local roads, ports, railroads, airports, and public transit.

The letter was signed by all Senate Democrats except Senators Schumer (D-NY) , Murray (D-WA), and Gillibrand (D-NY), to whom the letter was addressed.

Read the letter here

Separately, Ranking Member Cantwell released a series of "Chopping Block" reports outlining potential impacts to transportation programs if advance appropriations for infrastructure are not extended.

Senator Cantwell's Chopping Block Reports, May 2026

American Infrastructure on The Chopping Block: *Trump Budget Defunds Transportation Ahead of Surface Reauthorization (HERE.)*

U.S. Freight Infrastructure on the Chopping Block: *Expiring Surface Bill Risks Leaving Supply Chains Behind (HERE)*

American Main Streets on the Chopping Block: *Expiring Surface Bill Risks Leaving Local Economic Development Projects Behind (HERE)*

American Rail on the Chopping Block: *Expiring Surface Bill Risks Leaving Freight and Passenger Rail Projects Behind (HERE)*

USDOT UPDATES

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- Aviation Updates on Page 19

NOMINATIONS

On May 11, President Trump nominated David Cummins to lead the Transportation Security Administration (TSA). Cummins previously served as a senior vice president at Serco, a government contractor that works with state and federal agencies.

He would assume the role pending Senate confirmation.

David Cummins, HS Today, 5/25/26

USDOT UPDATES

RAIL

NATIONAL FREIGHT STRATEGIC PLAN

Secretary Duffy released the **2026 National Freight Strategic Plan (NFSP)**, a multi-year strategy to modernize the nation's nearly seven-million-mile freight network. The plan aims to improve the safety, security, and efficiency of the multimodal freight system, which moves more than 54 million tons of goods valued at over $68 billion across the United States each day.

View the plan here

DISPATCHER AND SIGNAL EMPLOYEE CERTIFICATION

On May 15, FRA published two NPRMs notices of proposed rulemaking (NPRMs) in the Federal Register proposing to rescind the Dispatcher and Signal Employee Certification regulations finalized in May 2024. The action follows industry petitions for reconsideration raising concerns that the rules lacked a sufficient safety basis and that their expected costs exceeded anticipated benefits.

During the rulemaking process, FRA will pause its review of dispatcher and signal employee certification programs and continue to exercise enforcement discretion, and will therefore not take enforcement action based on existing regulatory deadlines. Each NPRM will be subject to a 60-day public comment period.

RAIL VEHICLE REPLACEMENT GRANT PROGRAM

On May 27, the FTA announced a $166 million investment in passenger rail services and infrastructure through its Rail Vehicle Replacement Grants program. The program is intended to replace aging railcars and improve reliability, safety, and passenger experience across rail transit systems nationwide.

The Notice of Funding Opportunity (NOFO) outlines application criteria. Applicants are encouraged to submit eligible projects as soon as possible.

View the NOFO here

Applications are due by July 6, 2026

USDOT UPDATES

HIGHWAY

BRIDGE UPGRADES

Secretary Duffy announced $3 billion for the **Bridge Investment Program (BIP)**, a program that helps states invest in aging bridge infrastructure across the country.

This BIP NOFO offers two types of grants:

- **Planning grants:** Support planning, feasibility analyses, and revenue forecasting for the development of future BIP-eligible projects.
- **Bridge Project grants:** Support bridge replacement, rehabilitation, preservation, and protection projects with total eligible costs of $100 million or less.

The Notice of Funding Opportunity outlines the application criteria. Planning grant applicants are due on June 15 and Bridge Project grant applications are due on June 29.

View the NOFO here

ANTI-FRAUD REGISTRATION SYSTEM

Federal Motor Carrier Safety Administrator (FMCSA) Derek Barrs announced the rollout of a new registration system for truck drivers, motor coach operators, and other motor carriers. Motus: the USDOT Registration System replaces a decades-old system and will allow USDOT to use biometrics and modern data analytics to verify applicant identity.

TRUCKING GRANTS

The FMCSA is investing **$217 million** in U.S. trucking and bus industries. The funding will support roadway safety initiatives, including:

- Support for states modernizing their Commercial Driver's License (CDL) systems
- Safety enforcement training for law enforcement officers
- Career training for current and former members of the U.S. Armed Forces transitioning into the trucking industry
- Deployment of innovative technologies to improve the effectiveness of roadside inspections and investigations

USDOT UPDATES

AVIATION

DRONE RESTRICTIONS

The FAA issued a proposed rule that would allow certain categories of critical infrastructure sites to request restrictions on drone operations around their facilities based on safety or security considerations. Sixteen sectors would be eligible, including energy production, transportation systems, chemical facilities, water treatment plants, and defense industrial complexes.

