

2026 Surface Transportation Reauthorization Principles

The following organizations from across Colorado have come together to craft and endorse a series of principles for our elected leaders to consider as the United States Congress begins the process of reauthorizing the Surface Transportation Act.

We urge Colorado's Congressional Delegation to work together to ensure policy decisions and funding and investment strategies are focused on advancing a functional transportation system across all our state, considering the unique needs of urban, suburban and rural Colorado.



Funding & Revenue Generation

Secure transportation funding for the future by embracing additional user-based sources of funding.

- When determining funding levels for reauthorization, continue current spending levels adjusted for inflation. This ensures the purchasing power of federal dollars is steady, and that safety and mobility improvements continue.
- Preserve the federal system of gas tax collection.
 - The federal gas tax ensures a uniform funding stream for the Interstate Highway System and other major routes that benefit multiple states. If funding were devolved to states, a patchwork of different tax rates could lead to inconsistent investment and maintenance levels, potentially jeopardizing the quality of critical national corridors. Additionally, in Colorado, the Taxpayers Bill of Rights (TABOR) requires a vote of the people for any new tax measure.
- Avoid reliance on annual General Fund appropriations for transportation infrastructure spending. Rather, stabilize and grow the Highway Trust Fund (HTF) through **diversifying and modernizing user-based revenue sources**. Examples for consideration include:
 - Federal EV Fees
 - National Registration Fee
 - Road Usage Charges
 - Freight Fees
- Update funding formulas to reflect population growth, especially in fast-growing states, ensuring appropriate resources to meet the increased demands on public services and infrastructure.

Questions? Contact coalition lead tamra.ward@talomapartners.com.

Financing Tools

Retain and expand flexibility, modernization, and local empowerment in transportation finance policy.

- Improve access to, and usability of innovative financing mechanisms, such as:
 - Transportation Infrastructure Finance and Innovation Act (TIFIA)
 - Private Activity Bonds (PABs)
 - Grant Anticipation Revenue Vehicles (GARVEEs)
 - State Infrastructure Banks (SIBs)
 - Railroad Rehabilitation and Improvement Financing Program (RRIF)
- Reinstate tax exemptions for advance refunding of bonds, which would make refinancing public infrastructure debt more cost-effective.
- Preserve state/local policy decision making regarding tolling, rather than a one-size-fits-all approach.

These financing tools are important as they:

- Accelerate Project Delivery: These tools can provide upfront capital or credit assistance, allowing transportation and infrastructure projects to begin sooner than if they relied solely on traditional funding sources like annual appropriations or local taxes.
- Leverage Private Investment: Mechanisms like Private Activity Bonds (PABs) and TIFIA loans attract private sector investment by reducing financial risk and offering favorable terms. This helps stretch public dollars further and brings in additional expertise and efficiency.
- Improve Financial Flexibility: Programs such as State Infrastructure Banks (SIBs) and GARVEEs offer states and localities more control over how and when they finance projects, enabling them to tailor funding strategies to local needs and timelines.
- Reduce Long-Term Costs: By accessing low-interest federal loans (e.g., through TIFIA or RRIF), agencies can reduce the overall cost of borrowing compared to traditional municipal bonds or commercial loans.
- Support Large-Scale and Complex Projects: Many of these tools are specifically designed to support large, capital-intensive infrastructure projects that might otherwise be too costly or risky for traditional funding methods.
- Encourage Innovation and Sustainability: With more flexible financing, agencies can pursue innovative, multimodal, or sustainable infrastructure solutions that align with long-term economic, environmental, and social goals.

Formula vs. Discretionary Funding

Formula funding is paramount.

Specific Requests:

- Empower state and local decision making through federal program flexibility.
- Streamline grant application processes and improving consistency across USDOT agencies.
- Consolidate small discretionary programs and reallocate stalled project funds.
- Empower regional/local decision-making through formula programs.
- Improve access for smaller entities to administer projects.
- Avoid mandates on project delivery methods.
- Expand and continue programs like Safe Streets and Roads for All (SS4A).
- Reduce the percentage of local match requirements, allowing for more projects to advance.
- Increase Metropolitan Planning (PL) funding levels to better support the requirements of Metropolitan Planning Organizations, which has not kept pace with the combination of increased responsibilities, costs, and complexity of transportation systems.
- Establish a Rural Transportation Planning Program, either as a stand-alone program or a set-aside within the State Planning and Research (SPR) Program to ensure that rural regions have a consistent voice in transportation planning and project selection.

Why Formula Funding Matters:

Predictability and Stability: Formula funding provides states with a reliable and consistent stream of funding based on established criteria (e.g., population, lane miles, fuel usage).

This predictability allows for:

- Long-term planning of transportation projects.
- Better alignment with state and regional transportation improvement programs (STIPs and TIPs).
- Reduced uncertainty in budgeting and staffing.

Fairness and Transparency: Formula funding is distributed based on objective, transparent formulas, which helps ensure:

- Fair allocation across all states.
- Less political influence compared to competitive discretionary grants.
- More equitable access for rural and underserved areas that may lack grant-writing capacity.

