



November 19, 2025

Dear Members of Congress,

The upcoming surface transportation reauthorization bill provides a great opportunity for Congress to implement free-market reforms which will strengthen the transportation sector and lower costs for Americans. As you prepare this legislation, Americans for Tax Reform urges you to focus on the following issues: **Strengthening America's railroads; making infrastructure more affordable; countering unfair litigative costs; and standing strong against tax increases.**

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Strengthening America's Railroads

Congress can strengthen the nation's railroads by allowing for the greater use of technological innovations that make rail transportation both safer and more efficient. For example, the use of automated track inspection technology should be permitted more widely on a nationwide basis. This technology, which can help inspect hundreds of thousands of miles of track per year, can improve the efficiency of rail transportation by reducing how often trains need to slow down or stop traffic to perform mandatory inspections.¹ At the same time, Federal Railroad Administration (FRA) assessments have found that automated track inspections improve safety outcomes as compared to manual inspections that are subject to human error.²

The wider implementation of these important innovations has faced unfortunate opposition from the bosses of Big Labor unions. Despite the life-saving potential of the technologies, some union bosses have instead advocated for more strict federal mandates on manual inspections in order to increase the number of workers paying dues to the union. Other proposals like a federal two-person crew size mandate have been pushed by the same union actors. These proposals, which effectively serve as union jobs programs while increasing costs and reducing efficiencies, should be rejected.

Making Infrastructure More Affordable

The current regulatory burden on the construction and maintenance of infrastructure is a major roadblock to ensuring that the United States has a world-class transportation system. The 2021 Infrastructure Investment and Jobs Act (IIJA) mandated that construction projects be regulated through the Davis-Bacon Act, requiring the payment of "prevailing wages." These wages are often union-negotiated, privileging union workers over workers who do not desire to be part of a union. According to a 2022 study, the Davis-Bacon Act inflates construction labor costs by 20.2 percent, increases the cost of

¹ <https://www.aar.org/issue/automated-track-inspections/>

² <https://www.pavemetrics.com/wp-content/uploads/2023/05/Automated-Track-Change-Detection-Technology-for-Enhanced-Railroad-Safety-Assessment.pdf>



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construction projects by 7.2 percent, and costs taxpayers an extra \$21 billion per year.³ Congress should eliminate Davis-Bacon requirements for construction projects in the new surface transportation reauthorization, which would increase the amount of infrastructure that can be built for the same number of tax dollars.

Relatedly, project labor agreements (PLAs) were mandated by the Biden administration for construction projects funded through the IIJA. PLAs require the use of union labor on federally funded construction projects, reducing fair competition with non-union firms and further inflating costs. Academic studies have shown that PLAs increase the cost to taxpayers by 12 to 20 percent.⁴ These anticompetitive mandates should be avoided as well.

Harnessing the greater efficiency of the private sector as compared to government can solve many of the nation's infrastructure problems. Expanding the use of public-private partnerships for the nation's roads and highways and employing market principles can encourage more efficient construction and maintenance of roadways. Congress should look to expand the use of true, dynamic pricing on priority routes in order to more efficiently source revenue and cover costs.

The burdensome environmental review process under the National Environmental Policy Act (NEPA) remains another major roadblock to strengthening the nation's infrastructure. The Council on Environmental Quality (CEQ) found that the average environmental review process take 4.5 years to complete, and Federal Highway Administration projects take more than seven years on average.⁵ In addition, 28 percent of large transportation and energy infrastructure projects will face predevelopment litigation under NEPA, further increasing costs and delaying construction.⁶

In 2020, the first Trump administration's CEQ finalized a rule which established time limits for the completion of environmental impact statements to two years and completion of environmental assessments to one year.⁷ The rule also streamlined the permitting process by narrowing the scope of NEPA implementation and reducing paperwork. Although the rule was reversed by the Biden administration, Congress has an opportunity to build upon President Trump's NEPA reforms in the surface transportation reauthorization while adding greater protections against frivolous litigation by environmental activist groups.

³ [https://www.abc.org/Portals/1/2023/Politics Policy/DavisBacon/ABC Prevailing Wage Davis Bacon Studies Summary Updated January 2023.pdf](https://www.abc.org/Portals/1/2023/Politics%20Policy/DavisBacon/ABC%20Prevailing%20Wage%20Davis%20Bacon%20Studies%20Summary%20Updated%20January%202023.pdf)

⁴ <https://www.abc.org/Politics-Policy/Issues/Project-Labor-Agreements#62839116-studies>

⁵ <https://www.federalregister.gov/documents/2020/07/16/2020-15179/update-to-the-regulations-implementing-the-procedural-provisions-of-the-national-environmental>

⁶ <https://www.aei.org/op-eds/unlocking-americas-infrastructure-part-2-removing-nepas-obstacles/>

⁷ <https://www.federalregister.gov/documents/2020/07/16/2020-15179/update-to-the-regulations-implementing-the-procedural-provisions-of-the-national-environmental>



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Countering Unfair Liability Costs

In addition to the litigation costs imposed by environmental groups, some forms of road transportation currently face inflated costs due to uneven liability rules. The Graves Amendment in 2005 established that the owner of a rental vehicle cannot be held liable for damages or injuries that occur during a rental solely on the basis of owning the vehicle. This added layer of protection provided a stable environment which allowed for the growth of the car rental industry and lowered costs for consumers.

Congress can build on the success of the Graves Amendment by expanding its scope to also encompass peer-to-peer (P2P) car sharing, where individuals rent their personal vehicles to others through an online platform. The P2P model currently exists in a legal gray area, and Congress clarifying that the Graves Amendment also applies to owners of vehicles in the P2P system can help lower costs and avoid unnecessary litigation.

Standing Strong Against Tax Increases

Congress should reject any proposed tax increases or new fees within the surface transportation reauthorization. Some groups have encouraged the implementation of higher gas taxes or the imposition of new registration fees on vehicle purchases. These proposals would significantly increase the cost of traveling by car or truck, making transportation more expensive for both passengers and freight.

Instead of raising taxes on Americans, Congress can shore up the Highway Trust Fund (HTF) by eliminating the diversion of HTF funds to other projects such as mass transit or environmental projects.⁸ The 2023 Republican Study Committee Budget recommended phasing out the Mass Transit Account altogether.⁹ Key reforms outlined above to eliminate the costs of Davis-Bacon regulations, project labor agreements, and overly burdensome environmental reviews can also provide a path toward solvency for the HTF.

As you work toward finalizing the surface transportation reauthorization legislation, I hope you will consider these priorities to protect taxpayers and strengthen America's transportation system.

Onward,

Grover Norquist
President, Americans for Tax Reform

⁸ <https://atr.org/politicians-claim-highway-trust-fund-broke-spend-money-squirrel-sanctuaries-and-bike-paths/>

⁹ https://henn.house.gov/uploadedfiles/rsc_blueprint_to_save_america.pdf