



House Surface Transportation Reauthorization Bill Executive Summary

The House Transportation and Infrastructure (T&I) Committee recently advanced the *BUILD America 250 Act* (H.R. 8870) with overwhelming bipartisan support. The five-year surface transportation bill would reauthorize federal highway, transit, rail, freight, safety, and related transportation programs through fiscal year 2031.

The legislation, which was introduced by T&I Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA), is intended to replace the current surface transportation law enacted as part of the *Infrastructure Investment and Jobs Act* (IIJA), which expires on September 30, 2026. The bill would provide roughly \$580 billion over five years – approximately \$30 billion more than the 2021 law – including continued investments in core highway formula programs.

The proposal includes several significant wins for California's counties. Most notably, it would increase annual funding for the Bridge Formula Program from roughly \$5.5 billion to \$9 billion and establish a new 25 percent set-aside for locally owned bridges. H.R. 8870 also would increase the existing off-system bridge set-aside from 15 percent to 20 percent and provide a 95 percent federal cost share for certain locally owned bridge projects.

In addition, the legislation would expand the highly flexible Surface Transportation Block Grant (STBG) program, a particularly important funding source for local governments because it suballocates funding to locally identified transportation priorities.

The bill also would preserve the Safe Streets and Roads for All (SS4A) program, which provides competitive grants directly to local, regional, and Tribal communities to develop comprehensive safety plans and implement projects aimed at reducing roadway fatalities and serious injuries. Unlike many federal transportation programs, SS4A funding is not available to State departments of transportation, making it a particularly important source of direct federal assistance for counties and other local governments.

Additionally, the legislation would continue the discretionary PROTECT grant program, which supports projects that make roads, bridges, evacuation routes, and other transportation infrastructure more resilient to flooding, wildfires, extreme weather, and other natural hazards. However, the measure would eliminate the separate PROTECT formula program created under

the IJA. Unlike the discretionary grant program, the formula program provides funding directly to States for transportation resilience investments.

The *BUILD America 250 Act* also would establish a new revenue stream for the Highway Trust Fund (HTF) through annual registration fees on electric vehicles and plug-in hybrids. While the proposal has generated some debate, committee leaders have emphasized that it would represent the first new dedicated source of HTF revenue in more than three decades.

During the committee's markup, members considered more than 100 amendments and adopted several provisions with implications for counties. These include an amendment requiring states to balance rural and urban needs when selecting projects under the locally owned bridge set-aside.

The panel also adopted an amendment establishing a voluntary pilot program that would allow participating states to allow heavier trucks on interstate highways. County officials have raised concerns that heavier trucks would inevitably travel on locally owned roads and bridges at the beginning and end of their trips, increasing wear and tear on infrastructure that local governments are responsible for maintaining.

The bill now heads to the full House for consideration. However, it remains an opening proposal in what is expected to be a lengthy reauthorization process. The Senate is expected to develop its own surface transportation legislation in the coming months, and any final package will likely require bipartisan, bicameral negotiations around funding levels, HTF solvency, electric vehicle fees, climate and resilience programs, transit and rail investments, and permitting reform.

Highway Programs

The *BUILD America 250 Act* would largely maintain the existing core highway formula program structure, including the National Highway Performance Program, the Surface Transportation Block Grant Program, the Congestion Mitigation and Air Quality Improvement (CMAQ) program, and the Highway Safety Improvement Program.

For counties, one of the most significant formula program changes would be the proposed expansion of the STBG program. The bill would increase STBG's share of HTF funding and preserve the program's suballocation structure, which has historically made it one of the most useful and flexible federal transportation programs for counties and other local governments. The measure also would expand STBG eligibility to include improvements to existing transportation facilities that help them better withstand natural disasters and improve resilience, potentially giving counties another tool to advance locally identified resilience projects.

The legislation also would make changes to transportation planning programs that could benefit local project development. It would expand the allowable uses of Metropolitan Planning

Program funds to include fiscal administration of local projects, preliminary design, local technical assistance, transportation-related studies, and critical data procurement. In addition, the bill would establish a process for metropolitan planning organizations (MPOs) to become direct recipients of certain planning funds if they meet legal, technical, and financial capacity requirements.

With respect to freight, H.R. 8870 would refocus the National Highway Freight Program around High Priority Corridors and require states to designate critical rural freight corridors. It also would direct federal officials to consider agricultural freight movement and access to agricultural facilities when redesignating the Primary Highway Freight System, a provision that could be particularly important for rural and agricultural counties.

