National Association of
City Transportation Officials

120 Park Avenue, 21st Floor
New York, NY 10017
nacto@nacto.org
www.nacto.org

Interim Executive Director
Carrie Santos

BOARD OF DIRECTORS

President
Michael Carroll, P.E.
Deputy Managing Director for Philadelphia's Office of Transportation and Infrastructure Systems

Vice President
Laura Rubio-Cornejo
General Manager, Los Angeles Department of Transportation

Treasurer
Millicent D. Williams
Director, Portland Bureau of Transportation

Secretary
Kelly Scocco
Director, Columbus Department of Public Service

Affiliate Member Representative
Brad Rawson
Director of Mobility in Somerville's Mayor's Office of Strategic Planning & Community Development

Chair
Janette Sadik-Khan
Principal, Bloomberg Associates

Board Member
Tim Sexton
Public Works Director, City of Minneapolis

November 16, 2026

The Honorable Matthew Cahill
Acting Deputy Administrator
Federal Transit Administration
1200 New Jersey Avenue SE
Washington, DC 20590-0001

SUBJECT: Federal Transit Administration [Docket No. FTA-2026-0331], Proposed Capital Investment Grants Policy Guidance

Deputy Administrator Cahill:

On behalf of the National Association of City Transportation Officials (NACTO), I am commenting in response to the Federal Transit Administration's (FTA) Request for Information Concerning the Capital Investment Grants (CIG) Program [Docket No. FTA–2026–0331].

NACTO's member cities and transit agencies across the U.S. have proven, real-world experience delivering transit projects. Our collective priorities include improving transit project delivery by expanding and simplifying the CIG program. A strong and collaborative relationship between the FTA and our members is essential to the success of the nation's transit networks, which provide an affordable transportation choice to 34 million people nationwide each weekday.

The policies governing the CIG program should provide a predictable and transparent framework that supports critical transit infrastructure and recognizes the variety of transit investments and communities they serve. The proposed policy guidance will create new challenges for cities and transit agencies working to build transit projects and increase the financial burden on state and local governments as inflation increases project costs.

Transit capital projects represent years of work, planning, community engagement, and development by cities and transit agencies before arriving at the CIG pipeline. Regularly required updates to the CIG policy guidance should account for this, and policy changes should apply only to new projects entering the CIG pipeline.

To ensure the final guidance better supports cities and transit agencies in delivery projects, CIG Policy Guidance should:

1. **Provide Clear Criteria for Removing Projects from the CIG Pipeline**: In the proposed guidance, if a project sponsor fails to demonstrate sufficient progress during the project phases, FTA could remove the project from the CIG program. There is no definition of sufficient progress, nor a clear understanding of who within the FTA determines it. This could leave agencies with a large financial burden to fill if they're removed from the pipeline during an already dire financial time for transit agencies. Removal would functionally shelve essential transit projects while giving the administration a tool to politically weaponize awarded grants in the name of its agenda.

   FTA should publish specific evaluation criteria and definitions of "sufficient progress" for both the Project Development and Engineering phases. This should include timelines and the process for appealing decisions.

2. **Preserve Projects Already in the Current CIG Pipeline**: The proposed CIG Policy Guidance summary states, "The final CIG Policy Guidance, when published, is to be effective immediately. No grandfathering of projects in the current CIG pipeline will be allowed." This represents a significant policy change and will impact many transit projects currently working through the CIG process. As CIG policy guidance is updated, transit agencies rely on grandfathering to ensure greater certainty about their investments, reimbursements, and standing in the program. This proposed departure from past practice creates uncertainty for agencies and could cause millions of dollars in anticipated federal funding or reimbursements to disappear.

   The proposed guidance will greatly increase the costs of current projects and add delays to an already lengthy process. Projects already in the CIG pipeline have made significant investments, with substantial local funding support and resources, and have relied on consistency from FTA when making long-term investments. Sudden changes to the program with no grandfathering will harm these sponsors and undermine confidence in the FTA in the future. Forcing existing projects already in the pipeline that have operated under previous policy guidance to shift to new final guidance will add additional costs and processes for local agencies. Projects already in Project Development and Engineering run the risk of needing to revise work at the applicant's expense.

   FTA should allow projects already in Project Development and Engineering to complete their phases under the rules in effect when they entered that phase.

3. **Retain the Existing 30% Local Match Requirement at Engineering Phase**: The new FTA policy guidance proposes increasing the committed local match from 30% to 50% *before* entering the Engineering phase for New Starts and Core Capacity projects. Current guidance requires project sponsors to attain the 50% committed local match within three years of entering the Engineering phase.

   This increase is an incredible burden on project sponsors and provides no benefit in ensuring projects complete the CIG process. FTA's justification for the increased burden

is that requiring earlier commitment of funds will lower financial risk to the Federal government. However, the Federal government assumes no financial risk until the end of the CIG process, by which point project sponsors must have committed 100 % of local funds. Until then, all financial risk is borne by the project sponsor.

