



PREPARED BY TGA ASSOCIATION
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MONTHLY REPORT

LATEST LEGISLATIVE &
REGULATORY UPDATES

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EXECUTIVE SUMMARY

SEPTEMBER PRIORITIES

Throughout September, federal transportation policy was shaped by the House and Senate's parallel efforts to advance aviation, maritime, and infrastructure legislation ahead of the December 11 Continuing Resolution (CR) funding deadline, along with continued congressional and stakeholder attention on the Federal Aviation Administration (FAA) over its delayed air traffic controller pay raise. The House also passed the Water Resources Development Act (WRDA) with strong bipartisan support, sending it to the Senate for consideration.

Beyond the legislative calendar, the U.S. Department of Transportation (USDOT) and its modal agencies advanced several notable actions:

- **NHTSA:** The National Highway Traffic Safety Administration (NHTSA) opened an Audit Query into Tesla's self-certification of its driverless Cybercab under Federal Motor Vehicle Safety Standards (FMVSS).
- **USDOT:** Secretary Duffy raised concerns with Ford Motor Company about its continued use of Chinese battery technology and manufacturing partnerships, citing national security considerations.
- **FMCSA:** The Federal Motor Carrier Safety Administration (FMCSA) announced temporary flexibility under hours-of-service rules for truck drivers handling gasoline and diesel shipments.
- **FAA:** The FAA installed its 100th Surface Awareness Initiative system, marked the sixth site launch under its Advanced Air Mobility Integration Pilot Program (eIPP), and announced \$1.1 billion in Airport Improvement Program (AIP) grants across 46 states and three territories.
- **STB:** The Surface Transportation Board (STB) denied three motions seeking summary denial of the proposed Union Pacific-Norfolk Southern (UP-NS) merger, while continuing to receive filings from Class I railroads, shipper groups, and state officials as its review proceeds.

LOOKING FORWARD

With the CR extension in effect through December 11, TG&A expects continued uncertainty regarding timing and passage of Fiscal Year 2027 (FY27) appropriations and surface transportation reauthorization, particularly as Congress approaches the midterm elections and the post-election legislative calendar. The Senate will review WRDA 2026 following its House passage. The STB's review of the UP-NS merger application will also remain a key issue to watch as railroads, shipper groups, and other stakeholders continue to submit comments ahead of the extended deadline.

APPROPRIATIONS UPDATE

OVERVIEW

Under the new December 11 funding deadline, lawmakers will have 29 days after the midterm elections to complete FY27 spending bills, pass another continuing resolution, or face a potential government shutdown.

If Democrats take control of the House next Congress, House Democratic leaders could seek another delay into the new year, which could affect negotiations over final FY27 spending decisions. Alternatively, both parties could seek to complete outstanding appropriations work before the new Congress convenes. The timing and approach will depend on post-election negotiations and the status of individual spending bills.

The American Public Transportation Association (APTA) released a fact sheet on the current CR. According to APTA, without the inclusion of IIJA advance appropriations, the legislation would reduce federal public transit investments by 20 percent from current Fiscal Year 2026 funding levels. It would reduce passenger rail investment by 81 percent, with no guaranteed passenger rail funding.



[Read the fact sheet here](#)



NOTABLE SEPTEMBER HEARINGS & MARKUPS

SEPTEMBER 15 - HOUSE APPROPRIATIONS COMMITTEE HEARING - OVERSIGHT HEARING FEDERAL AVIATION ADMINISTRATION

During a House Appropriations Committee oversight hearing, Democratic and Republican members questioned FAA Administrator Bryan Bedford about his decision not to issue a congressionally mandated 2.8 percent pay increase to the nation's 11,000 air traffic controllers in the nearly five months since funding was enacted. Bedford reiterated that, in his view, the underlying law gives him discretion over implementation until he determines that improvements in workforce scheduling, staffing utilization, or other operational efficiencies have been achieved.



