

## The National Beat

January 23, 2026

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## Feature Focus

### BUILD HUBS Act & FY 26 THUD BILL

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#### [FY 26 THUD Appropriations Bill](#)

The House has passed a package of FY 2026 appropriations bills that includes funding for USDOT, clearing the Transportation-HUD (THUD) title as part of a broader four-bill “minibus” ([H.R. 7148](#)). The package passed by a wide bipartisan vote (341–88) and now heads to the Senate, which is expected to take up the bill next week as lawmakers work to avoid a partial government shutdown when current funding **expires on Jan. 30**. Senate timing could be affected by winter weather that may complicate travel and floor scheduling.

The bill provides **\$25.1 billion** in discretionary funding for USDOT (i.e., slightly below last year when accounting for rescissions), but overall transportation funding increases once mandatory highway and airport trust fund spending is included. In total, USDOT would see roughly **\$108 billion** in new budget authority for FY 2026. The bill also repurposes roughly **\$2.3 billion** in previously IIJA funding.

***The TL;DR:*** *The FY 2026 THUD appropriations bill largely protects core highway and transit formula programs, while taking a firmer approach to unobligated IIJA discretionary funding. Congress reclaims and redirects slow-moving balances toward safety, freight, bridge, and capital delivery projects, while simultaneously tightening administrative oversight and limiting USDOT discretion over program execution and grant management.*

 Read AMPO's analysis [here](#).

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#### [Build Housing, Unlock Benefits and Services \(HUBS\) Act](#)

Senators Lisa Blunt Rochester (D-DE) and John Curtis (R-UT) introduced the Build Housing, Unlock Benefits and Services (HUBS) Act (Senate text available [here](#)) on Jan. 15 with a companion bill being introduced in the House by Reps. Laura Friedman (D-CA) and Mike Lawler (R-NY). The focus of the bill is to promote transit-oriented (TOD) development using existing federal credit tools such as the Transportation Infrastructure and Finance and Innovation Act ([TIFIA](#)) and the Railroad Rehabilitation and Improvement Financing ([RRIF](#)) programs.

***The TL;DR:*** *The Build HUBS Act would make it easier for housing and mixed-use projects near transit to access TIFIA and RRIF financing by reducing federal administrative and credit barriers and requiring alignment with MPO transportation planning.*

#### **Background and Context**

This legislation was structured to address the national housing availability and affordability crisis, especially for people who want to find housing near transit. TOD is a popular method aimed at increasing housing supply, addressing housing affordability, and increasing access to transportation to connect people to jobs, services, and high-quality transit.

While TIFIA ([Title 23](#)) and RRIF ([Title 49](#)) already have TOD-related authority (including under the [FAST Act](#)), the bill would amend programs to finance TOD projects more effectively. Under current statute, housing projects near transit—especially in smaller communities— are difficult to develop using these financing tools as housing development projects often have difficulty meeting federal credit, planning, and underwriting requirements.

## What the Bill Would Do

The bill would ease and expand housing and mixed-use project possibilities through multiple statutory changes:

- **Expand and extend TIFIA and RRIF** – the bill would extend both programs through 2031.
- **Clarify and expand eligibility** – The bill defines TOD as a project located within a half-mile walking distance to bus or rail transit, with eligible projects being residential, commercial, mixed-use, and community infrastructure focused, if they include private investment and revenue-generating projects.
- **Creates an “attainable housing” category** – for TOD projects that serve housing units with an income no more than 120 percent of area median income (AMI), and where a majority of the units have an income no more than 80 percent of AMI, projects can receive an attainable housing designation. In this case, 75% of the loan must go towards financing residential aspects of the project.
- **Lower credit barriers** – TOD projects can establish creditworthiness through alternatives to the investment-grade rating system, such as joint liability with state or local governments or certification by an approved lender.
- **Establish approved lender underwriting authority** – the bill would allow approved lenders to underwrite TOD loans in order to accelerate project delivery and reduce administrative delays.
- **Streamline NEPA review** – NEPA exemptions would be applicable for land acquisition related to TOD projects as well as categorical exclusions for certain infill redevelopment activities such as office-to-residential conversions or for commercial development on land previously used for transportation purposes.
- **MPO coordination and transportation planning** – for TIFIA or RRIF eligibility, project sponsors are now required to do the following:
  - Show a clear connection to projects included in the MPO TIP and State STIP, or
  - Demonstrate that the project aligns with the MPO’s long-range transportation plan, and
  - All projects must coordinate with the MPO by providing timely notice and sharing information on transportation impacts and mitigation measures.

