



April 30, 2025

The Honorable Sam Graves
Chair
House Committee on
Transportation and Infrastructure
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
House Committee on
Transportation and Infrastructure
Washington, DC 20515



Dear Chair Graves and Ranking Member Larsen:

The Local Officials in Transportation (LOT) coalition appreciates your ongoing leadership and the House Committee on Transportation and Infrastructure's steadfast commitment to supporting effective transportation solutions for our nation.



Our coalition is made up of the organizations representing metropolitan planning organizations (the Association of Metropolitan Planning Organizations); counties, boroughs, and parishes (the National Association of Counties); economic development organizations and rural transportation planning organizations (the National Association of Development Organizations); regional planning organizations (the National Association of Regional Councils); cities, towns, and villages (the National League of Cities); and mayors (the U.S. Conference of Mayors).



The LOT Coalition amplifies the voices of thousands of organizations and individuals across the nation with a vested interest in the long-term success of our transportation system. Together, our members own, maintain, plan for, support and fund millions of road miles and hundreds of thousands of bridges.



As a part of our work, we advocate in Washington for federal policy priorities that recognize the pivotal role that local organizations play in our national transportation system and that make it easier for communities to develop, plan for, and build infrastructure that connects people, neighborhoods, and businesses.



As we approach the end of the Infrastructure Investment and Jobs Act (IIJA), we have an opportunity to reflect on what worked in that legislation, as well as identify areas for new policies that can even better support our transportation system.

To that end, we respectfully request your consideration of the following policy priorities as you work together to draft and develop the next surface transportation legislation.

1. Streamline Delivery of Key Formula Funds Directly to Regional Organizations and Local Governments

America's local governments and regional planning organizations play an integral role in our nation's transportation system, planning, coordinating, and delivering projects that keep communities connected and regional economies thriving. Regional planning organizations develop comprehensive plans and allocate federal highway and transit funds, while local governments own and maintain roughly 75 percent of our roads (3.1 million miles) and approximately half of the nation's bridges.

In today's evolving economy, cities, counties, and regions are the engines underpinning national efforts to revitalize manufacturing, onshore industries, and increase economic output. However, without continued federal investment, local and regional governments could face nearly \$100 billion in lost federal funding, threatening progress, stability, and economic growth.

To sustain momentum, Congress should first guarantee predictable formula funding, ensuring baseline support and allocating a greater share of federal funds to regions to advance transportation priorities in communities that keep the nation's economy moving forward. Additionally, Congress should preserve federal funding for key discretionary grant programs (see Proposal #2). Specifically, the Safe Streets and Roads for All program, the competitive Bridge Investment Program, and transportation technology and innovation funding are significant areas where local and regional organizations can be integral partners to meet national transportation goals.

Congress should also provide long-term, sustainable funding for public transit and support recovery, innovation, and the sector's critical role in the U.S. economy, employing over 430,000 workers directly. Additionally, for intercity passenger rail, Congress should reauthorize key programs like Amtrak funding, the Federal-State Partnership for Intercity Passenger Rail program, and the Corridor ID Program, maintaining strong, predictable investment levels to meet growing demand for new and expanded services. Advance appropriations or other multi-year funding structures will be critical to providing stability for future rail investments.

A. Changes to Formula Funding

Local governments and regional organizations see firsthand where pavement is cracking, bridges are aging, and traffic patterns are shifting. Local and regional leaders identify community-specific challenges and understand the unique needs that vary block-by-block, expanding across entire counties and regions. This attention allows them to translate federal investments into clear benefits for residents like safer streets, smoother commutes, connections to good paying jobs, and resilient corridors that bolster economic opportunity. Yet too often, federal formula funding Congress provides to support this essential work gets stuck in lengthy approval chains and administrative hurdles, delaying projects, driving up costs, and leaving communities desperate for critical repairs and upgrades.

The LOT Coalition proposes legislative changes that cut through bureaucratic red tape by ensuring that Federal Highway Trust Fund formula dollars that Congress intends for regions

and localities reach those areas directly and are available without unnecessary delays. This direct allocation ensures that local and regional leaders can deliver smarter planning, quicker project development, and better transportation projects that advance national transportation goals.

