

## 2025 FEDERAL LEGISLATIVE PROGRAM

The California Transit Association's 2025 Federal Legislative Program is an integral part of making our vision a reality and is part and parcel of our mission to further the interests of public transportation as defined in our 2023-2028 Strategic Plan.

The Association's Strategic Plan, which identifies advocacy as our top priority, sets our advocacy goal as follows:

***Influence state and federal decision makers to enact policies and funding solutions supporting, expanding, developing, and advancing public transit.***

The Association's Strategic Plan dictates our ongoing responsibilities as they pertain to our advocacy work as follows:

- *Protect existing transit operations and capital funds.*
- *Secure new sources of funding for transit operations and capital projects.*
- *Enhance public awareness of the essential nature of public transit and build support for increased transit funding.*
- *Ensure passage of transit legislation and regulation that support transit and defeat of those legislative and regulatory measures which impede transit's ability to meet the public's mobility needs.*
- *Ensure the passage of legislation and regulations does not create new unfunded mandates on transit agencies.*

To further refine the above responsibilities, the Association's Strategic Plan focuses our advocacy efforts from 2023 to 2028 on the following objectives:

- *Secure new transit operations funding to address the pandemic-induced looming fiscal cliff and support transit's recovery from the pandemic.*
- *Provide support to public transit agencies in the transition to zero-emission vehicles; address agency needs for recharging/refueling infrastructure, maintenance facilities, etc.*
- *Update the Transportation Development Act (TDA).*
- *Enhance transit industry workforce recruitment and training efforts.*
- *Address driver and passenger safety and security concerns related to inappropriate behavior on transit vehicles and at stations; address the impact of unhoused persons on transit vehicles and at stations.*

## 2025 FEDERAL LEGISLATIVE PROGRAM – SUMMARY OF NEW / ACTION ITEMS

The following summarizes the specific and highest priority policy goals the California Transit Association (Association) is pursuing in 2025:

- **Public Employees' Pension Reform Act of 2013:** The Association will continue to monitor and engage the Newsom Administration, the President's Administration, and the United State Congress on the ongoing litigation related to implementation of the Public Employees' Pension Reform Act of 2013. A recent ruling from the Appellate Court remanded the case back to the District Court for dismissal, citing that the case was not prudentially ripe. As a result, the United States Department of Labor is anticipated to deny certifications of federal transit grants awarded to California transit agencies. The Association will take necessary action to ensure funding to California transit agencies remains unimpeded.
- **IJA Reauthorization:** The Association will develop and engage with the United States Congress on an IJA reauthorization platform. Consistent with prior reauthorizations, the Association will prioritize maintaining funding for existing transit and flexible highway formulas (that can fund transit) at levels no less than the funding levels approved under the IJA plus inflation, including ensuring California operators do not see cuts in programs that were funded through advance appropriations, and advocating for policies to support California transit operators in expending federal funds efficiently and effectively.

The Association will refine priorities related to requests for increased funding, including funding for sustaining existing services, transit modernization and expansion, and climate adaptation. As part of this advocacy, the Association will continue to raise awareness of the ongoing capital and operations funding needs of California transit agencies. If the United States Congress begins to consider the creation of new funding streams to support transit operations, the Association will engage in advocacy that is informed by principles developed by the Federal Legislative Committee. The Association will advocate that any new funding stream and allocation methodology for future funding advantages California transit agencies to the maximum extent possible.

- **Transportation Appropriations:** The Association will continue to support a minimum appropriation level for federal surface transportation programs equal to, at least, authorized spending levels, and advocate for the highest possible levels of funding for individual highway, rail, project finance, innovation, safety, and transit programs.
- **IJA Implementation:** The Association will continue to monitor and respond to federal rulemakings and notices to ensure that California's transit and rail agencies are well-positioned to receive discretionary grant awards and to ensure that federal requirements are implementable by California's transit and rail agencies. For example, the Association will work with the Federal Transit Administration or, if necessary, United States Congress to ensure flexibility in the application of its spare ratio requirements to zero-emission transit buses and to address temporary reductions in transit service.
- **Transit Benefit:** Many of the provisions in the 2017 Tax Cuts and Jobs Act are set to expire in 2025. The Association will engage the United States Congress to restore the deductibility of the transit benefit in the next tax package.
- **Climate Resiliency:** The Association will monitor, where appropriate, and support legislation and appropriations that seek to provide funding, policy direction, or other methods of providing climate resiliency to transit agencies.
- **New Mobility:** The Association will continue to engage state and federal decisionmakers to ensure the priorities of our transit agency and original equipment manufacturer members are included in federal policies related to mobility on demand, automated and connected vehicles, and infrastructure.

