

Transportation Industry Letter Supporting States on Reauthorization

April 6, 2026

Dear Congressional Members:

The undersigned organizations write to express our strong support for preserving the longstanding, state-administered, federally supported, formula-based federal transportation program that has efficiently delivered safety and mobility projects and programs. Currently, state departments of transportation (state DOTs) direct about 85 percent of federal highway formula dollars, with local governments directing 15 percent of the formula dollars. We believe this funding balance must be the baseline in the next surface transportation bill, since state-owned roadways and bridges carry about 70 and 90 percent of nationwide traffic, respectively.

Local governments are indispensable partners, and we acknowledge that they are seeking to increase their portion of federal formula funding in the next bill. However, the need for more federal funding is equally true for state DOTs—especially in light of a recent increase in construction costs. As the backbone of the Federal-aid Highway Program, state DOTs are required by law to plan at a systemwide level, coordinate across modes and jurisdictions, and provide transportation-specific technical and financial expertise that results in tangible project benefits each day. When hurricanes, floods, wildfires, or supply-chain disruptions occur, it is the state DOTs that mobilize quickly to support local governments, restore connectivity, and keep people and goods moving.

Local governments—especially rural and smaller cities—often face challenges meeting complex requirements necessary to deliver federally funded projects. For example, 81 percent of unspent dollars in the federal Surface Transportation Block Grant Program last fiscal year came from the locally controlled portion. Recognizing important local needs, states have provided over \$24 billion annually in more flexible state funding for local projects, on top of the \$9.4 billion of federal formula funds controlled by localities. Fragmenting the state-based formula model risks more federal resources sitting idle rather than accelerating the delivery of important transportation projects, compared to the current balance of federal and state funds that enable coordinated and timely multimodal investments that advance safety, mobility, and economic benefits locally and nationwide.

The foundational pillar of the next surface reauthorization bill should be a robust bill that grows investment levels, and our organizations share a strong interest in ensuring federal transportation investment is deployed efficiently, predictably, and without delay. And every state-administered project doesn't get built in a vacuum but in local communities, making tangible safety and mobility benefits communities depend on. For these reasons, we urge Congress to reaffirm the longstanding state-led, formula-based program with the funding share of 85 percent state and 15 percent local as the foundation of the next reauthorization.

Sincerely,

American Association of State Highway and Transportation Officials
American Road and Transportation Builders Association
Associated General Contractors of America
American Cement Association
American Concrete Pipe Association
American Highway Users Alliance
American Trucking Associations
Associated Equipment Distributors
National Asphalt Pavement Association
National Stone, Sand & Gravel Association
Specialized Carriers and Rigging Association
U.S. Chamber of Commerce