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Surface Transportation Reauthorization: Latest Developments

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by Samuel Flitton

With the current surface transportation law set to expire on September 30, 2026, Congress is moving deeper into work on the next multi-year reauthorization bill. House and Senate committees have been holding oversight hearings and stakeholder discussions as they prepare legislative text expected later this year.

The House Transportation and Infrastructure Committee has identified reauthorization as a top priority for 2026, with a goal of advancing a bipartisan bill before the deadline. In the Senate, the Environment and Public Works Committee continues reviewing how the current law has performed and assessing potential updates to formula funding, project delivery, and program structure.

Several key policy issues are shaping negotiations:

- **Funding Levels and Formula Allocations** – States and industry groups are advocating for stable, inflation-adjusted formula funding to preserve purchasing power and allow long-term planning.
- **Project Delivery and Permitting Reform** – Streamlining environmental reviews and improving interagency coordination remain central themes as lawmakers look for ways to reduce delays and cost uncertainty.
- **Freight and Supply Chain Infrastructure** – Freight corridors, logistics hubs, and

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port connectivity continue to be focal points, particularly as Congress evaluates economic competitiveness priorities.

- **Federal-State Balance** – Policymakers are debating how much flexibility states should have in deploying federal transportation dollars versus maintaining federal standards and oversight.

The timeline remains tight. Committees are expected to continue hearings and stakeholder engagement through the spring, with draft legislation potentially emerging mid-to-late summer. If Congress does not complete reauthorization before September 30, short-term extensions could be necessary.

For states, local governments, contractors, and infrastructure-dependent industries, early 2026 is a critical window. Funding levels, eligibility rules, and permitting reforms decided in this cycle will shape infrastructure planning and investment for the next five years or more.