

RAILCET INTELLIGENCE REPORT #26-19

Rail Title Extension-Bad News

Surface Transportation Board Appointment – Good News

August 12, 2026

Team RAILCET:

We are in somewhat of a summer lull with Congress in recess. We are using this time to try to frame our approach to some major issues that will be confronting for the remainder of the year and next year. This Report focuses on the reauthorization of the rail title that expires October 1 as well as an appointment to the Surface Transportation Board.

Short term extension of the IIJA transportation bill with Rail Title-Bad News. As predicted in my last memo, the Senate has passed a short-term extension of the Surface Transportation Law with its Rail Title which authorizes and appropriates all federal rail grants for infrastructure construction. The existing IIJA Rail Title expires October 1. If the Senate authorization is enacted, it will expire on December 11.

One of the current law's most prominent features was inclusion of "advance appropriations" for rail projects. The IIJA (P.L. 117-58) provided \$66 billion in rail advance multiyear appropriations to be available between FY2022–FY2026. The annual appropriations provided an additional \$15.25 billion over that period. Clearly the "advanced" appropriations provided the most funding for intercity passenger rail.

On August 8, the Senate passed this bill, HR 6500, the short-term extension of expiring federal programs. This was called the Continuing Appropriations and Extensions Act, 2027. The transportation and Rail Title extender is contained in Division C, titled the "Surface Transportation Extension Act of 2026."

The Senate knocked advance appropriations out of the short-term extension. This is bad. This means we will be back to "tin cup begging" each year before the appropriations committees. History shows us that never works out really well. APTA launched a major campaign to restore the longer-term funding in the coming full authorization. RAILCET should support that effort.

Will this become law? The House, now in summer recess, returns to legislative session on Tuesday September 1. The Senate has left for a five-week summer recess and does not go back into session until Monday, September 14. Both the House and Senate hope to adjourn again by the end of September to hit the campaign trail. Not much time for legislating.

For HR 6500 to become law, the House must pass the Senate bill without changing a comma. If the House makes any tweaks, it returns to the Senate for repassage. If agreement is reached it must be signed by President Trump. No one knows what conditions he will require. Trump and Vice President Vance have already asked for inclusion of S. 576, Vance's "Rail Safety Act" introduced in the aftermath of the East Palestine, Ohio NS derailment. The Association of American Railroads and most Republicans adamantly oppose that bill. It is supported by much of rail labor (minimum 2-man crews) and Democrats. Who can guess what will happen?

I will take a wild guess. Politics being politics, I believe the parties come together and pass the Senate bill to avoid a meltdown just before the election. But maybe not. If it fails, there will be a breakdown in transportation funding. "Laws are like sausages; it is better not to see them being made." That quote is attributed to Otto von Bismarck. Not sure that is the correct attribution but if so, the man makes a point!

Karen Hedlund reappointed to the STB and confirmed by the Senate—Good

News. In an excellent decision, President Trump reappointed Karen Hedlund to the STB for another five-year term that expires on December 31, 2030. The Senate confirmed her on August 7, 2026. In my personal view, Karen is one of the most thoughtful rail minds in public life today. Bravo, Mr. President!

Karen and Chair Patrick Fuchs are strong proponents of the STB Passenger Rail Advisory Board. PRAC has wide-ranging jurisdiction, creating policy proposals on the development and operation of railroad passenger service. Their reports are to help the Board fulfill its statutory responsibilities. PRAC may also develop issues on intercity passenger rail that extend beyond matters STB can resolve through regulation or adjudication. These are policy options or legislative considerations arising from the committee's work that will generally benefit transportation policy makers including in Congress.

Our NAPRO Chair Gregg Baxter was recently reappointed as member of PRAC and is chair of the Railroad Liability Subcommittee. Its mission is to examine passenger-rail liability, insurance and indemnification law and regulation and make findings and recommendations to the full PRAC.

A policy developed by that subcommittee to promote competition between operators and service providers may be critical to the overall competition priority which is our Number One Goal.

Ray Chambers