ATTACHMENT F

Monthly Legislative Report – **July 2026**

Advocacy Meetings

House Transportation and Infrastructure (T&I) Committee Staff – We met with House T&I Committee staff to share a joint letter from all six county transportation commissions in the Southern California Association of Governments (SCAG) region supporting Representative Julia Brownley's proposed amendment to the BUILD America 250 Act. The discussion emphasized that restoring county-level authority suballocation of the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) Improvement program funding and authority for project selection has unified regional support and would reduce administrative delays while accelerating the delivery of locally prioritized transportation projects.

Office of Representative David Rouzer (R-NC) – We followed up with Representative David Rouzer's staff to share the joint letter from all six county transportation commissions in the SCAG region supporting Representative Julia Brownley's proposed amendment to the BUILD America 250 Act. We also discussed a potential extension of the Infrastructure Investment and Jobs Act (IIJA) and other issues related to the legislation's anticipated consideration on the House floor.

Office of Representative Jay Obernolte (R-CA) – We followed up with Representative Jay Obernolte's staff regarding a potential floor amendment to the BUILD America 250 Act, should the legislation advance to the House floor in September or during the lame-duck session. The amendment would restore county-level suballocation authority for STBG and CMAQ program funds and select projects within the SCAG region. We also shared the joint letter from all six county transportation commissions and discussed a potential extension of IIJA.

Office of Representative Julia Brownley (D-CA) – We followed up with Representative Julia Brownley's staff to share a joint letter from all six county transportation commissions in the SCAG region supporting the Congresswoman's amendment, which was offered and withdrawn during the committee markup of the BUILD America 250 Act. We also discussed next steps for advancing the amendment and ongoing discussions with the Senate Environment and Public Works (EPW) Committee.

Office of Representative Norma Torres (D-CA) – We followed up with Representative Norma Torres's staff regarding a potential floor amendment to the BUILD America 250 Act should the legislation advance to the House floor in September or during the lame-duck session. We also shared the joint letter from all six county transportation commissions and discussed a potential extension of IIJA as part of a continuing resolution that could be considered in September.

Office of Representative Salud Carbajal (D-CA) – We shared the joint letter from all six county transportation commissions in the SCAG region regarding the STBG & CMAQ issue with the Congressman's staff and discussed potential amendments and coordinated outreach to the House Transportation and Infrastructure Committee and Senate Environment and Public Works Committee.

Senator Schiff (D-CA) – We met with Senator Schiff and his transportation staff to discuss the status of House-Senate negotiations on the BUILD America 250 Act and a potential extension of IIJA authorizations in September.

Office of Representative Pete Aguilar (D-CA) – We followed up with Representative Aguilar's staff to share the joint letter from all six county transportation commissions and discuss a potential extension of IIJA through a Continuing Resolution (CR) that Congress could consider in September.

Office of Representative Mike Levin (D-CA) – We continued to meet with Representative Mike Levin's staff to discuss the Water Resources Development Act (WRDA) of 2026, including provisions authorizing a San Clemente shoreline feasibility study and authorized funding for water, wastewater, recycling, and stormwater infrastructure in Mission Viejo, Rancho Santa Margarita, and San Clemente. We also discussed potential improvements to the environmental infrastructure authorization included in the House WRDA and shared the joint letter from all six county transportation commissions in the SCAG region supporting the proposed STBG and CMAQ amendment reference above.

Office of Representative Young Kim (R-CA) – We shared the joint letter from all six county transportation commissions with staff and discussed a potential extension of IIJA as part of a CR. We also discussed next steps for possible House and Senate negotiations on the BUILD America 250 Act.

Office of Representative Ken Calvert (R-CA) – We continued discussions with Representative Calvert's staff regarding next steps for a potential floor amendment to the BUILD America 250 Act addressing the distribution of STBG and CMAQ program funds in the SCAG region. We also shared the joint letter from all six county transportation commissions and discussed a potential clean extension of IIJA as part of a CR.

Office of Representative David Min (D-CA) – We updated staff on ongoing discussions with the House T&I Committee and shared the joint letter from all six county transportation commissions. We also discussed a potential extension of IIJA through a CR and next steps for possible House-Senate negotiations on the BUILD America 250 Act in the fall.

Office of Representative Derek Tran (D-CA) – We shared the joint letter from all six county transportation commissions regarding the STBG and CMAQ issue and provided an update on ongoing discussions with House Transportation and Infrastructure Committee staff concerning a potential amendment.

