



Monthly Legislative Report – June 2025

Advocacy Meetings

Federal Railroad Administration (FRA) Senior Advisor – We met with the FRA Senior Advisor to discuss Orange County Transportation Authority's (OCTA) request to adjust the federal cost share for its Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant for the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor.

Federal Highway Administration (FHWA) Office of Policy and Government Affairs – We met with FHWA staff to discuss OCTA's surface transportation reauthorization priorities, including proposed permitting reforms and the restoration of local suballocation authority for Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) funds. We also inquired about the timing of FHWA's reauthorization principles and emphasized the importance of recognizing self-help counties in future formula funding frameworks. FHWA staff welcomed continued engagement as policy development progresses internally at FHWA.

Office of Congressman Lou Correa (D-CA) – We met several times this month with Congressman Correa's staff to discuss OCTA's reauthorization priorities and to coordinate support and CA delegation outreach for a bipartisan delegation letter sent on June 26 to California's U.S. Senators. Co-signed by Representatives Tran, Min, and Kim, the letter urges restoration of local suballocation authority for STBG and CMAQ funds. The letter supports a narrowly tailored amendment that would allow county transportation commissions in large metro areas to retain control of project selection under state-defined, population-based formulas.

Office of Congressman Derek Tran (D-CA) – We followed up with Congressman Tran's staff on the Fiscal Year (FY26) Appropriations Community Project Funding (CPF) request for the State Route 57 (SR-57) Improvement Project between Lambert Road and the Orange County Line. We also continued our dialogue on OCTA's surface transportation reauthorization priorities and requested the Congressman's support for restoring local suballocation authority for STBG & CMAQ program funds. Staff were able to facilitate the Congressman's co-signing of the June 26th delegation letter to the CA Senators.

Office of Congressman Mike Levin (D-CA) – We met again with Congressman Levin and his staff to follow up on emergency repair work along the LOSSAN Rail Corridor and ongoing coordination with the FRA on the CRISI grant. We also discussed OCTA's surface transportation reauthorization principles, including permitting reform and the reinstatement of local suballocation authority for STBG and CMAQ funds. Congressman Levin has submitted a \$3 million CPF request for OCTA's Interstate 5 Improvement Project to the FY26 Transportation-Housing and Urban Development (THUD) appropriations bill.

Office of Congressman David Min (D-CA) – We met with Congressman Min's staff to discuss OCTA's FY26 Community Project Funding (CPF) request for the *Technology and*

Signal Upgrades Project. The \$3 million request that his office submitted to the THUD Appropriation Committee supports the deployment of advanced traffic signal controllers across Orange County, enhancing OCTA's signal synchronization program to improve roadway efficiency, safety, and real-time traffic operations. We also reviewed OCTA's proposal to restore local suballocation authority for STBG and CMAQ funds. Congressman Min expressed his support and co-signed the June 26 bipartisan House delegation letter to California's U.S. Senators urging a narrowly tailored legislative fix to reinstate suballocation in large metropolitan regions. Additionally, we provided an update on stabilization and emergency repair efforts along the LOSSAN Rail Corridor.

Office of Congresswoman Young Kim (R-CA) – We met with Congresswoman Kim's staff to discuss OCTA's surface transportation reauthorization priorities, including the restoration of local suballocation authority for STBG and CMAQ funds. We acknowledged the Congresswoman's support as a co-signer of the June 26 bipartisan delegation letter to California's U.S. Senators advocating for this legislative fix. We also discussed her continued support for self-help counties and policy approaches that prioritize formula-based investment and efficient federal grant delivery. Her office emphasized the need to reduce bureaucratic delays and empower local agencies to deliver regionally significant projects. In addition, Congresswoman Kim submitted two FY26 CPF requests to the House THUD Appropriations Subcommittee, including:

- **\$4 million for OCTA's I-5 Improvement Project (I-405 to SR-55)** to relieve congestion and enhance corridor safety, and
- **\$3 million for OCTA's SR-55 Improvement Project** between I-5 and SR-91 to improve mobility in a key freight and commuter corridor.

Office of Congressman Pete Aguilar (D-CA) – We met with Congressman Aguilar's staff to discuss OCTA's request for local suballocation authority for STBG& CMAQ programs in the upcoming surface transportation reauthorization bill. We also asked the Congressman to sign on to a delegation letter to the California Senators in support of OCTA's proposed legislative language. In addition, we discussed the urgent need for permit streamlining to support critical repairs along the LOSSAN rail corridor and emphasized the importance of preserving key discretionary transportation programs.

