



Monthly Legislative Report – February 2026

Advocacy Meetings

Office of Representative David Min (D-CA) – We met with Congressman Min’s staff to follow up on Fiscal Year (FY) 2026 Appropriations requests, including the \$250,000 Community Project Funding (CPF) award secured for the deployment of advanced technology upgrades to traffic signals throughout Orange County. During the meeting, we also discussed anticipated timing for FY27 Community Project Funding requests. At the time of the meeting, staff indicated that the office is awaiting formal guidance from the House Appropriations committee before establishing internal submission deadlines and releasing updated request forms, which they did at the end of the month.

Transportation and Infrastructure (T&I) Committee, Majority Staff – Throughout the month of February, we met multiple times with Committee staff to track the anticipated timeline for the upcoming surface transportation reauthorization and related issues, as well as other pending rail safety legislation. Staff indicated that while bipartisan engagement remains strong, the legislative calendar is increasingly compressed, which could complicate bi-cameral negotiations later in the year. We also discussed the expected timing for the 2026 Water Resources Development Act (WRDA). Current indications are that WRDA would follow action on surface transportation reauthorization. However, given the constrained schedule and competing floor priorities, there is a possibility that consideration of WRDA could slip beyond the November midterm elections if progress on surface transportation or other must-pass items is further delayed. We will continue to closely monitor Committee activity and leadership signals to assess sequencing and potential markup windows.

House Appropriations Majority Staff – We met several times with House Appropriations Committee staff to track progress on FY26 Department of Homeland Security (DHS) funding, which has lapsed and resulted in a partial shutdown of the Department. Discussions focused on the status of negotiations, anticipated timing for resolution, and potential impacts on transportation security programs and pending Federal Emergency Management Agency (FEMA) grant programs. In addition, we followed up with Committee staff regarding anticipated FY27 Community Project Funding (CPF) guidance across relevant accounts, including expected timelines for release of forms and internal submission deadlines. We also inquired about how the Federal Transit Administration (FTA) may apportion and administer the World Cup–related funding included in the FY26 appropriations bill. Specifically, we discussed potential formulas, eligibility parameters, and timing for obligation of funds to ensure host regions can effectively advance mobility, security, and operational readiness improvements in advance of the 2026 FIFA World Cup.

Office of Representative Ken Calvert (R-CA) – We worked closely with Congressman Calvert’s office throughout the month of February to draft and circulate a support letter to the House Transportation and Infrastructure Committee and Subcommittee Chairmen and Ranking Members. The letter respectfully requests their support for a proposal to reinstate local suballocation authority for federal Surface Transportation Block Grant (STBG) and

Congestion Mitigation and Air Quality (CMAQ) program funds within California's largest metropolitan region. In addition, we discussed on several occasions the anticipated timing of the FY27 Appropriations process and Community Project Funding (CPF) requests, including whether any changes to guidance are expected for transportation-related accounts. Finally, we raised the potential for programmatic requests in the FY27 bill to support transportation readiness for the 2028 Olympic and Paralympic Games

Office of Senator Adam Schiff (D-CA) – We followed up with the Senator's staff regarding anticipated timing and guidance for FY27 Congressionally Directed Spending (CDS) requests, as well as the process for submitting potential priority projects. Discussions focused on expected submission windows, required documentation, account eligibility, and any updated criteria the office may implement for evaluating requests. We will continue coordinating closely to ensure priority projects are positioned early and aligned with both Committee guidance and the Senator's funding priorities as the FY27 process advances.

Office of Senator Alex Padilla (D-CA) – We have been in regular contact with the Senator's staff to track anticipated timing for the FY27 Appropriations process, including Congressionally Directed Spending (CDS) requests. Discussions have focused on expected guidance from the Appropriations Committee, projected internal office deadlines, and any potential changes to submission criteria or account eligibility. We also discussed the status and outlook for surface transportation reauthorization, including committee timing, potential markup windows, and key policy priorities under consideration. We will continue coordinating closely with the office to ensure alignment on both authorizing and appropriations strategies.

Office of Representative Mike Levin (D-CA) – We continued to follow up with Congressman Levin's office throughout February regarding a potential FY26 Water Resources Development Act (WRDA) request focused on emergency shoreline protection and coastal restoration improvements along eroding beach and bluff segments adjacent to the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor in San Clemente, California. In addition, we discussed the anticipated FY27 Community Project Funding (CPF) process and potential OCTA priority projects that could be strong candidates once formal guidance is released by the Appropriations Committee. We will continue coordinating with the office to ensure timely submission of competitive requests. Finally, we delivered a thank-you letter to the office regarding the inclusion of \$850,000 in FY26 appropriations for the Interstate 5 (I-5) Improvement Project (San Diego County Line to Avenida Pico), expressing appreciation for the Congressman's continued support of critical transportation investments benefiting Orange County and the broader Southern California region.

