



Monthly Legislative Report – December 2025

Advocacy Meetings

Transportation and Infrastructure (T&I) Committee, Majority Staff – In December, we continued targeted follow-up with the Chairman’s staff to assess progress on the surface transportation reauthorization bill, with particular focus on the proposed distribution of CMAQ and STBG funds. We also engaged with committee staff on transit funding priorities expected to be addressed in the forthcoming surface transportation legislation.

House and Senate Appropriations Staff – In December, we continued to meet with appropriations staff to discuss progress on the Fiscal Year 2026 (FY26) appropriations bills, including the potential inclusion of Community Project Funding (CPF) requests. Staff indicated that committee leaders currently plan to include CPF in the final FY26 appropriations bills. In addition, appropriators are exploring contingency options to preserve CPF project lists in the event bicameral negotiations stall and an additional continuing resolution (CR) becomes necessary.

Office of Congresswoman Young Kim (R-CA) – In December, we met with the Congresswoman’s transportation and appropriations staff to discuss the status of OCTA’s FY26 Community Project Funding (CPF) requests for the State Route 55 Improvement Project and the I-5 Improvement Project. We also reviewed progress on surface transportation reauthorization, including discussions on establishing an annual registration fee for electric vehicles and hybrid vehicles to strengthen the Highway Trust Fund.

Office of Congressman Ken Calvert (R-CA) – In December, we continued to meet with the Congressman’s Legislative Director to discuss progress on the FY26 appropriations bills and the anticipated timing of January floor votes on the initial appropriations minibuss package.

Offices of Senator Alex Padilla and Adam Schiff (D-CA) – In December, we participated in a regional stakeholder call with the Senators’ offices to discuss proposals addressing the distribution of CMAQ and STBG funds for large Metropolitan Planning Organizations (MPOs).

Senate Environment and Public Works (EPW) Committee Staff – In December, we met with committee staff to discuss progress on surface transportation reauthorization and the anticipated timing of potential committee hearings in the early part of the new year as well as the potential for a markup of a draft bill in March.

January 2026 Congressional To-Do and Schedule

Congress will return on January 6th to begin the second session of the 119th Congress, with the agenda initially shaped by foreign policy developments and FY26 appropriations work, both of which will affect the legislative bandwidth for transportation issues.

The Administration's recent military action in Venezuela is expected to dominate early-month attention. Congressional briefings are anticipated, and Senate Democrats are preparing responses asserting congressional war powers, including a potential vote on a resolution requiring authorization for further military action. While largely outside transportation jurisdiction, this issue may compress floor time and delay consideration of other legislation in January.

On the House side, Members will resume legislative business Tuesday evening. Republicans are expected to advance several FY26 appropriations bills, with bipartisan, bicameral negotiations underway on the Energy-Water, Interior-Environment, and Commerce-Justice-Science bills. These measures are being finalized against the backdrop of the January 30 expiration of the current continuing resolution (CR), raising the likelihood that additional funding packages or a short-term CR will be required directly relevant to US Department of Transportation (USDOT) program stability and grant timing.

House leadership may also face procedural pressure from a discharge petition on Affordable Care Act (ACA) subsidies, which could force an unscheduled floor vote and further complicate the early month's agenda.

In the Senate, floor time will initially be consumed by executive and judicial nominations, several of which are queued for confirmation votes. Additional Congressional Review Act resolutions targeting ACA marketplace rules and an Environmental Protection Agency regulation are also pending, potentially crowding the calendar.

Early January is likely to be dominated by high-profile foreign policy and funding deadline issues, but FY26 appropriations negotiations are actively moving behind the scenes. Transportation stakeholders should expect continued uncertainty around timing ahead of broader spending agreements tied to the January 30th Continuing Resolution deadline.

FY26 Appropriations Update

In early January, the House Appropriations Committee is expected to advance a bipartisan, bicameral three-bill FY 2026 appropriations package covering Commerce-Justice-Science (CJS), Energy and Water Development, and Interior-Environment. The package reflects continued progress toward completing all 12 FY26 appropriations bills under regular order and provides full-year funding in several key areas, helping reduce the likelihood of near-term government shutdowns.

The measure was negotiated jointly by House and Senate appropriators and reconciles differences between the two chambers' versions of the bills. While these accounts do not

include surface transportation programs, they are significant because they demonstrate momentum on FY26 funding and establish a pathway for additional appropriations packages that will include Transportation-HUD (THUD) to move shortly.

Importantly for local and regional stakeholders, the initial package includes Community Project Funding (CPF) and targeted investments in water infrastructure, ports, flood control, land management, and public safety. Advancing these bills keeps the committee on schedule to complete all FY26 appropriations in advance of the January 30 expiration of the current continuing resolution (CR).

House leadership is expected to schedule floor consideration of this three-bill package the first week of January, positioning it for expedited passage. The Senate is expected to take up the measure shortly thereafter, with leadership signaling interest in continuing to move FY26 bills in grouped packages rather than relying on a single omnibus.

As mentioned earlier Appropriators we spoke to this month have indicated that additional FY26 packages including bills that contain THUD are expected to follow within the next two weeks. While final timing remains fluid, this sequencing suggests that transportation programs could be addressed before the end of January or alternatively be included in a short-term CR extension if negotiations require additional time.

