



Monthly Legislative Report – May 2025

Advocacy Meetings

Congressman Derek Tran (D-CA) – We followed up with staff on the Fiscal Year (FY26) Appropriations community project funding (CPF) request for the State Route 57 (SR-57) Improvement Project between Lambert Road and the Orange County Line. We also provided information on Orange County Transportation Authority's (OCTA) surface transportation reauthorization priorities.

Office of Congressman Mike Levin (D-CA) – We facilitated a meeting with Rep. Levin and his staff to discuss updates on the repair work along the Los Angeles – San Diego – San Luis Obispo Rail Corridor (LOSSAN Corridor) and the status of the environmental reviews for key project segments. Rep. Levin has subsequently sent a support letter to the Federal Railroad Administration requesting OCTA's timely access to awarded Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program grant funding for that emergency rail work. We also followed up on OCTA's Surface Transportation reauthorization priorities and FY26 Appropriations request.

Office of Congresswoman Young Kim (R-CA) – We followed up with staff to facilitate submission of the I-5 Improvement Project between Yale Avenue and State Route 55 (SR-55) CPF requests for OCTA and submission of OCTA's Surface Transportation reauthorization requests to the House Transportation and Infrastructure (T&I) Committee's portal. We also discussed with staff ways to incentivize self-help counties through a formula-based funding approach at the U.S. Department Transportation (USDOT).

Congressman David Min (D-CA) – We followed up and provided additional information regarding OCTA's CPF request to support the deployment of advanced technology upgrades to signals throughout Orange County. We also met with the staff to provide additional information regarding the local suballocation authority for Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds.

Congressman Lou Correa (D-CA) – We provided additional project information on the State Route 91 (SR-91) Improvement Project between Acacia Street and La Palma Avenue. We facilitated a meeting with the Congressman to discuss the restoration of local suballocation authority for STBG and CMAQ funds and we followed up with staff on a draft delegation support letter.

Office of Senator Adam Schiff (D-CA) — We followed up with information regarding OCTA's Surface Transportation Reauthorization principles and the restoration of local suballocation authority for STBG and CMAQ funds.

Office of Senator Alex Padilla (D-CA) – We helped facilitate a meeting with the Senator's transportation staff to discuss Surface Transportation authorization and ongoing repair work along the LOSSAN Corridor.

House Transportation & Infrastructure (T&I) Subcommittee on Highways and Staff – We met with subcommittee staff to discuss OCTA priorities for the Surface Transportation Reauthorization. We have also been discussing Subcommittee Chair David Rouzer's (R-NC) visit to the region with committee staff during the upcoming August recess.

House T&I Subcommittee on Railroads Majority Staff – We followed up with committee staff to discuss possible changes to rail funding programs, including the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program in the Surface Transportation Reauthorization process. We also discussed potential funding for key rail corridors in Orange County that would support the Olympic games.

Budget Reconciliation Update for May

On May 21st, the House passed their version of the reconciliation bill, <u>H.R. 1 - One Big Beautiful Bill Act</u>. The next step is for the Senate to amend and send back their version of the reconciliation bill to the House. Once the Senate acts, Republican leadership from both chambers will meet to negotiate a final version. The bill makes permanent the lower income tax rates from the 2017 Tax Cuts and Jobs Act (TCJA), provides \$150 billion in additional defense and border funding, restarts construction of the border wall, and raises the debt limit by \$4 trillion. It also includes a standard deduction increase for individuals (with an enhancement for seniors), a child tax credit supplement, no tax on tips and overtime, and a new deduction on interest for car loans. It also increases the State and Local Tax Deduction limit (SALT Cap) to \$40,000, with an income limit of \$500k. Transportation programs were largely unscathed in the House bill, which mostly targets healthcare spending, entitlements, and unused federal funds. The only two "No" votes from the Republican Conference were Rep. Thomas Massie (R-KY) and Rep. Warren Davidson (R-OH). Reps. Garbarino (R-NY) and Schweikert (R-AZ) registered a "not voting." Rep. Andy Harris (R-MD) voted "present." The final vote was 215-214.

