

Surface Transportation Reauthorization and Freight Rail

As Congress prepares the next surface transportation bill, decisions made now will shape the safety, reliability, and cost of moving goods across the country. Freight rail is a critical part of that system—supporting jobs, strengthening supply chains, and helping keep costs down for American families and businesses. Getting the policy framework right will ensure rail continues to deliver these benefits.

Background

Federal surface transportation programs are typically reauthorized every five to six years, covering highways, bridges, railways, and key infrastructure investments. The current authorization expires in September 2026, requiring congressional action to provide long-term funding certainty.

Most federal transportation spending is supported by the Highway Trust Fund (HTF), which was designed as a user-funded system. Today, however, revenues have not kept pace with needs, and general fund transfers are increasingly used to fill the gap.

Freight rail operates under a different model. Railroads own, maintain, and invest in their own infrastructure—spending more than \$20 billion annually—while partnering with public programs to improve safety and reduce bottlenecks, particularly where rail and roads intersect.

Why It Matters

Freight rail plays a vital role in the U.S. economy, moving more than 1.5 billion tons of goods each year and connecting producers to markets nationwide. By shifting freight off highways, rail reduces congestion, lowers wear and tear on public roads, and helps reduce emissions. At the same time, it helps keep costs down by lowering shipping expenses across the supply chain—benefiting both businesses and consumers.

As Congress considers reauthorization, several priorities are key for freight rail:

- **Restore the Highway Trust Fund** by making sure users pay their fair share with a modern, self-sustaining funding system that aligns fees with roadway damage and maintains fairness across transportation modes.
- **Expand funding for proven rail grant programs** that reduce accidents at grade crossings and modernize rail infrastructure, including RCE and CRISI, which deliver real safety and efficiency benefits for communities, supporting local economic growth.
- **Encourage innovation in safety** by supporting data-driven policies that allow railroads to invest in new technologies and continuously improve operations, rather than imposing rigid mandates that may not improve outcomes.
- **Build infrastructure faster by streamlining permitting** for routine maintenance and upgrades on existing infrastructure, helping projects move faster while maintaining environmental and historic protections.

In Brief

Smart, data-driven rail policy will strengthen supply chains, improve safety, and support economic growth. Congress should update the HTF, expand proven rail grant programs, and support policies that allow freight rail to continue investing, innovating, and delivering for communities across the country.