

Committee: House Appropriations Committee

Event: Full Committee Markup of Fiscal Year 2026 THUD and Energy & Water Bills,

Updated Subcommittee Allocations; Part 2

Date: July 17, 2025 **Time**: 10:00 AM

Place: 2359 Rayburn House Office Building

Transportation, Housing & Urban Development (THUD) Markup

Member Toplines:

THUD Subcommittee Chair Steve Womack (R-AR-03): Womack reported that the THUD budget is \$89.9 billion, which is \$4.5 billion less, or roughly a 5 percent decrease from last year's budget. He reported that the bill reduces or eliminates 38 programs, totaling over seven billion dollars in savings, and redirects \$4.5 billion from the Infrastructure, Investment, and Jobs Act (IIJA) programs, including remaining unobligated funds, to air traffic control, highways, maritime, and rail. He underscored that the bill provides five billion dollars for the Federal Aviation Administration (FAA) facilities' equipment, a nearly two billion dollar increase from fiscal year 2025 (FY25), underscoring that this builds upon the One Big Beautiful Bill's (OBBB) investments. He stated that the bill provides funding to train and hire 2,500 new air traffic controllers. Womack also highlighted that the bill provides \$63.4 billion for highways and bridges through the Highway Trust Fund, a \$1.3 billion increase. He noted that the bill did not incorporate OMB's recommendation to turn rental assistance into a state block grant program.

<u>THUD Subcommittee Ranking Member James Clyburn (D-SC-06):</u> Clyburn's opening statement focused on issues with cuts to rental assistance and related fair housing programs, as well as "short-sighted" cuts to transportation, which he asserted would hinder rail system modernization and daily commute improvements.

Full Committee Chair Tom Cole (R-OK-4): Cole echoed the comments made by Subcommittee Chair Womack, emphasizing his support for increased FAA funding. He noted that the bill includes funding to the Department of Transportation to certify new aircraft, integrate drones in the airspace, and enable the advancement of automated vehicle technologies.

<u>Full Committee Ranking Member Rosa DeLauro (D-CT-03)</u>: DeLauro stated that she is sad to oppose this bill, reiterating that program cuts will lead to housing and transportation cost increases. She underscored that OBBB further compounds rising costs and raised the issue that the Trump administration has stolen resources appropriated by Congress.

Major Takeaways:

 Democrats expressed opposition to the bill, reiterating the same talking points as both Clyburn and Delauro. Housing and rent prices, as well as issues associated with underfunding rail were flagged, with Democrats sharing constituent stories. Rep. Frank **Mrvan** (D-IN-01) warned against using funds from the *Infrastructure Investment and Jobs Act* (IIJA) as a replacement for annual appropriations.

Amendments:

- Rep. Betty McCollum (D-MN-04) offered and withdrew an amendment to utilize further discussion time. She flagged that the FAA is short 3,000 air traffic controllers, forcing the existing workforce to work six days a week and mandatory overtime. She commended leadership for providing funding for an additional 2,500 air traffic controllers and providing support for the FAA Academy in Oklahoma City. She underscored the importance of furthering relationships between the FAA and universities, as well as the value of the FAA's enhanced collegiate training initiative, which was introduced in 2024.
 - Cole and Clyburn committed to working with her further on this issue.
- Womack introduced a manager's amendment, which contains technical edits and bipartisan additions to the bill. Clyburn expressed his support for the amendment.
 - The amendment was adopted by voice vote.
- Womack introduced an en bloc amendment which includes language to strengthen the underlying text, and to launch a study on New York's congestion fee.
 - The amendment was adopted by voice vote.
- Rep. Debbie Wasserman Schultz (D-FL-25) offered an amendment to unfreeze the
 dollars awarded in round two of the Charging and Fueling Infrastructure (CFI) Grant
 Program by directing the Secretary of Transportation to obligate any remaining balances
 within 90 days. She criticized the administration for blocking appropriated funds, and
 expressed concern for the precedent set by this action.
 - Womack contended that the CFI competitive grant program was funded by the IIJA through the Highway Trust Fund portion of the bill, and is not part of the appropriations division part of the bill. He argued that the bill does not have the authority to eliminate CFI funding. Rep. Lauren Underwood (D-IL-17) clarified that while the \$2 billion remains in the base text, the administration has expressed intent to block obligated funds. Schultz criticized this action as a refusal to abide by federal law.
 - The amendment was not agreed to (27-30).
- Rep. Chellie Pingree (D-ME-01) introduced an amendment to restore Ferry Service Grant Funding under the Federal Transit Administration. Rep. Marcy Kaptur (D-OH-09) noted that the amendment dedicates funding to low and zero emission ferries. Womack expressed concern that this amendment would disrupt the Committee majority's topline number.
 - The amendment was not agreed to (27-30).
- Rep. Mike Quigley (D-IL-05) introduced an amendment to strike the funds in the THUD bill that have been transferred from the IIJA. He contended that the THUD bill would deplete the IIJA and cost constituents. He noted that cutting off funding to the National Electric Vehicle Infrastructure Program (NEVI) is estimated to eliminate 13,000 infrastructure jobs. Womack criticized the IIJA for wastefully overfunding programs. He outlined how NEVI funding was redirected to demonstrate the utilization of the \$4.4 billion taken from IIJA. Several Democrats rose in support of the amendment.
 - The amendment was not agreed to (27-32).

