

# CTAA Submission For the House T&I Stakeholder Proposals Portal

## Proposal 1

**Subject/Short Title:** Continued Federal Investment in Public Transportation

**Description:** Ever since 1983, the federal government has supported its investment in public transportation through the Highway Trust Fund's Mass Transit Account. This trust fund is supported largely through fees paid by users of the nation's surface transportation system, and provides reliable, sustainable, predictable funding for necessary operations, construction and maintenance of highways, bridges and transit projects around the country. The next surface transportation authorization must continue to honor this commitment, building on the core programs of formula-based and discretionary grants for public transit that have been part of IIJA and previous authorizations, and providing incremental increases to these programs' funding levels that help keep pace with inflation. Most recently, we appreciate Chairman Graves' intention to include arrangements in the current budget reconciliation process that address the need for users of electric and hybrid vehicles to provide their share of support for the Highway Trust Fund, thus helping make the trust fund even more fiscally sound as we prepare for surface transportation reauthorization.

**Relevant Modal Administration:** Other/bill-wide

**Proposed Legislative Text:** n/a

## Proposal 2

**Subject/Short Title:** A Consistent Federal Share for Financing Public Transportation Projects

**Description:** The federal share for all projects financed with FTA formula-based public transit funds should be 80 percent (or more, in those states designated by FHWA as having high percentages of their rural land area tied up in federal public lands), regardless of whether a specific project is for "operating" or "capital" purposes. These decisions do not affect the bottom line on federal transit spending, and allow decisions to be made by states and urban transit agencies in recognition of state and local laws, needs and circumstances.

**Relevant Modal Administration:** Federal Transit Administration

**Proposed Legislative Text:**

1. Revise 49 USC 5307(d)(1) to read:  
    “(1) In general. --- Grants for projects under this section shall be for 80 percent of the net project cost for the project. The recipient may provide additional local matching amounts.”
2. Delete 49 USC 5307(d)(2) in its entirety, renumbering subsequent paragraphs accordingly.
3. Revise 49 USC 5311(g)(1) to read:  
    “(1) In general. ---  
        (A) Except as provided by subparagraph (B), grants awarded under this section for capital projects, operating assistance or project administrative

expenses shall be for 80 percent of the net project cost for the project, as determined by the Secretary.

(B) Exception.--- A State described in section 120(b) of title 23 shall receive a Government share of the net costs in accordance with the formula under that section.”

4. Delete 49 USC 5311(g)(2) in its entirety, renumbering subsequent paragraphs accordingly.

## Proposal 3

**Subject/Short Title:** Increase the Performance-Based Portion of Formula-Based Public Transportation Funding in Smaller Urban Areas

**Description:** Among urban areas of more than 200,000 population, 7.6 percent of their FTA formula-based public transit funds are allocated on the basis of performance. However, only 3 percent of formula-based transit funds are allocated to urban areas with populations under 200,000 on the basis of their performance. The share of funds allocated to high-performing urban areas under the “Small Transit Intensive Cities” formula should be increased to 5 percent.

**Relevant Modal Administration:** Federal Transit Administration

**Proposed Legislative Text:** Revise 49 USC 5336(h)(3) to read:

“(3) of amounts not apportioned under paragraphs (1) and (2), 5 percent shall be apportioned to urbanized areas with populations of less than 200,000 in accordance with subsection (i);”

## Proposal 4

**Subject/Short Title:** Regulatory Reform for Small Transit Systems

**Description:** Smaller transit systems, in both urban and rural areas, face a number of unnecessarily burdensome, outdated, and inappropriate regulations. The need for regulatory right-sizing is especially dire among local transit agencies in state-managed FTA grant programs. Reforms are most needed in harmonizing state and federal transit regulation, NTD reporting for smaller transit systems, Buy America requirements and transit vehicle procurement, CDL testing, NEPA compliance, FTA triennial and oversight reviews, and the retention of proceeds from the sale of transit vehicles where there is no federal financial interest. These are detailed on the CTAA website at <https://ctaa.org/wp-content/uploads/2025/04/CTAA-2025-Regulation-Reform-Recommendations.pdf>.

**Relevant Modal Administration:** Other/bill-wide

**Proposed Legislative Text:** n/a

## Proposal 5

**Subject/Short Title:** Increase Formula Funds for Rural and Statewide Transit Buses and Facilities

**Description:** Under current law, each state receives a fixed amount of \$4 million per year in formula-based Sec. 5339(a) funds for bus and bus facility projects that can be used in states' rural areas, or in urban areas at the discretion of the state. Even if every state were successful at receiving Sec. 5339(b) competitive grants from FTA for their statewide bus procurements, the 15 percent of that program's funds reserved for rural projects is inadequate to the total need for timely replacement of existing buses, along with renovation and construction of bus facilities and needed expansion of many rural transit fleets. At a minimum, the amount provided to states through the "national distribution" of Sec. 5339(a) funds should be increased to \$8 million per state and \$2 million per territory.

**Relevant Modal Administration:** Federal Transit Administration

**Proposed Legislative Text:** Revise 49 USC 5339(a)(5)(A) to read:

"(A) National distribution.--- \$412,000,000 each fiscal year shall be allocated to all States and territories, with each State receiving \$8,000,000 for each such fiscal year and each territory receiving \$2,000,000 for each such fiscal year."