Office of Representative Lou Correa (D-CA) – We shared with staff the joint letter from all six county transportation commissions. We also discussed a potential extension of the Infrastructure Investment and Jobs Act (IIJA) through a continuing resolution and next steps for a possible amendment to the BUILD America 250 Act should the legislation advance to the House floor this fall.

House Appropriations Majority Staff – We continued to meet with House Appropriations Committee staff to discuss the House-passed CR and ongoing negotiations with the Senate over the potential inclusion of a clean extension of IIJA that does not include any new Administration requested changes.

Fiscal Year 2027 (FY27) Appropriations Update

With the House adjourned until September and the Senate expected to begin its recess period during the first week of August, congressional attention has shifted from the annual appropriations bills to preventing a government shutdown when current funding expires on September 30. On July 21, the House approved H.R. 9770, a relatively clean CR, by a vote of 220–205. The House measure would maintain most federal programs at FY 2026 funding levels through December 4, 2026, without the policy provisions or funding anomalies requested by the Administration.

Senate Appropriations Committee Chair Susan Collins (R-ME) and Vice Chair Patty Murray (D-WA) have since released a bipartisan alternative that would extend federal funding through December 11. The Senate is expected to use H.R. 6500, a separate House-passed measure, as the legislative vehicle for its CR. This approach reduces procedural time in the Senate but means that, if the Senate approves the revised bill, the House will need to vote again on the Senate language before it can be sent to the President. The measure will require 60 votes in the Senate, necessitating bipartisan support.

Of direct importance to OCTA, the Senate CR package includes the Surface Transportation Extension Act of 2026. The proposal would extend existing federal highway, transit, highway-safety, and related surface transportation programs through December 11. Highway Trust Fund and Mass Transit Account programs would receive a prorated share of FY 2026 authorization levels, and the expenditure authority of the Highway Trust Fund would be extended through December 12. The proposal also would:

- Extend the availability of certain expiring Federal Highway Administration funds through September 30, 2027.
- Preserve disbursement authority for certain previously appropriated Capital Investment Grant funds.
- Prevent the continued one-time repurposing of certain Infrastructure Investment and Jobs Act funds included in the FY26 appropriations law.
- Maintain the existing requirements, eligibilities, and administrative conditions governing surface transportation programs during the extension.

The extension would prevent an immediate lapse in federal highway and transit program authority. However, it would not renew the separate advance appropriations provided through Division J of the IIJA that expire at the end of FY26. As a result, the CR would maintain core formula programs temporarily but would not fully replace the supplemental transit, passenger-rail, and competitive grant resources provided during the five-year IIJA period.

Another significant difference is Section 157 of the Senate CR, which would maintain existing federal grant guidance and prevent OMB from implementing its proposed federal financial-assistance regulations through December 11. The proposed OMB rule would require senior-level “pre-issuance reviews” of grant opportunities and expand agencies’ ability to suspend or terminate awards. State and local government organizations have expressed concern that the proposal could politicize grant decisions and create additional delays for transportation and infrastructure funding. Both Senator Collins and Senator Murray identified the temporary prohibition as an important element of the Senate agreement that will receive a vote on the Senate floor before they adjourn for August recess.

Separately, the House Appropriations Committee has reported H.R. 9170, its full-year FY27 Transportation, Housing and Urban Development (THUD) appropriations bill, but the measure has not received a House floor vote. The bill provides $92.224 billion in discretionary funding, $10.659 billion below FY 2026. It includes $28.29 billion in discretionary funding for the Department of Transportation and $111.571 billion in total transportation budgetary resources when Highway and Airport Trust Fund obligation limitations are included. Key transportation amounts include:

- $64.531 billion for the Federal Highway Administration.
- $16.51 billion for the Federal Transit Administration, including $14.642 billion from the Mass Transit Account.
- $737 million for Capital Investment Grants.
- $973 million for Transit Infrastructure Grants, including $875 million for public transportation assistance associated with the 2028 Olympic and Paralympic Games.
- $3.043 billion for the Federal Railroad Administration, including $523 million for CRISI grants and $100 million for the Railroad Crossing Elimination Program.
- $550 million for BUILD discretionary grants.
- $725 million in Community Project Funding for highway projects and approximately $87 million for transit projects.