## **2025 FEDERAL LEGISLATIVE PROGRAM – ALL ACTION ITEMS**

The following summarizes all policy goals the Association will actively pursue in 2025. These are a mix of our existing goals and new items added for 2025.

### **RESPONSIBILITY: Protect existing transit operations and capital funds.**

#### **A. Monitor Ongoing PEPRA and 13(c) Matter and Engage the Trump Administration and Congress, as Appropriate, to Ensure Funding to California Transit Agencies is Unimpeded.**

In February 2023, the United States District Court for the Eastern District of California entered summary judgement in *Amalgamated Transit Union International v. U.S. Department of Labor*, which permanently enjoined the United States Department of Labor (USDOL) from failing to process federal grant applications submitted by California transit agencies to the extent required under 49 U.S.C. Section 5333 (b) [commonly referred to as “Section 13(c)”] of the federal Urban Mass Transportation Act (UMTA) of 1964 and implementing regulations and relying on California’s Public Employees’ Pension Reform Act (PEPRA) of 2013 as the basis for denying, withholding, delaying, or otherwise limiting the certification of such grants. This ruling ensured that federal grant applications submitted by California transit agencies would be certified irrespective of an agency’s implementation of PEPRA until such time that USDOL and/or Amalgamated Transit Union (ATU) appealed the District Court’s ruling and prevailed in the appeal. In March 2023, USDOL and ATU filed appeals of the District Court’s February 2023 ruling with the United State Court of Appeals for the Ninth Circuit.

In July 2024, the Appellate Court issued its final ruling, remanding the case back to the District Court and ordering the Court to dismiss the case. The Appellate Court cited the case as “not prudentially ripe” and, as of the drafting of this program, we anticipate that USDOL will begin withholding federal certifications from transit agencies in short order. As such, the Association will continue to monitor this ongoing legal matter and will engage, as appropriate and directed by the PEPRA and 13(c) Task Force, the Trump Administration and the United States Congress to ensure funding to California transit agencies continues to flow unimpeded.

#### **B. Ensure Transit and Rail Funding in Federal Appropriation Bills Match or Exceed Authorized Levels.**

In general, the Association’s advocacy efforts related to the Fiscal Year (FY) 2026 Appropriations bill will emphasize the following:

- Support, at a minimum, appropriations levels for all transit, passenger rail and highway formula programs consistent with the spending levels authorized in the Infrastructure Investment and Jobs Act (IIJA). Support efforts to increase funding for Federal Transit Administration (FTA) formula programs that benefit California transit agencies above the authorized spending levels.
- Support, at a minimum, appropriations levels for the Capital Investment Grants (CIG) program consistent with the spending levels authorized in the IIJA. Funding for the CIG program must support allocations to existing projects and new projects in the CIG pipeline as well as additional funding for the Expedited Project Delivery for Capital Investment Grants Pilot Program.
- Support, at a minimum, the appropriations levels for all transit, passenger rail, and multimodal competitive grant programs consistent with the spending levels authorized in the IIJA. Support efforts to ensure California receives a “fair share” of funding from competitive grant programs, including for zero-emission programs.
- Support blocking the application of the Rostenkowski Test.

Whenever a continuing resolution is necessary, the Association will support including language in it directing FTA to immediately issue grants to transit agencies no matter the duration of the measure.

**C. Advocate for IIJA Formula Funding Levels – Including Funding for Advance Appropriations – To Be Maintained in Any IIJA Extension and/or in an IIJA Reauthorization.**

The Association will coordinate with national partners to establish as a core reauthorization priority the maintenance of IIJA formula funding increases, including IIJA General Fund advance appropriations for federal transit formulas.

**D. Advocate for Restoration of Highway Trust Fund Solvency and Mitigation of Near-Term Cuts.**

The Association supports restoring the Highway Trust Fund (HTF), so that it can continue to fully fund federal transit programs at baseline spending levels, at a minimum. Options include raising the gas tax and exploring other revenue sources that can be devoted to transit programs. Revenue sources for the HTF should be indexed to keep up with inflation. If no action is taken to address HTF solvency, the Association will urge Congress to:

- Ensure that HTF insolvency does not result in federal transportation funding cuts.
- Support a long-term solution to restore HTF solvency.
- Oppose any efforts to eliminate the HTF's role in funding mass transportation projects.
- Support ensuring federal transit programs funded from the Mass Transit Account continue to receive at least 20% of the HTF's federal surface transportation funding.
- Additionally, maintain a strong federal role in a multimodal national surface transportation system and oppose any efforts to reduce or eliminate federal funding for transit from the General Fund or HTF.

