ATTACHMENT C

OCTA

July 8, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Monique Limón
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

RE: Preserve Transit Funding Commitments Under California's Cap-and-Invest Program

Dear Governor Newsom, Pro Tem Limon, and Speaker Rivas:

On behalf of the Orange County Transportation Authority (OCTA), I write to urge the Administration and Legislature to honor the transportation funding commitments established through SB 840 (Chapter 121, Statutes of 2025) following the California Air Resources Board's recent adoption of amendments to the Cap-and-Invest Program. Through SB 840, the Legislature established an expenditure framework that maintained ongoing funding commitments for the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP), recognizing that public transportation remains one of California's most effective tools for reducing emissions and expanding access to opportunity. The California Air Resources Board's *2025 Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade Auction Proceeds* reinforces this conclusion, highlighting the substantial greenhouse gas reductions achieved through investments in TIRCP, LCTOP, and other transit programs.

Unfortunately, less than a year after the enactment of SB 840, the California Air Resources Board adopted amendments that are expected to significantly reduce Greenhouse Gas Reduction Fund funding available for programs supported through the Cap-and-Invest expenditure plan. While OCTA recognizes the Administration's desire to address concerns about affordability and industrial competitiveness, the resulting reduction in funding threatens the very transportation investments that the Legislature committed to preserving through the reauthorization process.

For transit agencies, funding certainty is essential. Major capital projects are planned and delivered over many years, and transit operations require dependable funding streams to maintain service levels and implement new mobility programs. Agencies across California relied upon the commitments established through SB 840 when developing project delivery schedules, operating plans, and investment strategies.

For Orange County, these commitments support critical transportation investments that directly benefit residents and advance the State's climate goals. LCTOP funding currently supports OCTA's Youth Ride Free Program, OC Streetcar operations, and hydrogen fueling infrastructure in Santa Ana. The Youth Ride Free Program alone removes transportation barriers for thousands of young people traveling to school, internships, and jobs while reducing transportation costs for working families.

Similarly, TIRCP funding supports significant regional investments, including the Coastal Rail Infrastructure Resiliency Project, which funds emergency track stabilization and coastal resiliency improvements along the Los Angeles – San Diego – San Luis Obispo Rail Corridor to address coastal erosion, stabilize vulnerable infrastructure, and maintain uninterrupted passenger rail service. TIRCP funding also supports rail station improvements and other projects that strengthen passenger rail reliability and resilience along one of California's most important transportation corridors. These projects were developed with the expectation that the State would maintain its funding commitments under the Cap-and-Invest framework.

OCTA is also concerned about the State's ability to deliver the remaining commitments established through SB 125. The remaining $690 million in Zero-Emission Transit Capital Program funding is critical to helping transit agencies deploy zero-emission fleets and supporting infrastructure. In Orange County, these funds support the deployment of zero-emission buses, clean-energy infrastructure, and rooftop solar installations at OCTA facilities. Failure to deliver these commitments would undermine implementation of the Innovative Clean Transit (ICT) Regulation by limiting transit agencies' ability to make the capital investments necessary to meet the State's zero-emission fleet transition requirements.

The Legislature made a deliberate policy decision in 2025 to continue investing Cap-and-Invest funding in public transportation because these programs produce measurable greenhouse gas reductions while delivering mobility, affordability, and economic benefits to communities throughout California. Preserving these commitments remains just as important today as it was during the reauthorization debate.

Accordingly, OCTA respectfully urges the Administration and Legislature to develop and implement a plan that preserves the transportation funding commitments established through SB 840, protects previously approved TIRCP and LCTOP investments, and ensures completion of the remaining SB 125 transit funding commitments. Doing so will provide transportation agencies with the certainty necessary to continue delivering projects and services that advance California's climate, mobility, and economic objectives. If you or your staff have any questions, please contact Kristin Jacinto, Executive Director of Government Relations, at (714) 560-5754 or kjacinto@octa.net.

Thank you for your consideration.

Respectfully,

Jamey M. Federico
Chair

JMF:cb

c: Members, Orange County State Legislative Delegation
Darrell E. Johnson, Chief Executive Officer
Topp Strategies