



August 21, 2025

The Honorable Mike McGuire  
President pro Tempore  
California State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

The Honorable Robert Rivas  
Speaker  
California State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

The Honorable Scott Wiener, Chair  
Senate Budget & Fiscal Review  
Committee  
1021 O Street, Suite 8620  
Sacramento, CA 95814

The Honorable Jesse Gabriel, Chair  
Assembly Committee on Budget  
1021 O Street, Suite 8230  
Sacramento, CA 95814

## **RE: Cap-and-Trade Reauthorization Priorities**

Dear pro Tem McGuire, Speaker Rivas, Chair Wiener and Chair Gabriel:

We, the undersigned representatives of Southern California transit agencies, write to express our support for prioritizing investment in regional transit systems as part of the reauthorization of the State's Cap-and-Trade program, and outline our priorities for the program going forward. The Southern California region served by Metrolink and our transit systems is home to over 20 million people and includes some of the highest concentrations of disadvantaged communities. The region faces both severe air quality challenges and significant greenhouse gas emissions. We have developed a comprehensive regionwide strategy to reduce these emissions and meet the region's greenhouse gas emission reduction targets via the Southern California Association of Governments' Sustainable Communities Strategy, recently approved by the California Air Resources Board. However, much of that strategy is predicated on the need to grow and maintain our region's transit system and services. As such, it is imperative that cap-and-trade funds be invested proportionately in our region for transit purposes.

A robust cap-and-trade investment plan is critical to the success of meeting the State's climate goals, and we are grateful to the Governor and our legislative colleagues for your

commitment to improving this program and transportation across the State. The decision before the State today is one that will have a 20-year impact on progress towards a healthier and more sustainable climate. This investment plan will be a product of our State's values and priorities for the future. As we continue to consider the future of our State's climate goals, we would like to outline priorities and solutions for ensuring that public transit is an integral part of this reauthorization. With that in mind, we would like to highlight the following three key priorities.

1. **If the Legislature provides long-term, guaranteed minimum funding to high-speed rail, a proportionate share of that funding must be directed to Southern California.** The Governor's investment plan, as proposed today, would make the California High-Speed Rail project the only substantive infrastructure investment by the State, with no guarantee that any of this investment will take place in Southern California over the next 20 years. The Legislature should direct a share of HSR funding to Southern California's regional rail system projects that have a direct connection to the future HSR network. These investments in regional rail will yield immediate benefits for California's largest population centers and help support mode shift and emission reduction goals.
2. **Maintain or increase the share of cap-and-trade funding directed towards the Transit and Intercity Rail Capital Program (TIRCP).** TIRCP supports transit capital project construction, which creates thousands of jobs, leading to increased economic development and a reduction in greenhouse gas emissions. Over the next two decades, transit agencies will bring forward projects across the region that will improve mobility, reduce vehicle miles traveled, and preserve the backbone of our State's rail system. Though many counties have voted to tax themselves to fund transportation projects, robust investment from state and federal sources is crucial to the advancement of these connections. Currently, TIRCP receives 10 percent of cap-and-trade funding each year via ongoing appropriations. In addition, cap-and-trade funding has been used for recent TIRCP formula programs to directly assist transit agencies with operating and capital needs. These projects and programs would not receive any significant funding under the current proposal. Further, it is unclear if existing committed funds dedicated to transit projects through 2030 will be maintained. Both the honoring of existing commitments and a future dedication of funding for TIRCP are necessary to sustain regional transit needs.
3. **Maintain or increase the share of cap-and-trade funding dedicated towards the Low Carbon Transit Operations Program (LCTOP).** LCTOP supports innovative operations programs within our region, including transit pass programs that enable youth to ride transit for free, university partnerships, and other fare promotions. In addition, the

program also helps fund the operations of new transit services, the region's transition to a zero-emission transit fleet, and other programs that help drive ridership and reduce emissions. Receiving 5 percent of annual appropriations from cap-and-trade, this program is the only formula-based cap-and-trade program for transit, guaranteeing funding for all transit agencies.

4. **We urge that any reauthorization provide a flexible dedicated funding source for regional rail agency operations, a critical tool for meeting the State's climate goals.** Regional rail services play a significant role in reducing single occupancy vehicle trips throughout California. Last year, Metrolink removed over 4.1 million car trips from California's congested roads with an average trip length of 36.7 miles. As part of the reauthorization process, we request that the State dedicate a share of cap-and-trade funding to establish a dedicated funding source that Regional Transportation Planning Agencies can use to support regional rail operations. Funds would support agencies like Metrolink, North County Transportation District's Coaster, and others throughout the state. A dedicated funding source for regional rail agency operations is critical to meeting the State's climate goals.

Thank you for considering our letter and priorities. We look forward to further dialogue with you as you consider the future of Cap-and-Trade.


Sincerely,



Stephanie Wiggins  
Chief Executive Officer  
Los Angeles County Metropolitan Transit  
Authority



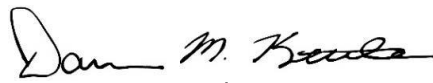
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