## What This Means for MPOs

With this legislation, MPOs would have a formalized planning coordination role only where there are TIFIA or RRIF funded TOD projects - MPOs would not receive a new funding stream to support this work and would need to rely on existing planning funds. With greater project eligibility, TOD projects will now have to demonstrate consistency with MPO TIPs **or** long-range transportation plans. This also includes greater coordination during the early stages of project development by sharing information on transportation impacts and mitigation measures. While MPOs would **not** have a role in approving or denying TIFIA or RRIF loans, MPOs can be influential during the planning

process, allowing MPO input to be impactful during housing and mixed-use projects that impact transportation. MPOs will potentially need to dedicate more time to reviewing, coordinating, and planning TOD projects, ensuring MPO plans and priorities are directly tied to TIFIA and RRIF large-scale investments.

## Helpful Resources on the Bill

- [Senate Text](#)
- [House Text](#)
- [Section-by-Section](#)
- [One-Pager on the Bill](#)

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## Federal Roundup

**Congress:** Appropriations, Reconciliation, Reauthorization, & Legislative Action

**Administration & Agencies:** USDOT & EPA

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### Congress

#### Congressional “Vibe” Check

**Reconciliation...again?** House Republicans are exploring the possibility of a [second budget reconciliation bill](#) this Congress, though significant uncertainty remains (AMPO broke down the first package in our One Big Beautiful Bill Act analysis [here](#)). In a recent meeting with the Republican Study Committee (RSC), White House OMB Director Russ Vought reportedly suggested a second reconciliation bill could be framed around cracking down on fraud heading into the midterm elections. RSC leaders have floated a broader [reconciliation framework centered on affordability](#) for housing, energy, and health care, that could serve as the umbrella for a package that also includes anti-fraud provisions. Still, momentum is mixed. Some House Republicans are skeptical the Senate will want to run reconciliation again, and party leaders remain cautious about reopening debates over politically sensitive safety-net programs this close to an election year.

**Reauthorization.** Reauthorization activity continues to accelerate as committees refine draft language and begin shaping the next surface transportation bill.

#### Where things stand:

- **House T&I.** Majority and minority staff are actively exchanging draft sections. Titles covering **NHTSA, FMCSA, FTA, and FHWA have already circulated internally.** Staff-to-staff negotiations on base text are now underway, and other House committees and off-committee members are beginning to surface their own reauthorization priorities.
  - House timing remains aggressive. Bill text is [expected to be released in early 2026](#), with markups anticipated in Q1 and potential floor consideration in early spring. Chairman Graves has stated his **goal of passing a bill out of the House this**

**spring.** With the IIJA set to expire on Sept. 30, 2026, and with Chairman Graves in his final term amid an approaching midterm election cycle, House leadership has strong incentives to complete work this Congress.

- **Senate.** Among Senate committees, Environment and Public Works (EPW) is furthest along. Chair Capito (R-WV) has indicated **plans to release draft text and hold a markup in early March 2026.** By comparison, the Commerce and Banking Committees are continuing early-stage drafting, and their timelines remain less defined.
- **Administration.** On the Administration side, FHWA, FTA, and other USDOT operating administrations are transmitting their reauthorization proposals to the Office of Management and Budget, the final step before formal submission to Congress.

**A general note on timing:** Given the remaining FY 2026 appropriations work, expected policy debates, and the long history of surface transportation bills missing deadlines, a CR remains possible. Even so, MPOs should operate under the assumption that reauthorization could move on time. This engagement window will not open twice, and once base text is released, shaping major provisions becomes significantly harder via amendment.

## Congressional Buzz on Reauthorization

-  [\*\*Chairman Graves Signals Optimism on the Highway Bill:\*\*](#) On Jan. 14, the House T&I Committee held a “member day” hearing, allowing off-committee Members of Congress to offer insight into their priorities for the next surface transportation bill (read AMPO’s analysis [here](#)). Both T&I Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA), shared their commitment to passing a bipartisan bill that will improve the nation’s infrastructure and transportation systems – **they plan to hold a markup early this year.** Other representatives called for a variety of provisions to be included in the surface bill including upgrading rail and freight infrastructure, the inclusion of green resilient infrastructure, and rebuilding infrastructure especially in states like North Carolina who were affected by natural disasters. EPW Chair Capito (R-W.VA) indicated that the **Senate would consider the legislation in March or April**, while sharing similar sentiments as Chairman Graves on surface priorities.

## What's Making Headlines? A number of transportation issues on the Hill are drawing attention this week outside of reauthorization.