Submit a comment here

Comment period ends July 5

AIR TRAFFIC CONTROL MODERNIZATION

Secretary Duffy highlighted a **$26.5 million** investment by RTX, a leading aerospace and defense company, into its Largo, Florida, facility. The expansion is expected to create 100 high-paying jobs and accelerate production of radar systems for the new air traffic control system. The facility will produce the Condor Mk3 radar, which enhances communication with aircraft transponders, and the ASR-XM radar, which detects aircraft using reflected signals. The new production area is expected to become operational by late 2026.

RTX facility in Largo, FL

Secretary Duffy also announced the completion of Phase 1 of the FAA's Notices to Airmen (NOTAM) modernization effort. As part of this phase, the NOTAM system was migrated to the cloud in April 2026. NOTAMs provide temporary notices to pilots and flight planners, including runway closures, airspace restrictions, and obstructions. More than four million NOTAMs are issued annually.

Additionally, USDOT announced a **$750 million** investment to replace eight air traffic control towers and Terminal Radar Approach Control (TRACON) facilities. The FAA is also providing **$85.8 million** to upgrade Federal Contract Towers (FCTs) at 41 airports across 24 states.

USDOT UPDATES

AVIATION

FAMILY FRIENDLY AIRPORTS

Secretary Duffy announced a **$970 million in** **IIJA – Airport Terminal Program (ATP)** grant funding to invest in family-friendly airport projects including:

- $2.8 million to Boston's General Edward Lawrence Logan International to renovate four Kidports areas with new play structures and themes for children of all ages;
- $2 million to Mississippi's Tupelo Regional Airport to expand their terminal to include a family-friendly security screening lane to enhance the family travel experience;
- $8 million to Dallas-Ft. Worth International Airport to modernize 37 restrooms across five terminals with family-friendly features; and
- $10 million to Palm Beach's Donald J. Trump International Airport to expand the terminal to include new restrooms, mother's rooms, and a new sensory room for families.

PILOT AND TECHNICIAN WORKFORCE

Secretary Duffy announced a **$26 million** investment to develop the next generation of aviation professionals. The funding will strengthen the workforce pipeline for the aerospace industry, from mechanics and technicians to pilots and drone operators.

The FAA's investment will support:

- Aviation training programs to equip future pilots with technical skills
- Aviation apprenticeships and internships to provide new pilots with hands-on experience
- Proactive student outreach to bolster recruitment numbers
- Training future pilots using state-of-the-art tools like simulators

UNION PACIFIC AND NORFOLK SOUTHERN MERGER

OVERVIEW

On May 12, Union Pacific (UP) and Norfolk Southern (NS) filed a 46-page rebuttal defending the completeness of their application against the challenges from BNSF, CN, and CPKC. The applicants stated that they have "provided all necessary actual and projected traffic, revenue, and market share data" required by the Surface Transportation Board (STB) rules and Decision No. 9.

View the letter here

INDUSTRY COMPLAINTS

BNSF Railway criticized the amended UP and NS merger application in recent comments to the Surface Transportation Board (STB). BNSF argues that the applicant failed to resolve previously identified issues, adding that UP and BNSF "continue to treat the application process like a flexible negotiation rather than a regulatory review governed by rules."

Canadian National (CN) echoed these concerns, urging the STB to reject the amended application entirely on the grounds that it remains incomplete and fails to meet Board requirements. Canadian Pacific Kansas City (CPKC) President and CEO Keith Creel, aligned with CN, asserted that the amended filing does not alter the fact that the mega-merger is unnecessary and falls short of the high benchmarks established in the STB's updated 2001 major merger rules.

STB RESPONSE

On May 28, the STB accepted the revised UP and NS merger application. However, the Board declined to establish a review schedule for the merger and required UP and NS to provide additional details on several outstanding issues by July 27. Merger review proceedings, including the required environmental review, will not begin until a further Board order is issued.

UPCOMING NOI DEADLINE

Parties seeking to participate in the proceeding must file a Notice of Intent to Participate (NOI) with the STB by June 12, 2026. Filing an NOI allows a party to formally participate in the proceeding and receive copies of filings submitted to the docket without taking a position on the proposed transaction. Interested parties may also submit letters or formal comments outlining specific concerns.

File here with Docket No. FD 36873.

CONTACT US