



## Monthly Legislative Report – January 2026

---

### Advocacy Meetings

**Transportation and Infrastructure (T&I) Committee, Majority Staff** – In January, we continued regular meetings with the committee staff to discuss progress on the surface transportation reauthorization bill and reiterate policy priorities for OCTA.

**Federal Railroad Administration (FRA) Senior Policy Staff** – In January, we facilitated a meeting for OCTA with a senior FRA policy advisor to discuss FRA discretionary grant outlooks, issues surrounding the Los Angeles–San Diego–San Luis Obispo rail corridor (LOSSAN), and upcoming implementation considerations tied to major region events, to include LA28 transit readiness.

**Office of Representative David Min (D-CA)** – In mid-January, we facilitated a meeting for OCTA with Representative Min to review Fiscal Year 2026 (FY26) Community Project Funding priorities and broader surface transportation reauthorization issues. Discussion included the importance of restoring Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) program's predictable formula allocation to county transportation agencies, ways to advance federal investment in Orange County mobility and technology upgrades, as well as issues surrounding the LOSSAN corridor and rail operations.

**House Appropriations Majority Staff** – Throughout January, we met with House Appropriations Committee majority staff to discuss progress on the FY26 appropriations minibus, next steps for funding the U.S. Department of Transportation, and the potential impacts of a funding lapse.

**Office of Representative Ken Calvert (R-CA)** – OCTA met with Representative Calvert to discuss FY26 appropriations timing, the outlook for Transportation-Housing and Urban Development (THUD) funding, and OCTA's priority projects. The conversation also addressed the role of federal transportation investments in supporting regional mobility, goods movement, and economic competitiveness, as well as funding needs to support mobility for major events, including the World Cup soccer events and LA28. We also discussed surface transportation reauthorization requests to restore local control of STBG and CMAQ funds and project selection that is supported by the County Transportation agencies in the Southern California Association of Governments (SCAG) region.

**Office of Senator Adam Schiff (D-CA)** – OCTA met with Senator Schiff's staff to discuss Orange County's federal transportation priorities, including surface transportation reauthorization requests to restore local control of STBG and CMAQ funds and project selection, and Olympic and Paralympic Games readiness. OCTA highlighted the need for a federal partnership to support temporary transit capacity, safety, and mobility enhancements associated with LA28.

**Office of Senator Alex Padilla (D-CA)** – OCTA met with Senator Padilla’s staff to discuss reauthorization priorities and regional funding equity, with a focus on reinstating the STBG/CMAQ formula allocation framework. OCTA emphasized the impacts of the current centralized process on project delivery, and local accountability.

**Office of Representative Mike Levin (D-CA)** – OCTA met with Representative Levin in DC to discuss federal support for temporary transit capacity, safety, and mobility enhancements associated with LA28, as well as LOSSAN corridor vulnerabilities, and the need for sustained federal investment in rail and multimodal infrastructure. The discussion also touched on permitting efficiency to accelerate the delivery of critical projects. We followed up with staff to discuss a project request for the 2026 Water Resources Development Act (WRDA) to authorize shoreline protection and long-term, coastal resilience solutions. The approach would emphasize beach nourishment and sediment management along the LOSSAN corridor.

**Office of Representative Lou Correa (D-CA)** – OCTA met with Representative Correa to review Orange County transit and highway priorities, including potential managed lanes investments. OCTA also discussed safety and operational considerations tied to major events in the region.

**Office of Representative Young Kim (R-CA)** – OCTA met with Representative Kim to discuss FY26 appropriations, OCTA projects, and surface transportation reauthorization. Discussion included managed lanes policy, local control of STBG and CMAQ funds, and the need for local control of these funds in delivering federally funded projects efficiently.

**Office of Representative Derek Tran (D-CA)** – OCTA met with Representative Tran to introduce Orange County transportation priorities, including a discussion on the Interstate-5 managed lanes project. Topics included transit investment needs and the need to maintain predictable federal funding streams for local agencies.

**Office of Representative David Rouzer (R-NC)** – OCTA met with Representative Rouzer’s staff to discuss surface transportation policy issues, including reauthorization timing, formula funding distribution, and opportunities to streamline federal project delivery. OCTA highlighted the benefits of restoring local control over STBG and CMAQ funds.

**Federal Highway Administration (FHWA)** – OCTA met with FHWA staff to discuss OCTA’s experience with managed lanes projects and the Transportation Infrastructure Finance and Innovation Act (TIFIA) process. OCTA also highlighted the benefits of restoring local control over STBG and CMAQ funds in the meeting and other surface transportation reauthorization priorities.

**U.S. Department of Transportation (Senior Policy Staff)** – In late January, we met with senior U.S. Department of Transportation policy staff to discuss surface transportation reauthorization priorities and emerging federal policy issues affecting formula funding programs including STBG. The discussion also addressed recent actions by U.S.

Transportation Secretary Sean P. Duffy and the Federal Motor Carrier Safety Administration to ensure the removal of noncompliant Commercial Driver's License (CDL).

### **FY26 Appropriations Update**

In late January, Congress moved to complete long-delayed FY26 appropriations amid heightened tensions over immigration enforcement policy. On January 29, Senate leadership announced an agreement to advance the remaining appropriations bills after a six-bill House-passed minibuss stalled following immigration enforcement-related incidents.