The THUD budget was agreed to (35-28), passing out of the Appropriations Committee.

Energy & Water (E&W) Markup Member Toplines:

<u>E&W Subcommittee Chair Chuck Fleischmann (R-TN-03)</u>: Fleischmann underscored that the E&W budget facilitates energy dominance and economic competitiveness in a fiscally responsible manner via a recommendation of \$57.3 billion, a decrease of \$766 million from FY25. He reported that the bill provides \$25.3 billion for the National Nuclear Security Administration, prioritizing the continued modernization of the nuclear weapons stockpile and the new US Navy nuclear fleet. He asserted that the bill will reduce reliance on foreign materials and secure the full supply chain of critical materials. He noted that the bill provides \$8.4 billion for the Department of Energy's (DOE) Office of Science and reduces funding by 25 percent across other programs, including the Applied Energy Technology Office.

E&W Subcommittee Ranking Member Marcy Kaptur (D-OH-09): Kaptur expressed concern that the appropriations process has been affected by partisan influence outside of the Subcommittee. She underscored that climate change is a real threat, highlighting unprecedented flooding in the past month. She called for increased investment in land and water planning systems, as well as grid resilience. She reported that the price of electricity has risen 5.8 percent over the last year. Despite the need to invest in energy, Kaptur highlighted that the Office of Energy Efficiency and Renewable Energy (EERE) received a 47 percent budget cut. She advocated for pursuing an all-of-the-above energy strategy, noting that China has already surpassed the US, highlighting their invention of an electric vehicle (EV) battery that can travel 1,800 miles in a single charge. She pointed out that the bill cancels funding for the Office of Clean Energy Demonstrations (OCED) and revokes \$5.1 billion in IIJA funding from the DOE that was intended for hydrogen, direct air capture, battery recycling, and energy savings programs. She emphasized that US businesses have cancelled more than \$15 billion in investments in new factories and electricity production projects due to the passage of OBBB, with 12,000 new jobs now gone.

<u>Full Committee Chair Tom Cole (R-OK-4)</u>: Cole asserted that the bill reflects the implementation of an energy first strategy, stating that the Biden-era red tape is over. He stated that the bill reduces reliance on foreign materials and secures our energy systems.

Full Committee Ranking Member Rosa DeLauro (D-CT-03): DeLauro had to step out and was not present to provide an opening statement.

Major Takeaways:

- Democrats expressed opposition, reiterating Kaptur's talking point and notably highlighting the cuts to EERE and OCED.
 - Rep. Sanford Bishop (D-GA-02) advocated for disaster resilience funding, acknowledging the value of funding the US Army Corp of Engineers, but noting that it was not sufficient. Bishop also raised alarm at funding cuts to the defense nuclear non-proliferation program (DNN).

