



To: House Transportation and Infrastructure Committee

From: National Taxpayers Union

Date: May 21, 2026

Subject: NTU's Views on May 21 Committee Markup

I. Introduction and Key Taxpayer Considerations

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our views on legislation slated for consideration before the House Transportation and Infrastructure Committee on May 21, 2026. NTU urges the Committee to advance legislation that protects taxpayers, promotes free markets, and limits the size of government.

As such, the legislation before you presents a mixed bag for taxpayers and would greatly benefit from further refinement before moving forward. While the bill includes several constructive provisions aimed at streamlining project delivery and reducing certain regulatory burdens, it simultaneously preserves—and in some cases expands—costly mandates and inefficiencies that will continue to drive up the price of federally assisted infrastructure projects. Without additional reforms to improve competition, reduce unnecessary compliance costs, and ensure greater value for taxpayers, the legislation risks undermining many of its own stated goals.

II. BUILD America 250 Act

Highway Trust Fund Provisions

NTU is concerned that the Highway Trust Fund provisions do not adequately address the unsustainable imbalance between revenues and expenses. The Congressional Budget Office estimates that the HTF will accumulate almost \$300 billion in shortfall over the next decade. As a result, the HTF will require ongoing general fund bailouts, as this legislation continues to do.

We appreciate the inclusion of a new annual fee on electric vehicles and plug-in hybrids to account for the fact that these cars put wear and tear on federal highways without paying into the system via the gas tax. This will help level the playing field by eliminating what is essentially an unfair subsidy for EV and hybrid drivers. It will also better align the “user benefits, user pays” model that was intended to keep the HTF self-sufficient. While it will not make a major meaningful difference for the solvency of the fund, it is no doubt a step in the right direction and rights a structural inequity.

To be clear, a flat fee on EVs and hybrids is not an ideal policy, but it is a step in the right direction toward fairness in the HTF. Rather than pairing the gas tax with EV fees, Congress should replace it all with vehicle miles traveled (VMT) taxes instead, using actual miles driven as the metric for the user fee instead of gas consumed. In practice, there would be no difference between a car that runs on gasoline,

electricity, or a mix of both. No matter which type of vehicle a driver prefers, he would pay the same rate as any other passenger vehicle.

Freight Rail Provisions

America's freight rail system is one of the safest and most efficient transportation sectors in the United States. Rail companies invest billions of dollars annually into track maintenance, equipment upgrades, employee training, and advanced safety technologies. These private sector initiatives, coupled with a smartly tailored regulatory framework, have resulted in safer rail networks than ever before. It is imperative that potential regulations and provisions carefully balance safety with economic vitality—a balance that the current legislation achieves.

However, there are some regulations being floated that would impose new requirements related to staffing levels, equipment standards, inspections, and operational procedures and would force rail carriers to absorb billions in additional expenses. As is usually the case with regulations, they would ultimately be passed on to consumers, manufacturers, farmers, and energy producers who rely on freight rail to transport goods efficiently across the country.

Federal reviews in 2016 and 2019, as well as the Federal Railroad Administration's own 2024 rulemaking, suggested there is no causal evidence justifying the mandate. For the many freight operations where a second crew member is unnecessary, this policy represents a doubling of labor costs, which are ultimately passed on to consumers in the form of higher prices. Worse, it hurts the ability for railroads to effectively innovate and become more efficient, which harms our country's ability to compete.

We urge you to reject any amendment that inserts the entirety or portions of the Railway Safety Act into the underlying bill.

Passenger Rail Provisions

This legislation continues to waste taxpayer dollars through subsidies to Amtrak, which has yet to turn a profit after more than 50 years in business. While its funding levels are reduced compared to the sky-high levels of IJJA, it is still a losing service that is in dire need of privatization or reforms to make it a net-benefit for the federal government. The Committee should eliminate Amtrak funding and turn over routes to the private sector, particularly in the Northeast Corridor.

NTU does support the transparency provisions related to Amtrak executive compensation and the application of the Government in the Sunshine Act to open meetings. These are small changes that overlook holistic reform of this government-sponsored rail transport.

Spending Provisions

This legislation rightly spends half as much as the 2021 IJJA and prioritizes traditional infrastructure over many of the boondoggles of the last reauthorization. Nevertheless, this legislation still proposes to spend tens of billions of dollars on grant programs established by IJJA without offsets elsewhere in the budget, meaning it is deficit-financed spending. With hundreds of billions of dollars remaining unspent

from the last reauthorization, there is ample room to claw back some of this funding and thereby offset some of the cost of this bill.

NTU supports the provision to repeal the Carbon Reduction Program, saving taxpayers billions of dollars.

Permitting Reforms

The BUILD America 250 Act includes reforms that streamline how the USDOT implements federal environmental review under the National Environmental Policy Act (NEPA). This burdensome law has become a roadblock for the efficient review of major infrastructure projects, thereby raising taxpayer costs without serious environmental benefits.

The bill expands eligibility for a categorical exclusion (CE) under NEPA for federally funded projects. Specifically, projects receiving up to \$12 million in federal assistance and projects with total costs of up to \$70 million would qualify for the CE, helping reduce compliance burdens, lower project costs, and accelerate project delivery. This is a commonsense fix to hasten the completion of taxpayer-funded projects.

Labor and Procurement Reforms

This legislation also fails to meaningfully modernize several costly and outdated government-imposed mandates that unnecessarily drive up the price of federally assisted infrastructure projects and delay completion timelines. At a time when policymakers should be focused on maximizing the value of every taxpayer dollar, the bill largely preserves rigid labor and procurement requirements that limit competition, reduce flexibility for project sponsors, and inflate construction costs without improving project outcomes.

In particular, the legislation misses an important opportunity to reform mandates governing the types of workers eligible to participate in federally assisted projects, along with restrictive country-of-origin requirements that can disrupt supply chains, increase material costs, and make it more difficult for projects to access needed inputs in a timely manner. These provisions often function less as safeguards for taxpayers and more as protectionist barriers that shield favored interests from competition while passing the resulting costs onto the public.

Specifically, we urge to you include reforms, such as:

Buy America Restrictions and Other Trade Barriers: These mandates require that certain components of products must be manufactured within the United States. Protectionist policies like “Buy American” laws limit selection and artificially limit competition, which often lead to higher costs. Essentially, these laws prohibit taxpayers and contractors from getting the best value on projects.

Davis-Bacon Prevailing Wage Laws: The 1931 law requires that workers on federally funded projects be paid a “prevailing wage”—the hourly wage paid to a majority of other workers in the area. This often pegs wages to the typically high cost of union labor, artificially inflating the price of public projects and boxing less-skilled or well-connected laborers out of the job market.

Project Labor Agreements: These controversial agreements require union workers for projects over a certain size, effectively limiting the supply of workers eligible for construction. An array of academic studies indicate that these economically flawed agreements produce construction projects that are 12 to 18% more expensive than comparable non-PLA projects. Taxpayers deserve to have their taxes spent in a cost-effective way to ensure each dollar's value is maximized, not wasted or used to fund organizations which engage in political and lobbying activity.

IV. Contact Information

Should you have any questions about the recommendations in this memo, please do not hesitate to reach out to Thomas Aiello at taiello@ntu.org.