Office of Representative Lou Correa (D-CA) – We facilitated coordination with Congressman Calvert's and Congressman Correa's offices throughout the month to draft and circulate a support letter to the House Transportation and Infrastructure Committee and relevant Subcommittee Chairmen and Ranking Members for inclusion of a proposal to reinstate local suballocation authority for federal STBG and CMAQ program funds within the Southern California Association of Governments (SCAG) region. In addition, we discussed on several occasions the anticipated timing of the FY27 Appropriations process and

Community Project Funding (CPF) requests for the offices, including expected guidance, internal deadlines, and strategies for positioning priority transportation projects once the process formally opens.

Office of Representative Young Kim (R-CA) – We have been in regular contact with Representative Kim’s staff throughout the month and assisted the office in press releases highlighting the FY26 appropriations investments secured for Orange County transportation priorities. In addition, we have been helping facilitate a staff visit to Orange County to tour the SR-55 and I-5 improvement projects, along with other potential initiatives that may be strong candidates for FY27 Community Project Funding requests. The visit is intended to provide staff with firsthand insight into project readiness, congestion relief benefits, safety enhancements, and the broader regional mobility and economic impacts. It will also help position priority projects for early consideration as FY27 process moves forward.

Office of Representative Derek Tran (D-CA) – We met with the Congressman’s staff to discuss anticipated timing and guidance for FY27 Community Project Funding (CPF) requests, including expected submission windows, documentation requirements, and account eligibility. Staff indicated they are awaiting final direction from the Appropriations Committee before establishing internal deadlines. We also discussed key priorities for the upcoming surface transportation reauthorization, including formula funding stability, regional flexibility, freight mobility, and safety investments. In addition, we followed up on the potential for programmatic funding in the FY27 appropriations bill to support LA28 Olympic and Paralympic Games transportation readiness.

Federal Highway Administration (FHWA) Policy Staff – We continued to follow up on our January meeting with Federal Highway Administration (FHWA) staff to discuss the anticipated timing of key discretionary grant programs and related implementation guidance. We also discussed recent efforts in other states such as Nebraska to assume National Environmental Policy Act (NEPA) responsibilities to streamline the environmental review process by allowing the state to take on the federal environmental review for certain highway projects, potentially reducing project delivery timelines. We will continue monitoring developments related to NEPA delegation and discretionary grant rollouts to assess potential implications and opportunities for OCTA.

FY26 and FY27 Appropriations Update

At the end of February Congress remained in an unusual posture with FY26 appropriations incomplete. The Department of Homeland Security (DHS) funding bill remains pending amid a partisan standoff over immigration enforcement reforms, resulting in a partial shutdown affecting DHS and certain non-immigration agencies. While the House previously passed a full year funding bill, the measure has stalled in the Senate where 60 votes are needed to advance the bill. House leadership has signaled plans to hold another vote on a nearly identical DHS bill first week of March. However, Democrats have shown little indication of softening their position absent broader immigration policy changes. As operational impacts to agencies such as Transportation Security Administration (TSA) and FEMA increase, a full-year Continuing Resolution (CR) is viewed as an increasingly likely outcome.

Complicating the floor schedule further, both chambers are expected to consider War Powers resolutions the first week of March following recent U.S. military strikes in Iran. In the Senate, Sen. Tim Kaine's S.J. Res. 104 could receive a procedural vote as early as this week. In the House, Members are preparing to force a vote on H. Con. Res. 38. These votes, along with classified briefings from senior Administration officials, are expected to consume significant floor time and leadership bandwidth.

Despite the unresolved FY26 bill and notwithstanding the general rule that appropriators do not formally move to the next fiscal year until prior bills are complete and the President has delivered his annual budget, Congress has already launched the FY27 appropriations process. On February 25, the House Appropriations Committee released guidance for Members to submit Programmatic, Language, and Community Project Funding (CPF) requests. Member office internal deadlines range from March 6 to March 20, though many Orange County offices are setting earlier (March 6) internal review deadlines. This marks an accelerated start to the FY27 cycle, particularly given the unfinished FY26 work.

