

NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD

May 4, 2026

The Honorable Lauren Sanchez
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95811

Re: Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation

Dear Chair Sanchez:

On behalf of North County Transit District, operating as North County Transit – San Diego Railroad (NCTD), I write to express opposition to the *Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms* (Proposed Amendments) released by the California Air Resources Board (CARB) on April 14, 2026. Specifically, NCTD is concerned that the Proposed Amendments will significantly impact up to \$1.65 billion in annual investments from the Greenhouse Gas Reduction Fund (GGRF) to programs that support public transit, without any plan from the state to backfill these losses.

In 2025, the Legislature reauthorized the state’s Cap-and-Trade program, establishing annual investments from the GGRF to key programs that support public transit such as the Transit and Intercity Rail Capital Program (TIRCP), the Low Carbon Transit Operations Program (LCTOP), and the Affordable Housing and Sustainable Communities Program (AHSC). Together, these programs have supported transformational investments in North County San Diego that reduce greenhouse gas emissions, improve air quality, and support affordable housing development near transit.

For example, NCTD and its local partners have leveraged TIRCP funds to advance major rail capital projects on the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor, the second-busiest passenger rail corridor in the nation. Additionally, NCTD has used LCTOP funds to offer discounted transit passes for college students and to purchase battery-electric and hydrogen fuel cell zero-emission buses. Lastly, the AHSC program has empowered NCTD to partner with affordable housing developers to increase housing options near NCTD’s transit stations while also securing funding for critical service enhancements.

NCTD understands that the Proposed Amendments will significantly reduce available funding in the GGRF, effectively ending future appropriations for “Tier 3” programs in the new Cap-and-Invest Expenditure plan codified by Senate Bill 840 (Chapter 121, Statutes of 2025). As a result of this proposal, programs including TIRCP, LCTOP, and AHSC, which are central to the state’s efforts to combat climate change, will likely see annual funding from the GGRF significantly reduced below anticipated levels with no plan in place to backfill these losses.

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NCTD urges CARB to revisit the Proposed Amendments and maintain robust funding in the GGRF for TIRCP, LCTOP, and AHSC. These programs serve a critical role in addressing affordability for all Californians by supporting high quality public transit, reducing harmful air pollution, and increasing access to affordable housing.

If you have any questions regarding my opposition to this proposal, please contact Tyler Mosher, Government Affairs Analyst, at tmosher@nctd.org or (760) 435-9147. Thank you for your consideration.

Sincerely,



Shawn M. Donaghy
Chief Executive Officer

cc: Members, California Air Resources Board
The Honorable Laurie Davies, Assemblymember, California State Assembly
The Honorable Darshana Patel, Assemblymember, California State Assembly
The Honorable Tasha Boerner, Assemblymember, California State Assembly
The Honorable Catherine Blakespear, Senator, California State Senate
The Honorable Brian Jones, Senate Minority Leader, California State Senate
Zach Bunshaft, Southern California Regional Director - External Affairs, Office of California Governor Gavin Newsom

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