



October 17, 2024

To: Legislative and Communications Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Draft 2025-26 State and Federal Legislative Platforms

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "To:" and "From:" lines of the header.

Overview

Every two years, staff conducts a comprehensive review of the Orange County Transportation Authority’s Legislative Platforms to ensure updates are provided on relevant issues that are anticipated to be of discussion for the upcoming legislative sessions. Following extensive stakeholder outreach, initial draft revisions to the Orange County Transportation Authority’s 2025-26 State and Federal Legislative Platforms have been prepared for consideration by the Orange County Transportation Authority Board of Directors. Before a final draft is considered for adoption, these drafts will be revised as a result of feedback from the Orange County Transportation Authority Board of Directors and stakeholder input.

Recommendation

Direct staff to move forward with the recommended revisions to the draft 2025-26 Orange County Transportation Authority State and Federal Legislative Platforms and incorporate any feedback from the Orange County Transportation Authority Board of Directors, returning to the Board of Directors for final adoption at a later date.

Background

At the beginning of each legislative session, the Orange County Transportation Authority (OCTA) adopts State and Federal Legislative Platforms to guide the agency’s advocacy activities for the upcoming legislative sessions in Sacramento and Washington, D.C., respectively. The most recent versions of the 2023-24 State and Federal Legislative Platforms were approved by the OCTA Board of Directors (Board) on November 27, 2023. Staff has prepared initial drafts of the 2025-26 State and Federal Legislative Platforms for the Board’s consideration. In preparing these drafts, staff solicited feedback and suggestions from the following groups:

- OCTA advisory groups
- OCTA division directors, department managers, and staff
- Orange County legislative delegation
- Cities, chambers of commerce, and the County of Orange
- Orange County community-based organizations and associations
- Private business and industry groups

Staff will continue to consider any additional input received by all stakeholders prior to bringing final drafts back to the Board later this year.

Draft 2025-26 State Legislative Platform

The initial draft of the 2025-26 State Legislative Platform is outlined below and further detailed in the attachments. Attachment A is a clean version of the initial draft, and Attachment B reflects staff's recommended changes as a strikethrough version, reflected in underlining and strikethrough text. In a few instances, some principles were moved and revised. Those revisions are represented in bold lettering. Language was edited, amended, or removed as necessary to ensure accuracy and grammatical and stylistic integrity.

In order to allow the State Legislative Platform to be a better organized, more readable document, many minor edits were made to move provisions in the platform to more appropriate sections and update wording to better reflect current policy. None of these changes are intended to alter OCTA's advocacy goals. Sections were also rearranged to make more sense in terms of flow of the overall platform. An overview of the recommended changes is outlined below, with all textual references to the strikethrough draft in Attachment B.

Key Policy Issues

The Key Policy Issues section represents significant transportation issues that are expected to be discussed in the upcoming legislative session and reflect where OCTA's primary focus will be in terms of its advocacy. OCTA will continue to support transportation funding investments and policy flexibility that allow OCTA to make necessary multimodal capital improvements while providing critical transportation services, including transit, managed lanes, and motorist assistance. Another key foundation of advocacy in the coming session will continue to be related to preserving the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor in south Orange County. OCTA will be seeking support from the State in various areas to help work to prevent future service disruptions.

Several principles were moved from other sections to the Key Policy Issues section as OCTA staff notes these will become more prevalent in this next legislative cycle. Specifically, as the date for the Olympics in the City of

Los Angeles nears, staff anticipates discussions will take place on how best to support moving people throughout Southern California during the Olympics. As part of these discussions, it is crucial that Orange County be involved, given the significant impact that rising travel demand will have on its transportation infrastructure. Beyond funding, there may be opportunities related to incentives, project delivery tools, and regulatory relief that may assist in preparing for the Olympics.

Additionally, the State's cap-and-trade program expires in 2030. This program provides funding for transportation projects for which OCTA is a beneficiary. Next year, it is expected that there will be a concerted effort to extend the program to continue this funding source. OCTA staff will be engaged to monitor these efforts, ensuring that funding for regional transportation projects and programs are not impacted.

And finally, OCTA is transitioning its fleet to zero emission to comply with the Innovative Clean Transit Regulation as required by the California Air Resources Board (CARB). Recently, the costs to transition have increased significantly. OCTA will continue to work with the Legislature on ways to support efforts to mitigate costs associated with zero-emission transit buses and infrastructure, which could include alternative electricity rate structures, tax incentives, and other forms of financial assistance. It is important to note that challenges with the transition to zero-emission go beyond funding; reliability and availability of these vehicles has also been a hurdle in ensuring a smooth transition due to the lack of manufacturers in the marketplace and a constrained supply chain. OCTA is also supportive of workforce development efforts related to training for zero-emission vehicles as the technical expertise is vastly different from the traditional vehicle technology.

