



THE BUS COALITION

2026 LEGISLATIVE PRIORITIES

The Bus Coalition (TBC) is a public transit advocacy association representing over 900 members from 48 states and Washington, DC. TBC works with the Administration and Bipartisan Members of Congress to ensure adequate funding for the nation's critical bus transit programs.

In communities large and small, bus transit has proven a vital lifeline and an engine of opportunity connecting millions of Americans. TBC stands with transit leaders nationwide in building robust, innovative mobility systems for vibrant communities and stronger economies.

TBC Priority 1A: **Maintain \$2.2 billion 5339 Funding Baseline**

The Bus Coalition strongly supports maintaining funding for the Bus and Bus Facility Program (5339) at its current authorized level of at least \$2.2 billion in the next surface transportation reauthorization bill.

Bus transit is critical to communities across the country, providing flexible, safe, and efficient mobility, particularly for essential workers, seniors, veterans, and people with disabilities. According to recent data, bus ridership is recovering significantly from the pandemic, accounting for over half of all transit rides nationally. However, the need for additional bus capital funding remains high as disinvestment in bus programs over the past decade has led to significantly smaller and older fleets.

Between 2013 and 2024, the American bus fleet shrank by more than 25 percent. Fewer buses mean less service, less reliability, and ultimately fewer riders. While the bus fleet shrank, the age of buses continued to climb. Between 2009 and 2024, the percentage of buses operating past useful life (12-years) increased by 60%. During that same period, the percentage of buses operating over 15 years increased 105% – a staggering doubling of buses operating long after they should have been taken off the road. Older buses do not just result in poor experiences for riders. Older buses mean more frequent breakdowns, higher maintenance costs, safety risks, and likelihood that riders will be late to work, school, and medical appointments.

Thus, it is no surprise that demand for bus transit capital funds remains significant. In 2025, the Bus and Bus Facilities and Low or No Emission competitive grant programs received \$8 billion in funding requests for \$2 billion available. And in 2024, FTA saw the largest oversubscription in the program's history.

Any reduction in funding for buses will further exacerbate these problems and delay full ridership recovery.

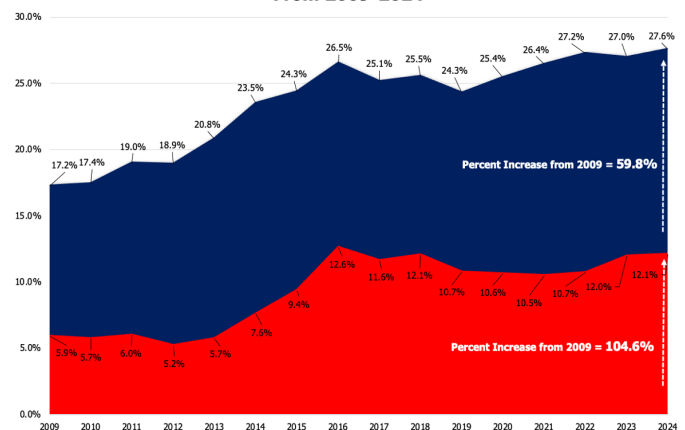
TBC Priority 1B: **Maintain 5339 Competitive Grants**

Competitive grants are critical for transit systems, especially in rural and smaller communities, to address larger, capital needs including bus replacement, service expansion and facility construction projects. Thus, TBC strongly supports maintaining the current split of 70% competitive and 30% formula.

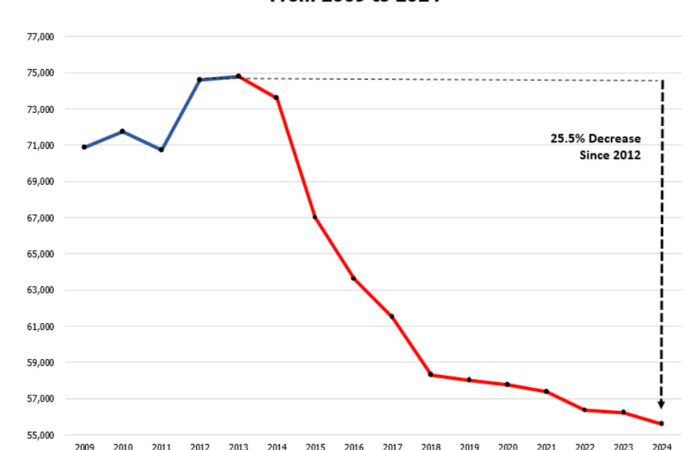
While formula funding through 5339(a) is important, it disproportionately benefits the largest 20 urbanized areas (UZA). This means that these smaller transit agencies typically don't receive enough annual formula funds to purchase even a single bus.

