

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

December 12, 2025

Handout - Agenda Item 2b

Washington D.C. Legislative Update

Subject:

November 2025 Report from Washington, D.C. advocate.

Issues:

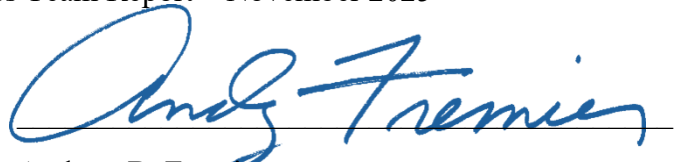
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – November 2025



Andrew B. Fremier



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Summit Strategies Team Report – November 2025

From: Summit Strategies Team

To: Andrew B. Fremier, Executive Director

Date: December 12, 2025

Subject: November 2025 Federal Policy Monthly Report

- **DOT Proposes Significant Transit Cuts**
 - **New WOTUS Rule Proposed**
 - **FTA Announces Billings for Bus Infrastructure**
 - **FTA Publishes Update CIG Guidance**
 - **FTA Amends Master Agreement Following Court Decision on Immigration Enforcement Condition**
 - **Supporting MTC Priorities in Congress**
 - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

DOT Proposes Significant Transit Cuts

According to Politico Pro, the U.S. Department of Transportation (DOT) has sent two proposals to the White House budget office seeking to make substantial changes to the way the federal government provides transit funding. The proposals are:

1. Eliminating the Mass Transit Account in the Highway Trust Fund (HTF) that provides billions of dollars to transit agencies annually. Funding would be diverted to highway construction.
2. Eliminating the ability of recipients of Federal aid highway funding from using highway formula dollars for transit projects. In Fiscal Year (FY) 2024, nearly \$1.6 billion was moved from the Federal Highway Administration's (FHWA's) highway account to the Federal Transit Administration (FTA) to support transit projects.

Even though similar proposals have been rejected by Congress in the past, DOT would like the proposals to be included in the next surface transportation reauthorization bill. However, the two proposals received swift bipartisan pushback in Congress. House Transportation and Infrastructure Committee Chair Sam Graves (R-MO) said he is not interested in moving forward with DOT's proposal, emphasizing that he wants the final bill to be bipartisan. Without the support of Chairman Graves, DOT's proposal has no path forward.

New WOTUS Rule Proposed

For the sixth time in the last decade, the federal government has proposed a significant change to the definition of Waters of the United States (WOTUS). The latest proposal seeks to clarify regulatory uncertainty following the Supreme Court's most recent ruling on WOTUS in 2023. In their ruling, the Supreme Court declared that the WOTUS definition includes bodies of water that are relatively permanent (i.e., oceans, lakes, rivers, streams, and wetlands that are adjacent to bodies of water with a continuous surface connection).

The Environmental Protection Agency's (EPA) latest proposal would remove interstate waters from the WOTUS definition if they are not relatively permanent. The rule would also exclude all ditches from falling under WOTUS.

This rule will have a significant impact on transportation projects. According to an analysis done by the EPA, 81% of wetlands that are currently on the National Wetlands Inventory will not be considered waters of the U.S. under the rule. This change in definition could significantly reduce the timeline for roadway and transit projects that go through wetlands that may no longer be protected.

FTA Publishes Updated CIG Guidance

On Wednesday, November 12, 2025, the FTA published its final policy guidance for the Capital Investment Grants (CIG) program. The newest version amends the CIG Policy Guidance published in December 2024. Changes include:

- The FTA removed urgent care facilities from the access to essential services element under the land use criterion.
- The FTA will incorporate a previously applied methodology that employs the EPA National Ambient Air Quality Standards (NAAQS) designation for FTA's evaluation of the environmental benefits of CIG projects.
- The FTA will no longer consider the social cost of carbon analysis when rating CIG projects.

The final policy guidance is effective immediately. Companion documents, including CIG reporting templates and standard cost category worksheets, will be posted later. Until these documents are published, project sponsors should continue to use documents dated January 2025.

FTA Announces Billions for Bus Infrastructure

On Thursday, November 20, 2025, the FTA announced \$2 billion in awards going to 165 transit projects across the country to modernize the nation's bus infrastructure, reduce traffic congestion, and help people move more efficiently and affordably. Funding is through FTA's Grants for Buses and Bus Facilities Program and the Low- or No-Emissions Grant Program. FTA's Grants for Buses and Bus Facilities Program supports capital projects to replace, rehabilitate, buy, or lease buses and related equipment and to rehabilitate buy, build, or lease bus-related facilities. For Fiscal Year (FY) 2025, \$400 million was available through this program. FTA's Low or No Emission Program awards funding to buy or lease low-emission or

zero-emission transit buses, in addition to facilities and equipment. For FY 25, \$1.1 billion was available. FTA also added \$518 million in FY 26 advanced appropriations through the Low or No Emissions Program, for nearly \$2 billion in total awards.

In the latest round of funding, California received 24 awards totaling nearly \$298 million.