Office of Congressman Jay Obernolte (R-CA) – We met with Congressman Obernolte's staff to discuss OCTA's proposed surface transportation reauthorization language for STBG/CMAQ suballocation and requested that the Congressman sign on to a delegation letter to the California Senators in support of the OCTA proposed legislative language. We also briefed the office on issues related to streamlining the National Environmental Policy Act (NEPA) process and achieving permitting parity between transit and highway projects.

Office of Congresswoman Norma Torres (D-CA) – We met with Congresswoman Torres' staff to discuss the proposed rescissions packed that the House voted on this month. As a member of the House Appropriations Committee, her support will be critical in protecting key discretionary programs. We also requested that the Congresswoman sign on to a delegation letter to the California Senators in support of OCTA's proposed surface transportation

reauthorization language for STBG/CMAQ suballocation. In addition, we briefed her team on OCTA's priorities for expediting project delivery and reducing regulatory barriers that delay infrastructure improvements.

Office of Congresswoman Judy Chu (D-CA) – We met with Congresswoman Chu's staff to discuss OCTA's proposed surface transportation reauthorization language for STBG/CMAQ suballocation and requested that the Congresswoman sign on to a delegation letter to the California Senators in support of the proposal.

Office of Chairman Sam Graves (R-MO) – We met with Chairman Graves' Chief of Staff, who is now the staff director of the House Transportation and Infrastructure (T&I) Committee to discuss permitting reform proposals.

Office of Ranking Member Rick Larsen (D-WA) – We met with Ranking Member Larsen's legislative assistant to discuss OCTA's priorities for project delivery reform and ongoing efforts by the U.S. Department of Transportation to streamline permitting. The Ranking Member's staff expressed the office's interest in identifying bipartisan solutions to accelerate project timelines while maintaining public input and accountability.

House T&I Subcommittee on Highways and Transit Staff – We met with subcommittee staff to continue discussions on OCTA's priorities for the 2026 Surface Transportation Reauthorization. In addition to reviewing OCTA's proposals related to streamlined permitting, local suballocation authority for STBG/CMAQ, and support for self-help counties, we discussed potential hearing opportunities for stakeholders such as OCTA to testify this fall.

T&I Subcommittee on Highways and Transit Chair David Rouzer (R-NC) – We briefed Chairman Rouzer on OCTA's surface transportation reauthorization principles, highlighting the agency's priorities around project delivery, funding flexibility, and regional infrastructure needs. We also discussed his upcoming visit to California in August and coordinated plans for him to tour key transportation projects in Orange County. The Chairman expressed interest in seeing firsthand how federal programs are supporting local infrastructure and in continuing dialogue on OCTA's policy recommendations.

House T&I Subcommittee on Railroads, Majority Staff – We met with majority staff from the House Subcommittee on Railroads, Pipelines, and Hazardous Materials to follow up on proposed changes to federal rail programs in the upcoming surface transportation reauthorization. The discussion focused on the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program and OCTA's support for increased flexibility to fund emergency repairs along the LOSSAN Corridor. We also discussed the Subcommittee's June 13 hearing, *"America Builds: The Role of Innovation and Technology in a Safe and Efficient Rail System,"* which examined potential updates to the regulatory framework at the FRA. Committee staff expressed interest in continuing the dialogue on targeted reforms to improve FRA responsiveness and to reduce permitting delays.

House Appropriations Committee, Majority & Minority Staff – Throughout June, we engaged with both majority and minority staff on the House Appropriations Committee to advocate for preserving key transportation accounts in the FY26 appropriations process. Staff acknowledged the pressure to identify offsets through rescissions. We also discussed CPF requests submitted by Orange County Members, including:

- **Congressman David Min:** \$3 million for OCTA's *Technology and Signal Upgrades Project* to enhance traffic flow and safety through the deployment of advanced signal controllers.
- **Congresswoman Young Kim:** \$4 million for OCTA's *I-5 Improvement Project* (I-405 to SR-55) to relieve congestion and enhance corridor safety; and \$3 million for OCTA's *SR-55 Improvement Project* between I-5 and SR-91 to improve mobility in a critical freight and commuter corridor.
- **Congressman Mike Levin:** \$3 million for enhancements to the *I-5 Corridor* in Orange County.

We emphasized that these CPF requests reflect regionally significant transportation priorities and align with the committee's guidelines for CPF requests.

Budget Reconciliation Update

On July 1st, the U.S. Senate passed the *One Big Beautiful Bill Act* (OBBA) by a narrow 51–50 vote, with Vice President Vance casting the tie-breaking vote. All Senate Democrats voted against the measure, along with Republican Senators Rand Paul, Thom Tillis, and Susan Collins. The bill now heads to the House of Representatives, where Speaker Mike Johnson has called Members back into session to consider the Senate-passed version ahead of the July 4 recess.

