

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

March 13, 2026

Handout - Agenda Item 4a

Washington D.C. Legislative Update

Subject:

February 2026 Report from Washington, D.C. advocate.

Issues:

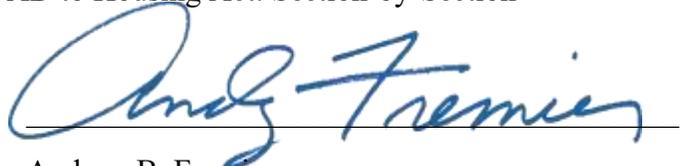
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – February 2026
- Attachment B: 21st Century ROAD to Housing Act: Section-by-Section



Andrew B. Fremier



440 1st Street, NW, Suite 440
Washington, DC 20001
(202) 638-3307 main
www.summitstrategies.us

Summit Strategies Team Report – February 2026

From: Summit Strategies Team

To: Andrew B. Fremier, Executive Director

Date: March 13, 2026

Subject: February 2026 Federal Policy Monthly Report

- **Surface Transportation Reauthorization Discussions Continue**
 - **BASICS Act Introduced**
 - **House and Senate Housing Packages Advance; Bicameral Negotiations Expected**
 - **FY 2027 Appropriation Process and Congressionally Designated Funding Begins**
 - **EPA Repeals Endangerment Finding**
 - **US DOT Outlines Proposals to Target Transit Funding**
 - **Trump Targets Transportation Funding in Blue States**
 - **FTA Administrator Marc Molinaro Resigns**
 - **Supporting MTC Priorities in Congress**
 - **National Transportation News Roundup**
-

Below is a status update on issues of interest to MTC and the actions that we have taken to date.

Surface Transportation Reauthorization Discussions Continue

House and Senate committees responsible for drafting the federal surface transportation authorization have been hard at work throughout February. House Transportation and Infrastructure (T&I) Committee Chairman Sam Graves (R-MO) spoke at the American Association of State Highway Transportation Officials winter meeting – which your D.C. team attended – and shared that he hoped to act on a \$550 billion multi-year surface transportation bill later this spring. House T&I Committee Ranking Member Rick Larsen (D-WA) affirmed the Chair’s goal and emphasized that they are working together on a bipartisan bill. The Senate leaders have not yet shared their reauthorization timeline, but Senate Environment and Public Works Committee Chair Shelly Moore Capito (R-WV) has signaled the Senate version may be debated in the summer.

BASICS Act Introduced

Congress recently introduced the bipartisan *Bridges and Safety Infrastructure for Community Success (BASICS) Act* (H.R. 7437), a framework intended to modernize and reform federal surface transportation policy ahead of the current authorization’s expiration on September 30, 2026. Sponsored by Representatives Kristen McDonald Rivet (D-MI) and Rob Bresnahan (R-PA), the proposal aims to expand local and regional access to federal transportation funding. Your team worked with MTC to provide technical assistance during bill development; the proposal advances MTC’s surface transportation reauthorization priorities as follows:

- Doubles the size of the metropolitan planning formula program, empowering MTC and other metropolitan planning organizations to enhance performance based regional planning and implementation efforts.
- Increases MTC’s flexible highway formula funds by growing the Surface Transportation Block Grant Program by 20%.
- Adds \$1.2 billion in Safe Streets and Roads for All program funding (which is at risk of being eliminated) to the formula-based Highway Safety Improvement Program as a set-aside that would be suballocated based on population. This provides states and regions more predictable, flexible resources to deliver on national priorities like safety.

- Makes permanent the Infrastructure Investment and Jobs Act (IIJA) bridge formula program by funding it out of the Highway Trust Fund (vs. the General Fund). The bill also creates a 25% local set aside within the program.

Note: The bill focuses on the highway portion of the federal surface transportation reauthorization; it does not address transit funding or policy.

House and Senate Housing Packages Advance; Bicameral Negotiations Expected

The House has passed H.R. 6644, the *Housing for the 21st Century Act* (February 9, 2026), positioning it for negotiations with the Senate on their housing package, S. 2651, the *ROAD to Housing Act*, which was poised to pass the Senate when this report was filed. With both chambers advancing bipartisan housing proposals, leadership is expected to pursue a conference process – either a formal conference committee or an informal bicameral negotiation – to reconcile overlapping provisions and resolve remaining policy differences into a single compromise package for final consideration. Several Senate provisions may present opportunities for MTC and Bay Area local jurisdictions, including a proposed innovation fund that could align with regional housing production and permitting acceleration objectives. A summary of S. 2651 is attached.

FY 2027 Appropriations Process and Congressionally Designated Funding Begins

House Appropriations has opened the Fiscal Year (FY) 2027 Member-request process for the Transportation, Housing and Urban Development (THUD) bill, including Community Project Funding (CPF), or earmarks. For THUD, the House Appropriations submission deadline is March 20, 2026.

In the Senate, Congressionally Directed Spending (CDS) timelines continue to be driven by subcommittee- and office-specific collection deadlines, and the Senate Appropriations Committee's transparency requirements include public posting of CDS requests within 15 calendar days of the relevant subcommittee submission deadline.

US DOT Outlines Proposals to Target Transit Funding

Over the last few months, several reports have leaked on transit proposals that the U.S. Department of Transportation (US DOT) is trying to include in the upcoming surface transportation reauthorization bill. This month, two proposals were reported on by DC news outlets.