Under the agreement, the Senate passed five of the six appropriations bills previously approved by the House, providing full-year funding through September for most federal agencies. The Department of Homeland Security (DHS) was separated from the package and funded through a short-term continuing resolution (CR) extending prior-year funding levels through February 13, as negotiations continue over immigration enforcement oversight and related policy reforms. The remaining five bills include provisions requiring timely obligation of funds and limiting the Administration's ability to reprogram funding or implement workforce reductions without congressional review.

Despite these efforts, the federal government entered a brief partial shutdown beginning January 30 due to a lapse in annual appropriations, including at the U.S. Department of Transportation (USDOT). Given the anticipated short duration, operational impacts were expected to be limited. At USDOT, the Federal Transit Administration reported no employee furloughs, while the Federal Railroad Administration furloughed a portion of its workforce during the brief funding lapse.

The House subsequently cleared the Senate-passed consolidated package (H.R. 7148) by a narrow margin on February 3<sup>rd</sup>, following a contentious rule vote complicated by internal Republican divisions and broader disputes over voter identification legislation. President Trump signed the approximately \$1.2 trillion package into law, formally ending the shutdown.

While full-year funding for Transportation-HUD and other major accounts provides stability for federal programs through the remainder of FY26, DHS funding remains unresolved. Congressional leaders in both parties have expressed skepticism that a comprehensive DHS funding agreement can be reached before the February 13 deadline, increasing the likelihood of additional short-term continuing resolutions for DHS in the coming weeks.

### **USDOT Withholding Federal Transportation Funds from California Over CDL Compliance Failures**

On January 7<sup>th</sup>, 2026, USDOT Secretary Sean P. Duffy announced that the Federal Motor Carrier Safety Administration (FMCSA) will withhold approximately \$160 million in federal transportation funding from California due to the state's failure to revoke thousands of unlawfully issued Commercial Driver's Licenses (CDLs) by the agreed-upon January 5<sup>th</sup>, 2026, deadline.

A nationwide FMCSA audit found that California's non-domiciled CDL program was not in compliance with federal safety regulations, resulting in the unlawful issuance of more than 20,000 active CDLs, including licenses issued to individuals who were ineligible or whose legal presence had expired. California had formally committed in November 2025 to revoke all illegally issued licenses within 60 days but did not meet that commitment.

As a result, FMCSA issued a Final Determination and is withholding funds from California under the National Highway Performance Program (NHPP) and the Surface Transportation Block Grant (STBG) until corrective actions are completed. Federal officials cited public safety concerns, emphasizing the risks of allowing noncompliant drivers to operate heavy commercial vehicles on U.S. roadways.

This action underscores heightened federal enforcement of trucking safety regulations and introduces uncertainty regarding the timing and availability of certain federal transportation funds for California projects.

### **Committee on Transportation and Infrastructure – Member Day Hearing January 14, 2026**

The House Committee on Transportation and Infrastructure held a full committee “Member Day” hearing to receive Member priorities for the second session of the 119th Congress, with a particular focus on surface transportation reauthorization, Water Resources Development Act (WRDA), aviation, freight, and transit investments.

In opening remarks, Chairman Sam Graves highlighted the Committee's 2025 accomplishments, including major Coast Guard investments, air traffic control modernization funding, pipeline safety reauthorization, Federal Emergency Management Agency (FEMA) reform, and environmental permitting reform, and emphasized that surface transportation reauthorization and WRDA are top legislative priorities for 2026, with a surface bill expected to be marked up early sometime in March. Key California Member testimony highlights included:

#### **Rep. Jim Costa (CA-21)**

- Emphasized freight movement, goods-movement corridors, and Central Valley infrastructure, including highways, rail, and water systems critical to agriculture and interstate commerce.
- Called for a surface transportation bill that prioritizes economic productivity, safety, and reliability for rural and goods-movement regions.

#### **Rep. Kevin Mullin (CA-15)**

- Focused on resilience, climate adaptation, and coastal infrastructure, highlighting the need for federal investment to address sea-level rise, flooding, and aging transportation assets.
- Supported strong multimodal funding for transit and active transportation in dense urban regions.

**Rep. Raul Ruiz (CA-25)**

- Highlighted rural and desert community needs, including road safety, emergency access, and infrastructure that supports health care access and economic development.
- Stressed the importance of equitable distribution of federal transportation funds across inland and underserved regions.

**Rep. Lateefah Simon (CA-12)**

- Emphasized public transit, equity, and mobility access, including investments in transit operations, fare affordability, and workforce development.
- Framed transportation as a tool for economic opportunity and environmental justice.

**Rep. Brad Sherman (CA-32)**

- Raised concerns about congestion, safety, and system modernization in major metropolitan regions.
- Supported federal investments that improve system efficiency, reduce delays, and strengthen regional competitiveness.

The hearing underscored that surface transportation reauthorization is moving quickly, with strong bipartisan engagement and a committee markup anticipated in March. California Members used the forum to highlight shared priorities around freight mobility, transit investment, safety, and equitable distribution of federal funds. In parallel, the opening of the WRDA submission window reinforces near-term opportunities to advance coastal protection, shoreline resilience, and infrastructure protection projects that directly support and safeguard critical transportation corridors.