



FRAME FOR MOBILITY · POLICY PAPERS

PART II — THE ARCHITECTURE OF REFORM

Fewer programs, sharper incentives: how the FRAME Act rebuilds the structure of federal surface transportation funding.

The Framework for Rebuilding America's Mobility Economy (FRAME) Act, as presented in the FRAME Policy Paper (January 2026)

PART II

THE ARCHITECTURE OF REFORM

The FRAME Act does not add another program to the existing structure; it replaces the structure. This paper sets out Part II of the Act as the Policy Paper presents it: the consolidation of a myriad of legacy formula programs into three block grants (Secs. 203, 207, 211), a competitive program for projects too large for formula funding (Sec. 303), a Variable Federal Cost-Share that prices preservation, safety and digital investment above new capacity (Sec. 106), and a statutory definition that treats software, data systems and digital twins as infrastructure (Sec. 107). The argument is that incentives, not appropriations alone, determine what gets built — and that the current incentives pay for expansion while the existing network deteriorates.

THE POLICY

National policy under the Act (Sec. 103) declares achieving and maintaining a state of good repair the highest priority for federal investment, adopts the Safe System Approach to roadway safety, and prioritizes freight corridors and supply-chain resiliency for economic competitiveness. Title II gives that policy a funding architecture. The Act repeals several predecessor programs — the paper names the National Highway Performance Program and various transit-specific grants — and consolidates formula funding into three accounts. The State of Good Repair & Resiliency Block Grant (Sec. 203) covers maintenance and rehabilitation of existing pavement, bridges, tunnels and public transportation assets, with resiliency retrofits eligible. The National Commerce & Freight Block Grant (Sec. 207) covers the efficiency of the national supply chain. The Community Access & Mobility Block Grant (Sec. 211) covers local networks connecting people to jobs and services. The Strategic Infrastructure Investment Program (Sec. 303) sits outside the formula structure for transformative projects. Sec. 106 sets the price signals and Sec. 107 sets the definition of a capital project.

WHAT IT WILL DO

Each grant does distinct work. Sec. 203 directs flexible federal funding to the assets the nation already owns, and integrates resiliency by allowing funds to retrofit infrastructure against extreme weather and climate change. Sec. 207 empowers states to address freight bottlenecks and to improve surface connections to public ports and intermodal facilities. Sec. 211 expressly permits funding of public transportation operations — ending, for this account, the restriction of federal support to capital — together with active transportation infrastructure and innovative mobility

services such as on-demand microtransit. Sec. 303 funds large-scale projects that formula allocations handle badly; the paper’s examples are new high-capacity transit systems and nationally significant bridge replacements.

The Variable Federal Cost-Share replaces the traditional 80/20 split with three rates. Projects whose primary purpose is a state of good repair receive a 90 percent federal share — the maintenance premium. Projects deploying proven safety countermeasures or qualified digital infrastructure and vehicle-to-everything technology receive 100 percent. Projects adding new general-purpose lanes to the National Highway System for a distance of at least one mile receive 50 percent — the capacity penalty. Sec. 107 then modernizes eligibility itself: software, data systems and digital twins are legally construed as infrastructure, making digital and communications modernization a core eligible activity across all programs.

One structural point deserves emphasis for readers of authorisation bills: the three grants are formula programs, and the flexibility they confer is the policy. A state is not required to divide its Sec. 203 effort among pavement, bridges, tunnels and transit assets in any fixed proportion, nor to treat Sec. 207 as a highways account; each account is defined by its purpose — condition, commerce, access — and disciplined by the performance targets of Part III rather than by project-level federal direction. That is the sense in which the paper describes the Act as moving the federal role from passive provider of capital to active steward: the center sets the purposes, the prices and the measures, and states and local governments choose the projects.

WHAT IT SOLVES

The paper’s diagnosis has three parts. First, rigidity: a program structure divided into narrow categories forces sponsors to shape projects to funding silos rather than to regional need. Second, perverse pricing: a uniform federal share subsidises a new lane at the same rate as the repair of an existing one, so the funding system rewards expansion over stewardship while a staggering maintenance and repair backlog accumulates. Third, an outdated capital definition: the digital systems on which a modern mobility network runs were not clearly infrastructure, and therefore not clearly fundable. Consolidation answers the first defect with flexibility under strict performance targets. The cost-share answers the second by making preservation the best-priced use of federal money and new general-purpose capacity the worst-priced. Sec. 107 answers the third in a single definition. In the paper’s phrase, in a modern mobility economy bits are as essential as bricks; Part II writes that premise into the funding law.

