

**From:** Squire Patton Boggs

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In July, the House and Senate Appropriations Committees advanced their Fiscal Year (FY) 2026 Transportation spending bills. The House bill passed out of committee on a 35–28 vote, largely along party lines, with Republicans in favor and Democrats opposed. In contrast, the Senate bill advanced with strong bipartisan support on a 27–1 vote. The Senate measure provides \$16.9 billion for Federal Transit Administration (FTA) programs funded through discretionary appropriations—an increase of \$203.3 million over current levels—while the House bill would reduce FTA funding slightly to \$14.9 billion. The chambers will need to reconcile their proposals before a final version can become law. Overall, FY 2026 is expected to present a challenging fiscal environment, as Republican lawmakers face increasing pressure from the Trump Administration and within their own caucus to pursue significant budget cuts.

Lawmakers are also continuing to prepare for the next surface transportation reauthorization, as the Infrastructure Investment and Jobs Act (IIJA) is set to expire at the end of FY 2026. Last month, the Senate Committee on Environment and Public Works convened a hearing to explore ways to strengthen domestic transportation infrastructure. The discussion reflected broad bipartisan support for proposals that would grant states greater flexibility in using federal highway funds, including the option to transfer funds to transit projects. We continue to closely monitor these developments to identify opportunities to advance CAT’s priorities.

In July, Squire Patton Boggs Principal and former Congressman Jack Kingston, along with CAT Interim CEO Stephanie Cutter, met with Senator Warnock’s (D-GA) office to highlight CAT’s initiatives and discuss opportunities for federal support. Senator Warnock’s office reaffirmed its commitment to supporting CAT’s interests and emphasized that CAT will remain a key resource as lawmakers shape the next surface transportation reauthorization.

Looking ahead, FTA is expected to open its FY 2025 ferry grant programs between August and October. These grants will provide opportunities to secure funding for projects involving the purchase, replacement, or rehabilitation of passenger ferries—including electric and low-emission vessels—as well as related facilities and equipment. Most recently, CAT was awarded a \$691,000 Electric/Low-Emitting Ferry Grant in FY 2024. Additionally, the Department of Transportation (DOT) plans to announce a funding opportunity this fall for a Stage 2 project grant under the Strengthening Mobility and Revolutionizing Transportation (SMART) program. CAT will be eligible to apply, building on its FY 2022 SMART Stage 1 Planning and Programming Grant. We remain ready to assist with any federal funding opportunities CAT chooses to pursue.