

August 20, 2025



The Honorable Sean Duffy
Secretary
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Dear Secretary Duffy,

The Local Officials in Transportation (LOT) Coalition—representing thousands of counties, cities, towns, planning agencies, and regional economic development organizations across the United States—appreciates the opportunity to provide input in response to the U.S. Department of Transportation’s (USDOT) Request for Information [Docket No. DOT–OST–2025–0080] regarding the next surface transportation reauthorization legislation.

As the federal government considers how to better prioritize and deliver the most essential elements of our transportation system, we urge a renewed focus that empowers local governments and regional planning organizations to direct federal dollars to locally led projects that advance national priorities, foster economic development, and improve safety.

Local governments play a pivotal role in maintaining and operating the nation’s transportation system. They own more than 75 percent of the nation’s public road miles, including 44 percent of the federal-aid highway system, nearly half of all bridges, and operate the majority of public transit systems. They also operate many of the airports and seaports that connect communities with the global economy. Yet, nearly all federal formula transportation funding flows to states, and a recent analysis from the Brookings Institution affirmed that only 14 percent of those dollars are then passed through to local entities.

This imbalance between infrastructure ownership and access to federal capital has real consequences. When communities lack both adequate access to federal funding and a meaningful voice in how those dollars are prioritized, project delivery faces unnecessary delays, purchasing power erodes due to inflation, and opportunities for economic growth, enhanced safety, and improved quality of life are lost.

The current approach also runs counter to long-standing congressional intent. Since the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA, PL 102-240) in 1991, Congress has directed state departments of transportation to meaningfully coordinate with local and regional partners in the planning and programming of federal transportation

dollars. While federal law requires coordination with Metropolitan Planning Organizations (MPOs) and, to a lesser extent, Regional Transportation Planning Organizations (RTPOs), states retain control over the timing of funding obligation for regionally selected projects. In practice, coordination requirements are applied with varying consistency, and opportunities remain to strengthen federal oversight and support for these processes.

When locally owned infrastructure is underfunded or unfunded, the effects ripple through the economy: freight slows, consumer costs rise, safety risks increase, and infrastructure liabilities grow. Delays in project delivery further erode the value of each federal dollar and diminish public trust in government.

To modernize America's surface transportation system, the federal government must strengthen the balance in decision-making by recognizing local governments and regional planning organizations as core partners in implementing the federal transportation program. Drawing on their expertise and close understanding of community needs—and ensuring statutory requirements for coordination are enforced—will help deliver infrastructure that meets the needs of the American people. Building this partnership means providing these entities with the tools, funding, and authority to improve safety, support economic growth, and deliver results.

LOT Coalition Priorities for Surface Transportation Reauthorization

It is time to realign federal transportation policy with the realities of infrastructure ownership and delivery in the United States. Local governments and regional planning organizations are ready to lead. They bring the expertise, accountability, and public trust necessary to deliver investments that are community-driven and nationally significant.

The following priorities for surface transportation reauthorization are rooted in local needs, but their impact extends well beyond jurisdictional boundaries. By empowering the entities that own and manage most of the nation's transportation assets, these policies directly support national objectives: strengthening supply chains, improving freight and goods movement, reducing congestion, enhancing safety, and unlocking economic opportunity in both urban and rural areas. They also align closely with USDOT's policy goals for reauthorization: enhancing safety, accelerating project delivery, promoting economic growth, and strengthening intergovernmental partnerships.

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

The LOT Coalition recommends that the next surface transportation bill expand opportunities for local governments and regional planning organizations to directly control formula-based funding, ensuring that the allocation of dollars better reflects infrastructure ownership. Local and regional leaders consistently demonstrate the capacity to deliver significant projects effectively and efficiently. With deep knowledge of community priorities, technical expertise, and long-term planning perspectives, they are uniquely positioned to ensure investments meet real-world needs and maximize public benefit.