The House THUD bill also relies on the repurposing of approximately $7.86 billion in prior IIJA funding, underscoring the broader challenge created by the expiration of IIJA advance appropriations. The Senate Appropriations Committee has not yet released or marked up its FY27 THUD bill. Accordingly, the proposed CR substantially reduces the immediate risk of an October 1 shutdown but pushes final decisions on annual transportation funding and enactment of Community Project Funding and Congressionally Directed Spending requests until at least December. The principal issues to monitor will be final enactment of the surface transportation extension, treatment of expiring IIJA advance appropriations, preservation of transit and passenger-rail funding, implementation of the $875 million LA28 transportation allocation, and whether the final FY 2027 agreement protects formula funding and competitive grant opportunities.

Surface Transportation Reauthorization Update

A short-term extension of federal surface transportation programs is now increasingly likely. As mentioned earlier, the Senate's proposed FY27 Appropriations continuing resolution would extend the highway, transit, highway-safety, and related authorities established under the Infrastructure Investment and Jobs Act (IIJA) from September 30 through December 11, 2026. The Senate Appropriations Committee describes the provision as a "clean extension" of current surface transportation programs. The House is expected to follow suit when it returns in September, although the chambers will still need to resolve differences between their respective continuing resolutions.

The extension would prevent a lapse in federal transportation funding and provide states, transit agencies, contractors, and project sponsors with temporary continuity. However, it would not offer the long-term certainty needed for major capital planning. It would also preserve existing IIJA policies including the current STBG and CMAQ suballocation framework unless Congress adds targeted policy provisions to the final extension.

With an extension becoming imminent, the future of the BUILD America 250 Act remains uncertain. Despite the overwhelming House T&I committee vote, H.R. 8870 has not advanced to the House floor. The House Ways and Means Committee must still address the legislation's tax and Highway Trust Fund provisions. House leadership is then expected to combine the tax title with technical corrections and other negotiated revisions before scheduling the package for floor consideration. With the House now out of session until September and facing an already crowded fall agenda, there is little practical opportunity to complete that process before the current authorization expires.

While there are ongoing discussions among the Senate EPW Committee, Senate Banking Committee, and House T&I Committee regarding whether the chambers can reach agreement on at least some elements of the highway and transit titles how those negotiations will continue after the midterm elections remain uncertain. In contrast, there has been comparatively little bicameral discussion concerning the rail title of the legislation. The Senate Commerce Committee has not released a comprehensive rail proposal, and substantive negotiations with the House T&I Committee appear problematic. Although Senate Commerce Committee members have outlined some priorities involving freight investment, passenger rail, and rail safety, significant work would be required to reconcile those priorities with the rail provision included in H.R. 8870.

Some House T&I committee staff believe a compromise package could emerge during the lame-duck session following the November elections. The December 11 extension would create a narrow post-election window for such an agreement. However, the outcome of the midterm elections will heavily influence whether congressional leaders attempt to complete a bill in December or defer the entire reauthorization process until 2027. If action slips into the next Congress, H.R. 8870 would have to be reintroduced and the legislative process would effectively begin again, although the existing bill could remain the foundation for future negotiations.

The current uncertainty reinforces the importance of continued engagement with House and Senate transportation stakeholders on priority provisions, including restoration of the pre-2021 STBG and CMAQ suballocation structure. Because a clean extension would leave the existing allocation process unchanged, the most realistic opportunities will be to seek inclusion of targeted language in a negotiated policy extension, the final reauthorization package, or both.

At this stage, the most likely outcome is enactment of an extension through December 11, followed by an effort to determine whether a bipartisan compromise can be completed during the lame-duck session. The extension will avoid immediate disruption, but the ultimate path to enactment of a modified BUILD America 250 package in December or a restart of the process in 2027 remains highly uncertain.

U.S. Department of Transportation (USDOT) Transmits Reauthorization Priorities

On July 22, 2026, Transportation Secretary Sean Duffy sent a 12-page letter to Senate committee leaders outlining the Administration's priorities for the next surface transportation reauthorization or a potential extension before current authorization expires on September 30. The letter calls for eliminating the Highway Trust Fund's Mass Transit Account and redirecting federal fuel-tax revenue to highways. It also proposes allowing the Federal Transit Administration to withhold up to 100 percent of formula funding from transit agencies that fail to demonstrate progress in reducing crime, fare evasion, and assaults against passengers and transit workers. In addition, the Administration urged Congress to incorporate the Railway Safety Act into any long-term reauthorization or temporary extension.