In the Senate, offices are preparing for Community Directed Spending (CDS) requests, with deadlines for the California Senate offices set the first and second week of March even though additional Appropriations Committee guidance is still expected. As in prior years, Senate Appropriations Committee timelines often run slightly later than the House, but coordination will be essential given compressed schedules with the November midterm elections.

In short, Congress is simultaneously managing unfinished FY26 business, advancing FY27 appropriations requests, and navigating emerging foreign policy debates creating a highly compressed and fluid legislative environment heading into the month of March.

President Trump's State of the Union & Transportation Outlook

On February 24, President Donald Trump delivered his State of the Union (SOTU) address before a Joint Session of Congress. At 107 minutes, it was the longest SOTU address in history. The speech largely focused on reinforcing his administration's priorities and drawing sharp contrasts with congressional Democrats, rather than introducing major new legislative proposals or outlining specific budget requests for Congress.

The address briefly referenced the ongoing partial government shutdown related to the Homeland Security (DHS) appropriations bill, which continues to affect non-immigration agencies. While DHS funding does not directly impact core U.S. Department of Transportation (USDOT) operations, prolonged shutdown dynamics can create broader uncertainty in federal funding environments and compress floor time for other priorities, including surface transportation and appropriations oversight.

There was no specific mention of surface transportation reauthorization. However, with the current surface authorization expiring in the near term, congressional committees particularly House Transportation & Infrastructure and Senate Environment & Public Works

are expected to begin more formal and public discussion surrounding reauthorization in March.

The President did briefly mention the 2028 Los Angeles Olympic and Paralympic Games (LA28) but did not provide detailed remarks specific to Olympic security and transportation funding in the speech. However, the administration has previously acknowledged the national significance of the Games, and Congress has already included Olympic-related funding in prior appropriations measures.

The President also highlighted initiatives that may indirectly affect transportation and infrastructure:

- A new “War on Fraud,” led by Vice President JD Vance, focused on federal spending oversight signaling increased scrutiny of discretionary and formula funding programs.
- Support for expanded domestic energy production, including allowing Artificial Intelligence (AI) and technology companies to build dedicated power plants to support data centers. Environmental Protection Agency (EPA) deregulation of carbon emissions could facilitate additional natural gas infrastructure, potentially affecting grid reliability and long-term transportation electrification strategies.
- Continued reliance on tariffs and executive authorities, reinforcing the administration’s preference for executive action over new congressional legislation.

In summary, while transportation and the Olympics were not headline items in the SOTU, the broader themes such as heightened spending scrutiny, and ongoing appropriations instability will shape the federal legislative environment and the surface transportation reauthorization process.

EPA Final Rule Rescinding Authority to Regulate Vehicle Greenhouse Gas Emissions

On February 12, the President and EPA Administrator Lee Zeldin announced the completion of a final rule repealing the EPA’s 2009 Greenhouse Gas (GHG) Endangerment Finding and eliminating all subsequent federal GHG vehicle emission standards not explicitly codified in statute. The rule was formally published on February 18 and will take effect April 20, 2026.

The 2009 Endangerment Finding concluded that carbon dioxide, methane, and other greenhouse gases endanger public health and welfare, thereby allowing EPA to regulate GHG emissions under Section 202(a) of the Clean Air Act (CAA). The new rule reverses that determination, with EPA asserting that the Clean Air Act was misinterpreted and does not grant the agency authority to regulate carbon dioxide and other GHGs from tailpipe emissions beyond pollutants specifically identified in the statute.

As a result of the rule, engine and vehicle manufacturers will no longer have future federal obligations to measure, control, or report greenhouse gas emissions for highway engines

and vehicles, including those manufactured prior to the rule's effective date. EPA has characterized the action as the largest deregulatory measure in U.S. history. The move aligns with the Administration's broader environmental deregulatory agenda but is widely viewed as setting up a major legal challenge. The rule could prompt the Supreme Court to revisit its 2007 decision in *Massachusetts v. EPA*, which affirmed EPA's authority to regulate greenhouse gases under the Clean Air Act. Additionally, the rule raises questions about federal preemption of state emissions standards. EPA argues that, following recent congressional disapproval of California's waivers, federal preemption now applies to California's vehicle emissions program, which is a significant shift given California's longstanding authority to set stricter standards.

A coalition of environmental and health groups filed suit on February 18 challenging the rule. The outcome of the expected litigation could have implications for federal and state vehicle emissions policy, auto manufacturing standards, and long-term transportation electrification strategies nationwide.

