



Committee: Senate Environment & Public Works Committee

Event: [Hearing to Examine the Federal Highway Administration's Proposed Fiscal Year 2027 Budget](#)

Date: June 3, 2026

Executive Summary:

On June 3, 2026, the Senate Environment & Public Works Committee hosted a hearing to examine the Federal Highway Administration's (FHWA) proposed budget for fiscal year 2027 (FY27).

- Democrats expressed concern at the delay in deploying grant money, citing the lack of deployment of Charging & Fueling Infrastructure Grant Program (CFI) awards to states.
- There was bipartisan interest in permitting reform, although Ranking Member **Sheldon Whitehouse** (D-RI) cautioned that the administration remains an obstacle and highlighted attacks on renewable energy projects.

Member Toplines:

[Chair Shelley Moore Capito \(R-WV\)](#): Capito reported that the FHWA's FY27 budget request is \$66 billion, of which \$65 billion is funded out of the Highway Trust Fund (HTF) and the remaining \$1.5 billion is funded out of the General Fund. She noted that Congress is within the final year of the *Infrastructure Investment and Jobs Act* (IIJA). She expressed support for the requested funding for increased FHWA staffing. She also reported that Transportation Secretary **Sean Duffy** testified to the Committee last year that the previous administration left a backlog of over 3,200 announced, but unsigned, grant agreements. She raised concerns at the upcoming August redistribution amount being historically high. Capito shared that she is prioritizing investment in road and bridge projects through flexible, predictable formula funds, reducing administrative overhead, and cutting program duplication.

Ranking Member Sheldon Whitehouse (D-RI):¹ Whitehouse opened by stating that he and Capito are making progress on permitting reform, but that the White House continues to pose as an obstacle, citing the offshore wind stop work orders, the pause on clean energy permit approvals, and the 250 wind projects stalled at the Department of Defense's (DoD) Clearinghouse. During these opening remarks, Sen. **Roger Wicker** (R-MS) shared that he is working on a resolution to address the DoD Clearinghouse challenges via his leadership of the Armed Services Committee. Returning to his opening statement, Whitehouse touted the value of the IIJA and pointed out that the war in Iran has driven up gas prices, yet electric vehicle (EV) adoption has been slowed by the Trump administration's actions, citing the frozen funding for the CFI grant program. Whitehouse highlighted the administration's attacks on public transit, citing disruptions to rail projects in New York, New Jersey, and California and obstacles to bicycle and pedestrian infrastructure deployment. He emphasized that Surface Transportation

¹ Ranking Member Whitehouse's opening statement was not available at the time of distribution.

reauthorization needs to be implemented in full – not just in a partisan way – and noted the need for engagement from all three Committees to pass it.

[Sean McMaster, Administrator of the Federal Highway Administration](#): McMaster reiterated that the Trump administration inherited over 3,200 backlogged projects at the Department of Transportation (DOT), of which 53 percent have now been obligated funding and are underway. He reported that Secretary Duffy revised DOT's *National Environmental Policy Act* (NEPA) requirements, and expanded NEPA assignment power to empower states to remove unnecessary delays. He also attested to DOT's progress on road safety.

Major Takeaways:

National Electric Vehicle Infrastructure (NEVI)

- Capito stated that the NEVI program has a high, unobligated balance, and few investments to show for it, noting that no NEVI charging stations have been built in West Virginia. She asked how the obligation rates of formula funding compare to discretionary programs.
 - McMaster answered that obligation rates vary across programs and stated that he could follow up on specific data.

CFI

- Whitehouse noted that there are 130 CFI grants being held up, and pointed out that the FY27 budget proposes rescinding all of the obligated funding. He raised concern that “under review” is a pretext for not distributing the money so that it can be repealed.
 - McMaster shared that there are a few CFI projects working through review and that the FHWA is making headway in distributing funding overall.
 - Whitehouse replied that 0 of the 130 CFI grants have come through, which makes it appear that the program has been stalled in full. He added that there are remaining funding opportunities for IIJA still pending. He requested further timeline transparency.
 - Sen. **Lisa Blunt Rochester** (D-DE) requested an update on the city of Newark's CFI grant.

HTF

- Cramer highlighted the \$130 EV fee that was passed out of the House Transportation & Infrastructure Committee. He acknowledged that he doesn't know what the right formula is, but that it seems unreasonable that EVs do not pay into the HTF currently. He asked McMaster for his thoughts on funding the HTF. McMaster agreed that all road users should pay into the fund.
 - Sen. **Alex Padilla** (D-CA) later emphasized the need for everyone to pay their fair share, not a disproportionate share. He stressed the need for consistency, particularly as a gas tax holiday is considered.

DOT Funding Challenges

- Capito expressed interest in ensuring awardee follow through. McMaster noted that project readiness in terms of long deployment timelines can complicate awardee follow through.
- McMaster attributed heightened redistribution rates to the increased complexity and growth of programs under IIJA. He reported that the DOT provides a redistribution estimate in January to help states prepare.
- Capito highlighted that DOT amended notices of funding opportunity for two discretionary programs that had previously been completed, requiring applicants to reapply. McMaster stated that unnecessary requirements, such as “green and DEI language,” had been cut.
- Whitehouse asked for a status update on awarded grants that are pending action. McMaster shared that the request is being processed.
- Sen. **John Curtis** (R-UT) raised Utah’s rapid growth and asked if population growth and travel demand can be incorporated into formula funding. McMaster noted that the formula has not been adjusted dramatically in a long time, and said he would be happy to work with him.

Permitting Reform

- Sen. **Kevin Cramer** (R-ND) emphasized the importance of permitting reform to create a durable, statutory law so that no president, regardless of party, can stop or undo a permit that has already been offered.
- Curtis asked what other permitting flexibilities, outside of NEPA, that Congress can provide to help states build roads and bridges more efficiently. McMaster said the administration would be happy to engage here as reauthorization continues.
- Sens. **Pete Ricketts** (R-NE), **Jon Husted** (R-OH), and **Dan Sullivan** (R-AK) reiterated interest in streamlining and feedback on permitting reform. Sullivan emphasized that permitting reform could unleash over \$1.2 trillion in capital. He shared how environmental impact statements have delayed road deployment in Alaska.