Other recommendations include reducing federal support for Complete Streets initiatives, bicycle and pedestrian infrastructure, dedicated bicycle lanes, and electric-vehicle charging programs. The Administration also proposed narrowing eligibility for competitive congestion-relief grants by excluding public transit improvements and tolling projects. If incorporated into legislation, these proposals could significantly alter federal funding for multimodal transportation agencies. However, the recommendations represent the Administration's position and would require congressional approval through the reauthorization or extension process, which is unlikely.

Water Resources Development Act (WRDA) Update

The Water Resources Development Act (WRDA) of 2026 continues to advance with strong bipartisan support in both chambers. WRDA is the biennial legislation through which Congress authorizes U.S. Army Corps of Engineers feasibility studies, construction projects and policy reforms addressing ports, navigation, flood and coastal-storm protection, ecosystem restoration and other water-resource needs. Congress has enacted a bipartisan WRDA every two years since 2014, and the 2026 bill is positioned to continue that record.

The House Transportation and Infrastructure Committee introduced its bipartisan proposal, H.R. 9497, on June 26. The committee's markup was initially scheduled for July 1 but was postponed following changes to the House calendar. When the committee reconvened on July 14, it adopted Chairman Sam Graves' amendment in the nature of a substitute, approved a manager's package and considered several additional member amendments. Numerous other amendments were offered and withdrawn, allowing the committee to preserve the bill's bipartisan framework. The committee ultimately reported H.R. 9497 by a unanimous vote of 66–0. As amended, the House bill authorizes 133 new feasibility studies and 14 projects that have completed the Corps' review process and are ready for construction authorization. It also contains reforms intended to streamline Corps reviews, improve coordination with non-federal project sponsors, strengthen alternative project-delivery authorities and improve the availability of electronic permitting and environmental-review documents.

The Senate Environment and Public Works Committee followed with its version, S. 4949. During the July 15 markup, the committee adopted a bipartisan substitute amendment containing a negotiated manager's package. The committee then reported the amended legislation by a unanimous vote of 18–0. The Senate bill authorizes 61 feasibility studies and 15 new or modified construction projects. It also reauthorizes EPA drinking-water and wastewater programs, including the Clean Water and Drinking Water State Revolving Funds, and provides additional support for water-system cybersecurity, small and disadvantaged communities, dam safety and workforce development.

Several provisions in the House bill are particularly relevant to the LOSSAN corridor with coastal-storm risk management and shoreline-erosion protection study along the LOSSAN corridor. These authorizations do not directly fund railroad stabilization, and additional appropriations and Corps implementation decisions would still be required. Nevertheless, shoreline protection, drainage improvements and coastal-resilience planning could complement OCTA's efforts to protect the vulnerable LOSSAN rail corridor. The bill's broader project-delivery and permitting reforms could also help move future Corps-supported resilience projects more efficiently.

The House and Senate bills now await floor consideration before the chambers can reconcile their differences through a formal conference or another negotiated process. Overall, WRDA appears to have one of the stronger pathways to enactment before the November midterm election. The unanimous committee votes demonstrate that the principal challenge is likely to be floor time rather than significant partisan disagreement. Committee staff can continue comparing and reconciling the two versions during August, potentially positioning both chambers for floor action and completion of a final agreement in September. However, the September calendar will be crowded with FY27 appropriations, a potential continuing resolution, and other competing priorities. If WRDA cannot be completed before the election, committee staff believe it remains a strong candidate for consideration during the November or December lame-duck session.

Federal Railroad Administration (FRA) Announces Train Noise Emissions Standard Reform - High-Speed Rail

On July 31, the FRA announced the modernization of train noise emissions standards for high-speed rail. The FRA's new framework would include an alternative standard for trains operating between 160 and 220 mph. It would additionally include a special approval process for noise emissions from trains exceeding 220 mph. Previously, the standard focused only on engine and mechanical sounds but overlooked the wind noise they generated. This change will make it easier for high-speed trains to operate. One of the proposed plans for operation above 160 mph is Brightline West Service from Rancho Cucamonga, CA to Las Vegas, NV. The link to the framework is available HERE (for specifics on Brightline West, see Section 3: Technical Background).