

## **MEMORANDUM**

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** June 25-26, 2026

**From:** STEVEN KECK, Chief Financial Officer

**Reference Number:** 4.28, Information Item

**Prepared By:** Keith Duncan, Chief  
Division of Budgets

**Subject:** **DRAFT 2026 TRADE CORRIDOR ENHANCEMENT PROGRAM FUND ESTIMATE**

### **SUMMARY:**

The California Department of Transportation (Department) is presenting to the California Transportation Commission (Commission) the Draft 2026 Trade Corridor Enhancement Program (TCEP) Fund Estimate, as an Information Item, at the Commission's June 2026 meeting. The Department will continue to work with Commission staff to finalize the 2026 TCEP Fund Estimate, which is scheduled to be presented for adoption at the Commission's August 2026 meeting.

### **BACKGROUND:**

The 2026 TCEP Fund Estimate capacity is based on requirements within Senate Bill 1 (SB 1) (Statutes of 2017), along with the Federal Highway Administration and Commission staff. The program, as articulated in SB 1 and implemented pursuant to SB 103 (Statutes of 2017), is a statewide competitive grant program which provides funding for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement. TCEP also supports the goals of the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan. The program contributes to the freight system's economic activity or vitality, relieves freight congestion, improves the safety, security, or resilience of the freight system, implements technology, or reduces adverse community or environmental impacts of the system.

The Department has consulted with Commission staff during the development of the Draft 2026 TCEP Fund Estimate. State resources are based on the Department of Finance's diesel excise tax revenue estimates and federal funding is estimated at Infrastructure Investment and

Jobs Act levels with an annual escalator applied. The Department will continue to work with Commission staff between now and the August 2026 Commission meeting to update information and make any necessary changes to finalize the 2026 TCEP Fund Estimate to be presented for adoption.

Attachment

# DRAFT

## TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP) FUND ESTIMATE (\$ millions)

	2027-28	2028-29	2-Year Total
<b>RESOURCES</b>			
<b>STATE RESOURCES</b>			
Trade Corridor Enhancement Account <sup>1</sup>	\$382	\$385	\$767
<b>State Resources Subtotal</b>	<b>\$382</b>	<b>\$385</b>	<b>\$767</b>
<b>FEDERAL RESOURCES</b>			
National Highway Freight Program <sup>2,3</sup>	\$127	\$129	\$256
<b>Federal Resources Subtotal</b>	<b>\$127</b>	<b>\$129</b>	<b>\$256</b>
<b>TOTAL RESOURCES</b>	<b>\$509</b>	<b>\$514</b>	<b>\$1,023</b>
Programming Adjustments <sup>4</sup>	\$205	\$0	\$205
<b>NET RESOURCES AVAILABLE</b>	<b>\$714</b>	<b>\$514</b>	<b>\$1,228</b>

Note: Individual numbers may not add to total due to independent rounding.

TCEP projects must be compliant with Streets and Highways Code Section 2192.

<sup>1</sup> Amounts provided by the Department of Finance and includes adjustments for inflation.

<sup>2</sup> Federal Resource dollars are representative of obligation authority and are an estimated percentage of California apportionments under the Infrastructure Investment and Jobs (IIJA) Act including reductions for post-apportionment set-asides, penalties, and sequestration. Fiscal Year 2027-28 thereon is escalated using the average inflationary rate over the entire IIJA funding period (1.8%).

<sup>3</sup> California may use up to 30% of the National Highway Freight Program funds on freight intermodal and/or freight rail projects.

<sup>4</sup> Includes project savings and increases to prior cycle programming.