State, local, and other federal funding decisions often operate on schedules that do not align with the CIG process. Major project funding may depend on state legislative appropriations, local budget cycles, ballot measures, bond issuances, multi-jurisdictional agreements, or awards from other federal programs. A project may have a realistic and well-supported financial plan even when not all funding sources yet meet FTA's formal definition of "committed."

We recommend that FTA preserve flexibility in funding sources that have a clear, documented path to commitment but are subject to established legislative, budgetary, or federal award timelines. Final guidance should clarify how such sources will be considered when determining readiness to enter Engineering and whether alternative documentation or conditional approval may be appropriate in those circumstances.

4. **Retain the Current Core Capacity Cost-Effectiveness Rating**: The Policy Guidance proposes to standardize the calculation of cost-effectiveness across CIG projects: New Starts, Core Capacity, and Small Starts projects would all utilize the same cost-effectiveness measure currently used for New Starts projects: "annual capital and operating and maintenance (O&M) cost per linked transit trip on the project." FTA is proposing one unified set of cost-effectiveness breakpoints that would apply to all CIG projects.

   Applying the new standard measure of combined capital and O&M costs per projected rider as the cost-effectiveness metric for Core Capacity projects will adversely affect their project evaluation ratings. Replacing the current metric, which is simply the annualized Core Capacity share of the project cost per trip (excluding O&M), is a substantial policy change. Core Capacity projects support larger, aging legacy urban rail transit systems with larger operations and maintenance costs. Adding O&M will lower their cost-effectiveness ratings, affect funding eligibility, and reduce their standing in the CIG pipeline.

   FTA should preserve the existing cost-effectiveness rating for Core Capacity projects.

5. **Readjust the Project Evaluation Weighting Criteria**: FTA is proposing a new formal process for calculating the CIG share of a project's capital cost for the first time. Projects rated Medium or better would begin with a 40 % CIG share, with adjustments based on Project Justification ratings and certain demographic factors. The project justification criteria are weighted heavily toward cost-effectiveness. The proposed guidance uses this new formula to determine the CIG share for New Starts and Core Capacity projects before that share is locked in at entry into Engineering.

Although the proposed guidance does not allow projects to exceed the statutory maximum of 60%, the new funding formula changes how projects can gain or lose the share of federal CIG funding. The FTA should not adopt a formula that imposes an arbitrary maximum federal share and instead retain the flexibility to determine the appropriation CIG share based on each project's merits, benefits, and financial circumstances.

The new guidance proposes updating the Project Justification criteria and making cost-effectiveness criteria the highest-weighted evaluation criteria. FTA is also proposing both changes to the breakpoints for ratings and to give cost-effectiveness the greatest weight in its criteria for determining federal funding rates to "reduce risk to the Federal investment in the CIG pipeline." The proposed guidance's new cost-effectiveness breakpoints will likely result in a "Low" project rating for most projects in the existing pipeline, because rising project costs, including those driven by inflation, could reduce a project's cost-effectiveness rating. A low rating, given its weight in the overall score, could jeopardize a project's funding and its ability to receive an overall "Medium" score to progress through the pipeline.

Combining the new breakpoints in evaluation criteria with the need to re-rank every CIG project without grandfathering means that projects that get a low rating because construction costs are high. The proposed guidance would require all current and future projects to be reassessed using the new cost-effectiveness breakpoints. This reassessment would further delay many projects that have already had their funding delayed for years.

The FTA should maintain a balanced weighting of the Project Justification Criteria to give meaningful consideration to all measures and to recognize the distinct but complementary benefits of different types of transit investments.

6. **Continue to Support Funding Flexibility with Pre-Award Authority**: The FTA is also proposing to allow project sponsors to use non-CIG Federal funds for pre-award authority activities, subject to the requirements of the applicable Federal funding program, including any environmental determinations. Previously, FTA permitted only local, or non-Federal, funding for pre-award authority work. This is a welcome change, and NACTO and our member agencies support this update as part of the Policy Guidance.

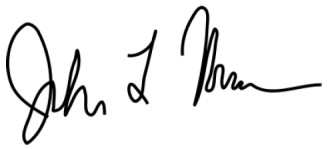
As outlined above, these changes to CIG Policy Guidance could substantially impact public transportation projects and further delay — or even cancel — many that are already in advanced stages of project development.

FTA has not identified any issues in implementing the grant program that require immediate new guidance. FTA's current CIG guidance went into effect in November 2025, and there are no new statutory requirements precipitating such a drastic change. Congress is currently working on the next Surface Transportation Authorization legislation, which will likely include changes to the CIG

program. These changes will require new guidance; therefore, adopting revised guidance and the proposed changes now will only result in greater upheaval for the program. While Congress deliberates on the next Surface Transportation Authorization Legislation, FTA should discuss the CIG program with cities and transit agencies to determine how best to streamline the CIG process and ensure the continued delivery of major transit projects

Thank you for the opportunity to contribute to this process. NACTO and its members look forward to conversations with the FTA about the CIG Program and to the agency's development of final guidance.

Sincerely,



Josh Naramore
Senior Manager, Policy
National Association of City Transportation Officials