- McCollum flagged the value of weatherization programs, particularly in light of climate change.
- Mrvan highlighted that OCED, which is being defunded, oversees the hydrogen hubs.
- Dean noted that the bill cuts the Advanced Research Projects Agency-Energy (ARPA-E) by \$110 million.
- Rep. Dan Newhouse (R-WA-04) expressed his support for the bill, touting the funding for the Office of Science and therefore the Pacific Northwest National Laboratory and fusion energy science. He highlighted that the bill increases investment in nuclear energy by \$110 million, which includes small modular reactors, advanced reactor demonstration projects, and the advanced nuclear fuel availability program to advance production of high-assay low-enriched uranium. He stated that DNN was funded at \$2 billion, one billion more than President Donald Trump's request. He acknowledged the value of EERE.

Amendments:

- Fleischmann offered a manager's amendment. Kaptur expressed her support, stating that it includes technical changes.
 - The amendment was adopted by a voice vote.
- Kaptur proposed an amendment which would prohibit the arbitrary cancellation of awards and reinstate those already terminated after September 30, 2024 by the DOE's "overly broad" review process. She noted that the review has frozen \$77 billion in IIJA and Inflation Reduction Act (IRA) funding and that 24 projects, totaling over \$3.7 billion, have been canceled or are threatened.
 - Rep. Steny Hoyer (D-MD-05) raised issues with the DOGE layoffs and dismissals of staff.
 - The amendment was not agreed to (27-33).
- Rep. Riley Moore (R-WV-02) introduced an amendment to restore funding of the regional commissions to FY25 levels, attesting to the value of the Appalachian Regional Commission. He stated that the amendment is paid for by cutting research dollars for solar panels.
 - Kaptur spoke in opposition to the pay-for and expressed hope that this could be resolved at the floor. Moore stated he was open to discussion and then withdrew it for pay-for negotiations after Fleischmann expressed his resistance to further solar cuts.
 - Moore later introduced a modified version of this bill, which would still increase regional commissions' funding, but not restore it to FY25 levels. The pay-for was a further reduction of EERE funding.
 - o The amendment was agreed to by a voice vote.
- Kaptur spoke in favor of the IRA clean energy tax credits and proposed a second amendment, which would freeze the previous energy tax credit status quo while Congress works on a "truly bipartisan" solution.
 - Fleischmann expressed his opposition, clarifying that the amendment would repeal provisions of OBBB. He stated that the Appropriations Committee is not the appropriate avenue to repeal recently enacted law.

- Rep. John Moolenaar (R-MI-02) asserted that 45X gave away billions of dollars to Chinese companies, highlighting issues with Gotion and its ties to the Chinese Community Party. He expressed his opposition.
- Democrats spoke in favor of the amendment, discussing the credits' value in lowering energy costs, facilitating American competitiveness, and the overall value of renewable energy.
- The amendment was not agreed to (27-32).
- Delauro introduced an amendment to block tariffs that would increase energy costs, highlighting issues with tariffs on solar and copper, the latter she underscored as critical to energy infrastructure.
 - The amendment was not agreed to (26-36).
- Rep. Mike Levin (D-CA-49) proposed an amendment that all executive or related secretarial orders be subject to analysis by the Energy Information Administration to determine that the action would not raise monthly energy costs before going into effect.
 - Fleischmann argued that the Biden administration's regulations locked up energy resources and limited reliable and affordable energy generation. He expressed his opposition.
 - The amendment was not agreed to (25-36).
- Dean proposed an amendment to restore ARPA-E funding to the FY25 level.
 - o Fleischmann urged a rejection of the amendment without an offset.
 - McCollum expressed her support, sharing that with ARPA-E funding, a team at the University of Minnesota created an iron nitride permanent magnet, free of rare earths, and later launched a company. She underscored the invention's positive national security implications.
 - Mrvan noted that ARPA-E supports industrial innovation, touting its importance in improving American steel production.
 - The amendment was not agreed to (26-35).

The E&W budget was agreed to (35-27), passing out of the Appropriations Committee.

In his closing note, Cole underscored that these budget numbers are not final and predicted that there would be some sort of further deal, continuing resolution, or even a government shutdown.