FAA Administrator Bedford, Subcommittee Chair Womack, and Chair Cole

NOTABLE SEPTEMBER HEARINGS & MARKUPS

SEPTEMBER 15 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE EXECUTIVE SESSION

The House T&I Committee approved the following bills relevant to transportation and infrastructure via voice vote:

- Amendment in the Nature of a Substitute (ANS) to **H.R. 10304**, *the Drone Safety Statement Modernization Act of 2026* - H.R. 10304 directs the FAA to develop and maintain a safety statement outlining laws, airspace restrictions, and other requirements applicable to small unmanned aircraft system operations (sUAS). It requires manufacturers to provide the statement upon initial activation of a new sUAS and operators to acknowledge reviewing and understanding the information before first use. This legislation was introduced by Representative James Gallagher (R-CA).
- ANS to **H.R. 6448**, *the Rural Airport Infrastructure Support Act of 2026* - This bill would establish consistent Airport Improvement Program (AIP) cost-share requirements for economically distressed communities. It would reduce the local match for AIP projects from ten to five percent for economically distressed communities that were previously eligible for Essential Air Service (EAS) and have since lost EAS service. The legislation would not change AIP funding levels or expand the EAS program. This proposal was introduced by Delegate Kimberlyn King-Hinds (R-MP).
- ANS to **H.R. 9530**, *the Quiet Skies Act* - This bill would require the Department of Transportation (DOT) to issue a final rule prohibiting passengers on commercial flights from making calls on cell phones or other electronic devices during scheduled passenger flights. This legislation was introduced by Representative Hillary Scholten (D-MI).
- ANS to **H.R. 2592**, *the Aviation Medication Transparency Act of 2026* - This legislation would require the FAA to publicly list medications that pilots, flight instructors, flight attendants, and other aviation professionals can safely use, as well as medications they should not use while flying. It would also require the FAA to provide information on how long airmen may need to limit their duties while adjusting to certain medications. The proposal was introduced by Representative Sean Casten (D-IL).
- ANS to **H.R. 8597**, *the Air Traffic Situational Awareness Enhancement Act* - This bill would direct the FAA to acquire and install, in Federal Contract Towers, approved tools designed to give air traffic controllers greater situational awareness. It would also provide reimbursement for contract towers that have already purchased such equipment. The legislation was introduced by Representative Nicholas Begich (R-AK).
- ANS to **H.R. 7553**, *the Aviation Innovation and Global Competitiveness Act* - This bill would require the FAA to establish clearer timelines and procedures for the aircraft type certification process for advanced air mobility aircraft (AAM). It is intended to make certification more predictable and efficient for emerging aviation technologies, including AAM. The legislation was introduced by Representative Troy Nehls (R-TX).

NOTABLE SEPTEMBER HEARINGS & MARKUPS

SEPTEMBER 16 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Senate Commerce Committee voted to advance nine bills and Coast Guard promotions, including the following transportation and infrastructure measures:

- **S. 3929, Air Traffic Situational Awareness Enhancement Act as amended by the Sheehy substitute, as modified** (voice vote) - This bill would require the FAA to acquire and install certified situational-awareness systems at certain air traffic control towers that currently lack traditional radar, where controllers often rely on visual sightlines. The legislation was introduced by Senator Tim Sheehy (R-MT).
- **S. 5224, Runway SAFE-T Act as amended by the Moran substitute, as modified** (voice vote) - This bill would direct the FAA to convene an airport driver training task force in response to recent runway incidents and near misses, including a March 2026 ground collision at LaGuardia Airport. The proposal was introduced by Senator Jerry Moran (R-KS).



SURFACE TRANSPORTATION REAUTHORIZATION

As a reminder, the House version of the surface transportation reauthorization bill, the Build America 250 Act ([H.R. 8870](#)), has passed the House T&I Committee but has not yet been scheduled for consideration on the House floor. The House Ways and Means Committee also has not yet acted on the provisions under its jurisdiction, and several outstanding issues with the House legislation remain unresolved.

The Senate process is at an earlier stage. The three Senate committees with jurisdiction over surface transportation authorization - Commerce, Banking, and Environment and Public Works (EPW) - have yet to release legislative text.

