

RAILCET INTELLIGENCE REPORT #24

Transportation/Rail Appropriations – Current Status and Predictions

To: RAILCET
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Date: July 15, 2025

Federal funding allocations for transportation and rail are initially developed by the Transportation, Housing and Urban Development (THUD) Subcommittees in both the House and Senate. Given that both chambers are under Republican leadership, the Trump Administration is expected to play a significant role in determining the final decisions for fiscal year 2026.

The Trump administration's budget request demonstrated support for rail initiatives. For the Federal Railroad Administration, approximately \$3.4 billion in discretionary rail appropriations was requested for fiscal year 2026. The proposal included increased funding for the National Network, which now consists of thirty state-supported city pair routes and fifteen Long-Distance Corridors.

The Senate Subcommittee held its budget hearings in June 2025 but has yet to release its detailed bill for FY 2026. As the process unfolds a significant gap is expected between the House and Senate versions. Indications are the House will lower rail funding, and the Senate will resist the House cuts. Yesterday, House Appropriations Leaders proposed FY 2026 transportation/rail funding with notable reductions in transit and rail. Public transit would receive \$19.2 billion, down \$1.7 billion (-8.3%) from FY 2025. Passenger and freight rail would get \$13.6 billion, \$2.6 billion less (-15.9%). Total rail funding is \$7.4 billion (35.3%) below the Bipartisan Infrastructure Law's authorized amount. The proposal reduces Amtrak's budget by \$115 million (-4.7%) but increases CRISI Grants by \$438 million (403.8%).

The final outcome depends on committee decisions and negotiations. My prediction is the FY 26 appropriations will essentially continue the accelerated pace of funding at about current levels. This should support advancing the sixty-nine new intercity passenger rail Corridor Identification and Development (CID) initiatives. This is a key program for both rail construction and operations contractors.