Restoring the intergovernmental coordination envisioned by Congress through regional project selection is essential. Increasing local control, particularly through MPOs and RTPOs, would accelerate project delivery, reduce administrative inefficiencies, and direct resources to the assets most in need of repair or modernization. MPOs and RTPOs must be empowered as true partners in decision-making and project selection, not simply consulted. Federal oversight should ensure that collaboration, coordination, and transparency are the norm. Furthermore, the LOT Coalition recommends the following enhancements to formula programs:

- **Increase funding for the Surface Transportation Block Grant (STBG) program and expand the percentage of suballocation to local areas.** STBG is the most flexible core highway funding program and a vital tool for local governments. These enhancements to the program would better align funding with ownership, improve accountability, and generate higher returns on federal investment.
- **The Safe Streets and Roads for All (SS4A) program should continue as a discretionary program and its intent and eligibilities should be integrated into the Highway Safety Improvement Program (HSIP) formula to preserve local governments' access to this funding.** SS4A's proactive, preventative approach complements HSIP's more reactive model, together forming a stronger, more comprehensive safety framework. Congress and USDOT should continue the SS4A program—with a greater share of funding going towards capital projects—while also amending the HSIP program to allow for local governments and regional organizations to have access to formula dollars in addition to discretionary opportunities.
- **Continue the formula Bridge Investment Program with more local control. Local governments own almost half of all bridges, but locally owned bridges are twice as likely to be in “poor” condition as state-owned bridges.** Granting local governments greater authority over where formula bridge funds are spent will ensure that the bridges that need investment the most receive priority, regardless of ownership.
- **Promote innovation by directing funding to local and regional governments for deploying smart infrastructure solutions that enhance safety, efficiency, and resilience.** Suballocating such funds ensures investments are responsive to on-the-ground needs and support region-specific technology adoption.

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

The LOT Coalition recommends that Congress and the Department of Transportation maintain and expand local and regional eligibility for competitive federal grant programs, while reducing administrative burdens and enhancing technical assistance to ensure equitable access for all communities. Local and regional governments are core partners in thousands of federally funded projects, and preserving their eligibility is essential to meeting national transportation goals. Competitive programs such as the Better Utilizing Investments to Leverage Development (BUILD) program, the SS4A program, the competitive Bridge Investment Program, the Railroad Crossing Elimination Program, and Strengthening Mobility

and Revolutionizing Transportation (SMART) have a proven track record of enabling local governments to make transformative infrastructure investments. These programs not only deliver critical safety, mobility, and economic benefits, but also drive innovation and unlock economic potential in communities of all sizes.

To accelerate project delivery and ensure federal taxpayer dollars achieve the greatest possible impact, the LOT Coalition recommends streamlining the administrative requirements for competitive grant programs and expanding technical assistance, particularly for rural and small communities that often face capacity constraints. Making competitive grant programs more accessible and easier to administer will help ensure their benefits reach the full spectrum of America's communities, from the largest metropolitan areas to the most remote rural regions. While many local governments have successfully navigated complex application and grant requirements, others would benefit from technical assistance that strengthens their capacity to compete for and deliver federally funded projects. Furthermore, by simplifying application processes and aligning project delivery requirements to the scale and complexity of each project, the federal government can stretch investments further and accelerate project timelines.

Priority 3: Strengthen Transportation Planning, Performance, and Project Delivery

The LOT Coalition recommends increasing Metropolitan Planning (PL) funding, eliminating its local match requirement, and allowing it to go directly to MPOs to reflect the central role they play in the federal transportation program and to equip them to meet expanding responsibilities. MPOs are the primary conveners of regional transportation decision-making, bringing together local governments, state agencies, transit providers, freight interests, and the public to shape a unified vision for the future. MPOs were established by Congress to ensure that local governments have a formal, collaborative voice in deciding how federal transportation dollars are invested in their communities. By linking on-the-ground priorities with a long-term regional vision, MPOs help ensure that funding decisions are grounded in data and deliver projects that both meet immediate community needs and support sustained regional growth.