The short-term CR extended the deadline for reauthorization from September 30 to December 11. Even with the extension, Congress will have relatively few legislative days available before the new deadline to complete committee action, pass legislation, and reconcile differences between the House and Senate bills. Given the current status of the process and the limited legislative calendar, enactment of a full surface transportation reauthorization this year faces significant timing constraints, raising the possibility of another extension into the next Congress.

Several factors could affect the pace of negotiations, including T&I Committee Chair Sam Graves' (R-MO) impending retirement and calls from transportation stakeholders for the longer-term funding certainty associated with a full reauthorization. Negotiations remain ongoing.

In the meantime, the American Road & Transport Builders Association released a highway dashboard tracking surface transportation reauthorization investments by state. The Congressional Research Service also updated its surface transportation reauthorization federal highway programs report.



[*View the dashboard here*](#)



[*View the CRS report here*](#)

WATER RESOURCES DEVELOPMENT ACT

On September 16, the House of Representatives passed H.R. 9497, the Water Resources Development Act (WRDA), by a vote of 415-9. The bipartisan legislation authorizes U.S. Army Corps of Engineers (Corps) water resources projects and policies addressing ports and harbors, inland waterways, flood and coastal storm risk management, ecosystem restoration, and other water infrastructure priorities.

As approved by the House, WRDA 2026 authorizes 133 new feasibility studies for locally proposed water resources projects and 14 Corps-vetted projects for construction. The bill also includes policy changes intended to streamline project delivery and strengthen coordination between the Corps and non-federal project sponsors.

Among other provisions, the legislation reauthorizes and strengthens alternative project delivery programs, broadens access to Corps technical assistance, establishes offices focused on areas including inland navigation, water supply, and alternative project delivery, and encourages greater use of multi-year contracts. The bill also includes provisions addressing navigation, flood and coastal storm risk management, congressional oversight of the Corps, and dam safety, including reauthorization of FEMA's High Hazard Potential Dam program.

Following House passage, attention now turns to the Senate and development of a final WRDA package.



LEGISLATIVE UPDATES

AVIATION SAFETY

Senate Commerce Committee Chairman Ted Cruz (R-TX) joined the Families of Flight 5342 at a press conference outside the U.S. Capitol, where participants called for Congress to pass aviation safety legislation following the January 29, 2025 collision between an American Airlines flight and a U.S. Army Black Hawk helicopter that killed 67 people.

Leaders of the Senate Commerce Committee and the House T&I Committee are working on a bicameral, bipartisan compromise between the ROTOR and ALERT Acts.



Chair Ted Cruz (R-TX), 9/16

AIR TRAFFIC CONTROL RAISE

Senators Tammy Duckworth (D-IL) and Dick Durbin (D-IL) sent a letter to FAA Administrator Bryan Bedford urging him to “immediately implement” a congressionally mandated 2.8 percent wage increase for air traffic controllers and their management staff.

AUTOMATED LICENSE PLATE READERS

The use of automated license plate readers by law enforcement has drawn increased congressional scrutiny. Some Republicans are considering the surface transportation reauthorization bill as a potential vehicle for restrictions on the technology, including systems operated by Flock Safety, which has more than 120,000 cameras nationwide. This month, Representatives Eric Burlison (R-MO) and Thomas Massie (R-KY) introduced H.R. 10221, which would prohibit local governments from using congressionally appropriated funds to install or operate automated license plate readers, including those operated by Flock.

USDOT UPDATES

HIGHWAY

AUDIT QUERY INTO TESLA

The National Highway Traffic Safety Administration (NHTSA) has opened an [Audit Query \(AQ\)](#) into Tesla's certification that its new Cybercab complies with all applicable Federal Motor Vehicle Safety Standards (FMVSS) following the vehicle's commercial deployment in Austin, Texas. The [Cybercab](#) lacks conventional manual controls, including a steering wheel and pedals, prompting NHTSA to request information about the basis for Tesla's self-certification. The agency is examining, among other issues, whether Tesla determined the vehicle complied with federal standards because it was designed to allow conventional controls to be temporarily installed.

WARNINGS FOR FORD'S USE OF CHINESE TECHNOLOGY

USDOT Secretary Duffy warned Ford Motor Company against its use of Chinese technology and manufacturing, citing national security concerns. View the letter [here](#).

