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House Transportation & Infrastructure Committee Advances \$580 Billion BUILD America 250 Act

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Introduction

On Tuesday, May 19, 2026 the House Transportation and Infrastructure Committee (House T&I) officially released its version of the surface transportation reauthorization bill, titled the Building Unrivaled Infrastructure and Long-term Development for America's 250th Act (BUILD America 250 Act). The bill is slated for full committee markup on Thursday, May 20. A bipartisan deal led Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA) teed up the \$580 billion proposal for the five-year legislation.

Key Takeaways:

1. The House T&I Committee released a bipartisan \$580 billion surface transportation reauthorization bill on May 19, 2026, with markup scheduled for May 20.
2. The bill includes significant permitting reforms, an electric vehicle (EV) fee structure, and repeals several climate-related programs established under the 2021 infrastructure law.
3. Disagreements between the House and Senate over key provisions make a September 2026 deadline unlikely; an extension of existing authorities is anticipated.

Tensions in the Senate

The Senate Environment and Public Works (EPW) Committee has not yet released the content of its transportation bill, but it is expected in the coming months. The current deadline for reauthorizing expiring highway and transit programs is September 30, 2026. Upon announcement of the bipartisan House T&I deal, Senate Finance Ranking Member Ron Wyden (D-OR) said he considered the proposed fee on electric vehicles and hybrids “off the table” and EPW Ranking Member Sheldon Whitehouse is also against the fee, stating, “slapping a fee on electric vehicles isn't a solution for the Highway Trust Fund.” While the disagreements between the House and Senate Democrats are concerning, the House bipartisan draft signals that Congress is serious about the bill.

Topline Big Ticket

The \$580 billion BUILD America 250 Act directs \$474 billion in contract authority, \$65 billion to rail programs, and \$41 billion for discretionary grants programs (e.g., Nationally Significant Multimodal Freight and Highway Projects program, or INFRA). The bill is 51 percent less than the 2021 iteration of the surface reauthorization bill. The reduction is not surprising given Chairman Graves emphasized the need to focus on traditional infrastructure in the months leading up to the announcement. For example, the BUILD America 250 Act provides \$9 billion annually in bridge formula funding—up from \$5.4 billion under the 2021 law—and \$87.6 billion in the Highway Trust Fund—an increase from \$69.8 billion.

The BUILD America 250 Act reforms the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program by lowering the threshold for intelligent transportation systems (e.g., thermal cameras and machine learning sensors) projects to qualify, at \$10 million, and increases the cost threshold for rural projects to \$150 million, adjusted annually for inflation.

It also clarifies that National Environmental Policy Act (NEPA) is not applicable to land acquisitions by a nonpublic entity if the purchase occurs prior to an application for TIFIA and codifies two categorical exclusions regarding rehabilitation of existing facilities and projects built on land previously disturbed for transportation use.

Permitting Reform

The bill includes several reforms aimed at the processes and operations of permitting:

- **Section 1202:** Exempts certain housing, building, and transportation projects from the Department of Transportation's Section 4(f) review process if those projects have already been exempted from Section 106 review under the National Historic Preservation Act (NHPA) pursuant to the Advisory Council on Historic Preservation's program comment finalized on April 2, 2025.
 - The types of projects that would benefit from this exemption include routine activities such as:
 - **Maintenance, repair, and in-kind replacement** of building elements, systems, and transportation fixtures;
 - **Certain landscaping** activities;
 - **Installation of temporary structures;**
 - **Boring, drilling, and testing** activities;
 - **Hazardous material abatement** that doesn't alter a building's visible character; and
 - **Replacement or installation** of above-ground elements meeting specific conditions.
- **Section 1208:** Updates the program to allow states with NEPA assignment to assume environmental review of projects crossing state boundaries. It extends the period a state may renew their

participation in the program by stipulating that states that have assumed such responsibilities for five years may renew their participation in the program for a term of 10 years.