The LOT Coalition proposes that the share of formula programs that Congress intended for local decision-making through the regional planning process should be sent directly to metropolitan planning organizations (MPOs) covering Transportation Management Areas (TMAs) with an opt-out option.¹ These programs include the Metropolitan Planning Program (see Proposal #3), Surface Transportation Block Grant Program, Congestion Mitigation and Air Quality Improvement Program, Carbon Reduction Program, and Highway Safety Improvement Program.

For MPOs without TMAs and RTPOs, the LOT Coalition proposes that funding continue to go to the states. However, for funding obligated within areas of 50,000-200,000 people, a state shall only fund projects that are locally selected through the MPO process and the state shall not influence that decision in any way other than to provide technical assistance or as otherwise requested. For funding in an area with a population under 50,000, the state shall consult with the federally designated RTPO that represents that area, if there is one.

The LOT Coalition also asks that Congress continue the Bridge Formula Program and give local decision makers more control over those funds. Local governments own approximately half of all bridges in the country, and locally owned bridges are twice as likely to be in “poor” condition as a state-owned bridge. Federal efforts to help locally owned bridges have often come through assistance for “off-system” bridges, or bridges not on the Federal-aid Highway System.

However, locally owned and off-system are not synonymous, with 27 percent of bridges owned by local governments being on the Federal-aid Highway System. Additionally, State DOTs own approximately 17 percent of off-system bridges. Giving locals more control over these dollars will ensure that they are used for the bridges that need it the most.

Federal transportation formula funds intended for local and regional use should be awarded solely to projects approved through the federally mandated, publicly vetted Transportation Improvement Program (TIP) selection process, ensuring that investments reflect genuine community priorities and advance national objectives. Although MPOs already prioritize projects in their TIPs, too often that process is bypassed. Strengthening the link between planning, project selection, and funding will guarantee federal dollars effectively address both local/regional needs and national goals.

Recommendations for Formula Programs

- **Direct Suballocation of Federal Funds to Metropolitan Planning Organizations (MPOs) with TMAs:**

¹ An urbanized area with a population over 200,000, as defined by the Bureau of the Census and designated by the Secretary of the U.S. Department of Transportation, is called a Transportation Management Area (TMA). [Source: Federal Transit Administration](#)

- Directly allocate a portion of key highway program funds to MPOs with Transportation Management Areas (TMAs) based on each MPO's share of its state's total TMA population.
 - Congress should directly suballocate to said MPOs the shares of formula funding that it intended for local decision making through the regional planning process. Those programs include:
 - Metropolitan Planning (PL)
 - Surface Transportation Block Grant Program (STBG)
 - Highway Safety Improvement Program (HSIP)
 - Congestion Mitigation and Air Quality (CMAQ)
 - Carbon Reduction Program (CRP)
 - Congress should continue the Bridge Formula Program (BFP) created under the Infrastructure Investment and Jobs Act (IIJA) and fold it in among the other programs above as a locally suballocated program.
 - MPOs that do not wish to directly manage funds may opt out. For MPOs that opt-out of direct suballocation, funding intended to go to that area shall continue to be provided to the State, but shall be allocated in the metropolitan area that funding was intended for and the MPO shall have project selection priority.
- **Strengthening Local Coordination**
 - Direct allocation will only occur for MPOs with TMAs. Otherwise, funds will continue to go to the states for distribution through the existing process, but with strengthened requirements for local coordination, including the project selection process.
 - For funding from the above-mentioned programs (STBG, PL, CMAQ, CRP, BFP, HSIP) obligated by states to areas **between 50,000 and 200,000** (i.e. MPOs without TMAs), the state shall only fund projects that are **locally selected through the MPO process**, and the State shall not influence that decision in any way other than to provide technical assistance or as otherwise requested.
 - Before a state obligates any funding from the above-mentioned programs (STBG, CMAQ, CRP, BFP, HSIP) to an area with a population **less than 50,000**, a State shall coordinate with the regional transportation planning organizations that represent the area, if one exists.
 - **Requirements and Accountability**
 - Suballocated funds must be used according to the purpose of their original program (e.g., STBG, HSIP, CRP, PL, CMAQ, BFP).