Bridge Program

The *BUILD America 250 Act* would continue and significantly expand the bridge-specific formula program created under the IIJA, increasing annual funding from roughly \$5.5 billion to \$9 billion. For counties, this represents one of the most important provisions in the bill, given that local governments own and maintain a substantial share of the nation's bridges.

Under the formula program, each state would receive an annual base apportionment of at least \$75 million. The remaining funds would be distributed based on several factors, including total bridge deck area, the share of bridge deck area classified as being in poor condition, the share of bridge deck area located on the National Highway System (NHS), and the share of NHS bridge deck area classified as being in poor condition. The formula also would ensure that each state receives at least the amount it received in fiscal year 2026 under the existing Bridge Formula Program.

The legislation includes several provisions intended to direct a larger share of bridge funding to local infrastructure. Most notably, it would increase the existing off-system bridge set-aside from 15 percent to 20 percent. Off-system bridges are located on public roads that are not part of the federal-aid highway system, and many are owned and maintained by counties, cities, and other local entities.

Recognizing that not all off-system bridges are locally owned, the bill would establish a new 25 percent set-aside specifically for locally owned bridges. States would be required to distribute these funds through a competitive process. Locally owned off-system bridge projects funded through this set-aside could count toward the broader 20 percent off-system requirement. In addition, the legislation would provide a 95 percent federal cost share for locally owned bridge projects, significantly reducing the non-federal match burden for counties and other local governments.

The bill also would expand the range of structures eligible for federal bridge funding. Under current law, a bridge generally must be at least 20 feet long to qualify for federal assistance. The legislation would lower that threshold to six feet, allowing smaller bridges and similar

structures – many of which are located on locally maintained roads – to compete for funding. In addition, the formula program would reserve 3 percent of funding for Tribal bridges and set aside \$200 million annually for competitive grants to repair and replace culverts.

In addition to the formula program, the bill would establish a new competitive Bridge Completion Program for major bridge projects on the National Highway System. The program would provide grants to construct, replace, rehabilitate, preserve, protect, expand, or improve eligible bridges. Individual awards generally would be at least \$50 million, with the federal share capped at 50 percent.

In awarding grants, the U.S. Department of Transportation (USDOT) would consider factors such as passenger and freight traffic, safety benefits, national or regional economic benefits, geographic diversity, and whether a bridge is in poor condition or at risk of falling into poor condition.

Emergency Relief and Disaster Resilience

The legislation would make several important changes to the Federal Highway Administration's Emergency Relief (FHWA-ER) program, which provides federal assistance for repairing disaster-damaged roads and bridges that are part of the federal-aid highway system. FHWA-ER generally covers eligible repairs on those routes, while FEMA's Public Assistance program typically supports repairs to locally owned roads and bridges that are not on the federal-aid system.

Most notably, the bill would extend the deadline for obligating construction funds from two to four fiscal years following a disaster. Under current regulations, ER projects generally must advance to the construction obligation stage by the end of the second fiscal year after the disaster occurs, although states may request extensions under certain circumstances. In practice, that timeline can be difficult for counties to meet, particularly when projects require complex engineering work, environmental review, permitting, right-of-way acquisition, or coordination with other agencies.

The issue has been especially significant in California. In recent years, FHWA has denied extension requests for projects that did not meet the two-year deadline, placing counties at risk of losing federal reimbursement for critical road and bridge repairs.

By extending the statutory deadline to four years, the *BUILD America 250 Act* would give counties and other project sponsors additional time to complete the necessary preconstruction work and obligate federal funds. The bill also would preserve flexibility to grant further extensions when justified by a Governor or when projects are delayed by permitting or approval issues. In addition, it would clarify that resilience improvements intended to reduce future damage are eligible for funding under the program.

Surface Transportation Accelerator Grant Program

The legislation would establish a new discretionary grant program to support surface transportation projects in local, regional, rural, and urban communities. The bill would authorize \$2.4 billion per year from the HTF for the Surface Transportation Grant (STAG) program. Several existing grant programs, including the BUILD program, would be consolidated into the new STAG structure.

Pursuant to the legislation, 25 percent of funding would be reserved for rural projects, 25 percent for urban projects, and 50 percent for local and regional projects.

The local and regional component would fund projects that have a significant local or regional impact and improve surface transportation infrastructure. Grant awards generally would be capped at \$25 million, and no single state could receive more than 15 percent of available funding in a fiscal year. For this component, grants would be at least \$5 million for projects in urban areas with populations above 200,000 and at least \$1 million for projects in areas outside those larger urban areas.

The rural component would support projects in communities with populations of 50,000 or less. It also would include targeted set-asides for states with above-average rural roadway lane-departure fatalities, projects that support the movement of agricultural products, and projects in small communities with populations of 5,000 or less. Rural grants would generally be at least \$5 million, though the Secretary of Transportation could use up to 10 percent of available rural funding for smaller awards.

