



**SURFACE TRANSPORTATION REAUTHORIZATION PRIORITIES FOR THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HIGHWAYS AND TRANSIT SUBCOMMITTEE**

AND

RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS SUBCOMMITTEE

APRIL 30, 2025

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:**
 - 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.

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](#)

- 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 IIJA 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.

6. Support for Sufficient Revenue and Appropriate Distribution

NLC supports the preservation of current federal fuel and other user fees to fund the Highway Trust Fund (HTF) and encourages Congress to raise sufficient revenue through new and expanded user fees. The following principles should guide federal efforts to achieve this objective:

1. *Reliability*: Revenue streams must be reliable and sufficient to meet the diverse and growing transportation infrastructure needs of the nation.
2. *Revenue Generation*: Able to generate more revenue than collected currently.
3. *Administrative Ease*: Improve administrative ease, effectiveness and efficiency.
4. *Seamless Transition*: Provide for a seamless, gradual transition to ensure stable revenue collections, tax fairness, administrative ease, and policy stability.
5. *Technology Improvements*: Fuel-efficient vehicles can be offset with alternative revenue sources, but revenue stability should be balanced with encouraging reductions in vehicle emissions.
6. *Privacy*: Integrate reasonable privacy protections.
7. *Fairness*: No single segment of the population bears an inequitable financial burden.

New revenue proposals must also come with more appropriate federal distribution because locally-owned and maintained roads make up 75% of road miles and host 34% of all vehicle miles traveled in the U.S. while [only a meager 16%](#) of state and federal transportation funding comes back to this large part of the nation's road network. Balancing both sufficient revenue and better distribution are necessary.

7. Continued Support for Public Transportation

Mobility is central to individual prosperity, as well as to commerce and to the growth of communities. Public transportation can contribute to the viability of the nation's cities by helping to reduce congestion, protect the environment, stimulate economic development, and create employment opportunities. Transit investment is in the national interest especially where it alleviates congestion and increases economic productivity. To that end, NLC supports the recommendations of America's 6,800 organizations that provide public transportation and serve American communities of all sizes.

8. Planning at the Ground Level for Advanced Aviation

Congress should establish a competitive regional ground-to-air transportation planning program to begin to align advanced air mobility (AAM) integration planning into existing ground-based, long-term surface transportation plans. By developing local AAM operational ground concepts and planning for future capital needs, cities and towns can bring separate transportation mode-based plans together to more quickly integrate the land-to-air services that meet pressing community needs like emergency response, essential air service and remote air delivery.

9. Modernize the MUTCD for Practitioners and Encourage Innovation

The federal Manual on Uniform Traffic Control Devices (MUTCD) must be modernized as a trusted resource for federal, state and cities' transportation personnel to select appropriate road safety devices for all road types. Congress should establish a federal advisory rulemaking committee to recommend changes to the MUTCD in lieu of any entity having preferential access or treatment. FHWA can also provide MUTCD experimentation funding for grantees for new and lower cost materials to be tested and incorporated expeditiously with positive results.

10. Support for Rail Safety and Improvement

The U.S. has made tremendous progress on forward-looking passenger rail investments and improvements for the safe and efficient movement of freight rail through the IIJA, and we encourage Congress to build on that momentum. More than 12,000 cities, towns and villages across the country are impacted by our nation's 140,000-mile rail network crossing through neighborhoods and downtowns. Unfortunately, [more than 4,000 trains have derailed since 2020 with nearly 70 percent of derailments happening in cities](#). The Norfolk Southern train derailment in East Palestine, Ohio, was a jarring reminder for all local governments of how quickly any one of these rail incidents in their backyards can dissolve the economic potential of the communities they represent and serve. Unlike other modes of transportation, Congress is the only entity with authority to establish the safety improvements that are needed and to ensure the safety of the rail system for American communities, emergency first responders, rail workers, and railroad customers.