- MPOs must select projects through a performance-based planning process tied to national goals and must also consider regional competitiveness, regional diversity, and land use and involve local officials and transit agencies.
- MPOs may establish competitive processes through which local governments submit projects scored against clear performance metrics.
- MPOs must publicly post a list of selected projects, explaining how each project advances national goals.
- Congress should also allow MPOs and RTPOs to carry over unobligated funding from one fiscal year to the next by aligning obligation and contract authority enabling more effective long-term planning and project execution, creating a thoughtful sequence of both large and small investments.
- Congress should not allow states to transfer sub-allocated funds for any purpose.

B. Changes to Formula Funding: Safety

The addition of the Safe Streets and Roads for All (SS4A) in the IIJA has proven to be an effective safety program to address America's road safety crisis but could be delivered more efficiently via formula at the regional level. The addition of SS4A funding and policy intent to HSIP will complement the existing highway safety program.

While HSIP plays a critical role in reducing fatalities and serious injuries, it alone is not sufficient to address the full scope of today's roadway safety crisis. HSIP is primarily state-administered, often reactive in nature, and tends to focus on targeted engineering improvements at high-crash locations. In contrast, the SS4A program fills critical gaps by empowering local and regional governments to proactively develop comprehensive safety action plans and implement a broader range of community-driven safety strategies. SS4A investments allow communities to identify and address systemic safety risks, not just respond after crashes happen. SS4A's local and regional empowerment, flexibility, and focus on preventative planning is critical for addressing emerging safety challenges before they become tragedies.

Together, HSIP and SS4A form complementary pillars of a stronger, more proactive national safety framework that delivers life-saving investments where they are needed most. Integrating the best elements of both programs and funding, while preserving regional and local access, ensures that federal policy supports not only traditional highway safety but also safer streets in all communities.

Recommendations for Safety Programs:

- Congress should grow HSIP by \$2 billion annually and set that amount aside to deliver an expanded SS4A program for distribution directly to the metropolitan and rural transportation planning organizations within the state based on the most recent data (e.g. FARS, close calls, etc.) and solicit projects to make safety capital improvements in alignment with their safety

plans and best practices. Legislatively, this could be structured similarly to how HSIP sets aside funding for the Railway-Highway Crossings Program [23 U.S.C. 130(e)(1)].

- Any metropolitan and rural transportation planning organization that does not have a recent comprehensive safety action plan may use a percentage of their area's safety funding to complete their safety plan while also soliciting projects from political subdivisions of the state with comprehensive safety action plans in place to advance safety capital projects.
- Any metropolitan and rural transportation planning organizations with SS4A funding may engage with a member that is a political subdivision of the state (e.g. city or county) to conduct part or all the capital management or retain outside services (e.g. engineering or safety firms) to conduct this work. Congress should not allow states to transfer sub-allocated funds for any purpose.

C. Changes to Formula Funding: Innovation

As federal policy evolves to incorporate emerging technologies, it is critical that any new funding programs are structured to empower regions and locals directly. Suballocating funds to metropolitan areas and local governments ensures that investments are responsive to on-the-ground needs, encourage regional innovation, and align technology deployment with broader transportation planning and community goals.

Regions are at the forefront of managing complex, multimodal systems and face growing demands for real-time data, cybersecurity protections, and technology integration. Yet many lack the dedicated resources needed to invest in emerging tools, build technical capacity, and manage increasingly sophisticated datasets.

Recommendation for Innovation Programs

- Congress should direct any innovation dollars to regions to advance innovation and technology across the full network, allowing them to deploy smart infrastructure solutions that improve safety, efficiency, and resilience across diverse communities.

2. Maintain Competitive Federal Funding Access for Local Governments and Regional Organizations

Local governments own and maintain roughly 75 percent of our roads and nearly half of our bridges, and they are now core partners in thousands of competitively awarded transportation projects across the country supported by federal discretionary funding to make America safer, better connected, and more economically competitive. Expanding competitive access to transportation funding has been transformational for big and bold infrastructure projects as well as economically transformative projects across the country for more than a decade with the BUILD program, and several IJIA programs followed this model.

We urge Congress to not remove competitive discretionary grants, especially without adding eligibility and access for local governments and regions within existing formula programs. Doing

so would create a devastating loss of access to federal funding for cities, counties, and regional organizations across the country.

Specifically, the BUILD Program, Safe Streets and Roads for All program, the Bridge Investment Program, Rail Crossing Elimination Program, and transportation technology and innovation programs like SMART are all programs where competitive access to discretionary programs allows the federal government to make significant investments with limited funding available and enables local and regional organizations to be effective partners to meet national transportation goals.

