



March 19, 2026

To: Legislative Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Federal Legislative Status Report

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Overview

The Orange County Transportation Authority regularly updates the Legislative Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This report provides updates on the Environmental Protection Agency's rescission of the 2009 greenhouse gas Endangerment Finding and related litigation, leadership transitions at the Federal Transit Administration, transportation-related elements of the President's 2026 State of the Union address, and the California Department of Transportation's draft federal surface transportation reauthorization principles.

Recommendation

Receive and file as an information item.

Discussion

Update on the Repeal of the 2009 Greenhouse Gas (GHG) Emission Endangerment Finding

As previously reported to the Legislative Committee on September 18, 2025, the United States (U.S.) Environmental Protection Agency (EPA) announced its intent to repeal the 2009 "Endangerment and Cause or Contribute Finding for GHGs Under Section 202(a) of the Clean Air Act (CAA)" (Endangerment Finding). At that time, the proposed repeal had been published in the Federal Register and was undergoing public comment.

On February 12, 2026, EPA signed a final rule rescinding the Endangerment Finding and repealing federal GHG emission standards for light-, medium-, and heavy-duty vehicles and engines for model years 2012 and beyond. On February 18, 2026, the EPA published the final rule, which is scheduled to become effective on April 20, 2026 (60 days after publication), unless stayed by the court. On the same day the rule was published, a coalition of public health and environmental organizations filed a petition for review in the U.S. Court of

Appeals for the District of Columbia Circuit, challenging the rule and additional legal challenges and motions for a judicial stay are possible. In addition, several U.S. Senators have announced an inquiry into the EPA's rulemaking process. The Endangerment Finding was issued in 2009 following the U.S. Supreme Court's decision in *Massachusetts v. EPA* (2007), which held that greenhouse gases qualify as "air pollutants" under the CAA. EPA subsequently determined that six GHGs met the statutory threshold under Section 202(a), establishing the legal basis for federal vehicle GHG standards and supporting broader climate-related regulation under the CAA.

In rescinding the Endangerment Finding, EPA concluded that the CAA does not clearly authorize regulation of GHG emissions to address global climate change and that the 2009 Endangerment Finding exceeded EPA's statutory authority. The final rule repeals existing federal vehicle GHG standards but does not affect other vehicle programs, including standards for criteria pollutants and air toxics or Corporate Average Fuel Economy requirements, which operate under separate authorities.

Although the rescission directly addresses vehicle standards, EPA has indicated that it may reconsider other GHG regulations under the CAA, including proposing to repeal GHG standards for fossil fuel-fired power plants and potential reconsideration of the aircraft endangerment finding, through separate rulemakings. The scope and durability of those actions will likely be determined through ongoing and future litigation and administrative proceedings.

The interaction between the federal rescission and California's vehicle emission authority remains a key issue. The action does not directly revoke California's waiver authority under Section 209 of the CAA; however, future vehicle emission programs may be subject to further federal review or judicial interpretation. As of this report, California has not announced changes to its existing regulatory framework. Regulatory divergence between federal and California programs remains possible, pending resolution of litigation and any additional federal or state action.

No immediate operational impacts to OCTA are anticipated, as existing regulatory requirements remain in effect unless and until modified through further rulemaking or judicial action. However, the pending litigation and resulting regulatory uncertainty could affect vehicle market availability, manufacturer product planning, certification timelines, compliance strategies across jurisdictions, funding criteria tied to emissions performance, and long-term fleet procurement planning. Staff will continue to monitor court proceedings and related federal and state regulatory developments and will assess potential implications for agency operations.

Federal Transit Administration Leadership Update

Public reporting indicates that Federal Transit Administration (FTA) Administrator Marcus J. Molinaro resigned effective February 20, 2026, after approximately six months in the role. Administrator Molinaro was confirmed by the U.S. Senate on August 2, 2025, and assumed duties shortly thereafter, following prior service as a Member of Congress and local elected official in New York. As of March 4, 2026, no successor or acting administrator has been publicly announced.

In addition to the departure of Administrator Molinaro, FTA Executive Director Matthew Welbes announced his intention to retire from federal service in the coming months, concluding more than 30 years at the agency, including nearly 18 years as Executive Director. In a message to staff, Welbes indicated he will continue coordinating with agency leadership to support transition efforts prior to his departure. Welbes' tenure spanned multiple presidential administrations and included oversight of major capital programs, safety initiatives, and regulatory compliance matters affecting transit agencies nationwide.

With Administrator Molinaro's announced departure and the Executive Director's planned retirement, the FTA is entering a period of senior leadership transition. No formal announcements have been made regarding permanent or acting successors for these positions.

Caltrans Draft Federal Surface Transportation Reauthorization Principles

The California Department of Transportation (Caltrans) recently released draft federal surface transportation reauthorization principles outlining state priorities for the next multi-year federal surface transportation authorization bill following the expiration of the Infrastructure Investment and Jobs Act on September 30, 2026. The draft document, included as Attachment A, presents a statewide framework intended to guide engagement with Congress and the U.S. Department of Transportation as reauthorization discussions begin.