-  [\*\*Legislation to Protect Passenger Rail Crew Workers:\*\*](#) Sen. Tammy Duckworth (D-IL) and Sen. John Hoeven (R-ND), introduced a [bill on Jan. 15](#) that would make it a Federal Crime to assault or intimidate crew members on passenger trains. The legislation would formally protect passenger rail crew members with similar protections that have already protected flight attendants in the airline industry for decades.
-  [\*\*The American Trucking Association \(ATA\) Testifies Before the House Judiciary Committee:\*\*](#) The House Judiciary Committee held an oversight panel on Thursday looking at the impact of foreign actors in the US transportation system, with a large focus on licensing loopholes. The President of ATA, Chris Spear, testified before the committee to advocate for stronger federal driver qualification standards, enforcement, and oversight to improve highway safety. Both lawmakers and Spear expressed their concerns about unqualified drivers, English-language proficiency, illegal electronic logging devices, and

noncompliant entry-level training. This coincides with [USDOTs recent enforcement](#) efforts on both English-language proficiency standards and a slew of bills to address safer commercial driving practices (more on this below).

- [🔗 Tesla and Waymo to Testify Before the Senate Commerce Committee:](#) The Senate Commerce Committee is planning to invite Tesla, Waymo, the Autonomous Vehicle Industry Association, and an AV trade group to testify before the committee regarding recommendations for the surface transportation reauthorization. This comes in light of recent autonomous vehicle legislation surfacing on the House side, with the [SELF Drive Act](#) introduced by Rep. Bob Latta (R-OH) and Rep. Debbie Dingell (D-MI). This further indicates the growing interest in a federal AV framework to be included in reauthorization.
- [🔗 House E&C Committee Advance Seven Clean Air Act Bills:](#) The House Energy and Commerce Committee passed seven majority-led bills Wednesday to revise key provisions of the Clean Air Act – all along party lines. The legislation was mainly focused on concerns surrounding air permitting and regulatory burdens, though it is unlikely to be included in the current bipartisan permitting reform discussions. Much of the legislation has been framed on protecting economic activity and jobs, while Democrats on the committee have warned about the legislation's potential ability to weaken air quality standards, limit federal oversight, and increase public health risks. During the markup, the committee unanimously passed a bipartisan hydropower bill to allow extended construction deadlines to prevent the cancellation of any delayed projects.



## Administration & Agencies

### USDOT

- [🔗 FTA Announces \\$2.03B in FY 25 Bus Competitive and FY 25–26 Low/No Awards:](#) FTA announced ~\$2.0 billion for 165 projects, \$397.7 million for 62 projects under the FY 2025 Buses and Bus Facilities Competitive Program and \$1.630 billion for 103 projects under the FY 2025 Low or No Emission (Low-No) Program, drawing on FY25 funds plus prior-year balances and a portion of FY26 Low-No funds. FTA said it received 479 eligible proposals requesting about \$6.8 billion.
- [🔗 USDOT's Push on Auto Affordability:](#) Secretary Duffy, joined by EPA Administrator Lee Zeldin, and US Trade Representative Jamieson Greer, attended the Detroit Auto Show last week to highlight the administration's push to lower car prices and expand consumer choice. This comes just weeks after the administration rolled back fuel economy standards (read AMPO's analysis on the rule [here](#)), repealed EV tax credits, and allowed interest deductions on auto loans as efforts to cut the cost of automobiles. These efforts have grown popular among Republican lawmakers who note that these changes could ease regulatory pressure on automakers, ultimately lowering prices.
- [🔗 OMP Data Shows Decrease in USDOT staff:](#) New data from the Office of Personnel Management (OPM) shows that the USDOT workforce decreased by roughly 4,000 employees between January 20, 2025, and the end of November (read AMPO's analysis [here](#)). A total of 7,200 employees left USDOT during that period, including nearly 2,800 categorized as having "quit," a group that includes participants in the deferred resignation program, though that

number does not completely match figures previously reported, as noticed by [Politico](#). The FAA saw the largest share of workers leave, with about 4,600 employees leaving since the start of 2025.

