

TO: Joint Policy Advisory Committee on Transportation
FROM: Betsy Emery, Federal Affairs Advisor, Oregon Metro
DATE: April 16, 2026
RE: Federal Surface Transportation Reauthorization Status Update

The surface transportation reauthorization bill sets national policy and funding levels over a multi-year period.

The current Infrastructure Investment and Jobs Act (IIJA) expires on September 30, 2026, triggering a major legislative effort to write a new bill. Surface transportation reauthorization is the primary tool Congress uses to renew, fund, and update the programs that build and maintain the nation's roads, bridges, transit, and multimodal networks. The reauthorization bill establishes funding levels, defines federal priorities, and determines which projects are eligible for federal funding and what outcomes are prioritized over a 5-6 year period.

Amidst the backdrop of COVID 19, the IIJA was a landmark \$1.2 trillion law that significantly expanded transportation funding as a means of spurring economic activity and creating high-paying jobs. The IIJA provided over \$567 billion to USDOT over five years, over \$150 billion of which was for discretionary grant programs. The bill also broadened federal policy priorities to emphasize public transit, active transportation, safety, electrification, and climate resilience.

Prospects of passing a bill before the IIJA's September 30, 2026 expiration seem slim.

Several factors make passing a large-scale transportation reauthorization bill during the Congress difficult. The current Administration and Congressional majority are focused on reducing federal spending and have rescinded grant funding for a number of transportation projects. With narrow margins in both chambers, it has been difficult for this Congress to advance even routine legislation, let alone expansive bills that require eight different Committees.

Midterm elections and potential changes in Congressional majorities are also in play. Republicans are reluctant to campaign on reducing federal spending while simultaneously passing an expensive transportation bill. Additionally, this Administration has not yet made the reauthorization bill a priority in its 2026 policy agenda. These are all indications that Congress might not be able to negotiate a bill before the September 30, 2026 deadline.

Extensions are common: Congress has missed the deadline on each of the last five reauthorizations. With a midterm election in November 2026, they will likely pass an extension to push reauthorization into the next Congress.

Several key policy issues are shaping reauthorization.

The House Transportation and Infrastructure (T+I) and Senate Environment and Public Works (EPW) Committees have jurisdiction over a majority of the transportation bill. Committee Chairs have signaled the next bill will be smaller in scope, suggesting it will be a "back to basics" traditional "highway bill" focused on roads and bridges. The Administration shares this view. USDOT Secretary

Duffy has stated a preference for prioritizing roadway capacity and reducing congestion over active transportation and multi-modal investments.

A draft bill has not yet been released, though Committee staff indicate that the bill is actively being drafted. Committees have collected submissions from organizations and Members of Congress on what to consider for the bill and have held multiple hearings on the topic.

While Committees work on the draft bill, Members of Congress and the Administration are starting to outline their priorities.

Insolvency of the Highway Trust Fund. Negotiations will hinge on how to address the insolvency of the federal Highway Trust Fund (HTF), which funds both highway and mass transit accounts. There is broad alignment among many Members of Congress and national organizations (i.e., APTA, AMPO, AASHTO) that the next bill should at a minimum maintain IIJA funding levels, and ideally an increase to adjust for inflation. Chair Graves has said that his priority is shoring up the HTF through user fees and attempted to attach a hybrid and EV fee to the reconciliation bill last year, though it was not included in the final One Big Beautiful Bill Act. Raising the 18.4 cent-per-gallon federal gas tax, which has been unchanged since 1993, is not under consideration, especially as gas prices continue to rise. Oregon Senators Wyden and Merkley recently signed a letter to the House T+I Committee urging that any new HTF revenue source maintain the traditional 80-20% highway-to-transit split, one of JPACT's legislative priorities. Lack of certainty about the HTF is affecting the ability to define a top-line funding level for the bill, making it difficult to draft specific provisions.

Streamline Funding Programs. There is strong bipartisan frustration with how long it has taken to get IIJA funding to projects on the ground. The IIJA resulted in USDOT administering 100+ funding programs, more than 35 of which were entirely new. Congress wants to get funding "out the door" faster by consolidating grant programs, streamlining application processes, and giving more flexibility to state DOTs and local governments.

Project Delivery and Permitting Reform. Permitting reform continues to be a theme across multiple Members of Congress and stakeholders, though perspectives differ on what those reforms should entail. Streamlining environmental reviews, consolidating permitting requirements, and increasing coordination among federal agencies remain central themes as lawmakers look for ways to reduce project delays and cost uncertainty.

Safety. NHTSA considers driver behavior, such as failure to use seat belts, substance-impaired driving, and speeding as the leading factor in crashes and seeks to address these through law enforcement and technology initiatives. The agency also considers automated driving systems and AI-based crash prediction technology as promising tools to improve safety outcomes.

There are developments on some of JPACT's legislative priorities for the reauthorization bill.

Below is a table outlining the status of negotiations about the legislative priorities for the bill the JPACT adopted in summer 2025.

JPACT Priority	Status
Preserve IIJA funding levels	Many Members of Congress and national organizations consider IIJA funding levels as a minimum for reauthorization and hope to see an adjustment for inflation. There will likely be funding shifted to formula from discretionary programs.
Maintain MPO set-asides within formula programs (e.g., Surface Transportation Block Grant)	No action yet.
Maintain funding and policy focus on safety	Stand-alone legislation has been introduced to reauthorize the Safe Streets and Roads for All program, which was created by the IIJA. There a lot of interest in using technology interventions to improve road safety.
Streamline permitting	This is one of the biggest priorities for the T+I and EPW Committee chairs and there are many ideas being considered related to reducing permitting requirements for certain projects, instilling permitting time limits, and streamlining environmental review.
Transportation funding to bolster the Highway Trust Fund	This is one of the biggest priorities for the T+I and EPW Committee chairs. There is potential for the reauthorization bill to include a fee on hybrid and/or EVs or other “user fee” style changes.
Invest in multimodal transportation systems / Maintain annual authorization of \$4.6B for Capital Investment Grant	No action yet in terms of reauthorization. Congress appears more supportive of funding transit based on the FY26 budget. President Trump had proposed dramatic cuts to FTA programs but Congress maintained funding across FTA in the enacted budget.
Make advanced appropriations	This is unlikely given current funding environment.
Increase flexibility of funding so it can be used on maintenance	This topic hasn’t been addressed explicitly although there is a lot of talk about increasing flexibility of funding generally.