OBBA includes sweeping tax and fiscal policy changes. It permanently extends the individual tax cuts enacted under the 2017 Tax Cuts and Jobs Act and introduces several new federal tax exemptions, including for tips, overtime pay, and Social Security benefits. For California taxpayers, the bill temporarily raises the State and Local Tax (SALT) deduction cap to \$40,000 for households earning under \$500,000, with the cap reverting to \$10,000 after five years. These provisions are expected to provide modest tax relief for households in high-cost regions such as Orange County.

In healthcare, the bill increases funding for the Rural Healthcare Fund to \$50 billion, which could benefit medically underserved communities in Southern California. However, the legislation also includes significant cuts to Medicaid, tightening eligibility requirements, and imposing new administrative burdens, raising concerns among healthcare advocates.

On July 3rd the House voted to pass H.R. 1 – One Big Beautiful Bill (OBBA) Act after the Senate passed it with changes earlier this week. The House passed the bill this afternoon by a narrow margin vote of 218-214; (2 Republicans voted against-- Reps. Massie (KY) and Fitzpatrick (PA)), following Tuesday's Senate vote and VP tiebreaker. The President is expected to sign the bill at 5:00pm on the 4th of July.

House Minority Leader Hakeem Jeffries (D-NY) attempted to filibuster the bill on the floor, causing a delay in the final vote while Republican leaders worked to secure a handful of hesitant votes in their conference.

The text of the bill is available [here](#) and [here](#).

GOP leaders are reportedly exploring the possibility of a second budget reconciliation bill later this year. If pursued, it could include deeper federal spending cuts and additional policy changes targeting discretionary programs, which could pose potential risks to funding for housing, health, and other safety net programs. We will continue monitoring for any implications tied to infrastructure, and transit programs.

FY26 Appropriations Update

The FY26 appropriations process is underway in both the House and Senate, running in parallel with budget reconciliation and rescission efforts. While the House Appropriations Committee has begun marking up select bills, including the Agriculture-Food and Drug Administration bill, progress has been slow. This is primarily due to the Administration's decision to withhold full budget details until the OBBB was finalized. Only four of the twelve appropriations bills currently have draft text, and eight remain without complete topline allocations, frustrating senior appropriators.

Transportation funding for FY26 in the President's budget request generally tracks with the levels established under the Infrastructure Investment and Jobs Act (IIJA), although broader spending limits proposed in that budget request pose significant challenges to the funding process and timeline. President Trump's discretionary budget proposes \$1.45 trillion in total funding, \$150 billion below the enacted FY25 level. If House appropriators follow this topline, the eight remaining appropriations bills, including the THUD bill, would face a roughly 30% reduction in aggregate from their FY25 enacted levels.

Within this context, the U.S. Department of Transportation (USDOT) side of the THUD bill appears to fare relatively well, with a gross DOT request of \$27.1 billion, slightly above FY25 levels. However, the Administration's proposal includes a \$1.6 billion rescission of contract authority that would eliminate funding for the Charging and Refueling Corridor program, along with a separate rescission targeting the National Electric Vehicle Infrastructure (NEVI) program. While the DOT budget remains mostly stable, the Housing and Urban Development (HUD) side of the bill faces sharp cuts, from \$68.7 billion in FY25 to just \$41.7 billion in FY26.

The House THUD Subcommittee is scheduled to mark up its FY26 bill on July 7, with full committee consideration expected the week of July 14. The Senate has not yet scheduled its THUD markup, and the overall timeline for final passage remains uncertain. With topline negotiations unresolved and additional rescissions still under consideration, a Continuing Resolution (CR) appears increasingly likely. A CR would extend FY24 funding levels beyond October 1 and would exclude earmarks requests.

In addition, on June 25, Office of Management and Budget (OMB) Director Russ Vought testified before the Senate Appropriations Committee in support of the Administration's June 3rd rescissions package (H.R. 4), which passed the House on June 12th. The proposal targets unobligated balances at several federal agencies, including the Corporation for Public Broadcasting and the U.S. Agency for International Development. While transportation accounts were not explicitly named, future rescissions may target unspent or unobligated balances in discretionary grant programs, raising potential risks for transit, intercity rail, and electrification investments. Under the Congressional Budget and Impoundment Control Act, the Senate has until July 18th to act on the rescissions.