The urban component would support surface transportation projects in areas with populations of at least 50,000. Like the rural component, urban grants would generally be at least \$5 million, with limited flexibility for smaller awards.

The STAG program could become an important discretionary funding opportunity for counties, particularly for locally significant projects that may not fit neatly within traditional formula programs or larger national grant competitions.

INFRA Grants

The *BUILD America 250 Act* would reauthorize the Nationally Significant Multimodal Freight and Highway Projects program, commonly known as INFRA, at \$1.2 billion per year. The INFRA program supports large-scale freight and highway projects that have national or regional significance. While the bill would authorize continued funding for the program, the actual amount available each year would remain subject to the annual appropriations process.

Under the bill, eligibility would be expanded to include metropolitan planning organizations (MPOs) serving urbanized areas with populations of at least 50,000, potentially giving more regional entities a direct pathway to compete for funding.

The legislation also would eliminate the current 30 percent cap on multimodal projects, providing additional flexibility for freight, highway, rail, port, intermodal, and other transportation projects that may involve multiple modes. For counties and regional transportation partners, these changes could create additional opportunities to advance major freight and mobility projects that support goods movement, economic development, and regional connectivity.

Federal Lands Transportation Programs

The *BUILD America 250 Act* would provide \$1.63 billion over five years for the Federal Lands Access Program (FLAP), which helps fund transportation projects that improve access to national forests, parks, and other federally managed lands. The program is especially important for public lands counties, which often own and maintain roads, bridges, and other infrastructure used by residents, visitors, and businesses traveling to and from federal lands.

The bill also would expand eligible uses of FLAP funding to include projects that improve access for individuals with disabilities and strengthen the resilience of transportation facilities serving federal lands.

The legislation would make similar changes to the Federal Lands Transportation Program (FLTP). While FLAP supports state and locally owned transportation facilities that provide access to federal lands, FLTP funds federally owned transportation infrastructure located on or adjacent to federal lands. Under the bill, FLTP funding also could be used for accessibility improvements and projects that strengthen the resilience of federal lands transportation infrastructure.

Safe Streets and Roads for All

The *BUILD America 250 Act* would reauthorize the Safe Streets and Roads for All (SS4A) grant program, which helps local and regional entities develop roadway safety plans and implement projects aimed at reducing crashes, serious injuries, and fatalities. The bill would provide \$500 million for the program in fiscal year 2027, with funding gradually increasing to \$1 billion by fiscal year 2031. While those amounts are below the funding levels provided under the IIJA, the program's continuation would preserve an important source of federal support for locally driven safety improvements.

The continuation of the SS4A program is significant for counties because it is specifically designed for local and regional applicants. State departments of transportation are not eligible to apply directly, leaving counties, cities, metropolitan planning organizations (MPOs), and other regional entities as the program's primary applicants.

The legislation also would make several changes intended to direct more resources toward implementation projects and underserved communities. It would reduce the share of funding reserved for planning grants to five percent, establish a new 30 percent set-aside for rural communities with populations of 50,000 or fewer, and increase the federal cost share from 80 to 90 percent. Together, these changes could make it easier for counties – particularly rural counties with limited local resources – to advance roadway safety improvements.

PROTECT Program

The legislation would retain the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) discretionary grant program, which supports projects that strengthen transportation infrastructure against natural hazards and other disaster-related risks. However, it would eliminate the PROTECT formula program, which currently provides dedicated resilience funding directly to states.

It should be noted that the bill would preserve some resilience-related eligibilities by adding them to other programs, including the STBG program. Still, the loss of dedicated PROTECT formula funding could be significant for states and local governments working to improve the resilience of roads, bridges, evacuation routes, and other transportation assets. For counties, the practical effect would be fewer guaranteed resilience dollars and greater reliance on competitive grants or broader formula programs to advance disaster-resilient transportation projects.

Wildlife Crossings Pilot Program

The House measure would authorize \$80 million per year from the HTF for the Wildlife Crossings Pilot Program, which supports projects that reduce wildlife-vehicle collisions and improve habitat connectivity. The bill also would modify the program by requiring 75 percent of funds to be obligated for rural projects and limiting non-construction activities to no more than five percent of program funding.

Rural and Tribal Assistance Pilot Program

The bill would reauthorize the Rural and Tribal Assistance Pilot Program, which provides technical assistance to help rural and tribal communities prepare for and compete for future federal transportation funding opportunities. The program may support planning activities and the hiring of technical, legal, and financial advisors, but does not fund construction.