House Advances Permitting Reform and Environmental Streamlining Legislation

In mid-December, the House finalized work on a package of permitting reform legislation aimed at streamlining federal environmental reviews and improving infrastructure delivery timelines. Congressional leadership resolved outstanding concerns related to offshore wind, allowing the legislation to move forward as part of a broader effort to address grid reliability and federal permitting delays.

For California transportation agencies, the package includes H.R. 4776, the SPEED Act, a bipartisan National Environmental Policy Act (NEPA) reform measure that would narrow the universe of projects subject to full NEPA review, limit NEPA litigation, and reduce duplicative process with the use of categorical exemptions (CEs), potentially accelerating delivery schedules for major infrastructure projects and reducing duplicative federal-state environmental processes.

The House package also includes H.R. 3632, the Power Plant Reliability Act of 2025, which would authorize the Federal Energy Regulatory Commission (FERC) to delay power plant retirements in order to maintain grid reliability, and H.R. 3616, the Reliable Power Act, which would give FERC a central role in reviewing and approving the grid impacts of new federal or state regulations before they can be finalized.

While the energy-focused bills generated Democratic opposition largely over concerns that they favor legacy fossil fuel generation over emerging technologies such as battery storage the NEPA reform provisions have attracted bipartisan interest and remain the most relevant

to transportation and infrastructure agencies that could also become a key component of the Surface Transportation Reauthorization process in early 2026.

If enacted, the SPEED Act could materially benefit OCTA by shortening project delivery timelines, reducing duplicative environmental reviews, and providing greater certainty for federally funded transportation projects in California. The prospects for the bill in the Senate remain uncertain with Senate committee jurisdictional issues complicating potential expedited passage.

U.S. Department of Transportation (USDOT) Opens \$1.5 Billion FY26 BUILD Grant Program

As previously reported, the USDOT released a \$1.5 billion Notice of Funding Opportunity (NOFO) for the FY 2026 Better Utilizing Investments to Leverage Development (BUILD) grant program. Funded through the Infrastructure Investment and Jobs Act, BUILD supports major transportation projects with significant local or regional impact, including efforts to improve mobility, modernize aging infrastructure, and strengthen multimodal connections.

Individual capital awards are capped at \$25 million, with minimum requests of \$5 million for urban projects and \$1 million for rural projects; planning grants have no minimum. DOT is required to reserve at least 5 percent of funding for planning activities and 1 percent for Areas of Persistent Poverty or Historically Disadvantaged Communities, with no single state eligible to receive more than 15 percent of total funds. DOT anticipates an approximately even split between urban and rural projects. Federal cost share may reach up to 80 percent for urban projects and up to 100 percent for rural or equity-designated projects.

DOT will evaluate applications based on criteria that prioritize safety, state of good repair, economic competitiveness, and improved mobility, along with environmental benefits, community connectivity, and resilience. Projects demonstrating strong readiness, including progress on permitting, realistic schedules, and viable financial plans, will be more competitive. Coordination among public agencies and private-sector partners is also a key consideration. Eligible applicants include state and local governments, transit agencies, metropolitan planning organizations, port authorities, and Tribal governments. Eligible projects span highways and bridges, transit and rail improvements, port and freight infrastructure, intermodal facilities, and resilience-related upgrades such as stormwater and culvert improvements. Planning grants may fund feasibility studies, corridor planning, and environmental documentation.

Applications are due February 24, 2026, at 5:00 p.m. ET.

Federal Emergency Management Agency (FEMA) Awards \$250 Million to States Ahead of FIFA World Cup

In late December, the Federal Emergency Management Agency (FEMA) announced a historic \$250 million grant award under its new Fiscal Year 2026 Counter Unmanned

Aircraft Systems (C-UAS) Grant Program, directing funding to the 11 states hosting FIFA World Cup 2026 matches, including California, as well as the National Capital Region. The funding is intended to strengthen state and local capabilities to detect, track, and mitigate unmanned aircraft systems during large-scale public events.

This rapid award is the fastest non-disaster grant FEMA has ever executed, and it underscores the Administration's strong focus on ensuring the safety and operational success of the FIFA World Cup 2026 and other major international events, including those taking place in Southern California. While the grant is security-focused, it reflects a broader federal commitment to coordinated planning across public safety, emergency management, and infrastructure systems that support mass-gathering events.

The program was established under the One Big Beautiful Bill Act of 2025 and aligns with recent executive actions aimed at protecting U.S. airspace during large public events. Funding will support state and local law enforcement, fire services, emergency medical services, and emergency management agencies as they prepare for the unprecedented scale of World Cup operations. FEMA has indicated that this initial \$250 million tranche is the first installment of a \$500 million, two-year investment, with additional funding to be distributed nationwide in FY27.

For OCTA, this announcement reinforces that the Administration is keenly focused on making the upcoming global events in Southern California a success, with early federal investments signaling heightened attention to readiness and coordination. As planning continues, we expect additional federal focus on transportation, mobility, and interagency coordination needs tied to event security, and regional connectivity. We will continue to monitor related federal actions and identify opportunities to align transportation priorities with broader federal event-readiness efforts.