PLANNED AND MEASURABLE OUTCOMES

STATED IN THE PAPER

- Three formula block grants in place of the repealed legacy programs (Secs. 203, 207, 211), providing flexibility under strict performance targets.
- A 90 percent federal share for state-of-good-repair projects; 100 percent for proven safety countermeasures and qualified digital and V2X projects; 50 percent for new general-purpose National Highway System lane additions of at least one mile (Sec. 106).
- Resiliency retrofitting eligible under Sec. 203; freight bottleneck and port/intermodal connection projects eligible under Sec. 207; transit operations, active transportation and microtransit eligible under Sec. 211.

INDICATORS THE PAPER IMPLIES (NOT STATED TARGETS)

- The share of federal obligations directed to state-of-good-repair work, tracked against the pre-Act baseline.
- Lane-mile additions proceeding at the 50 percent share, and their stated justification.
- The distribution of Sec. 211 funds among operations, active transportation and microtransit.
- Digital infrastructure obligations as a share of program totals under Sec. 107.
- Freight corridor delay on Sec. 207 corridors.

FRAME for Mobility is a project supported by the Institute for Civic Service.

- A competitive program (Sec. 303) for transformative projects, including high-capacity transit and nationally significant bridge replacements.
- Digital infrastructure eligible across all programs (Sec. 107).

THE EVIDENCE

THE PROBLEM IN NUMBERS

The problems this Part answers: congestion, and a fragmented program architecture that spends by category rather than by outcome.

63 hours / \$269 billion.

The average auto commuter lost 63 hours to traffic delay in 2024, and the total cost of congestion in the United States reached \$269 billion in 2024, up 16 percent over five years. As the Presentation Deck states it: delays are up 142 percent since 1990, and congestion costs \$269 billion a year.

Texas A&M Transportation Institute, *2025 Urban Mobility Report* (2025).

100+ programs.

The federal surface transportation effort is spread across more than 100 separate programs, which the Government Accountability Office found duplicative and fragmented, with no clear documentation of results.

U.S. Government Accountability Office, *Opportunities to Reduce Potential Duplication in Government Programs* (GAO-11-318SP, 2011), as summarized by the Senate Committee on Homeland Security and Governmental Affairs.

Elasticity ≈ 1.03 .

For U.S. interstate highways, a 1 percent increase in lane-kilometers produces roughly a 1 percent increase in vehicle-kilometers traveled — capacity expansion in congested networks generates proportional new driving (the "fundamental law of road congestion").

Duranton & Turner, "The Fundamental Law of Road Congestion: Evidence from US Cities," *American Economic Review* (2011).

\$108.8 billion.

Congestion cost the trucking industry a record \$108.8 billion in 2022 (up from \$94.6 billion in 2021), consuming 1.2 billion hours and \$7,588 per combination truck — the freight bill for an architecture that under-prioritizes bottlenecks.

American Transportation Research Institute, *Cost of Congestion to the Trucking Industry: 2024 Update* (2024). *Money that does not move on schedule is treated under Part III (August redistribution), where the delivery evidence sits.*

WHY THIS APPROACH IS THE MODERN ONE

The legacy architecture spends by category: more than a hundred categorical programs (figure 2), each with its own rules, none accountable for a system outcome. The modern evidence points the other way. Duranton and Turner's result (figure 3) is the most replicated finding in the field: in congested networks, adding general-purpose lanes does not durably relieve congestion, because the new capacity induces proportional new driving. A funding architecture that pays the same federal share for a new lane as for a proven safety countermeasure or a state-of-good-repair project is pricing against the evidence. FRAME's architecture follows the finding instead: consolidated, outcome-defined block grants; a variable federal cost-share (Sec. 106) that pays 100 percent for proven safety

countermeasures and qualified digital infrastructure, 90 percent for state of good repair, and only 50 percent for new general-purpose lanes; and dedicated freight investment aimed at the bottlenecks where ATRI's \$108.8 billion congestion bill (figure 4) is actually incurred.

EVIDENCE CHECK

the induced-demand elasticity is contested at the margins — later work finds it varies with initial congestion and is weaker on uncongested networks — so FRAME hedges (a reduced cost-share and an induced-demand scorecard) rather than banning capacity outright.

SOURCES

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2. <https://www.hsgac.senate.gov/media/rep/senator-collins-government-needs-to-get-its-house-in-order/>
3. <https://repository.upenn.edu/server/api/core/bitstreams/0bcfec7a-fb82-4d8c-b838-18cbb299e116/content>
4. <https://www.thetrucker.com/trucking-news/business/cost-of-congestion-to-the-trucking-industry-2024-update>



FRAME for Mobility

A project supported by the Institute for Civic Service. This paper presents Part II of the FRAME Act as set out in the FRAME Policy Paper (January 2026), with the evidence on which it rests. Figures follow the Policy Paper; research figures are attributed to their sources.