- [!\[\]\(36f8637baaa56c4be44b454435949289\_img.jpg\) \*\*USDOT Perspectives at the 2026 TRB Annual Meeting:\*\*](#) Eno reported that USDOT officials at the Transportation Research Board (TRB) conference repeatedly emphasized **automation as a core innovation priority**, arguing it can improve safety and help move the system toward a long-term zero fatalities goal. Leaders pointed to tools like [ARPA-I](#) and grant programs (SS4A, BUILD, SMART) and urged regulations that keep pace with technology without becoming overly prescriptive. At the same time, modal administrators stressed careful integration into a human-centered system and continued investment in workforce training, education, and enforcement, while the broader discussion reflected an administration shift toward prioritizing “practical” research and moving away from climate/equity-linked work.
- [!\[\]\(b556e0ef1e10ccfc32976edb6416074f\_img.jpg\) \*\*NHTSA Grants Tesla Extension in “Full Self-Driving” Safety Investigation:\*\*](#) NHTSA has granted Tesla a five-week extension, until Feb. 23, to respond to an information request regarding the agency’s investigation into Tesla’s Full Self-Driving Technology. Tesla cited their delays on the timing of holidays, overlapping deadlines for different NHTSA information requests, and the tedious process of reviewing over 8,300 records. The investigation stems from incident in October where Tesla vehicles were said to have run red lights or entered oncoming traffic while using the “full self-driving” system.
- [!\[\]\(cf1529ba638f0498d7e334e7a79dd058\_img.jpg\) \*\*USDOT's First-Year Agenda:\*\*](#) USDOT released a snapshot of its first-year priorities and reported outcomes, including a \$12.5 billion push to modernize air traffic control systems. USDOT also **highlighted recent CDL enforcement actions** and reported that it removed more than 11,500 drivers for failing English proficiency standards, shut down 7,500 CDL training schools that it says did not meet federal requirements, and reached English proficiency compliance in 49 states (more on this below). USDOT also stated that rolling back prior fuel economy standards would reduce the average cost of a new vehicle by roughly \$1,000 and generate \$109 billion in savings over five years. More broadly, the USDOT said it **pulled “billions” from certain high-profile projects**, cleared roughly half of a 3,200-“grant backlog,” and obligated **\$9 billion toward safety** and infrastructure priorities.

## **USDOT Enforcement Actions on CDL Compliance**

USDOT is turning up the heat on Commercial Driver’s License (CDL) compliance, moving from warnings to more active enforcement and signaling that states that fail to correct violations could face serious consequences, including potential impacts to federal transportation funding. The latest developments show the crackdown widening across both federal and state actions, with growing legal, operational, and workforce implications. (Read [last week’s National Beat](#) for additional context.)

- [!\[\]\(e662c6fdc679f154c0e75d901761d894\_img.jpg\) \*\*USDOT to Use Artificial Intelligence to Target Non-Domiciled Truckers:\*\*](#) USDOT plans to use AI to help with their crackdown on non-domiciled CDLs and to identify specific trucking companies whose drivers are not legally authorized to work. USDOT Deputy Secretary Steven Bradbury said that the effort is aimed at combating fraud, protecting American trucker wages, and strengthening enforcement. This will continue being a focus of the agency, even with an ongoing halt on [USDOT’s interim final rule](#) that placed tougher restrictions on non-domiciled CDLs, and is estimated to eliminate 200,000 trucking jobs.

- [!\[\]\(cd3e54d951a9fb854f48e4697cf550f9\_img.jpg\) Tennessee Introduces Bill to Penalize Unlawful CMV Operations:](#) Tennessee State Bill 1587 was introduced and would create new criminal penalties for the unlawful operation of commercial motor vehicles by individuals who are illegally present in the US. The bill would make violations a Class A misdemeanor for drivers and for anyone who knowingly assists an unlawful operation. It also directs law enforcement to contact federal immigration authorities following an arrest and extends liability to employers or the state officials who issued the CDL. Further, the bill expands civil penalties for violations, including a minimum of \$1 million in punitive damages.
- [!\[\]\(cc729e263f29c0a76fbdc4cfe67fceb0\_img.jpg\) California to Begin Enforcing English-Language Proficiency Standards for Truck Drivers:](#) California's Highway Patrol has started to enforce trucker driver English-language proficiency (ELP) standards by checking whether drivers can speak and understand English as a part of roadside inspections. This follows recent USDOT calls for enforcement in 2025 and months of disputes between the federal government and California over the enforcement of the rule. This shift in state policy shows greater compliance with federal enforcement efforts aimed at ensuring truck drivers meet FMCSA standards on ELP requirements for safety.
- [!\[\]\(90d36d418f8f7ab67431ba2525e00a5e\_img.jpg\) Transportation Stakeholders Gather in Atlanta to Address Driver Legitimacy Risks:](#) Leaders from the transportation, insurance, enforcement, and shipping sectors will meet Feb. 5-6 in Atlanta for a Driver Legitimacy Summit that will be focused on combating unauthorized and fraudulent commercial drivers. The summit will feature a two-day working session that will aim to produce actionable verification standards and general policy recommendations to address compliance, safety, enforcement, and liability risks. Those organizing the event say that it will help bridge the gap between regulatory expectations and enforcement realities.