Recommendations:

- Congress should maintain access to federal grant programs for cities, counties, and their regional organizations in all available competitive discretionary programs.
- Reduce the administrative burden of applying for and executing federal discretionary grants throughout the full life cycle of grants.

3. Strengthen Transportation Planning, Performance, and Project Delivery Overview

Planning is the foundation of effective project delivery: it builds consensus, guides the selection of high-impact investments, provides transparency on decision-making, and streamlines development. This assures taxpayers that every dollar is wisely spent. Clear visibility into how funds are allocated and spent builds public trust and enables policymakers and practitioners to adjust strategies in real time, ensuring investments remain aligned with our shared national goals.

Metropolitan Planning (PL) funds are the core source of federal financial support for MPOs to conduct transportation planning required under federal law, including long-range plans, transportation improvement programs, public engagement, and performance-based planning. Over the years, the share of PL funding relative to total federal surface transportation funding has not kept pace with the increasing planning demands placed on MPOs.

While MPOs have risen to the challenge and become vital conveners for regional collaboration across a variety of regional issues, PL funds today account for less than 1 percent of formula apportionments. Increasing PL funding would ensure that MPOs have sufficient, stable, and flexible resources to meet federal requirements, deliver better transportation outcomes, and effectively engage the public. Additional resources are also critical to support growing demands for data collection, performance measurement, and the integration of new technologies and innovations into the transportation planning process.

Recommendations:

- Congress should increase Metropolitan Planning (PL) funds in Section 104 to **3%** of the amount remaining after distributing Surface Transportation Block Grant (STBG) and

Highway Safety Improvement Program (HSIP) funds. Increased planning funds for MPOs [and RTPOs] empowers them to set clear safety, mobility, and asset-management goals and articulate a coherent vision for local, regional, and national investments, while also making investments in innovation.

- Congress should allow MPOs and RTPOs to carry over unobligated funding from one fiscal year to the next by aligning obligation and contract authority. Allowing MPOs to retain unspent federal funds will facilitate more effective long-term planning and project execution, creating a thoughtful sequence of both large and small investments.

4. Dedicated Formula Funding for Rural Transportation Planning

While the Moving Ahead for Progress in the 21st Century Act (MAP-21) recognized Rural Transportation Planning Organizations (RTPOs) as part of the federal transportation planning framework, it did not provide any dedicated funding to support their work. Today, more than 300 RTPOs across the country conduct critical transportation planning activities for rural regions, including developing long-range plans, identifying project priorities, coordinating with local governments, supporting economic development goals, and ensuring rural voices are included in state and federal decision-making.

Unlike MPOs, which receive PL funds, RTPOs must rely on inconsistent, piecemeal funding sources, making it difficult to sustain operations or build the technical capacity needed for effective regional planning. Rural communities face increasing infrastructure needs, safety challenges, and demands for connectivity.

Recommendation:

- Congress should establish a separate, formula-based program modeled on the PL funds allocated to MPOs, that provides funding to RTPOs. Providing RTPOs with a reliable funding stream will strengthen rural transportation planning, improve project delivery, and ensure more equitable access to federal investment across all parts of the country.

5. Streamline Environmental Processes and Permitting for Smaller Projects and Rebuilding

America's infrastructure environmental processes require streamlining, and Congress should establish an expedited, flexible environmental review and permitting pathway, particularly for smaller-scale transportation projects and projects that are rebuilding in the existing and established right-of-way that would lead to safer outcomes for transportation users. For many transportation projects arriving at a categorical exclusion is highly likely, but each project must move through the current burdensome process, wasting time and resources. Prioritizing early coordination and standardizing documentation can help accelerate project delivery without compromising essential environmental protections. By streamlining the environmental and permitting process, Congress can ensure federal investments yield timely, cost-effective transportation infrastructure improvements.

Recommendation:

- Congress should establish an expedited environmental review and permitting pathway, particularly for smaller-scale transportation projects and projects that are rebuilding in the existing and established right-of-way.

We appreciate your consideration of these proposals and would welcome the opportunity to share additional information or discuss them further.

Sincerely,

The Local Officials in Transportation Coalition



National Association of Counties



Association of Metropolitan Planning Organizations



National League of Cities



National Association of Development Organizations



U.S. Conference of Mayors



National Association of Regional Councils