State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.26, Information Item

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Division of Budgets

Subject: **ADOPTION OF THE 2026 TRADE CORRIDOR ENHANCEMENT PROGRAM FUND ESTIMATE**
RESOLUTION G-26-61

ISSUE:

Should the California Transportation Commission (Commission) adopt the 2026 Trade Corridor Enhancement Program (TCEP) Fund Estimate at the scheduled August 2026 Commission meeting?

RECOMMENDATION:

The California Department of Transportation (Department) recommends the Commission approve Resolution G-26-61 to adopt the Proposed 2026 TCEP Fund Estimate.

BACKGROUND:

The 2026 TCEP Fund Estimate capacity is based on requirements within Senate Bill 1 (SB 1) (Statutes of 2017), along with guidance from 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 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 for Fiscal Years 2027-28 and 2028-29. Programming adjustments include project savings and increases to prior cycle programming.

Attachments

- Attachment A – Resolution G-26-61
- Attachment B – Proposed 2026 TCEP Fund Estimate

RESOLUTION G-26-61:

1.1. WHEREAS, the Trade Corridor Enhancement Program (TCEP) was created by Senate Bill (SB) 1 (Statutes of 2017) and implemented pursuant to SB 103 (Statutes of 2017); and

1.2. WHEREAS, the California Department of Transportation (Department) consulted with the California Transportation Commission (Commission) staff regarding adjustments to the 2026 TCEP Fund Estimate.

2.1. NOW THEREFORE BE IT RESOLVED that the Commission does hereby adopt the 2026 TCEP Fund Estimate, as presented by the Department at the August 2026 Commission meeting, with programming in the 2026 TCEP to be based on the adopted 2026 guidelines and the statutory funding identified.

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

	2027-28	2028-29	2-Year Total
RESOURCES			
STATE RESOURCES			
Trade Corridor Enhancement Account[1]	$382	$385	$767
State Resources Subtotal	**$382**	**$385**	**$767**
FEDERAL RESOURCES			
National Highway Freight Program[2,3]	$127	$129	$256
Federal Resources Subtotal	**$127**	**$129**	**$256**
TOTAL RESOURCES	**$509**	**$514**	**$1,023**
Programming Adjustments[4]	$265	$0	$265
NET RESOURCES AVAILABLE	**$774**	**$514**	**$1,288**

Note: Individual numbers may not add to total due to independent rounding.
TCEP projects must be compliant with Streets and Highways Code Section 2192.

[1] Amounts provided by the Department of Finance and includes adjustments for inflation.

[2] 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%).

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

[4] Includes project savings and increases to prior cycle programming.