**RESPONSIBILITY: Secure new sources of funding for transit operations and capital projects and enhance public awareness of the essential nature of public transit and build support for increased transit funding.**

**A. Raise Awareness of the Ongoing Funding Needs of California Transit Agencies.**

With many of our member agencies currently facing, or anticipated to face, financial challenges related to operations and capital funding, which may lead to fiscal cliffs in the near future, the Association will continue raising awareness of the ongoing funding needs of California transit agencies to the President's Administration and the United States Congress.

**B. Prioritize Maintaining and Increasing Federal Funds That Flow to California, Whether Those Funds Be for Operating or Capital Purposes. Ensure Any New Funding Stream and Allocation Methodology Advantages California Transit Agencies to the Maximum Extent Possible.**

**C. Follow Outlined Principles in Our Advocacy and Engagement On Federal Operations Funding.**

If Congress begins to consider the creation of new funding streams for supporting transit operations, the Association will engage in advocacy that is informed by principles developed by the Federal Legislative Committee. The Association will advocate to ensure that any new funding stream and allocation methodology for future funding advantages California transit agencies to the maximum extent possible.

**RESPONSIBILITY: Ensure passage of transit legislation and regulations that support transit and defeat of those legislative and regulatory measures which impede transit's ability to meet**

**the public's mobility needs, and ensure the passage of legislation and regulations does not create new unfunded mandates on transit agencies.**

**A. Engage on Implementation of the Infrastructure Investment and Jobs Act.**

The IIJA created various new funding programs and established new requirements on transit agencies on matters including, but not limited to, the transition to zero-emission technologies, Build America/Buy America, and transit safety and security.

The Association will continue to monitor and respond to federal rulemakings and notices to ensure that new programs and new requirements, including but not limited to transit safety and security requirements, are implementable by California's transit and rail agencies and to ensure that California's transit and rail agencies are well-positioned to receive discretionary grant awards. Further, the Association will pursue preservation of existing federal workforce development policies, programs, and funding opportunities available under current law to assist agencies with the transition to zero-emission technology. As a part of this pursuit, the Association will also advocate for the Administration to uphold a timely review process for, and allocation of, federal grants.

**B. Advocate for Robust Transit Funding in the Federal Surface Transportation Reauthorization Bill.**

The Association will mobilize the Federal Legislative Committee and its standing committees and task forces to develop an IIJA reauthorization platform, and encourage early action by the State of California to identify reauthorization principles. As this platform and these principles are developed, the Association will engage the United States Congress, particularly California's Congressional Delegation, the authorizing committees, and our federal partners to ensure their awareness, and build support for, our priorities. Consistent with prior reauthorizations, the Association will prioritize maintaining funding for existing transit and flexible highway formulas (that can fund transit) at levels no less than the funding levels approved under the IIJA plus inflation, including ensuring California operators do not see cuts in programs that were funded through advance appropriations. Further, the Association will refine priorities related to funding for transit modernization and expansion and policy revisions needed to ensure operators are able to expend federal funds efficiently and effectively.

**C. Engage on The Implementation of Legislation and Appropriations That Supports Climate Resiliency.**

The increase in the severity and regularity of climate related phenomena causes concern regarding the ability of transit agencies to swiftly adapt their services and employees to the last effects of climate change. Whether the issue is forest fires, sea level rise, or other natural phenomena, these worsening natural disasters threaten the operation of vital transit services.

The Association will monitor, and where appropriate, support legislation and appropriations that seeks to provide funding, policy direction, or other methods of providing climate resiliency to transit agencies. As part of this work, the Association will monitor, and where appropriate, support legislation and appropriations to ensure timely reimbursements for disaster relief and emergency response functions impacting transit agencies.

**D. Continue to Monitor Contract Price Adjustment Request.**

International supply chain issues have increasingly resulted in manufacturers and suppliers filing contract price adjustment requests for transit vehicles and componentry with California transit and rail agencies.

The Association will monitor industry trends related to these requests, share best practices for responding to these requests, and may consider pursuing and/or supporting legislative and/or regulatory measures to address the supply chain issues.

#### **E. Update Commercial Drivers' Licensing Requirements.**

California transit agencies face continued challenges related to the hiring of transit operators. These challenges are, on one level, indicative of larger societal and economic conditions, but also reflect the rigidity of commercial drivers' license requirements and requirements on key licensing programs, like the Employer Testing Program.