Electric Vehicle Registration Fees

The *BUILD America 250 Act* would establish a new revenue source for the HTF by requiring states to collect annual registration fees on electric vehicles (EVs) and plug-in hybrid vehicles.

The revenue generated by the fees would be transferred to the HTF, which finances federal highway and transit programs.

Under the bill, owners of covered EVs would pay an annual fee of \$130, while owners of covered plug-in hybrids would pay \$35 per year. Beginning in 2029, each fee would increase by \$5 every two years until reaching a maximum of \$150 for EVs and \$50 for plug-in hybrids. The fees would be collected through state vehicle-registration systems, rather than through a new federal collection mechanism.

The proposal reflects a broader challenge facing the HTF. The Fund has historically relied heavily on federal gas and diesel taxes. As EVs and other fuel-efficient vehicles account for a growing share of vehicles on the road, policymakers have increasingly debated how to ensure that all drivers contribute to the cost of maintaining and improving the nation's transportation infrastructure.

Supporters argue that the new fees would help create a more equitable system by requiring drivers of vehicles that use little or no gasoline to contribute to the roads and bridges they use. They also view the provision as an interim step while Congress considers more comprehensive long-term approaches to HTF solvency, such as a vehicle-miles-traveled fee or other user-based revenue models.

However, the proposal is likely to be one of the more politically contentious provisions in the package. Some Senate Democrats and environmental advocates have criticized the fees, arguing that they could discourage EV adoption while generating only modest revenue relative to the HTF's long-term financial challenges. Some conservatives also have objected to the provision, characterizing it as a new federal tax on vehicle ownership. As a result, the fee structure could become a significant point of debate as the legislation moves through Congress.

Eliminated Programs

The legislation would repeal or scale back several climate and equity focused transportation programs enacted or expanded under the IJIA and the *Inflation Reduction Act*. Among other changes, the bill would eliminate the **National Electric Vehicle Infrastructure (NEVI) Program** and the **Charging and Fueling Infrastructure Grant Program**, both of which support the deployment of electric vehicle charging infrastructure. Although the measure does not provide new dedicated funding for EV charging stations, it would require states to direct a specified share of their CMAQ Program funding toward eligible alternative fueling projects.

The bill also would eliminate several programs intended to reduce transportation emissions or address the effects of existing infrastructure on communities. These include the **Carbon Reduction Program**, which provides funding for projects designed to reduce transportation-related emissions; the **Neighborhood Access and Equity Grant Program**, which supports

projects designed to reconnect communities divided by transportation infrastructure; the **Healthy Streets Program**, which supports tree planting and heat- and flood-mitigation improvements; the **Active Transportation Infrastructure Investment Program**, which supports projects that improve walking, biking, and other active transportation connections within and between communities; and, the **Reduction of Truck Emissions at Port Facilities Program**, which funds projects aimed at reducing emissions from idling trucks and other port-related freight activity.

Permitting and Project Delivery

The *BUILD America 250 Act* includes a targeted set of permitting and project-delivery reforms intended to streamline environmental reviews and reduce delays for transportation projects. Because another congressional committee has primary jurisdiction over broader reforms to the *National Environmental Policy Act* (NEPA), these provisions focus on transportation-specific changes.

Among other provisions, the bill would expand the use of categorical exclusions (CE's) for projects receiving limited federal assistance. Projects with less than \$12 million in federal funding, or with a total cost of \$70 million or less, could qualify for a CE, doubling the current thresholds of \$6 million and \$35 million, respectively.

The legislation also would allow certain transit agencies serving urbanized areas to assume responsibility for CE determinations and would permanently extend an environmental reciprocity pilot program originally authorized under the *FAST Act*. The pilot allows states that have assumed responsibility for federal environmental reviews to rely on approvals issued under state environmental laws rather than completing a separate NEPA review for eligible surface transportation projects.

The reciprocity provision was developed largely with California in mind. Federally funded road, bridge, and transit projects in the state frequently must undergo separate reviews under both NEPA and the *California Environmental Quality Act* (CEQA), even though the two laws overlap in many respects and CEQA is more stringent in certain areas. California has not opted into the program to date, but making the authority permanent would preserve the state's ability to participate in the future.

Finally, the measure would direct USDOT to improve coordination with other federal agencies and provide additional guidance on review timelines, page limits, programmatic agreements, early identification of potential resource issues, and the use of digital platforms to modernize the environmental-review process.

Transit

The bill would reauthorize federal transit programs through fiscal year 2031 and make several changes intended to streamline project delivery, improve safety and security, and provide transit agencies with greater flexibility.