Securing American Freight, Enforcement, and Reliability in (SAFER) Transport Act Introduced in the Senate

At the end of the month, Senator Todd Young (R-IN), Chair of the Senate Subcommittee on Surface Transportation, Maritime, Freight, and Ports, introduced the *Securing American Freight, Enforcement, and Reliability in (SAFER) Transport Act*. The legislation is designed to strengthen federal efforts to protect the nation's freight systems, highways, and supply chains from increasing criminal activity. This legislation could become part of a bigger surface transportation reauthorization package later in this year.

The bill responds to record-high levels of cargo theft across the United States, driven by both domestic and international criminal networks. The legislation seeks to improve prevention, detection, and prosecution of freight fraud by standardizing enforcement practices, addressing inconsistent prosecutorial standards across states, and improving reporting to reduce undercounting and misclassification of cargo theft crimes.

In addition to combating freight fraud, the SAFER Transport Act addresses concerns over states issuing non-domiciled commercial driver's licenses (CDLs) to potentially unqualified drivers. The bill would require states to report CDL issuance data monthly and increase federal oversight of CDL training providers to ensure higher safety and compliance standards.

The legislation has garnered support from a broad coalition of transportation and industry groups, including the American Trucking Associations (ATA). Industry leaders argue that small trucking businesses, which make up more than 90 percent of fleets, are particularly vulnerable to identity theft and fraudulent carriers exploiting weaknesses in USDOT registration systems. Overall, the SAFER Transport Act aims to modernize federal oversight of freight systems, protect small carriers, reduce cargo theft, and strengthen supply chain reliability while enhancing highway safety.

FTA Administrator Marc Molinaro Steps Down

Marc Molinaro, the 16th Administrator of the Federal Transit Administration (FTA), stepped down from his position on February 20, less than a year after assuming the role. Molinaro, a former U.S. Representative from New York's 19th Congressional District (2023–2025), was nominated to lead the FTA in February 2025 and confirmed by the Senate later that year. Molinaro announced his departure publicly on social media, stating that he would be leaving the administration to “get back into the fight.” According to reports, he plans to run for a seat in the New York State Assembly. According to individuals familiar with his decision, Molinaro's departure is driven primarily by personal considerations rather than policy or political disagreements with the administration. Sources cited family concerns, the commute between Washington and the Hudson Valley, and a desire to return to representing a local constituency. Molinaro's exit creates near-term leadership uncertainty at FTA, coming amid continued implementation of federal transit grant programs and significant investment in bus and transit infrastructure nationwide as well as investments for the World Cup soccer games this summer and 2026 Los Angeles Olympics.

FTA's Grants for Buses and Bus Facilities Program

On February 24, 2026, the FTA announced nearly \$390 million in funding for 34 transit projects nationwide to modernize aging bus infrastructure. The funding will support the purchase of nearly 200 new buses across 19 states and Puerto Rico and fund the construction or rehabilitation of 11 bus maintenance facilities. The awards come through the FTA's *Grants for Buses and Bus Facilities Program* and utilize funds appropriated by Congress under the FY2025 Notice of Funding Opportunity. The program helps transit agencies replace and rehabilitate buses and vans while upgrading related facilities. According to the former FTA Administrator Marc Molinaro, the investment is aimed at improving safety, reliability, and efficiency of bus service while advancing broader efforts to rebuild the nation's transportation infrastructure. With this announcement, total funding under the FY2025 and FY2026 Bus and Bus Facilities Program and the Low or No Emission (Low-No) Program now reaches approximately \$2.4 billion, supporting 199 projects across 48 states, Puerto Rico, and the District of Columbia. The next funding opportunity under these programs is expected later in 2026.

Supreme Court Tariff Ruling and Transportation Implications

The U.S. Supreme Court in February ruled against the Administration's use of certain executive authorities to impose tariffs, finding that the statutory basis relied upon did not sufficiently support the scope of the action. While the decision does not immediately eliminate all existing tariffs, it creates a period of legal and policy uncertainty as the Administration evaluates alternative authorities to maintain portions of its trade strategy. The ruling carries potential implications for project delivery, procurement costs, and supply chain stability. Tariffs over the past several years have influenced the price of steel, aluminum, electrical components, rail materials, vehicles, and heavy equipment. If tariffs are ultimately reduced or modified, there could be modest cost relief over time. However, in the near term, uncertainty surrounding trade policy may continue to affect contractor pricing and bid

volatility, particularly for capital-intensive infrastructure projects. More broadly, trade policy changes can affect inflation, interest rates, and overall economic conditions. In the immediate term, the Supreme Court decision introduces uncertainty rather than immediate fiscal impact.