Other Legislative Suggestions

- Subsection (a) of the Section entitled, "Implementation of Environmental Policies" is recommended to be revised to better incorporate all forms of project mitigation requirements as it pertains to reducing greenhouse gas emissions. Vehicle miles traveled reduction has been used as one metric but does not necessarily equate to a reduction in greenhouse gas emissions. Therefore, it makes more sense to broaden this principle to include all types of project mitigation that could occur.
- Subsection (a) of the Section entitled, "Roads & Highways," is recommended to be removed. Several years ago, a proposed conservancy was impacting transportation planning in Orange County. This issue has since been resolved.

- Subsection (h) of the Section entitled, “Roads & Highways,” is recommended to be removed. Fines related to high-occupancy vehicles violations have been in place now for several years and staff do not anticipate legislative discussions about increasing these fines.
- Subsection (a) of the Section entitled, “Tolled & Managed Lanes,” is recommended to be revised. The intention of revising this principle is to ensure that revenues from toll facilities are only directed by the responsible governing board.
- Subsection (b) of the Section entitled, “Rail Programs,” is recommended to be removed. This principle related to consolidation of rail oversight is outdated with no current identified need to pursue this policy.
- Subsection (e) of the Section entitled, “Active Transportation,” is recommended to be removed. OCTA staff have identified that this issue related to lease agreements between project sponsors of active transportation projects has been resolved, and the California Public Utilities Commission has made improvements to simplify the process.
- Subsection (g) of the Section entitled, “Administration/General” is recommended to be added. Often times legislative bills are duplicative of existing efforts occurring outside of statute. This can create a dynamic where duplicative reporting requirements are created, which can cause an additional burden on agencies with limited resources. OCTA will continue to encourage examining what work is already being done and oppose efforts that duplicate work and unnecessarily strain agency resources.

Other suggestions that were submitted to staff for consideration as part of the solicitation for comments included: supporting funding for rail grade separation projects, assisting agencies related to cost recovery of legal claims, supporting dedicated funding for senior mobility, and general changes to environmental and goods movement principles. In reviewing these suggestions, it was determined that these suggestions were already included under existing platform principles that are retained in the Draft 2025-26 State Legislative Platform. One suggestion was included from the South Coast Air Quality Management District (SCAQMD), to revise subsection (c) of the “Implementation of Environmental Policies” Section. This revision includes collaborating with other stakeholders when working on air quality determinations and ensuring funding is not constrained. Another suggestion included substantive changes to subsection (g) of the “Goods Movement” Section was rejected by staff related to funding for a potential container fee program. Specifically, this suggestion would have changed the funding to only support zero-emission technologies for freight movement. OCTA

believes that any funding from such potential programs should be used toward projects that mitigate the impact port activity may have on local communities, informed by input from local and regional agencies.

In the final draft of the State Legislative Platform, staff may propose additional changes that are identified as staff works with the Board, stakeholders, and internal departments. In addition, OCTA often encounters specific legislative issues requiring sponsor legislation, prompting OCTA to take the lead in developing legislative language and securing an author. Staff is currently exploring the need for potential sponsor opportunities and will provide an update to the Board for consideration on such possibilities.

Draft 2025-26 Federal Legislative Platform

The initial draft of the 2025-26 Federal Legislative Platform is outlined below and detailed in the attachments. Attachment C is a clean version of the initial draft, and Attachment D reflects staff's recommended changes as a strikethrough version, reflected in underlining and strikethrough text. In a few instances, some principles were moved and revised. Those revisions are represented in bold lettering. Language was edited, amended, or removed as necessary to ensure accuracy and grammatical and stylistic integrity.

Since the previous update to the Federal Legislative Platforms, OCTA has been working with its partners on implementing the Infrastructure Investments and Jobs Act (IIJA). With that well underway, next session, staff anticipates discussion will begin related to the next surface transportation reauthorization as the IIJA expires in 2026. Given that dynamic, the Federal Legislative Platform needed to be reorganized to reflect the transition to dually prioritize implementing the IIJA while looking toward the future of the next iteration of surface transportation. Therefore, to be better organized, many minor edits were made to move provisions in the platform to more appropriate sections, update wording to better reflect current policy, and to eliminate duplicative principles. Additionally, a new section was added entitled, "Transit Programs." Historically, there had not been a transit specific section because many of the transit principles overlay with other sections. However, because of the federal government's further involvement with transit, it is appropriate to add its own section.

