



Monthly Legislative Report – August 2025

Advocacy Meetings

Transportation and Infrastructure (T&I) Subcommittee on Highways and Transit Chair David Rouzer (R-NC) – We helped facilitate a County-wide tour and briefing for Chairman Rouzer and his Chief of Staff during his August visit to Orange County. As part of the visit, we reviewed Orange County Transportation Authority's (OCTA) reauthorization priorities and discussed both the timeline and process for the upcoming surface transportation reauthorization. Chairman Rouzer shared his perspective on incorporating more formula funding versus discretionary funding for both highways and transit. We also discussed federal support for the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor, underscoring its importance to the region and the need for continued investment.

House T&I Subcommittee on Highways and Transit, Majority Staff – In August, we followed up with House Transportation and Infrastructure (T&I) Committee staff to discuss reauthorization timing and the potential schedule for a committee markup. We reiterated OCTA's request to restore local suballocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) programs. In addition, we discussed key project delivery streamlining proposals, including efforts to improve and simplify the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

Federal Highway Administration (FHWA) Office of Policy and Government Affairs – We met with FHWA staff to review OCTA's reauthorization request submitted to the US Department of Transportation (USDOT)'s stakeholder portal. In these discussions, we flagged OCTA's request for suballocation authority under both the STBG and CMAQ programs and underscored the importance of formally recognizing self-help counties in future formula funding frameworks. We also coordinated with staff to forward OCTA's invitation for the nominated FHWA Administrator (currently serving as Senior Advisor pending Senate confirmation) to attend the upcoming Mobility 21 event.

Office of Senator Padilla (D-CA) – We followed up in August with Senator Padilla's transportation legislative assistant regarding the reinstatement of local suballocation authority for the STBG and CMAQ programs. We also provided additional information to support the office as they prepared their requests in conjunction with Senator Schiff's (D-CA) office to the Senate Environment and Public Works and Senate Commerce Committees.

Office of Congressman Lou Correa (D-CA) – In August, we followed up with Congressman Correa's staff on previously enacted Congressionally Directed Spending for the Santa Ana–Garden Grove Rails to Trails project. OCTA staff confirmed that the environmental phase was completed and that design work is expected to begin soon, keeping the project on track with the timeline previously shared with the Congressman's office. Additionally, we also reviewed OCTA's broader federal priorities, including surface

transportation reauthorization principles and upcoming funding needs related to the FY26 Appropriations bill, particularly opportunities for Olympics-related transportation investments.

Office of Congresswoman Young Kim (R-CA) – We met with Congresswoman Kim’s staff to review OCTA’s fiscal year 2026 (FY26) appropriations priorities and continue discussions on surface transportation reauthorization. A central focus of the meeting was the potential inclusion of OCTA’s Community Project Funding requests in a Continuing Resolution. Congresswoman Kim’s office confirmed that they are actively communicating their support for these projects with House Appropriations Committee staff. The meeting allowed us to reinforce OCTA’s federal funding priorities while ensuring continued engagement on both the reauthorization process and appropriations negotiations.

Office of Congressman Derek Tran (D-CA) – In August, we engaged Congressman Tran’s office regarding OCTA’s request to be included in the LA28 Mobility Committee. During our earlier meeting in Washington, the Congressman expressed his willingness to support OCTA’s inclusion. We have since reiterated this request in a follow-up letter to LA28 and provided his office with a draft template letter formally requesting OCTA’s inclusion on the Committee. We offered to provide any additional background or materials needed, and his office is currently working to finalize the letter.

Office of Congressman Mike Levin (D-CA) – We followed up with Congressman Levin’s staff on OCTA’s FY26 appropriations requests, including the I-5 Improvement Project and potential Olympics-related transportation funding. We also provided a brief update on coordination with FRA regarding the CRISI grant. In addition, we continued discussions on OCTA’s surface transportation reauthorization principles, emphasizing the reinstatement of local suballocation authority for STBG and CMAQ funds.

FY26 Appropriations Update

When Congress returns in September, it faces the challenge of advancing all 12 appropriations bills before the September 30 fiscal year-end deadline. Progress stalled in July after procedural disputes in the House forced an early recess, leaving topline allocations unfinished for eight bills. The House has pursued a funding package more closely aligned with the President’s budget request, while the Senate has opted for a bipartisan, moderate approach. Given the delays, at least a short-term Continuing Resolution (CR) is expected to keep the federal government funded. It is worth noting that there seems to be growing momentum from House Republicans to include Congressionally Directed Spending, which is an unusual development, as earmarks have typically been excluded from CRs.

Surface Transportation Reauthorization Update

More progress was made in August on the next surface transportation reauthorization, with staff-level discussions between House T&I majority staff and USDOT staff focused on funding levels, program priorities, and stakeholder input. USDOT also convened meetings

with transportation stakeholders, such as the National Association of Counties (NACo), to discuss specific issues including project delivery streamlining.

In the Senate, offices have been preparing submissions for reauthorization policy and programmatic funding requests to both the EPW and Commerce Committees, which will be responsible for drafting their respective bill titles.