To advance the safety and efficiency of the nation's rail system in coordination with road and pedestrian systems, we request the following rail priorities be included in the surface transportation reauthorization:

- **Provide Long-Term Rail Funding Certainty:** Almost all other modes of transportation benefit from the long-term budgeting certainty of federal Trust Funds – the Highway Trust Fund, Airports Trust Fund, Harbors Trust Fund, and Waterways Trust Fund, but rail does not have access to a federal trust fund. However, in the IIJA, Congress used advance appropriations to provide multiyear certainty for passenger and freight rail projects in a similar manner to a federal trust fund. NLC supports creation of a rail trust fund, allowance of rail in an existing trust fund, or continued use of advance appropriations that can ensure multi-year rail investment that aligns with the necessary capital construction demands of infrastructure projects. We also encourage Congress to not waste the investment momentum of the Corridor Identification and Development (Corridor ID) program, especially in areas where highways alone cannot meet demand and ease congestion.
- **Invest in Rail Crossing Improvements:** The Rail Crossing Elimination (RCE) program has proven incredibly valuable for communities to work directly with railroads to complete rail improvement projects and improve the flow of rail traffic and local transportation traffic at crossings and should be prioritized in a limited funding environment. Planning eligibility is an essential part of the RCE program to develop viable capital projects. Eligibility should also be clarified to ensure that pedestrian access bridges and bridge modifications can be included in these grants. Notably, the Safe Streets program could also include pedestrian rail crossing eligibility.
- **Lower the Cost of Rail Infrastructure Materials and Structures:** The costs for rail crossing infrastructure improvements have [increased by double](#) along with often volatile railroad project expenses. Congress should provide innovation and experimentation funding for new and lower cost materials to be tested and incorporated into the rail section of the Manual on Uniform Traffic Control Devices (MUTCD) by encouraging states to use Section 130 program funds or providing additional funds for this purpose. Additionally, FRA should be empowered with investment tools for encouraging innovative technology in rail on a range of warning devices and crossing designs that use human factors science for limiting pedestrian and rail interaction including quick-build pedestrian bridge structures.
- **Modernize Safety Data and Blocked Crossing Reporting:** The Bureau of Transportation Statistics, FRA, FHWA and NHTSA should be tasked to integrate all federal and state [rail](#) crossing and road safety data and planning efforts into publicly available safety dashboards that solicit public input and allow for improved Congressional oversight and research on transportation safety. Because blocked crossings create safety incidents, train operators should be required to provide FRA a standardized report for all stoppages exceeding an hour in length or alternatively, empower states to collect crossing data and enforce blocked crossing incidents as they would on any other mode of transportation. All rail data that is collected in a standardized

manner should be able to be utilized by federal agencies to inform safety and regulations without exception.

- **Adopt and Fund Expert Recommendations on Rail Safety:** The National Safety Transportation Board has provided expert analysis and recommendations to Congress on the East Palestine derailment and [many other important and revealing rail safety incidents](#) that should be followed to ensure we respond to the safety gaps exposed and that we make the most of taxpayer investment to have independent safety analysis. Notably, this includes vent-and-burn and bearing failure research, retiring DOT-111 tank cars as soon as possible, communication and preparation for emergency responders to be able to confirm the contents and consist of the train, and much more. Many of these solutions are found in bipartisan rail safety legislation before the Committee.

11. Support for Pipeline Safety

NLC also supports the inclusion of pipeline safety improvements being included in upcoming legislation. Our nation's pipelines keep hazardous materials off of our roads, waterways, and rail lines, making those modes of transportation safer for all users. Unremitting attention to the safety of this system is vital to communities, due to the hazardous nature of these materials, the proximity of many pipelines to homes and businesses, and the potential environmental impacts of any failure in the system. To that end, we support the continuation of the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant program and flexibility for states and local governments to impose and enforce safety requirements beyond federal requirements when they determine it is necessary.