Until 2012, the 5339 program had not been formulized, and the competitive grant system worked well for decades. Maintaining the current allocation of 70% funding to competitive grants ensures all transit systems have access to funding for larger, bulk purchases to replace buses and construct facilities.

U.S. Aging Bus Fleet From 2009-2024



Amount of Revenue Buses From 2009 to 2024





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Key Policy Reforms for Reauthorization:

LOCAL MATCH REDUCTIONS: TBC strongly supports a reduced local match for small and rural transit systems through the 5339 grant program. Small public transit systems are highly effective at improving riders' lives and improving economic growth in smaller and rural communities. Yet these systems face the greatest challenges in accessing these crucial funding pools. By reducing the local match, FTA can reduce the cost share burden for these systems and allow them to make better use of these grants.

NEPA REFORMS: We support a change in USDOT's National Environmental Policy Act (NEPA) procedures to bring FTA's real property acquisition requirements in line with FHWA's. While FHWA allows grant recipients to conduct NEPA reviews concurrently with property acquisition, current FTA policies prohibit property acquisition – and even negotiation-- until the NEPA process is completed. This cumbersome requirement leads to cost overruns, project delays, and, in some cases, needing to move the project site. Bringing FTA's policies into alignment with FHWA's will save the American taxpayer money and allow projects to be built faster and cheaper.

STREAMLINE NEPA & SEC. 106 REVIEW FOR BUS SHELTERS:

We support a uniform categorical exclusion process and elimination of Section 106 (historical preservation) for simple bus shelter projects and other uses of the existing right of way. Different FTA regions seemingly have varying standards that trigger historical preservation and other environmental reviews. This triggers extensive documentation for routine bus shelter projects even when they are located in existing rights of way and have no meaningful environmental impact.

SPARE RATIO ELIMINATION: We also support the elimination of FTA's spare ratio requirement. The spare ratio is an outdated policy that makes it more difficult for transit managers to upgrade their fleet without running afoul of federal regulations and is especially difficult for managers that are dealing with faulty buses. Given the skyrocketing cost of a single bus, transit managers are already incentivized to limit purchases to just what their agencies need. The Spare Ratio regulation is an unnecessary burden for transit operators.

LOCAL CONTROL OVER FLEET PROPULSION TECHNOLOGY: To ensure transit leaders have the ability to meet the needs of their riders and also maintain effective use taxpayer dollars, TBC supports empowering local transit officials to pursue vehicle and infrastructure strategies that best fit local needs. An "all of the above" approach to transit fuel choices will provide latitude to local leaders.

Buses Makes Life Affordable and Safe for Millions:

Bus transit provides one of the most affordable and safe transportation options available to Americans. The average annual cost of owning and operating a car now exceeds \$11,500 per year, while a regular bus rider typically spends a fraction of that amount, often under \$1,500 annually. These savings help households manage rising costs while improving access to jobs, education, and essential services.

Bus transit is also a proven safe mode of travel, with public transportation experiencing significantly lower injury and fatality rates per passenger mile than driving. Transit agencies, supported by federal programs, continue to invest in operator training, vehicle technology, system design, and security measures that improve safety for passengers, workers, and the traveling public. While transit agencies carefully track and address incidents such as operator and passenger assaults, these events remain rare relative to the hundreds of millions of annual bus trips nationwide, and ongoing federal partnership is essential to further enhance safety and rider confidence. Federal investments in buses, facilities, and operations support continued improvements in safety, reliability, and rider confidence across communities of all sizes.

TBC's 2026 Legislative Priorities

Priority 1:

Bus Funding Levels & Federal Transit Revenue

1A: Maintain \$2.2 billion 5339 Funding Baseline

1B: Maintain Bus Competitive Grants

1C: Support Financing to Address HTF Shortage

Priority 2:

Grants Application & Administration

2A: 5339 Application Process Reform

2B: Local Match Simplification

Priority 3:

Fleet and Facilities Management

3A: NEPA Streamlining

3B: Spare Ratio Elimination

3C: Build America / Buy America Reforms

3D: NTD Reporting Acceleration

Priority 4:

Other Issues

4A: Local Control over Fleet Propulsion Type

4B: Tech Capital Procurement Reforms

4C: Support Transit MPO Board Designation

4D: Extend Alternative Fuels Tax Credit

Our complete 2026 Legislative Requests with background and justifications on these reform proposals is available at www.buscoalition.com/legislative