



Monthly Legislative Report – September 2025

Advocacy Meetings

Transportation and Infrastructure (T&I) Subcommittee on Highways and Transit Chair David Rouzer (R-NC) – In September, we met several times with Chairman Rouzer’s Chief of Staff to follow up on the Chairman’s August visit to Orange County. In these follow-up discussions, we provided additional detail on OCTA’s reauthorization principles, which emphasize restoring local suballocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) programs; protecting traditional OCTA funding streams; maintaining transit commitments within the Highway Trust Fund (HTF); advancing environmental streamlining reforms; ensuring fairness in discretionary grant distribution; and securing dedicated investment in both the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor and other mobility projects tied to the 2028 Los Angeles (LA28) Olympic Games.

House and Senate Appropriations Staff – Throughout the month of September, we met several times with House and Senate Appropriations staff to track the potential consideration of a “minibus” appropriations package that could include the Transportation, Housing and Urban Development (THUD) bill as well as the inclusion of potential Community Project Funding (CPF) requests in any minibuss package. We also followed up on the status of the Continuing Resolution (CR) and discussed the potential solutions to ending quickly the federal government shutdown.

House T&I Committee, Majority Staff – In September, we met on several occasions with House Transportation and Infrastructure (T&I) Committee staff to discuss progress on surface transportation reauthorization drafting and the potential timeline for a committee markup. During these discussions, we reiterated OCTA’s priority request to restore local suballocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) programs.

Federal Highway Administration (FHWA) Office of Policy and Government Affairs – We followed up with Federal Highway Administration (FHWA) staff to discuss the timing of the FHWA Administrator’s confirmation and possible movement on the surface transportation reauthorization. In addition, we reviewed OCTA’s reauthorization request submitted through the U.S. Department of Transportation (USDOT) stakeholder portal.

Office of Congresswoman Young Kim (R-CA) – In a recent phone call with the Congresswoman’s staff we discussed the potential impacts of the federal government shutdown on OCTA, including delays in grant processing, as well as possible next steps for reopening the federal government and restoring agency operations. The conversation allowed us to reinforce OCTA’s federal funding priorities while ensuring continued engagement on both the reauthorization process and appropriations negotiations.

Office of Congressman Derek Tran (D-CA) – In September, we followed up on the letter Congressman Tran sent on September 12th to LA28 Chair Casey Wasserman, formally requesting OCTA's inclusion on the LA28 Games Mobility Executives Team. The letter highlighted OCTA's critical role as Orange County's primary transit operator, a key Metrolink shareholder, managing agency for the LOSSAN Rail Corridor, and operator of the 405 and 91 Express Lanes. Congressman Tran underscored that Orange County will play a vital role in hosting venues such as the Anaheim Arena and Trestles State Beach, as well as providing hospitality and tourism infrastructure for the Games. His office is continuing to explore additional advocacy steps to ensure OCTA is formally included in Olympic mobility planning.

Office of Congressman Mike Levin (D-CA) – Earlier this month we facilitated an update for the Congressman's staff on coordination with the Federal Railroad Administration (FRA) regarding the OCTA Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant. In addition, we continued conversations on OCTA's surface transportation reauthorization principles.

FY26 Appropriations Update

The Fiscal Year (FY) 2026 appropriations process broke down right before the August recess when House disagreements stalled progress on individual spending bills. In September, the House passed the Continuing Appropriations and Extensions Act, 2026, a short-term continuing resolution (CR) to keep the government funded through November 21 at FY2025 levels, with targeted anomalies also requested by the White House such as enhanced security funding for senior officials, local spending authority for the District of Columbia, and extensions for a wide range of programs linked to Medicare, Medicaid, veterans' benefits, agricultural reporting, cybersecurity, and the Defense Production Act.

Despite House passage, the CR stalled in the Senate where 60 votes are required. Negotiations collapsed as Democrats demanded the bill include an extension of expanded health insurance tax credits expiring on December 31st, a roll back of other Medicaid cuts under the recent budget reconciliation bill, and additional protections against the Office of Management and Budget's (OMB) rescissions of appropriated funds. Republicans opposed linking these policies to this short-term government funding, arguing such issues should be debated later as part of year-end negotiations.

With no compromise reached, the Senate adjourned without passing a funding measure, and a partial government shutdown began on October 1. Most federal employees not deemed essential are now facing furloughs, while others such as air traffic controllers and federal law enforcement officers must continue working without pay. The Congressional Budget Office estimates the shutdown will cost federal agencies \$400 million per day, with approximately 750,000 workers furloughed.

Senate Republicans plan to continue holding votes on the House-passed GOP stopgap in hopes of peeling off more Democratic support, after three Democratic-aligned senators Catherine Cortez Masto (D-NV), Angus King (I-ME), and John Fetterman (D-PA) broke ranks to support the GOP bill. Meanwhile, Democrats maintain that health care cannot wait,

pointing out that insurers are preparing to send rate notices to consumers in October, which could destabilize open enrollment starting November 1st if subsidies are not extended.