## EPA

- [!\[\]\(687b6c142f51ac6f390f8bd444e38d03\_img.jpg\) Court Narrows Legal Path for Challenging Canceled Climate Grants:](#) A federal appeals court overturned a lower court order and sided with the EPA and other agencies over a dispute over the termination of Biden-era environmental and infrastructure grants. The 4<sup>th</sup> Circuit Court ruled that challenges to the canceled grants are **contractual disputes** that must be brought in the Court of Federal Claims under the [Tucker Act](#), not in district court. The decision does not resolve the merits of the cancellations, but it tightens *where* and *how* grant recipients can sue, potentially making fast injunction-style challenges harder while leaving the door open for broader legal fights over program terminations.



## National News

- [!\[\]\(750841ae7100dc832cb0a4b3af4492f3\_img.jpg\) Four States Have Adopted Higher Diesel and Gas Taxes:](#) Michigan, New Jersey, Florida, and Minnesota all implemented policies to raise fuel taxes for 2026. Utah was the only state to reduce their rates. Michigan imposed the largest increase by replacing a fixed tax rate and a variable sales tax with a higher per-gallon rate that is tied to inflation, while New Jersey and Florida used a formula-driven increase that is linked to consumption trends and inflation.

Minnesota adjusted their rates using a statutory formula, and Utah taxes decreased by using a recalculation based on average fuel prices.

- [!\[\]\(97d7445697a94970d6443da16b12b5fa\_img.jpg\) Tennessee to Consider Tax on EV Fast Chargers:](#) Tennessee lawmakers are considering a bill that would impose a 3 cent per kilowatt-hour tax on electricity used at public EV fast-charging stations. This would mirror traditional fuel taxes and help fund state transportation needs. Supporters of Senate Bill 1481 say that it would ensure that EV drivers are contributing to road funding as electric vehicle use grows.
- [!\[\]\(258b828d223cb6b35d2b001cf8c6c1e7\_img.jpg\) Dallas Faces Funding Threat Over Rainbow Crosswalks:](#) The Texas DOT has given Dallas until Jan. 31 to remove their rainbow and other decorative sidewalks **or risk the loss of state and federal transportation funding and suspension of agreements.** This follows an [October executive order by Governor Greg Abbot](#) that bans political or non-standard roadway markings, including those that are LGBTQIA+ pride rainbows or other community-based themes. The executive order cited that such designs need to be removed to ensure public streets meet safety and uniformity standards. The City of Dallas has since sought exemptions from the order, but they have been denied by the TxDOT, leaving the deadline in place.
- [!\[\]\(3ae3791b31be30fab239cd4ec63dfafe\_img.jpg\) Eno Affordable Housing and Transit Case Study Series: Denver:](#) Eno's Denver case study highlights how RTD is leveraging underused park-and-ride properties to support TOD in a region facing severe housing affordability pressure. RTD's 2021 ETOD policy set an aspirational goal that 35% of housing built on RTD land (2021–2031) be affordable, while improving project feasibility by reducing required parking replacement, allowing shared parking, and streamlining internal review.

## \$ Notice of Funding Opportunities

- [!\[\]\(52f8f8b98f8396d4f92059ff19d41332\_img.jpg\) Federal-State Partnership for Intercity Passenger Rail Grant Program – National:](#) Provides funding for capital projects that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service, if an eligible applicant is involved.
  - **Deadline:** Feb. 6, 2026
- [!\[\]\(e5f96594470bce765690acf8b7456284\_img.jpg\) Better Utilizing Investments to Leverage Development \(BUILD\) Grant Program:](#) The goal of the program is to fund projects that will have a significant local or regional impact and improve transportation infrastructure.
  - **Deadline:** Feb. 24, 2026

 Access AMPO's NOFO Tracker [here](#).

## Recent Editions

- [January 15th \(2025\)](#)
- [January 9th \(2025\)](#)
- [December 19<sup>th</sup> \(2025\)](#)
- [December 11<sup>th</sup> \(2025\)](#)
- [December 5<sup>th</sup> \(2025\)](#)
- [November 20<sup>th</sup> \(2025\)](#)
- [November 12<sup>th</sup> \(2025\)](#)
- [November 6<sup>th</sup> \(2025\)](#)

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