Looking ahead, both Congress and USDOT are expected to enter a more substantive phase of the reauthorization process in September, with potential draft language beginning to emerge. Throughout the August recess, we continued engaging with the relevant committees and the Administration to ensure OCTA's priorities such as restoring local suballocation authority for STBG and CMAQ, advancing project delivery reforms, and protecting flexible formula funding are included. We also emphasized these priorities with Chairman Rouzer (R-NC) who will have a significant role in the legislation's development during the Chairman's visit to Orange County.

Second Budget Reconciliation Package Under Discussion

Plans for a second budget reconciliation package in 2025 are beginning to be discussed in Congress. The first reconciliation bill, signed into law on July 4, 2025, addressed health care, immigration, and education. Republican leadership is now considering a narrower, tax-focused package later this year.

House Ways and Means majority staff suggest the new package will likely be smaller in scope, aimed at provisions cut for procedural reasons or deprioritized in the earlier bill. Importantly, any second reconciliation measure would need to be "net deficit reducing" to improve its chances of passage, though debate continues over whether a "current policy" baseline should be used in calculating its fiscal impact.

Potential areas of focus include additional tax relief for corporations and individuals, as well as possible health care reforms or pension-related items. For OCTA, the reconciliation process bears close monitoring. While the primary focus is expected to remain on tax policy, reconciliation bills can carry offsets or spending reductions that impact federal discretionary programs. As negotiations advance, we will continue to assess potential risks to infrastructure funding streams and work to ensure OCTA's priorities such as protecting formula programs and preserving funding for major projects are safeguarded.

Standardizing Permitting and Expediting Economic Development Act Introduced in the House

Before the August recess, House Natural Resources Committee Chairman Bruce Westerman (R-AR) and Rep. Jared Golden (D-ME) introduced the bipartisan *Standardizing Permitting and Expediting Economic Development* (SPEED) Act. The legislation would streamline the federal permitting process by amending the National Environmental Policy Act (NEPA).

The bill clarifies that NEPA is a procedural statute, limits reviews to impacts directly tied to a project, and allows agencies to rely on existing environmental reviews to avoid duplication. It also establishes firm deadlines for completing reviews, expands categorical exclusions, narrows judicial review, and codifies recent case law affirming agency discretion over the scope of environmental impacts considered. Importantly, it would also give project applicants more flexibility in managing review timelines.

The SPEED Act reflects growing bipartisan momentum for project delivery reforms in Congress, aligning with OCTA's priorities to reduce delays and streamline federal processes while safeguarding environmental standards. We are closely monitoring the bill's progress as well as its potential inclusion in the upcoming surface transportation reauthorization package, as House T&I staff have indicated they are developing similar provisions.

Marc Molinaro Sworn In as Federal Transit Administrator

In August, Marc Molinaro was sworn in as the 16th Administrator of the Federal Transit Administration (FTA) following his Senate confirmation on August 2, 2025. His appointment provides stability and leadership at a pivotal time for transit agencies navigating IIJA implementation, FY26 appropriations funding negotiations for transit, and broader federal transit funding debates.

Secretary of Transportation Sean Duffy praised Molinaro's confirmation, citing his leadership, experience, and commitment to restoring safety and reliability in public transit. The American Public Transportation Association (APTA) also welcomed Molinaro's confirmation, highlighting his legislative and executive experience. Molinaro brings decades of public service to the role, from his early years as America's youngest mayor in Tivoli, N.Y., to his leadership as Dutchess County executive and later as a member of Congress.

Specifically, his background on the House T&I Committee will be integral as Congress prepares for the next surface transportation reauthorization. Along with his executive experience at the local and state levels, he is well-acquainted with transit agencies' challenges related workforce, funding, and modernization. Tariq Bokhari who had been serving as acting administrator is now serving as the deputy administrator.

USDOT Cancels Additional California High-Speed Rail-Related Project Funding

On August 26, Transportation Secretary Sean P. Duffy announced that the Federal Railroad Administration (FRA) is withdrawing \$175 million in funding for four California High-Speed Rail-related projects. The cancellations include the Le Grand Overcrossing (\$89.6 million), Southern San Jose Grade Separations (\$7.5 million), the Downtown Extension (DTX) Final Design (\$24.6 million), and the Madera Station Project (\$54.5 million).

This action follows FRA's July decision to terminate \$4 billion in grants to the California High-Speed Rail Authority after a critical report concluded the Authority was unlikely to complete the Merced-Bakersfield segment by 2033. Secretary Duffy emphasized that FRA would continue reviewing all obligated grants connected to the project and reiterated the

Administration's intent to redirect federal resources toward transportation initiatives that are "well-managed" and more likely to deliver results.

USDOT Enforcement of English Language Requirements for Commercial Drivers

Also on August 26, Transportation Secretary Sean P. Duffy announced that California, Washington, and New Mexico could lose federal Motor Carrier Safety Assistance Program (MCSAP) funds unless they enforce English Language Proficiency (ELP) standards for commercial drivers. The three states have 30 days to demonstrate compliance or risk losing up to 100 percent of their federal safety funding.

The announcement followed a Federal Motor Carrier Safety Administration (FMCSA) investigation that found these states routinely failed to prohibit drivers with ELP violations. Secretary Duffy tied the enforcement action to broader road safety concerns, citing a recent fatal crash in Florida, and emphasized that states cannot selectively ignore federal safety requirements.