

Now & Next

Infrastructure Alert

April 22, 2026

USDOT “Freedom to Drive”: P3s take center stage in federal highway congestion strategy

By Roderick N. Devlin

USDOT’s new Freedom to Drive Initiative puts public-private partnerships (P3s) at the center of a national push to clear highway bottlenecks.



What’s the impact?

- States are being asked by the USDOT to rapidly identify their worst chokepoints and deliver actionable improvement plans, which could translate into near-term P3 procurements.
- For developers, investors, and lenders, the initiative increases the likelihood of federal credit support (including via the Build America Bureau/TIFIA), with more standardized value-for-money analysis improving deal predictability.
- The administration’s explicit endorsement of “choice lanes” and dynamic pricing provides political and commercial momentum for tolled managed-lane structures, making the embrace of such structures a near-term differentiator for state DOTs and bidders.

On April 20, 2026, US Department of Transportation (USDOT) Secretary Sean P. Duffy and the Federal Highway Administration (FHWA) launched the Freedom to Drive Initiative, a national effort calling on states to collaborate with the federal government to eliminate traffic bottlenecks across America. The announcement is significant for public and private infrastructure stakeholders alike: it places public-private partnerships (P3s) squarely at the center of the administration's congestion-relief agenda and signals an expanding pipeline of federally supported highway and managed-lane projects that will require private capital, innovative financing, and sophisticated procurement structures.

What the Freedom to Drive Initiative does

The Freedom to Drive Initiative asks each state governor to identify two to five of the state's worst congestion bottlenecks and to develop actionable plans to address them in partnership with USDOT. The initiative is built on three pillars:

- / Maximizing existing roadway capacity
- / Fast-tracking projects that alleviate congestion chokepoints, and
- / Leveraging American technology and private-sector partnerships

Secretary Duffy's related April 20 letter to state governors emphasized the administration's commitment to moving away from what it characterized as "stop-and-go" policies and toward "high-performance, high-efficiency solutions."

Deputy Transportation Secretary Steven G. Bradbury framed the initiative as a model for "public and private sector collaboration to bring real relief to American families," while FHWA Administrator Sean McMaster called on every governor to join the effort, emphasizing "local solutions that serve all road users, instead of federal bureaucrats favoring one mode of travel over another."

To support state efforts, FHWA has launched a dedicated Freedom to Drive website as a central resource for technical tools and congestion-relief strategies.

THE SCALE OF THE HIGHWAY CONGESTION PROBLEM, AND THE INFRASTRUCTURE DEVELOPMENT/INVESTMENT OPPORTUNITY

The USDOT's data underscores the magnitude of the congestion challenge and, by extension, the scale of the opportunity for P3 delivery:

America is home to 10 of the 25 most congested cities in the world. In 2024, the average urban auto commuter spent 63 hours stuck in traffic, translating to an estimated \$269 billion in lost productivity nationwide. The congestion problem is not limited to major metropolitan areas; rural

communities also face transportation disruptions from crashes, severe weather, and recreational travel.

USDOT estimates that rebuilding America's aging highway infrastructure will cost nearly a trillion dollars. The announcement explicitly states that "leveraging private sector partnerships allows taxpayer dollars to go further while delivering new transportation infrastructure safely and efficiently." This scale of infrastructure funding underscores the central role that P3s are expected to play in the nation's transportation future.

THE GEORGIA SR 400 EXPRESS LANES PROJECT: A P3 BLUEPRINT

The FHWA announcement highlights the Georgia SR 400 Express Lanes P3 Project as a model for the kind of state-federal-private partnership the Freedom to Drive Initiative is designed to encourage. In August 2025, USDOT announced a Build America Bureau loan of up to \$3.89 billion to a P3 among the Georgia Department of Transportation (GDOT), the State Road and Tollway Authority (SRTA), and SR 400 Peach Partners, LLC. The project will add new express lanes in both directions along a 16-mile section of SR 400.

The projected results illustrate the kinds of outcomes the administration intends to replicate nationwide: a reduction in delays of over 19,000 hours per day, an estimated 8% reduction in traffic incidents, and new bridges and safety improvements. The new express lanes will be tolled using dynamic pricing to manage demand and maintain reliable trip times, while existing general-purpose lanes will remain free—a "choice lanes" model that has proven politically and commercially viable in other P3 managed-lane transactions across the country.

BROADER P3 MOMENTUM AT USDOT: THE TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA), THE BUILD AMERICA BUREAU, AND BEYOND

The Freedom to Drive Initiative does not exist in a vacuum. It is part of a broader and accelerating embrace of P3 delivery by the current administration. In early April 2026, Secretary Duffy publicly endorsed the creation of a dedicated P3 task force or office within USDOT, stating that "[w]e needs private capital." *The Bond Buyer* reported that Duffy said he "loves the idea" of setting up a better office to facilitate more P3 projects. USDOT has also recently released final value-for-money guidance for P3 transactions, providing states and their private partners with a more predictable analytical framework for evaluating P3 delivery options.

Taken together, these developments suggest that the federal government is positioning itself not merely as a funder of highway projects, but as an active facilitator and partner in P3 transactions, through TIFIA and other Build America Bureau credit programs, through streamlined environmental review and permitting, and through technical assistance to states evaluating P3 procurement.

What the Freedom to Drive Initiative means for infrastructure developers, investors, and state DOTs

The Freedom to Drive Initiative should be closely watched by state DOTs, infrastructure developers, equity investors, lenders, and their advisors. Several practical implications stand out.

- / **A growing project pipeline.** With governors now asked to identify their worst bottlenecks and develop actionable plans, the initiative could produce a near-term pipeline of candidate projects across the country, many of which will be strong candidates for P3 delivery, particularly managed-lane, express toll lane, and congestion-priced corridor projects.
- / **Federal credit support.** The GDOT SR 400 project demonstrates that the Build America Bureau is prepared to deploy substantial TIFIA and other credit assistance to support P3 transactions. States responding to the Freedom to Drive Initiative should consider engaging early with the Bureau on credit eligibility and structuring.
- / **Emphasis on tolling and dynamic pricing.** The initiative's embrace of dynamic pricing, as a demand-management tool (with free general-purpose lanes alongside tolled express lanes), provides political cover for states that may have been hesitant to pursue tolled P3 models. The "choice" framing is deliberate and likely to be widely replicated.
- / **Procurement and legal readiness.** States that respond to Secretary Duffy's call will need enabling legislation (in states that do not already have P3 authority), well-structured procurement frameworks, experienced advisors, and sophisticated risk-allocation strategies. The window between gubernatorial identification of priority bottlenecks and federal engagement may be short, and states that are already P3-ready will have a significant advantage.
- / **Private capital positioning.** For infrastructure developers, funds, and construction firms, the Freedom to Drive Initiative signals the time to begin evaluating potential project opportunities in states likely to respond to it. Relationships with state DOTs and toll authorities will be critical.

Conclusion: A new era for P3s in US highway infrastructure

The USDOT Freedom to Drive Initiative is the clearest signal yet that the current administration views P3 delivery as a core tool, not a secondary option, for addressing the nation's highway infrastructure needs. With nearly a trillion dollars in estimated infrastructure costs and a federal government that is actively encouraging private-sector participation through TIFIA loans, Build America Bureau credit support, and streamlined procurement guidance, the stage is set for a significant expansion of the P3 highway and managed-lane sector.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

Roderick N. Devlin

212.940.3737

rdevlin@nixonpeabody.com