An overview of the recommended changes is outlined below, with all textual references to the strikethrough draft in Attachment D.

Key Policy Issues

The Key Policy Issues Section for the Federal Legislative Platform maintains consistent areas of focus as the State Platform, including an emphasis on funding for a multimodal transportation system, advocating for assistance with the LOSSAN Rail Corridor, and finding solutions to prepare the Southern California region for the Olympics in 2028. As it pertains specifically to the Federal Platform and with a new Administration and Congress being installed next year, OCTA staff have recommended emphasizing its focus on ensuring the funding OCTA receives through the IIJA and the Inflation Reduction Act is maintained and that recissions or other cuts to transportation programs are avoided. OCTA staff also recommends adding a principle to the Key Policy Issues Section related to funding for air quality standards. Specifically, it is important to ensure that Orange County is eligible for such funding included for the South Coast Air Basin. This past year, OCTA and other transportation stakeholders worked with SCAQMD on resolution of a pending decision by the Environmental Protection Agency (EPA) that would have restricted funding for certain highway projects after it determined air quality standards were not met. OCTA will continue to work to ensure that those determinations do not impact the use of transportation funding.

Other Legislative Suggestions

- Subsection (m) of the Section entitled “Surface Transportation Reauthorization” is recommended to be added. Specifically, this principle ties into discussions related to the next surface transportation reauthorization where OCTA proposes to advocate for funding to address the current climate-related vulnerabilities on the LOSSAN Rail Corridor. This funding would be targeted at preventing future service disruptions.
- Subsection (c) of the Section entitled, “Transportation & Planning,” related to expedited project delivery, is proposed to be removed. OCTA identified this principle as duplicative and was represented in subsection (e) of the “Environmental & Energy” Section.
- Subsection (g) of the Section entitled, “Transportation & Planning,” related to regional transportation plan amendments, is proposed to be removed. Staff had identified that this principle was necessary when the EPA had a backlog when OCTA was trying to process a Transportation Control Measures replacement. At this time, the issue does not impact OCTA.
- Subsection (e) of the Section entitled, “Fiscal Reforms & Issues” is recommended to be removed. This principle has to do with collection and distribution of sales tax revenue from out of state, online retailers. With

the passage of state legislation, this issue has been implemented and is largely handled at the state level at this time.

- Subsection (e) of the Section entitled, “Rail Programs” is proposed to be added. CARB has approved the In-Use Locomotive Regulation which requires locomotives operating in the State of California to transition to zero emission. In order to implement this rule, CARB must seek approval of a waiver from the EPA due to the impacts this would have on interstate commerce. There have been several hearings and legislative efforts related to this waiver. Staff proposes to monitor this process as it continues.
- Subsection (e) of the Section entitled, “Transit Programs” is proposed to be added. OCTA is required to transition its fleet to zero-emission transit vehicles by 2040. The cost of these vehicles continues to increase. There are also very limited manufacturers, which not only drives up costs further but slows down procurements. It also has an impact on the supply chain of specialized parts. With limited manufacturers, it can take months to a year to get the part necessary to fix a zero-emission transit bus, keeping that bus inoperable in the interim. This principle will support efforts to create a more competitive marketplace for zero-emission transit buses to assist in costs and supply chain constraints.
- Subsection (a) of the Section entitled, “Transportation Security & Emergency Preparedness” is proposed to be revised. These revisions modernize the existing principle and ensure that security efforts support all modes of transportation. This is especially important considering the OC Streetcar when it becomes operational.

In the final draft of the Federal Legislative Platform, staff may propose additional changes that are identified as staff works with the Board, stakeholders, and internal departments. In addition, OCTA staff anticipates further discussions with the Board on further priorities for surface reauthorization legislation and will be bringing principles next year for consideration.

Summary

Initial drafts of the 2025-26 State and Federal Legislative Platforms are detailed for the Board's consideration. Upon approval, staff will incorporate any outstanding feedback from the Board and will return later this year for final consideration and adoption.

Attachments

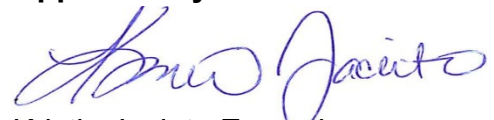
- A. Draft Orange County Transportation Authority 2025-26 State Legislative Platform (clean copy)
- B. Draft Orange County Transportation Authority 2025-26 State Legislative Platform (strikethrough version)
- C. Draft Orange County Transportation Authority 2025-26 Federal Legislative Platform (clean copy)
- D. Draft Orange County Transportation Authority 2025-26 Federal Legislative Platform (strikethrough version)

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