The first proposal would block states, cities, and towns from offering free public transportation to unauthorized immigrants. The draft measure would prevent states and local governments from using federal transit funding to help migrants avoid federal immigration officials. Specifically, it will target blue states and municipalities that provide transportation to migrants to reach immigration resources. The rule would cover all Federal Transit Administration (FTA) funding. The second would prohibit large cities that receive federal funds from providing free bus transit. The proposal applies to transportation agencies located in areas with populations over 200,000 and a fleet of more than 100 buses. The proposal will impact transit systems in Kansas City, Missouri; Richmond, Virginia; and Albuquerque, New Mexico, all of which currently offer free bus rides. It will also impact New York City Mayor Zohran Mamdani's promise to eliminate fares on city buses. It is unclear if there is support for such a measure.

House Transportation and Infrastructure Committee Ranking Member Rick Larsen (D-WA) criticized DOT's proposal to ban free bus transit. Chairman Sam Graves (R-MO) has not commented on the proposals, but he has continuously advocated for passing a bipartisan bill. Any measure that could jeopardize bipartisan support would likely receive pushback.

EPA Repeals Endangerment Finding

This month, Environmental Protection Agency (EPA) Administrator Lee Zeldin announced that EPA is repealing the 2009 greenhouse gas endangerment finding, which served as a prerequisite for regulating emissions for new motor vehicles and new motor vehicle engines. In removing this authority, EPA also finalized the repeal of all Greenhouse Gas (GHG) emissions standards for light-, medium-, and heavy-duty on-highway vehicles and engines.

Zeldin claims the action is the largest deregulatory action in the history of the country and will save Americans \$1.3 trillion. Interestingly, as part of the announcement, EPA did not repeal its separate endangerment findings that apply to regulating aircraft, power plants, and oil wells. It is unclear if EPA is planning on repealing those findings as well.

The EPA originally released its endangerment finding under the Obama Administration after the Supreme Court concluded that GHGs are air pollutants and can be regulated under the Clean Air Act. The decision was the result of overwhelming scientific consensus proving that GHGs contribute to climate change and harm human health. EPA is already facing its first lawsuits on the decision.

Trump Targets Transportation Funding in Blue States

This month, the Trump Administration announced it is rescinding \$1.5 billion in health and transportation funding from Colorado, Illinois, California, and Minnesota. The Office of Management and Budget (OMB) directed the US DOT to rescind \$943 million from those states and the Centers for Disease Control and Prevention (CDS) to rescind \$602 million. The transportation funding is primarily for electric vehicle chargers through the National Electric Vehicle Infrastructure (NEVI) Formula Program, but funding for green buses and other projects was also targeted, including \$15 million for a charging network across the San Francisco Bay area with a focus on disadvantaged communities.

The announcement follows a data collection that OMB carried out last month that reviewed federal funding that primarily blue states received.

As of this writing, the targeted states successfully blocked the Trump Administration from rescinding the healthcare funding, at least temporarily. It is unclear if the states have also attempted to block the rescission of the transportation funding. DOT has yet to formally begin to implement the rescission outside of the announcement; that is not to suggest internal steps are not being taken, but nothing has been formally announced.

FTA Administrator Marc Molinaro Resigns

Federal Transit Administration (FTA) Administrator Marc Molinaro resigned from his position this month to move back to New York, where he will run for a seat in the state Assembly. The former New York Congressman leaves his post after only six months on the job. Molinaro's resignation creates a leadership vacuum at an agency that oversees a multi-billion dollar budget and 600-person staff. FTA Deputy Administrator Tariq Bohkari also resigned from FTA late last year and Executive Director Matthew Welbes recently announced he is retiring. It is unclear who President Trump plans to nominate to succeed Molinaro.

Supporting MTC Priorities in Congress

Your DC Team has been hard at work and has communicated with several congressional offices and agencies over the last month. The DC Team continues to meet regularly with House and Senate Committee staff regarding MTC's surface transportation priorities, including retaining the Bay Area's transit funding, maintaining a high level of flexible formula funding, and policy priorities related to planning and project delivery. We have received confirmation from the minority policy committee staff that they are working on our requests. The status of our priorities and other details related to legislation are under close hold per agreement between the majority and minority staff.

In addition to the surface transportation issues listed above, the DC Team has also worked on:

- **State of Good Repair Funding** – Since last year, your DC team has been coordinating with a coalition of major transit centers across the nation to develop a strategy to avoid a deep cut in Section 5337 State of Good Repair transit funding, which primarily benefits legacy transit systems. We held several coalition meetings in February.
- **Resilient Regions Challenge Bill** – Your MTC team met several Bay Area congressional offices to pitch the idea of a “marker bill” for MTC-ABAG's Resilient Regions Challenge concept, consistent with MTC's surface transportation reauthorization priorities.

Your DC team also attended several winter industry events on behalf of MTC, including AASHTO, NACo (National Association of Counties), and the U.S. Conference of Mayors. We will also participate in the ITS America and the National League of Cities, slated for March.

National Transportation News Roundup (links to articles)

- [DOT wants to block transit money to states that aid migrants \(Politico\)](https://www.politico.com/news/2026/02/18/dot-wants-to-block-transit-money-to-states-that-aid-migrants-00775657)
<https://www.politico.com/news/2026/02/18/dot-wants-to-block-transit-money-to-states-that-aid-migrants-00775657>
- [FTA head Molinaro resigns \(Trains\)](https://www.trains.com/pro/passenger/fta-head-molinaro-resigns/)
<https://www.trains.com/pro/passenger/fta-head-molinaro-resigns/>
- [Affordable Housing and Transit Case Study Series: Austin \(Eno Center for Transportation\)](https://enotrans.org/article/affordable-housing-and-transit-case-study-series-austin/)
<https://enotrans.org/article/affordable-housing-and-transit-case-study-series-austin/>
- [California lends \\$590M to keep Bay Area transit running \(Smart Cities Dive\)](https://www.smartcitiesdive.com/news/california-590m-loan-bay-area-transit-agencies/812806/)
<https://www.smartcitiesdive.com/news/california-590m-loan-bay-area-transit-agencies/812806/>