



**U.S. Senator Cindy Hyde-Smith (R-Miss.), Chair
Senate Transportation, Housing and Urban Development, and Related Agencies
Appropriations Subcommittee
Hearing to Review the FY2027 Budget Request for the U.S. Department of Transportation
3:30 p.m. EST, May 19, 2026**

Thank you for being here today. We got tied up at the White House, and I'm sorry for the delay. I truly apologize for that. But I'm delighted to welcome you back, Mr. Secretary, to testify before the subcommittee on the President's Fiscal Year 2027 budget request for the department.

And thank you for your team and your continued partnership, and I certainly look forward to working together to ensure we meet the nation's infrastructure and transportation needs at such a pivotal point. And I'm also pleased to be joined by our Ranking Member, Senator Gillibrand, who has been a great partner in writing and passing FY 2026 THUD appropriation bill into law.

I hope to build on that success through continued bipartisan collaboration as we craft this next fiscal year 2027 bill. Every fiscal year is different and comes with its own set of challenges. Notably, the IIJA advance appropriations will sunset at the end of this fiscal year, which may leave significant gaps in funding for crucial infrastructure and needs across the transportation modes.

I've heard from many of my constituents across my home state of Mississippi about the need for continued investment in our surface, aviation, maritime, and safety projects. I look forward to this subcommittee playing a vital role ensuring we continue to meet many of these targeted investments through our annual appropriations bills.

While I'm encouraged by several items in the budget that I will get to in a moment, there are several areas that cause concern. As I shared with you last year, I remain disappointed in the department's proposed cuts to the Essential Air Service program. The EAS program is critical to connecting our nation's rural communities like those in Greenville, Tupelo, Meridian, and Hattiesburg, Mississippi, to the broader transportation network.

Mr. Secretary, as a former member of Congress with multiple EAS airports in your district at that time, I know you understand the importance of this program in supporting rural communities with dependable commercial air service. Significant funding cuts would jeopardize economic development and threaten jobs in local communities across the country, as this program supports more than 170 small and rural communities across 35 states.

I'm also concerned about the administration's proposed elimination of funding for the BUILD competitive grant program. The BUILD program is necessary to support multimodal and multi-jurisdictional projects across the country that are more difficult to fund through other grant programs. BUILD grants are especially impactful in rural America, where most of our road miles exist, and as a result, so do many of our nation's safety and mobility challenges.

For example, just last year, this administration awarded \$21.3 million through the BUILD program for a project I supported and advocated for, the US 49 and Mississippi 13 interchange project in Simpson County, Mississippi. Investing in rural America through programs like BUILD fosters economic growth, connects rural residents to essential services like schools and hospitals, and improves the quality of life for communities that may lack the resources necessary for infrastructure improvements.

Notably, I was also disappointed in the absence of your surface transportation reauthorization proposal in your FY 2027 budget. As the department is ultimately the one who carries out the programs created and funded by Congress, your expertise is necessary to help inform this body's decision making as we write our annual FY 2027 bill. I hope you and your team will work with us during this process.

Now for the good news. Let's first talk about aviation. Mr. Secretary, last year you testified before this subcommittee about the need for significant federal investment to modernize our air traffic control system, and I am proud to say this committee delivered and provided \$4 billion in FY2026 for the FAA Facilities and Equipment programs, which includes funding ATC modernization efforts and builds on the down payment Congress provided through the 2025 reconciliation bill.

While this was certainly a monumental step in the right direction, you and I know that there's more work to be done. I will look forward to you sharing with this committee updates on the department's implementation of this critical modernization funding, and how additional resources will help deliver the world's safest and most advanced aviation system.

I was encouraged to see the department's \$4 billion request for the FAA Facilities and Equipment program, which includes \$1.5 billion to continue ATC modernization efforts. This funding would provide our air traffic controllers with modern display systems at more than 400 airports across the country, supporting transitioning legacy automation systems to a modern common automation platform and alleviating airspace constraints to reduce delays, among other things.

I look forward to partnering with you, Mr. Secretary, to ensure we continue to build the safest and most efficient ATC system in the world and improve the customer experience for all flying passengers. I also want to commend you, Mr. Secretary, for your leadership in addressing the shortage of air traffic controllers, and I support the FY2027 budget proposed to fund the FAAs ongoing surge to hire and train the next generation of controllers.

On another important topic, I am pleased to see the FY2027 budget include funding for the Federal Railroad Administration's CRISI and Rail Crossing Elimination grant programs. As this administration prioritizes safety and efficiency improvements across our nation's entire transportation network, these two FRA grant programs are critical to ensuring the safe

transportation of people and goods on freight and passenger rail lines while also addressing safety challenges with rail grade crossings.

These programs, like the previously mentioned BUILD program, have such a profound and direct impact on local communities by bolstering national supply chains, reducing congestion, and making the overall rail network safer and more efficient.

Mr. Secretary, I'm also encouraged by your strong statements of support and the department's actions to invest in our domestic shipbuilding industry.

As you know, Mississippi and its shipbuilding capabilities are well-positioned to support the administration's agenda to restore America's maritime dominance by returning critical shipbuilding programs to experienced American-owned hands. I am pleased the department's budget once again proposes significant investments in PIDP and small shipyard grant programs.

These grants will help improve in-house shipbuilding capabilities, support the commercial and defense industries, improve supply chains, and stimulate economic growth in and around ports while improving both safety and efficiency.

Finally, we need to make sure that our appropriations bill strikes a balance to meet the needs of all Americans, especially those in rural communities, which face unique transportation and economic development challenges.

We will work through these challenges to produce a bipartisan product worthy of Senate consideration. And as I've said many times, I believe that our funding decisions should be guided by fiscal responsibility with the taxpayers in mind.

Secretary Duffy, I look forward to hearing from you and working together for the American people to ensure that we have the safest, most reliable transportation network in the world.

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