To offset the cost of these policies, longer-standing Republican priorities were added, including welfare program reforms affecting the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, along with reforming student aid and federal pensions, eliminating clean energy tax credits, and rescinding funding for the Consumer Financial Protection Bureau.

One issue that may come into play over the next few weeks is the Byrd Rule that prevents extraneous policy riders from being included in reconciliation packages. All provisions in a package must be nominally spending or deficit-related and must have some form of budgetary impact that is more than "merely incidental" to the proposed change. As scoring becomes available on the full House language, the Senate Parliamentarian will have to assess and rule on provisions in the package that may violate the Byrd Rule. Speaker Mike Johnson pushed back on potential changes, citing the approaching debt limit in mid-August, when the US would begin to default on its financial obligations. The Speaker and

Senate Majority Leader John Thune have committed to a July 4th deadline for delivering a bill to the President's desk.

Fiscal Year 2026 (FY26) Appropriations

The House Appropriations Committee will begin marking up the 12 FY26 appropriations bills in June and continue until the end of July. Negotiations with the Senate on Budget Reconciliation could create delays in the regular appropriations process despite a strong willingness among Committee Members to finish all markups by the August recess. The Transportation, Housing and Urban Development (THUD) subcommittee markup is scheduled for July 7th. The full committee markup is slated to take place that same week, on July 10th. A more complete President's Budget is also expected to be released the first week of June. As you may recall a "skinny" budget was previously released that provided preliminary budget requests and recissions from the White House.

On May 14th, the Secretary of Transportation Sean Duffy testified before the House THUD Committee on the FY26 President's Budget requests. The following Day, the Secretary testified before the Senate Appropriations Committee. In both hearings, the Secretary took questions from committee members on the status of grant programs and other key transportation priorities for members.

<u>Surface Transportation Reauthorization</u>

During the month of May, the House Transportation & Infrastructure (T&I) Committee has been soliciting initial input from Members regarding Surface Transportation Reauthorization priorities. The upcoming surface transportation reauthorization process will begin in June. Unlike the IIJA, this reauthorization process will focus on highways, bridges, and other traditional transportation infrastructure programs. OCTA's surface transportation reauthorization principles have been submitted to the Orange County delegation and T&I Committee staff. Once enacted, this bill will set the budget for overall transportation spending for the next five years.

House T&I Committee Hearings

Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing on May 6th entitled "America Builds: Improving the Efficiency and Effectiveness of Federal Rail Assistance." Witness List included:

- Mr. Matthew Dietrich, Executive Director, Ohio Rail Development Commission
 - Witness Testimony
- Honorable **Garrett Eucalitto**, Commissioner, Connecticut Department of Transportation, on behalf of the American Association of State Highway and Transportation Officials
 - Witness Testimony

- Mr. Kevin Hicks, Senior Vice President, TranSystems; on behalf of the National Railroad Construction and Maintenance Association
 - Witness Testimony
- Ms. Kristin Bevil, General Counsel and Chief Legal Officer, Pinsly Railroad Company, on behalf of the American Short Line and Regional Railroad Association
 - Witness Testimony

The focus of the hearing was on the authorized programs to include the CRISI, which serves as a vital source of funding to assist passenger and freight rail operators to rehabilitate and expand infrastructure necessary for their mission to provide service.

On May 14th, the Committee held a "Member Day" hearing to discuss member priorities for new reauthorization bill. Orange County Member David Min (D-CA) testified regarding OCTA reauthorization priorities. The portal for Member offices to submit priorities to a surface transportation reauthorization bill May 12th and will be open until May 30th. Several Orange County Members are submitting several of OCTA's priorities.

Senate Commerce Advances Nominee for the Federal Railroad Administration (FRA)

On May 12th, the Senate panel approved the nomination of David Fink to be Administrator of the Federal Railroad Administration by a party-line vote of 15 to 13. The committee then approved the nomination of Robert Gleason to fill the last vacant seat on the Amtrak Board of Directors by a vote of 16 to 12.

David Fink and FTA Administrator Nominee, Marc Molinaro (former Congressman from New York), are expected to receive Senate floor votes in the next few weeks.