Federal agencies are now implementing shutdown plans. At the Department of Justice, most core law enforcement functions will continue, but grantmaking and civil rights enforcement activities are largely halted. The Department of Education expects to furlough most employees, pausing grantmaking and investigations, though student aid disbursements will continue. The Interior Department has furloughed large portions of its workforce, including thousands of National Park Service employees. According to USDOT statement released on September 30th the shutdown will affect several smaller agencies, including the Federal Railroad Administration (239 employees), the Pipeline and Hazardous Materials Safety Administration (190 employees), the Maritime Administration (192 employees), and the Office of the Inspector General (239 employees). The remainder of DOT's roughly 53,000 employees are partially funded outside the annual appropriations process and will continue working through the shutdown for the near term.

This shutdown underscores the ongoing stalemate between the two parties and leaves no clear path forward. As mentioned earlier, Senate is expected to resume votes on October 1st with the hope of passing the House CR and ending the shutdown quickly. The House is currently scheduled to return to session on October 7th.

Surface Transportation Reauthorization Update

In September, senior officials at US Department of Transportation (USDOT) continued working behind closed doors to draft the Administration's reauthorization proposals that they hope to submit to Congress in the coming weeks. Their efforts remain closely coordinated with House Transportation and Infrastructure Committee majority staff on key sections of the bill, including revamping funding programs and streamlining project delivery. Another focus of the ongoing reauthorization work is advancing reforms to environmental permitting to accelerate project timelines and reduce delays.

While House T&I Committee staff had hoped to move toward a possible markup of draft legislation this fall, that timeline now appears more likely to slip to the end of the year or early next year. In parallel, a separate rail title for the surface transportation reauthorization is also being developed. However, progress on that front has slowed as the Federal Railroad Administration awaits Senate confirmation of a new Administrator, which is expected in October. Despite these delays, we anticipate that draft sections from both the House and Senate proposals will begin to emerge in the coming months.

Senate Confirms Administrator of the Federal Highway Administration (FHWA)

On September 18th, the Senate confirmed Sean McMaster as FHWA Administrator along party lines in a large package of nominees from several federal agencies. McMaster, a former House T&I Committee staff member and USDOT official, most recently worked with HNTB. As Administrator, his stated priorities include improving safety, expediting highway and bridge project delivery, supporting the Administrations goals of streamlining

environmental regulations, and supporting a transparent process for federal transportation funding investments.

Importantly, Secretary Duffy has tasked McMaster with leading USDOT's work and liaison with Congress on the 2026 surface transportation reauthorization.

National Railroad Partnership Program Announced

In September, Transportation Secretary Sean Duffy announced a new \$5+ billion National Railroad Partnership Program aimed at improving safety and reliability across U.S. intercity passenger rail. The program includes \$2.4 billion repurposed from California's high-speed rail project and prioritizes grade crossing safety, capacity improvements, and state-of-good-repair needs. The reissued Notice of Funding Opportunity (NOFO) removes prior Diversity, Equity, and Inclusion (DEI) requirements and expands eligible uses to include passenger experience enhancements such as family amenities at stations.

Eligible applicants include states, interstate compacts, local public agencies, Amtrak, and tribal governments. Applications are due January 7, 2026. This new program will be a major funding opportunity for regional passenger rail providers and could support safety and capacity priorities across Southern California's rail network.

USDOT Emergency Action on Non-Domiciled Commercial Driver's Licenses (CDLs)

On September 26th, Transportation Secretary Sean Duffy announced an emergency rule tightening eligibility for non-domiciled CDLs and learner's permits (CLPs). The action follows a Federal Motor Carrier Safety Administration (FMCSA) audit uncovering widespread noncompliance, particularly in California, where over 25% of reviewed licenses were improperly issued to ineligible foreign drivers. The new rule requires stricter verification, including employment-based visas and federal immigration checks, and immediately halts California's issuance of non-domiciled CDLs pending corrective action.

California has 30 days to revoke and reissue noncompliant licenses or risk losing up to \$160 million in federal highway funds in the first year, with penalties doubling in year two. Other states, including Colorado, Pennsylvania, South Dakota, Texas, and Washington, were also flagged. The nationwide audit continues, with USDOT emphasizing that these steps are part of the Administration's broader push to strengthen roadway safety and truck driver standards.

House Advances Fixing Emergency Management for Americans (FEMA) Act of 2025

On September 3rd, the House Transportation and Infrastructure Committee advanced the Fixing Emergency Management for Americans (FEMA) Act of 2025, a bipartisan bill designed to streamline federal disaster response and elevate the Federal Emergency Management Agency (FEMA) to a cabinet-level agency. The measure passed overwhelmingly, 57–3 and at the time of this report now heads to the full House for consideration. Lawmakers stressed the importance of the legislation in strengthening

FEMA's ability to support communities facing increasingly frequent and severe natural disasters.

At this stage, however, the Senate has not introduced a companion bill or signaled movement on a parallel version. Because the legislation proposes significant reforms including making FEMA a cabinet-level agency, it is likely to face additional hurdles in the Senate. These include negotiating jurisdictional boundaries with the Senate Homeland Security Committee and securing buy-in from key senators before the bill can advance.