FTA Amends Master Agreement Following Court Decision on Immigration Enforcement Condition

On November 4, 2025, the U.S. District Court for the District of Rhode Island issued a ruling in *California v. Duffy* (1:25-cv-208-JJM-PAS) invalidating a DOT grant condition that required recipients to cooperate with federal officials in enforcing civil immigration law. The Court declared the “Immigration Enforcement Condition” (IEC) unlawful, ordered it vacated from all DOT grant agreements, and permanently enjoined the Department from conditioning federal transportation funding on state cooperation with immigration enforcement.

In response, the FTA issued an amendment to its Master Agreement to remove the IEC-related provision. Effective immediately, DOT and its operating administrations will not include or enforce any such condition in new or existing grant agreements. Any agreements executed prior to the ruling that contain the IEC are considered legally void with respect to that provision. DOT has reserved the right to appeal the Court’s decision.

The FTA Master Agreement establishes the standard terms and conditions applicable to all FTA grants, cooperative agreements, and loans. The recent amendment aligns the Agreement with the court’s decision and ensures compliance with current federal law.

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. This list includes:

The DC used the Politico Pro article mentioned above as an opportunity to check in with Democratic Committee staff to one, get their impression, and two, reiterate the importance of preserving transit funding that benefits the entire transportation system and all users. We also reached out to allies within U.S. Department of Transportation and Federal Transit Administration and while they would neither confirm or deny the accuracy of the article, they did

indicate that the department often proposes policies for broader discussion within the entire administration and floating a proposal does not mean it becomes an administration proposal.

The Infrastructure Investment and Jobs Act (IIJA) included roughly \$1 billion a year in additional 'advanced appropriation funding' for the State of Good Repair program. The Bay Area benefits greatly from this program, and the DC Team is working to make sure that the additional \$1 billion a year will be included as a part of the upcoming reauthorization. In November, we began to organize other agencies and organizations that likewise benefit from this program and are reaching out to those Congressional delegations to organize Congressional support for this pivotal program.

Similarly, IIJA included additional funding for a bridge formula. In November, the DC Team met with numerous members of the House Transportation & Infrastructure Committee to discuss the importance of maintaining the bridge formula program and making them a part of the core highway formula program. In addition to working with our own delegation, we are working with several bipartisan members who will look to introduce legislation in early 2026 as a way of showing support for this important program

The DC Team reached out to the Senate Environment and Public Works Committee regarding information on Build America Bonds.

In November, House Transportation & Infrastructure Committee Chairman Rick Larsen (D-WA) as well as Representative Bill Owens (R-UT) introduced legislation that would provide transportation funding for the regions hosting World Cup games next summer. While it is unlikely that the legislation would be passed in time for the money to be effective in advance of the games next June, the underlying legislation sets the table for additional transportation funds to be allocated for major sporting and cultural events. Additionally, we have been invited to attend a U.S. Department of Transportation briefing in December related to transportation and the 2026 World Cup.

The DC Team spoke with the Office of Representative Lateefah Simon (D-CA), including her Transportation Legislative Assistant, Legislative Director, and Chief of Staff on several occasions to: provide updates on major federal and regional issues; discuss MTC's surface transportation reauthorization priorities; discuss the status of ongoing federal funding streams

and the associated transit project timeline; provide updates on SB 63: Connect Bay Area; and discuss the MTC commission structure. These conversations helped reinforce MTC's policy objectives and ensured that Representative Simon's (D-CA) staff had the most current information on MTC's legislative and programmatic needs. While Representative Simon (D-CA) is not on the House Transportation and Infrastructure Committee, her staff indicated a desire to remain active in transportation issues and wanted to remain in close contact with MTC as the reauthorization process moves forward.

National Transportation News Roundup (links to articles)

- [Iowa City Made Its Buses Free. Traffic Cleared, and So Did the Air \(The New York Times\)](https://www.nytimes.com/2025/11/18/climate/iowa-city-free-buses.html)
<https://www.nytimes.com/2025/11/18/climate/iowa-city-free-buses.html>
- [SEPTA gets nearly \\$220 million in capital funding from Pennsylvania, Gov. Shapiro announces \(CBS\)](https://www.cbsnews.com/philadelphia/news/septa-capital-funding-shapiro/)
<https://www.cbsnews.com/philadelphia/news/septa-capital-funding-shapiro/>
- [D.C. Metro ridership sinks during shutdown, taking toll on D.C. businesses \(The Washington Post\)](https://www.transitlent.com/articles/index.cfm?story=DC_Metro_Ridership_Sinks_During_Shutdown_11-10-2025)
https://www.transitlent.com/articles/index.cfm?story=DC_Metro_Ridership_Sinks_During_Shutdown_11-10-2025
- [New poll shows Bay Area transit funding measure support is solid and strengthening \(Mass Transit\)](https://www.masstransitmag.com/management/news/55329375/metropolitan-transportation-commission-mtc-new-poll-shows-bay-area-transit-funding-measure-support-is-solid-and-strengthening)
<https://www.masstransitmag.com/management/news/55329375/metropolitan-transportation-commission-mtc-new-poll-shows-bay-area-transit-funding-measure-support-is-solid-and-strengthening>