Planning is the foundation of effective project delivery. MPOs build consensus among diverse stakeholders, identify high-impact investments, ensure transparency in decision-making, and streamline the project delivery process. MPO-led planning also positions projects to compete successfully for discretionary funding and to advance quickly when formula dollars become available. Yet, despite the benefits of MPO-led planning, PL funds account for less than one percent of Federal Highway Administration formula apportionments.

Increasing PL funding would strengthen local project development, improve readiness for construction, and accelerate project timelines. Bolstered resources would enable MPOs to expand their impact, better assess system performance, target investments to areas of greatest need, and adapt plans to emerging needs. Additionally, Congress should allow all MPOs the option to serve as a direct recipient of PL funds and eliminate the local match requirement on those dollars. Enacting these changes would not just support planning, it would directly improve the effectiveness, efficiency, and accountability of the entire federal transportation program.

Priority 4: Dedicated Formula Funding for Rural Transportation Planning

The LOT Coalition recommends the next surface transportation reauthorization bill establish dedicated formula funding for RTPOs to ensure rural communities have consistent, predictable resources for long-term planning. Like MPOs, RTPOs were established to give local governments—particularly in rural America—a formalized, coordinated voice in shaping how federal transportation dollars are invested in their regions. RTPOs are designed to help ensure investments not only address immediate transportation challenges, but also position rural regions for sustained growth and connectivity.

In many rural areas, RTPOs are the only institutions capable of conducting coordinated, cross-jurisdictional transportation planning that reflects local priorities and supports regional economic opportunity. Yet, unlike MPOs, RTPOs lack a stable federal funding source, limiting their ability to sustain operations or build technical capacity. Providing predictable, dedicated resources would ensure rural communities are fully represented in state and federal decision-making, improve project prioritization, and enable investments that promote connectivity, safety, and economic opportunity in rural areas.

Priority 5: Streamline Environmental Processes and Permitting for Smaller Projects

The LOT Coalition recommends targeted reforms to federal environmental review and permitting processes so that requirements are appropriately scaled to the size and complexity of each project. This calibrated approach would preserve essential environmental safeguards while reducing unnecessary delays and costs, enabling faster delivery of vital infrastructure improvements and ensuring federal taxpayer dollars go farther.

Many local and regional transportation projects—such as roadway safety upgrades, bridge repairs, transit facility improvements, and active transportation connections—have minimal environmental impact, yet they are often subjected to the same level of review and documentation as large-scale, complex projects. This “one-size-fits-all” approach consumes valuable staff time and financial resources, slowing project delivery and diminishing the return on federal investment. By right-sizing requirements to match the scope and potential impact of a project, the federal government can expedite delivery, reduce administrative burdens, and better focus environmental review resources where they are most needed.

Conclusion

The LOT Coalition’s priorities align closely with USDOT’s goals of enhancing safety, accelerating delivery, increasing infrastructure investment, and strengthening partnerships. By increasing funding and decision-making authority for local governments and regional planning organizations, we can ensure federal investments reflect community-driven needs while advancing national economic competitiveness and safety objectives.

America’s transportation challenges, whether related to safety, connectivity, economic opportunity, or infrastructure condition, do not end at the interstate. Local and regional

governments manage a large share of the nation's transportation system and are indispensable to delivering better outcomes. Strengthening the federal partnership with these entities will maximize taxpayer value, improve performance, and ensure the transportation system meets the needs of all Americans.

We thank USDOT for its leadership and look forward to working together to advance a more efficient, accountable, and locally responsive federal transportation program.

The Local Officials in Transportation Coalition



Association of Metropolitan Planning Organizations



National Association of Counties



National Association of Development Organizations



National Association of Regional Councils



National League of Cities



U.S. Conference of Mayors