The principles focus on several core themes, including stabilizing the Highway Trust Fund and maintaining current federal funding levels, plus inflation, prioritizing safety through a Safe Systems approach, advancing a "Fix-it-First" strategy to address deferred maintenance needs, strengthening supply chain and goods movement resiliency, increasing flexibility within federal funding programs, streamlining environmental review and permitting processes, and supporting innovation and emerging transportation technologies.

A central component of the draft principles is a shift toward increasing the share of transportation funding distributed through formula programs while reducing reliance on competitive discretionary grants. The stated objective is to provide more predictable funding, reduce administrative burdens, accelerate project

delivery, and allow states and local agencies greater flexibility to direct funds to locally determined priorities.

This proposed shift has prompted discussion among regional and local transportation agencies regarding the appropriate balance between formula and competitive funding. For OCTA, a stronger emphasis on formula funding and flexibility aligns with longstanding Board-adopted federal principles supporting funding stability, suballocation certainty, and local decision-making authority. Predictable formula funding supports long-range planning and efficient delivery of projects across the County. At the same time, the draft principles contemplate linking future funding more closely to certain statewide performance objectives and metrics. Depending on how such performance measures are structured in federal legislation, they may not fully align with OCTA's adopted principles emphasizing local discretion and funding stability.

In addition, certain competitive discretionary programs, particularly large capital programs such as the Federal Transit Administration's Capital Investment Grants program, have historically provided critical federal participation for major transit investments. Any significant restructuring or reduction of competitive programs at the federal level could affect agencies pursuing large-scale, capital-intensive projects that rely on discretionary funding partnerships.

Caltrans' principles are currently in draft form and have not been officially submitted. The final draft was released on January 16, 2026, and was available for public comment through February 27, 2026. Caltrans and the California State Transportation Agency have indicated the document will serve as the foundation for a coordinated statewide federal advocacy strategy, and they will continue accepting requests from organizations seeking to become signatories through July 31, 2026. Finalization of the principles is expected following review of public comments and stakeholder engagement in the coming months. Congress has not yet released formal surface transportation reauthorization legislation. Staff will continue to monitor development of the final Caltrans principles and evolving federal proposals, and will assess potential implications for OCTA's funding strategy, including both formula-based programs and key discretionary grant opportunities. This could include working with partner agencies through the California Transit Association, California Councils of Government, and Self-Help Counties Coalition to provide feedback.

Summary of President's 2026 State of the Union Address

On February 24, 2026, President Donald Trump delivered his State of the Union address, outlining the Administration's priorities related to economic policy, immigration enforcement, public safety, trade, health care, and national security. The address framed the first year of the President's second term as a period of economic expansion, declining inflation and energy prices, strengthened border enforcement, and increased military investment. The President also urged Congress to codify several executive actions and advance additional legislation

related to tax policy, election administration, immigration, and criminal justice. While the address did not include detailed proposals specific to federal surface transportation authorization or transit funding programs, several statements have potential relevance to transportation agencies and infrastructure planning.

The President called on Congress to pass what he referred to as the “Dalilah Law,” which would prohibit states from issuing commercial driver’s licenses (CDL) to non-citizens. The proposal was presented in the context of roadway safety and immigration enforcement. This proposal is particularly relevant given California’s current commercial driver licensing compliance issues. As previously reported to the Legislative Committee, the Federal Motor Carrier Safety Administration issued a Final Determination of Substantial Noncompliance to the State related to its CDL program, with potential federal highway formula funding withholding beginning in fiscal year (FY) 2027 if corrective actions are not completed. Any new federal statutory changes affecting CDL eligibility standards could intersect with California’s ongoing compliance efforts and may have implications for state licensing authority, trucking workforce availability, and freight mobility.

The President also highlighted the 2026 Fédération Internationale de Football Association World Cup and the 2028 Olympic and Paralympic Games in Los Angeles, emphasizing federal attention to host city safety and preparedness. While no new transportation funding was announced in the address, Congress has already provided dedicated funding in the FY 2026 THUD appropriations bill for transit planning, capital improvements, and operating assistance associated with both events. Staff will continue coordinating with federal and regional partners and monitoring any additional federal guidance or administrative actions that could affect mobility planning, security requirements, or event-related operations.

At this time, the address serves primarily as an indication of Administration policy direction rather than a source of immediate statutory or regulatory change. The proposals referenced will require congressional action or further federal rulemaking before taking effect. Staff will continue to monitor legislative developments, agency guidance, and intergovernmental coordination efforts and will report back to the Legislative Committee as additional information becomes available or as potential impacts to OCTA are identified.

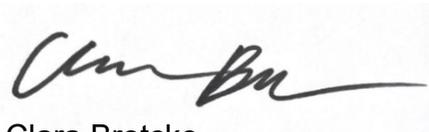
Summary

Information is provided on the Environmental Protection Agency's rescission of the 2009 Greenhouse Gas Endangerment Finding, leadership changes at the Federal Transit Administration, transportation-related items from the President's State of the Union address, including a proposed commercial driver's license policy change and coordination related to upcoming international events, and the California Department of Transportation's draft federal surface transportation reauthorization principles.

Attachments

- A. California Federal Surface Transportation Reauthorization Principles Final Draft – For Public Comment
- B. Potomac Partners DC, Monthly Legislative Report – February 2026

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