Administrative Efficiency: States are already set up to manage formula funds through existing processes. This means:

- Lower administrative burden compared to applying for and managing discretionary grants.
- Faster deployment of funds to projects.
- Less need for specialized grant-writing expertise.

Flexibility in Project Selection: Formula funds often come with greater flexibility in how they can be used, allowing states to:

- Prioritize projects based on local needs and conditions.
- Address maintenance backlogs, safety improvements, and multimodal investments.
- Avoid the constraints of narrowly defined federal grant programs.

Encourages Strategic Planning: With a stable funding base, states can:

- Develop and implement long-term transportation strategies.
- Invest in asset management and performance-based planning.
- Leverage formula funds to attract additional financing (e.g., through TIFIA or PABs).

Flexibility & Leadership

Let leaders lead.

- Avoid one-size-fits-all solutions, allowing states to tailor approaches to their unique needs.
- Proceed with careful vetting of the pros and cons when considering the delegation of NEPA project management to the states. While the current process is cumbersome, time consuming and costly, adding additional roles and responsibilities to state Departments of Transportation must not be an unfunded mandate.
- Allow more vendor services at rest stops, indicating a push for operational flexibility.

Project Delivery & Regulatory Reform

Increased efficiency, predictability, and flexibility in federal transportation project approvals.

- Improve NEPA (National Environmental Policy Act) processes, including:
 - Designating a single lead agency for NEPA reviews.
 - Standardizing and shortening legal challenge timeframes.
 - Expanding Programmatic Categorical Exclusions.
 - Using reciprocity agreements to simplify reviews.
- Weigh economic impacts when making injunction decisions, reflecting a desire to balance environmental review with economic development.
- Reduce regulatory delays and streamline environmental processes, especially for smaller projects and rebuilding within existing rights-of-way.
- Allocate financial resources specifically for permitting reform.
- Extend FAST-41 protections to highway and transit projects to expedite reviews.

Safety

Comprehensive approach to safety that includes funding, education, enforcement, research, and workplace standards.

- Create dedicated Highway Safety Improvement Program (HSIP) funding specifically to work zone safety.
- Support speed camera incentives in work zones to improve enforcement and safety.
- Integrate safety into driver education and grant application criteria.
- Fund safety research through University Transportation Centers to support data-driven improvements.
- Maintain drug-free workplace protections, reinforcing safety standards for transportation workers.

Technology & Innovation

Seeking modernization, security, and flexibility in how transportation agencies adopt and manage technology.

- Avoid proprietary technology mandates to ensure systems can work together across jurisdictions and vendors.
- Improve procurement processes for transportation operations and technology to enhance efficiency and innovation adoption.
- Support funding cybersecurity software for Departments of Transportation (DOTs) to ensure a safe and functional infrastructure system.
- Maintain data repositories for completed projects to support transparency, evaluation, and future planning.
- Invest in digital infrastructure to support advanced transportation technologies, which support safety, efficiency, and future economic development.

Public Transit

Advance transit by expanding stable funding, empowering local control, and modernizing infrastructure.

- Oppose attempts to remove the transit funding account from the Highway Trust Fund (HTF). Such action would upend a balanced and integrated transportation system, severely impacting state and local transportation programs.
- Grow the core public transit funding streams:
 - Section 5309 FTA Capital Investment Grants.
 - Section 5310 (older adults & disabled).
 - Section 5311 (rural public transit), 5307 (urban public transit), and 5339 (bus and bus facility).
- Standardize funding match; make all operating & capital formula funding 80% federal/20% local.
- Support the use of funding models that allow local governments to have more flexibility in how they spend money, enabling them to invest in the transit solutions that best fit their specific needs, such as dedicated bus lanes, new routes, or technology upgrades.
- Increase flexibility in the use of transit funds to meet shifting service needs.
- Ensure public transit representation on Metropolitan Planning Organizations
- Allow local decision-making in competitive bus grant programs.
- Improve project delivery by simplifying regulations and reducing burdens, especially for small and rural agencies.
- Remove spare bus ratio requirements; they do not work with today's vehicle technology.
- Update current law to allow disposal of non-operational EV buses.
- Allow all proceeds from vehicle sales after the vehicle reaches the end of its useful life to be reprogrammed into the agencies' vehicle capital funds. Current law places a limit on the amount you can charge for the sale of a bus and requires remittance to the FTA.

Rail

Sustain federal funding and planning for rail infrastructure.

- Maintain the rail title in the federal reauthorization bill.
- Reauthorize and fund federal discretionary rail grant programs (e.g., CRISI, Corridor ID).
- Dedicate set-aside funding streams for rail planning and development.

Infrastructure Resiliency

Manage current assets, demonstrate a commitment to resilience, innovation, and local adaptability in transportation infrastructure planning.

- Ensure a safe and reliable transportation system through appropriately funded asset management.
- Support funding resiliency projects through core transportation programs, Centers of Excellence.
- Example: The PROTECT Formula Program, which supports climate adaptation and resilience against natural hazards. The program provides resources to states and local governments for planning and implementing improvements, protecting infrastructure, and creating better evacuation routes for use in times of emergency.
- Incentivize the use of high-performance, sustainable materials, aligning infrastructure development with environmental goals.