The Association will work with its Operations Committee to pursue updates to commercial drivers' licensing requirements, including the entry-level driver training regulation, and improvements to the Employer Testing Program. Additionally, the Association will pursue with its Operations Committee the appropriateness of modifying age requirements for commercial drivers' licenses.

#### **F. Seek Guaranteed Railroad Access for Public Transit Agencies.**

The Association supports granting public transit operators the same guaranteed access to the freight railroad network that currently exists for Amtrak. The Association also supports establishing a mechanism within the STB or some other appropriate federal entity to resolve disputes between public transit operators and the private railroads on freight railroad access issues.

#### **G. Amtrak.**

The Association supports investment in Amtrak. At the same time, full consideration must be given to the impact that any legislation regarding Amtrak's institutional structure may have on commuter rail services and on public transportation services generally. With the implementation of the Passenger Rail Investment and Improvement Act (PRIIA) Section 209 Amtrak pricing policy, states now are supporting Amtrak intercity passenger rail (IPR) routes of 750 miles or less and represent nearly 50% of Amtrak's total annual ridership and it is therefore imperative that at least one director on the Amtrak Board represent the interests of these state IPR services.

#### **H. Seek Additional Funding for Positive Train Control.**

Recognizing that Positive Train Control (PTC) is an unfunded mandate and there are significant annual additional costs for maintaining PTC, the Association supports increased funding for PTC maintenance and operations.

#### **I. Support Low-Cost Solutions for Increasing Rail Safety.**

The Association supports securing authorization to implement low-cost solutions, such as dynamic envelope painting, to increase safety at at-grade rail grade crossings.

#### **J. Oppose Retroactive Application of Rail Liability Cap.**

The Association opposes the retroactive application of any rail liability cap. Any caps must take into consideration the resources of transit agencies, and state & local governments.

#### **K. Seek Flexibility in Spare Ratio Requirements.**

FTA regulations require that transit agencies maintain a transit vehicle fleet with a spare ratio of no more than 20 percent of the number of vehicles operated in maximum fixed-route service to utilize FTA 5307 formula funds for vehicle purchases. Some transit agencies, in seeking to implement zero-emission transit buses, have found that due to the range limitations of this nascent technology, they

must purchase additional buses – possibly in excess of the spare ratio for transit buses – to maintain service levels to their community. Additionally, some transit agencies, as a result of lost ridership, decreases in operating revenues, and operator shortages, have temporarily reduced their service levels, resulting in a temporary decrease in the number of vehicles operated in maximum fixed route service and a spare ratio that exceeds, for a point in time, the 20 percent cap. These vehicles will be necessary to increase service levels as ridership and revenues recover and operator shortages are addressed. Unfortunately, due to these dynamics, these transit agencies run the risk of jeopardizing their access to crucial FTA 5307 formula funding.

The Association will continue to work with the FTA or, if necessary, Congress to ensure flexibility in the application of its spare ratio requirements is applied to zero-emission transit buses.

#### **L. Engage on Issues Related to Automated Vehicles.**

The Association will engage USDOT, the National Highway Traffic Safety Administration, California's Congressional delegation and key members of the California Governor's Administration to ensure the priorities of our transit agency and original equipment manufacturer members are included in final USDOT policy and the state's policy framework for automated vehicles. Additionally, the Association will oppose legislative and/or regulatory efforts that would undermine the authority of states and localities to enact their own testing and deployment requirements.

#### **M. Monitor Prohibition of Federal Funds for Rolling Stock.**

Subject to the approval of the Executive Committee and Federal Legislative Committee, the Association may choose to communicate the negative impact on transit operations of any prohibition on the use of FTA funding for the purchase of transit assets from specific manufacturers.

#### **N. Monitor and Support Efforts to Advance Racial Justice and Transportation Equity Through Federal Transportation Policy.**

The Association will implement the recommendations of the Actions for a More Equitable, Inclusive and Diverse Association report by reviewing and engaging on federal transportation policy intended to advance racial and social justice, transportation equity, and workforce equity. Such policy may relate to issues, including but not limited to, transit access and affordability, policing, workforce development and training, and zero-emission technologies.

#### **O. Support Existing and New Funding and Financial Tools to Support Transit-Oriented Development and the Construction Of Housing Near Public Transit.**

The Association supports existing and new federal funding and financial tools to encourage transit-oriented development projects and housing near public transit, including for affordable housing projects. The Association also supports the streamlining of existing programs to better facilitate the construction of such projects.

#### **P. The Association Will Work With Congress and the Administration to Advocate for Reforms to the NEPA and/or Related Administrative Permitting Processes That Advantage Public Transit, Rail, Ferry, Bicycle, Pedestrian, and TOD Projects.**