We will continue tracking any potential impacts to key discretionary programs, including the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program, and the Low or No Emission (Low-No) Bus Program, especially if future rescissions or CR anomalies emerge. We are also monitoring for any additional guidance or reductions that could affect FY26 capital grants, earmarks, or contract authority tied to major projects.

Surface Transportation Reauthorization Update

In June, momentum around the next surface transportation reauthorization bill continued to build across both chambers of Congress. The House Transportation and Infrastructure Committee held a series of staff-level briefings and informal stakeholder meetings, with formal legislative hearings expected later this summer. Committee leadership—Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA)—have both emphasized the importance of passing a bipartisan bill well before IIJA expires in 2026, to provide states, metropolitan planning organizations, and local agencies with long-term budget certainty and project planning continuity.

Initial discussions in the House have focused on strengthening the Highway Trust Fund, streamlining project delivery, and reassessing the structure and equity of core formula programs such as the Surface Transportation Block Grant Program (STBG), and the Congestion Mitigation and Air Quality Improvement Program (CMAQ). In a June op-ed, Chairman Graves outlined a “back to basics” framework for reauthorization, emphasizing a renewed focus on highways, bridges, and traditional infrastructure assets. He called for commonsense permitting reform, more reliable long-term funding, and the need to supplement the gas tax by establishing user fees for electric and hybrid vehicles to help stabilize the Highway Trust Fund.

On the Senate side, the Environment and Public Works (EPW) Committee has begun conducting listening sessions with stakeholders and Senators to identify shared bipartisan priorities. Leading themes include improving resilience, advancing rural connectivity, addressing aging infrastructure, and preserving existing assets. EPW leadership has suggested that formal hearings could begin later this summer or early fall, with a goal of drafting reauthorization legislation in early 2026.

USDOT has remained actively engaged with both House and Senate staff, coordinating around lessons learned from IIJA implementation. In June, senior officials from the FHWA held a series of internal and external briefings focused on permitting streamlining, improving project delivery timelines, and expanding local agency access to federal transportation programs. These discussions align with OCTA's submitted reauthorization principles, particularly regarding the need to reduce federal administrative burdens and ensure reliable access to flexible formula funding. USDOT is also soliciting stakeholder feedback on how best to balance formula and discretionary programs moving forward, given the implementation challenges experienced over the past two years. Together, these developments mark a clear ramp-up toward a reauthorization process that will shape federal transportation investment for the next five years.

House T&I and Senate Commerce Committee Hearings

Subcommittee on Aviation – Hearing on Federal Aviation Administration (FAA) Reauthorization Act of 2024 Implementation (June 6)

The House Subcommittee on Aviation held a hearing entitled *“FAA Reauthorization Act of 2024: Stakeholder Perspectives on Implementation One Year Later.”* The hearing marked the one-year anniversary of the FAA Reauthorization Act of 2024 and focused on the implementation status of the law's more than 500 mandates.

Witness List included:

- Mr. Darren Pleasance, President & CEO, Aircraft Owners and Pilots Association
- Mr. Edward Bolen, President & CEO, National Business Aviation Association
- Mr. Michael Robbins, President & CEO, Association for Uncrewed Vehicle Systems International
- Captain Jody Reven, President, Southwest Airlines Pilots Association
- Ms. Sara Nelson, International President, Association of Flight Attendants-CWA, AFL-CIO

The hearing explored a range of issues, including aviation workforce shortages, project delivery delays at airports, and the integration of new technologies such as drones and advanced air mobility systems. Several witnesses emphasized the need for the FAA to expedite rulemakings and improve coordination with the USDOT to meet deadlines set in the law. Members also raised concerns about implementation delays for critical safety provisions and the need for sustained investment in regional and small airport infrastructure.

For OCTA, the hearing underscored the importance of timely implementation of intermodal infrastructure reforms, especially those impacting project delivery and federal coordination for regionally significant airport-adjacent or transit-connected projects in Southern California.

Subcommittee on Railroads, Pipelines, and Hazardous Materials – Hearing on Technology and Innovation in Rail (June 13)

The Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled “*America Builds: The Role of Innovation and Technology in a Safe and Efficient Rail System.*” The discussion focused on how advanced technologies can improve rail safety, system efficiency, and freight network competitiveness.

