



May 22, 2026

Lauren Sanchez
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed Amendments to the Cap-and-Invest Regulation – Significant Concerns

Dear Chair Sanchez and Members of the Board,

I am writing on behalf of the California Association of Councils of Governments (CALCOG), representing the eighteen Metropolitan Planning Organizations (MPOs) and ten County Transportation Commissions that are responsible for the long-range transportation and land use planning required under state and federal law. CALCOG members are not only stakeholders in the Greenhouse Gas Reduction Fund (GGRF), but we are also the entities California has legally tasked with producing plans to meet its regional greenhouse gas reduction goals. That dual role gives us a distinct and urgent perspective on the Proposed Amendments to the Cap-and-Invest Regulation (Proposed Amendments) that CARB will consider at its May 28, 2026, board meeting.

Similar to the California Transit Association letter, we share the concerns of our transit and housing partners about the devastating impact the Proposed Amendments would have on the AHSC, TIRCP, and LCTOP. But CALCOG's concern goes further. Our member MPOs are required by Senate Bill 375 (Steinberg, 2008) to demonstrate, through their Regional Transportation Plans and SCS, that their regional land-use and transportation strategies will meet the GHG emissions reduction targets set by CARB. The investments made possible by AHSC, TIRCP, and LCTOP are not ancillary to our regional GHG modeling. They are embedded in it. When our members developed their long-term plans, they did so with reasonable expectations that these state programs would remain funded and operational. Eliminating that funding does not just harm individual projects, it undermines the analytical foundation of plans that have already been adopted.

The Proposed Amendments create a direct regulatory conflict that CARB has not yet addressed: the Board cannot simultaneously reduce the financial tools available to regions and hold those regions to the same climate performance obligations. If CARB moves forward with amendments that, according to the Legislative Analyst's Office, would reduce GGRF revenues by approximately \$2 billion, insufficient even to fully fund Tier 2 programs and thereby eliminate billions in annual investment in AHSC, TIRCP, and LCTOP, then CARB must also revisit the SB 375 GHG reduction targets it has established for MPOs. Expecting regions to achieve the same emissions outcomes with dramatically fewer resources is neither technically defensible nor equitable.

We therefore call on CARB to reject the Proposed Amendments as currently drafted and preserve GGRF investment in Tier 3 programs, or, if the Board proceeds, recalibrate the SB 375 GHG reduction targets for MPOs to reflect the new funding reality. It would be inappropriate to allow the Proposed Amendments to take effect without a corresponding adjustment to the performance standards our members are required to meet. CARB has both the authority and the obligation to ensure its regulatory actions are internally coherent.

CALCOG remains a committed partner to the state in achieving California's climate goals. Our members have built their plans around these goals, engaged their communities in the trade-offs, and staked significant regional credibility on delivering results. We ask that CARB honor that partnership by ensuring its regulatory actions do not pull the rug out from the very institutions it relies on to implement the state's climate vision. Please do not hesitate to contact me at vcaporale@calcog.org if you have questions or would like to discuss further.

Sincerely,

Vincenzo Caporale

Vincenzo Caporale
Government Affairs Analyst

cc: Members and Staff, California State Legislature
Members, California Air Resources Board
Jamie Callahan, Deputy Chief of Staff, Office of Governor Gavin Newsom
Trey Reffett, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Sarah Swig, Deputy Cabinet Secretary and Senior Advisor, Office of Governor Gavin Newsom
Steve Cliff, Executive Officer, California Air Resources Board
Rajinder Sahota, Deputy Executive Officer, California Air Resources Board
Toks Omishakin, Secretary, California State Transportation Agency
Erin Curtis, Executive Director, Strategic Growth Council