The letter highlights several recent actions by Ford that, according to USDOT, increase the company's dependence on China, including:

- Ford's continued use of licensed technology from Chinese battery manufacturer Contemporary Amperex Technology Co. Ltd. (CATL) at its BlueOval Battery Park facility in Marshall, Michigan. CATL is on the Department of Defense's [list](#) of banned companies.
- Ford and Chinese automotive company Geely Auto's new partnership to jointly manufacture low- and zero-emission vehicles at Ford's Valencia, Spain factory.
- Ford's decision to delay reshoring of some Lincoln models until 2030.



[View the letter here](#)

TEMPORARY FLEXIBILITY FOR HOURS OF SERVICE RULES

The Federal Motor Carrier Safety Administration (FMCSA) will temporarily provide additional flexibility under its hours-of-service (HOS) rules for truck drivers handling gasoline and diesel shipments. Short-term supply chain disruptions can delay gasoline and diesel shipments, which in turn can affect freight delivery shipments.

USDOT UPDATES

AVIATION

SURFACE AWARENESS INITIATIVE

Secretary Duffy announced that the FAA has completed its 100th installation of the Surface Awareness Initiative (SAI), an aircraft and vehicle surveillance tool, reaching nearly half of the 220 airports slated to receive the system. SAI allows controllers to track aircraft and vehicles on airport surfaces in real time, including during poor weather conditions or when they are outside the tower's line of sight.

ADVANCED AIR MOBILITY IN TEXAS

Secretary Duffy was in Texas to mark the state's first demonstration of next-generation aircraft under USDOT's Advanced Air Mobility Integration Pilot Program (eIPP), making Texas the sixth location to launch under the Department's initiative. Data from the pilot projects will be used by the FAA to inform the development of regulations for advanced air mobility operations.

AIRPORT IMPROVEMENT PROGRAM GRANTS

USDOT announced a \$1.1 billion investment in airport infrastructure, including projects involving family-friendly features and vehicle movement area transmitters (VMATS) on airport vehicles across the U.S. The FAA is delivering 280 grants to airports across 46 states and three territories through the Airport Improvement Program (AIP).

STRATEGIC MANAGEMENT OF AIRSPACE, ROUTES AND TRAJECTORIES (SMART) TOOL

Secretary Duffy and FAA Administrator Bedford unveiled the Strategic Management of Airspace, Routes and Trajectories (SMART) tool, which centralizes 200 data streams - including weather patterns, flight paths, traffic flow, and controller staffing metrics - into one platform. SMART's AI-supported engine synthesizes this information to provide a visualization of flight activity, system capacity, and potential congestion or weather-related challenges. Aviation specialists can use the platform to assess projected conditions and identify potential operational issues.

UNION PACIFIC AND NORFOLK SOUTHERN MERGER

STAKEHOLDER INPUT

The Rail Passengers Association (RPA) urged the Surface Transportation Board (STB) to reject the Union Pacific (UP)-Norfolk Southern (NS) merger, arguing that the application does not adequately address potential expansion of passenger service. In [a 63-page filing](#), RPA argued that the application focuses primarily on maintaining existing passenger service rather than addressing opportunities for future expansion.

BNSF, CPKC, and CSX separately asked the STB to require UP and NS to certify that their merger application will not undergo any further changes. [In a letter](#) to the STB, the three Class I railroads cited more than 200 pages of corrections submitted over the past 50 days and said continued changes to the application make it difficult for stakeholders to respond within the established comment period.

South Carolina Governor Henry McMaster submitted a letter supporting the proposed merger, citing the importance of a strong and efficient freight transportation network to the state's continued economic growth.

STB RESPONSE

The STB denied three motions filed by BNSF Railway, CSX, and a coalition of shipper associations seeking summary denial of the merger application on the grounds that it did not meet the prima facie, or initial, standard for approval. In its [five-page decision](#), the Board noted that the motions argued that the application was deficient in its proposed approach to enhancing competition, particularly its Committed Gateway Pricing program. The coalition of six shipper organizations also raised concerns about the railroads' plans to address potential operational challenges associated with the merger.



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