Witness List included:

- Mr. David Shannon, General Manager, RailPulse
- Mr. Brigham McCown, Chairman, Alliance for Innovation and Infrastructure
- Mr. Eric Gebhardt, EVP & CTO, Wabtec; on behalf of the Railway Supply Institute
- Mr. Tony Cardwell, President, Brotherhood of Maintenance of Way Employees Division, IBT

Subcommittee members and witnesses highlighted the outdated regulatory framework at the FRA, particularly the slow and opaque waiver process that discourages innovation. Testimony focused on enabling broader deployment of predictive maintenance systems, data-driven inspections, and train control technologies. Witnesses called for reforms to modernize FRA rules, encouraging safe and scalable innovation in both passenger and freight rail sectors.

This hearing is particularly relevant for OCTA given its role in operating and supporting regional rail service through Metrolink, including on the LOSSAN Corridor. Advances in rail safety technologies and regulatory flexibility are critical to ensuring continued investment in Southern California’s aging rail infrastructure and to delivering reliable inter-county service.

Senate Subcommittee on Surface Transportation – Hearing on Modernizing the U.S. Rail Network (June 18, 2025)

The Senate Commerce Committee’s Subcommittee on Surface Transportation, Freight, Pipelines, and Safety held a hearing entitled “*On the Right Track: Modernizing America’s Rail Network.*” The hearing was convened by Chairman Todd Young (R-IN) and focused on evaluating the current condition of the U.S. freight and passenger rail systems. The discussion emphasized regulatory and policy reforms that could support innovation, improve safety, and ensure the long-term viability of the national rail network, particularly in the context of the upcoming surface transportation reauthorization.

Witness List included:

- Mr. Ian Jefferies, President & CEO, Association of American Railroads
- Mr. Peter Gilbertson, President & CEO, Anacostia Rail Holdings Company, on behalf of the American Short Line and Regional Railroad Association
- Mr. Husein Cumber, Senior Advisor, Brightline Holdings
- Mr. Clarence Anthony, CEO and Executive Director, National League of Cities

Senators highlighted the economic and connectivity benefits of a modernized rail system. Chairman Young called for practical reforms to reduce regulatory burdens and promote innovation, especially for rural and mid-sized communities. Senator Ted Cruz (R-TX) emphasized the importance of freight rail for energy and agricultural supply chains, while also acknowledging the growing demand for intercity passenger rail and the role of private-sector innovation, citing Brightline as an example.

Witnesses addressed several key issues, including outdated regulatory structures at the FRA, challenges in accessing capital for infrastructure upgrades, and the need for a more predictable and performance-based federal grant process. Brightline's representative emphasized the need for a federal policy framework that supports private investment in intercity passenger rail, citing the company's successful expansion in Florida and proposed service in California.

For OCTA, this hearing reinforced the growing bipartisan recognition of the role rail plays in both freight and passenger mobility. Relevant to the discussion was the need for federal permitting reform, support for public-private partnerships, and investment predictability through programs such as the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program and the Federal-State Partnership for Intercity Passenger Rail.

USDOT Moves to Reclaim \$4 Billion in California High-Speed Rail Grants

On June 4, 2025, the USDOT notified the California High-Speed Rail Authority (CHSRA) that it intends to cancel over \$4 billion in federal rail grants unless CHSRA can respond within 30 days to a series of noncompliance findings. The notice follows a FRA compliance report citing nine material issues, including missed procurement deadlines, a \$7 billion funding gap, delayed electrification plans, and unrealistic ridership projections.

Of the \$7 billion in total federal funding awarded to CHSRA, only \$2.8 billion has been spent to date. The remaining \$4.2 billion is either obligated or promised, including funds from the CRISI Program and the Federal-State Partnership for Intercity Passenger Rail (FSP).

The FRA's position is that CHSRA is in default under the FSP agreement due to its inability to deliver the Early Operating Segment (EOS) by the 2033 deadline. The department may also seek to cancel the remaining \$929 million in FY2010 funding—a move previously attempted under the Trump Administration before being reversed in a 2021 legal settlement.

Federal Agencies Signal Upcoming Changes to Energy Permitting Rules

Federal agencies—including the Departments of Energy and Interior—are preparing to issue interim final rules aimed at streamlining or reducing permitting requirements for energy-related projects. These rules are expected to take effect immediately without public comment, bypassing the standard rulemaking process.

While the full details have not been released, the effort appears to be part of the Administration's broader push to expedite project approvals across infrastructure and

energy sectors. However, the decision to use interim rules—typically reserved for emergencies—has raised legal and procedural concerns among stakeholders and environmental advocacy groups. Any changes to federal permitting could impact energy and infrastructure projects, including:

- Solar or energy efficiency upgrades
- Environmental review timelines for projects
- Utility coordination and regional clean energy initiatives

We will continue to closely monitor these developments, especially as interim rules may alter compliance requirements or project timelines.