

June 16, 2026

FEDERAL HIGHWAY BILL ADVANCING – A major congressional debate is now underway on national transportation priorities, funding formulas, freight investment, rural mobility and future infrastructure development. As a first step, the House Transportation & Infrastructure Committee has approved the BUILD America 250 Act (HR 8870), a bipartisan 5-year, \$580 billion surface transportation reauthorization bill that when finally passed will guide federal investment in highways and other surface transportation infrastructure. Action by the full House could come this month. Timing for Senate action is less certain. The current law expires Sept. 30th.



Build America 250 Act shifts away from one-time General Fund spending and back toward a more traditional reauthorization centered on core programs like highways, bridges and safety. The proposal maintains the user-pays structure of the Highway Trust Fund by establishing a federal annual fee for electric and hybrid vehicles aimed at helping support long-term trust fund sustainability. It also includes provisions aimed at streamlining project delivery. Three programs in the bill would support development of Congressionally Authorized Future Interstates including I-69, I-14 and I-27 in Texas. See details on Page 2.

FUTURE I-69C SEGMENT – In May the Transportation Commission awarded a \$62 million contract to convert 3.5 miles of US 281 to interstate standard in Hidalgo County. The new work will continue to extend I-69 Central north toward

Brooks County. Work is also underway on a \$165 million, 6.5-mile I-69C project near the Edinburg Airport. TxDOT's Pharr and Corpus Christi districts are developing projects on US 281 and US 77 that will eventually connect the Rio Grande Valley to I-37 and the rest of the national interstate system.

NOW OPEN TO TRAFFIC – Almost all of the 7-mile long I-69 project in north Wharton County is now open to traffic, extending the freeway farther south from Houston. The \$169 million project started in 2020. The roadway includes six lanes of traffic covering the region from Kendleton to SH 80 on the north side of the city of Wharton. It connects to a 7.5-mile \$339 million relief route project now under construction on the west side of Wharton which includes reconstruction of the US 59 Colorado River crossing.

2027 UTP REVEAL – The Transportation Commission will get a look at the draft 2027 Unified Transportation Program updated list of future projects in a meeting on June 25. The UTP spans the coming 10 years and will allocate an estimated \$95 billion in future available funding for construction. With \$31 billion in estimated project development costs and \$11 billion in routine maintenance contracts, the 10-year estimated total transportation investment is projected at approximately \$139 billion.

HIGHLIGHTING I-69 IN DC – The Alliance team is available to help maximize the productivity of community delegations in Washington. On recent group visits to the nation's Capital, delegations from the Coastal Bend and the Rio Grande Valley Partnership met with Alliance Executive Director Jennifer Shepard who provided the latest update on I-69 and key message points for participants to use in advocating for I-69 in their meetings on the Hill and with the Administration.

DECEMBER 4TH: SAVE THE DATE – Mark your calendar and plan to attend this year's Alliance Annual Meeting and luncheon on Friday, December 4th, in Houston. The event will again take place at the headquarters of the Greater Houston Partnership which is located next to Interstate 69 and adjacent to the George R. Brown Convention Center.

PROJECT INFLATION TRENDING DOWN – The Highway Cost Index through April continued to trend down, dropping 14% from the high in the middle of last year. Inflation on highway projects has increased 35% over the past four years with the result that fewer projects can be built with available funding.

ADVOCATES HEAR FROM PARKER – Senator Tan Parker of Denton County, newly appointed chairman of the Senate Transportation Committee, participated in a Transportation Advocates of Texas (TAOT) board meeting on June 8 in Flower Mound. Topics included the need to expand highway funding.



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BUILD America 250 Provisions Supporting Future Interstate Highways

Key Programs in the BUILD America 250 bill that would support development of Congressionally Authorized Future Interstates including I-69:

❑ **Section 1105 – Nationally Significant Multimodal Freight and Highway Projects**, would provide approximately \$6 billion over five years (\$1.2 billion annually) from the Highway Trust Fund for nationally competitive freight and highway projects. Funds are awarded by USDOT based on project merit—not by formula—with set-asides for project size, geographic balance, and rural needs. Language inserted in this section as a result of CAFI supporter efforts still awaits full consideration by the House. It recognizes that projects that add capacity to the Interstate System to improve mobility would strengthen funding eligibility for corridor widening, bypasses, relief routes, and Interstate-standard upgrades. This would create a stronger pathway for advancing High Priority Corridors and Future Interstate development.

❑ **Section 1122 – The National Highway Freight and High Priority Corridor Program** is a core formula highway program, meaning funds are distributed to states by formula rather than through a competitive grant process. Funding is apportioned by FHWA based on factors such as highway miles, freight movement, and other statutory formula considerations, giving states predictable annual funding to invest in freight corridors and nationally significant highway improvements. The BUILD America 250 Act would authorize approximately \$1.65 billion annually, or about \$8.25 billion over five years (FY2027–FY2031) from the Highway Trust Fund. This is a significant increase in program formula funding compared to the total allocation of \$7.15 billion provided under the current five-year IJJA.

For the CAFI Coalition as a whole, this is particularly important because formula funding provides a more stable and predictable source of investment for High Priority Corridor improvements, including corridor widening, grade separations, interchange upgrades, freight bottleneck relief, safety improvements, and Interstate-standard upgrades. If states are allowed to use these funds to advance Congressionally designated High Priority Corridors toward Future Interstate readiness and connection to the existing Interstate System, it could create one of the strongest long-term federal funding tools for moving CAFI corridor segments from designation to construction.

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It added an estimated **\$3–5 TRILLION IN GDP** since 1970.

Expansion funding stopped decades ago, and it's time to think forward again.

INTERSTATE CAFI

Congressionally Authorized Future Interstate Coalition

Renewing The National Commitment To Multi-State Connectivity Corridors

❑ **Section 1124 – The Surface Transportation Accelerator Grant Program (STAG)** would provide approximately \$12 billion over five years (\$2.4 billion annually) from the Highway Trust Fund to help major transportation projects move from planning to construction by funding feasibility studies, corridor planning, environmental review, engineering, and other project-readiness work. Grants are divided among Local & Regional (50%), Rural (25%), and Urban (25%) categories, with rural set-asides supporting agricultural freight, smaller communities, and safety-focused projects. This is a new program and does not apply to construction. CAFI inserted language in this section awaiting further consideration by the House. It recognizes that improvements to High Priority Corridors advancing toward Interstate standards and connections to the existing Interstate System would make STAG a powerful tool for accelerating Future Interstate corridor development, bypasses, relief routes, and other critical project readiness investments.



Alliance for I-69 Texas

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