The measure would revise the **Capital Investment Grants (CIG) program** by renaming “small starts” as “streamlined starts,” increasing the maximum federal assistance available for those projects, expanding core-capacity eligibility, and allowing certain projects that support housing development along the route to receive a rating adjustment.

It also would codify the **Innovative Coordinated Access and Mobility Program** and allow funding to support improved access to veterans’ facilities and service providers. For rural transit, it would establish a new assistance program for insular areas, provide a \$25 million annual set-aside for rural and insular ferry projects, and clarify eligibility for rural intercity bus facilities.

The bill also includes several safety and security provisions. It would allow transit agencies to contract with local law enforcement, hire transit support specialists, and use up to 1.5 percent of urbanized-area formula funds for operating costs tied to crime-reduction and security projects. In addition, the Secretary could withhold 10 percent of certain urban transit grant funds from jurisdictions that lack enforcement mechanisms to address fare evasion and unauthorized system access.

Highway Safety

The legislation would consolidate and modify several highway safety programs administered by the National Highway Traffic Safety Administration (NHTSA). It would establish six national priority areas: occupant protection, impaired driving, distracted driving, motorcyclist safety, non-motorist safety, and speeding. States exceeding specified fatality thresholds would be required to direct funding toward the relevant priority area, while states below those thresholds would retain greater flexibility.

The bill also would expand eligible highway safety activities to include work-zone safety education, micromobility safety, school-zone interventions, trailer safety education, digital safety technologies, and efforts to improve interactions between law enforcement officers and drivers with autism or speech disabilities. In addition, the measure would direct USDOT to provide technical assistance to states and local governments seeking to improve safety data and maintain a public dashboard of projects funded through the highway safety grant program.

Autonomous Commercial Vehicles

The reauthorization proposal would establish an initial federal regulatory framework for commercial motor vehicles (CMVs) equipped with autonomous driving systems. The provisions

are limited to commercial vehicles, including autonomous trucks operating in interstate commerce. Autonomous passenger vehicles generally fall within the jurisdiction of another congressional committee and are typically addressed through separate legislation.

The bill would direct USDOT to establish minimum safety standards for ADS-equipped CMVs, along with related reporting and compliance requirements.

The legislation also includes language preempting states from adopting separate safety requirements for autonomous CMVs. Supporters argue that a uniform federal framework is necessary to avoid a patchwork of state regulations that could complicate interstate freight movement and slow the deployment of new technologies.

Counties and other local governments, however, are generally cautious about proposals that preempt state and local authority. While federal standards can provide important consistency, those standards should serve as a floor rather than a ceiling, preserving the ability of states and local jurisdictions to adopt additional protections when needed to address local road conditions and public-safety concerns.

Rail

H.R. 8870 includes a rail title that would authorize continued federal support for passenger rail service, including Amtrak's National Network. The National Network includes long-distance routes and state-supported corridors that serve communities throughout the state.

The legislation also includes several Amtrak transparency and accountability provisions. Among other changes, the bill would establish requirements related to open meetings, executive bonus disclosures, the costs of state-supported routes, accounting and reporting practices, and customer experience.

The bill also would create a new Federal Railroad Administration (FRA) Emergency Relief Program to help repair rail infrastructure damaged by natural disasters and other catastrophic events. The program could support capital repairs, reconstruction, and certain evacuation-related operating expenses that are not otherwise covered by private insurance, FEMA, or other sources.

The legislation also includes several rail safety provisions. These include new authority for state rail safety inspectors to conduct railroad-bridge inspections and a formal reporting system for state, local, and tribal governments to raise rail bridge safety concerns.

Other Issues of Interest

Recreational Trails and E-Bikes. The measure would amend the Recreational Trails Program so that electric bicycles are no longer treated as motorized vehicles by default. This would

generally allow e-bikes on nonmotorized recreational trails while preserving the authority of state and local governments to restrict or prohibit their use on individual trails.

Major International Sporting Events. The bill would establish a new program to support transportation planning, capital projects, and operating needs associated with major international sporting events. The program would be authorized at \$50 million annually through fiscal year 2031.

California High-Speed Rail. The bill would establish a working group to conduct a comprehensive assessment of the California High-Speed Rail project. The group would include stakeholders and experts appointed by congressional leaders and the Transportation Secretary. The legislation also would restrict additional federal funding for the project while the assessment is underway or for up to two years after enactment.

Emergency Relief Working Group. The legislation would direct USDOT to convene a working group to develop recommendations for improving emergency-relief efforts following natural disasters and assessing vulnerabilities in surface transportation infrastructure.

We hope this information is useful to you. Please do not hesitate to contact us if you have any questions.