- Currently, under the 2012 provision (23 U.S.C. § 327), nine states have NEPA assignment authorities (Alaska, Arizona, California, Florida, Maine, Nebraska, Ohio, Texas, and Utah).
- **Section 1214:** Raises the cost thresholds under which projects can qualify for the categorical exclusion for projects of limited Federal assistance. Projects that receive less than \$12 million in Federal assistance can now qualify (up from \$6 million) and projects with a total cost of \$70 million (up from \$35 million).

New Additions of Interest

1. Creates \$130 fee on EVs and a \$35 fee on plug-in hybrids, placing no new fees on conventional hybrids. The Federal Highway Administration would be authorized to gradually increase the fees to up to \$150 and \$50.
2. Establishes the Surface Transportation Accelerator Grant (STAG) discretionary program to fund surface transportation projects in local, regional, rural, and urban communities. Under the program, 50 percent of funding is for local and regional grants, 25 percent is for rural grants (50,000 or less), and 25 percent is for urban grants.
3. Repeals authorizations for the Carbon Reduction Program, National Electric Vehicle Infrastructure (NEVI) Program, Promoting Resilient Operations for Transformative, Efficient and Cost-Saving Transportation (PROTECT) Resiliency Program, Reduction of Truck Emissions at Port Facilities, Equity Grants, and Healthy Streets programs.
4. Directs the Secretary of Transportation to enter into an agreement with the National Academies to conduct a study on the establishment and benefits of a Federal Infrastructure Bank and analyze best practices of other infrastructure banks.

Outlook

Given points of disagreement between the House and Senate, it seems likely Congress will need an extension of existing authorities beyond September 2026 to reach a final deal. According to Congressman David Rouzer (R-NC), Chairman of the House T&I Subcommittee on Highways and Transit, the goal of the committee is to move to markup and passage soon so negotiations with the Senate can begin quickly.

On the Senate side, Chair Shelley Moore Capito (R-WV) of the Environment and Public Works (EPW) Committee has outlined clear principles focused on eliminating duplicative programs, accelerating permitting, and ensuring that the diverse needs of states are addressed. Senator Capito also led efforts to include permitting reforms in the EPW budget reconciliation text, including a Project Sponsor Opt-In Fee system to expedite environmental reviews under NEPA.

Chair **Capito** has laid out three guiding principles:

1. **Principle One:** Improving the safety and reliability of America's surface transportation network with impactful investments.
 - a. *“We should focus on eliminating duplicative programs that invite regulatory overreach and increase funding for the highway formula programs that our states rely on and have a proven track record of success.”*
2. **Principle Two:** Reforming and modernizing federal programs and policies to increase efficiency.
 - a. *“We need to take a serious look at the federal requirements to determine how to make meaningful improvements to our planning and procurement procedures, our environmental review process for projects, and discretionary grants and loans requirements.”*
3. **Principle Three:** Addressing the variety of surface transportation needs across all states.
 - a. *“The bill can support our common goals while ensuring that federal regulations, programs, and policies recognize the different needs in our states.”*

The Senate Finance; Senate Banking; Senate Commerce, Science, and Transportation; House Ways and Means; and House Energy and Commerce (E&C) committees also have jurisdiction over various parts of the legislation. The House E&C Committee has a May 21 markup planned for its section on modernizing motor vehicle safety programs under the National Highway Traffic Safety Administration.

Key debates will likely center on funding shortfalls in the Highway Trust Fund, balancing discretionary and formula programs, permitting reform, and the role of climate-related initiatives like EV charging infrastructure. Additional challenges may arise from the White House's push for inclusion of rail safety legislation championed by Vice President Vance when served a senator following the East Palestine train derailment. Early engagement with lawmakers and stakeholders is key to shaping a final package that avoids an authorization lapse and supports sustainable infrastructure growth.

Traditionally, the surface transportation reauthorization bills have been bipartisan. Considering the likelihood of an extension and the possibility of one or more branches of Congress to flip this fall, the bipartisan nature of the bill and markup bodes well for any efforts made this year to be included in a final bill later this year or next.

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