

To: San Joaquin Valley Executive Directors and Staff
From: Alex Marcucci, San Joaquin Valley Air Quality Coordinator
Date: July 17, 2025
RE: California Waiver Rescission and Conformity Impacts

California Metropolitan Planning Organizations (MPOs) are currently in a “conformity lockdown,” during which the required air quality analyses necessary to advance transportation projects are precluded, resulting in potential delays to project schedule and loss of funding. It is crucial that the Environmental Protection Agency (EPA) provides a timely remedy to continue to successfully deliver transportation projects in California and the San Joaquin Valley (SJV).

On June 12, 2025, President Trump signed three Congressional Review Act (CRA) Resolutions –

- H.J. Res. 87 – Rescinds previous federal approval of the California waiver to implement the Advanced Clean Trucks (ACT) Regulation which requires an aggressive phase-in of zero-emission vehicles (ZEVs) in the medium and heavy-duty transportation sectors.
- H.J. Res. 88 – Revokes the general Clean Air Act waiver to California to regulate emissions from mobile sources. The waiver also allowed other states to adopt California emission standards in lieu of the federal standards (Section 177 states).
- H.J. Res. 89 - Rescinds previous federal approval of the California waiver to implement the Low-NOx Omnibus Regulation which requires more stringent NOx emission standards for heavy-duty trucks and off-road vehicles¹.

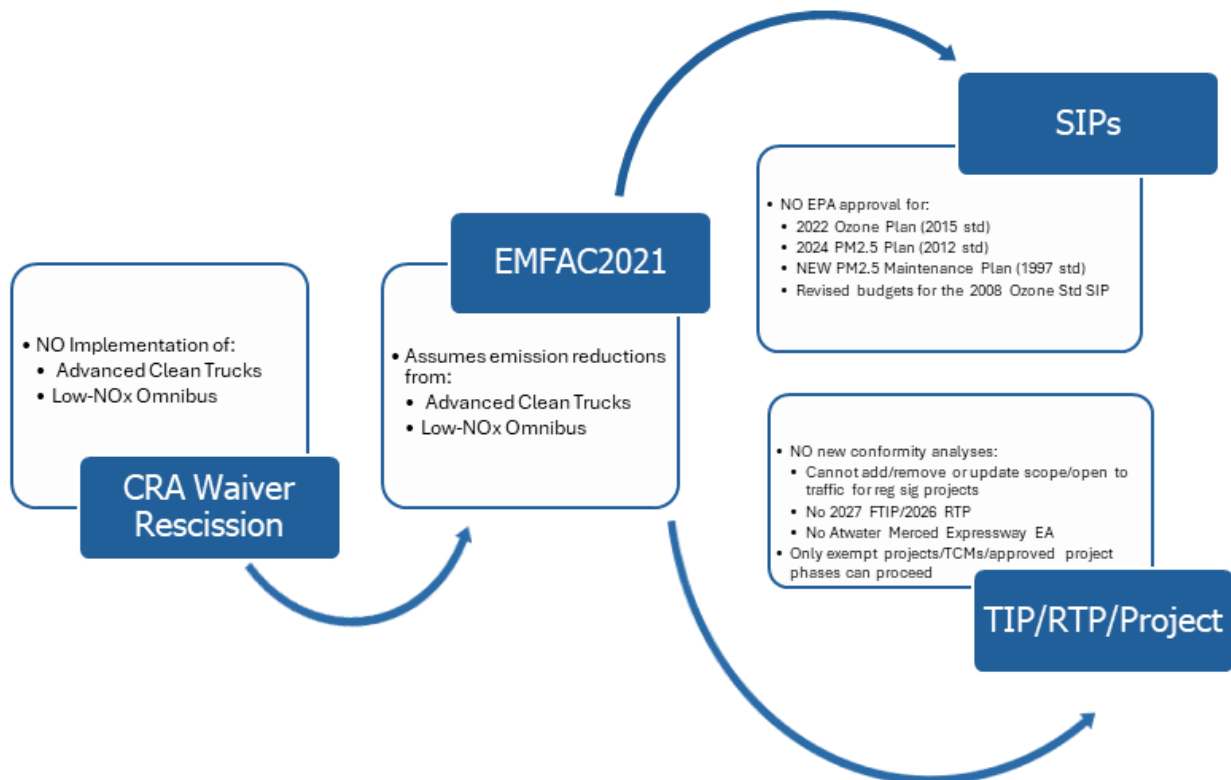
The impact on California MPOs ability to deliver transportation projects was immediate without the need for EPA to develop and publish new rules in the Federal Register due to the CRA nature of this federal action.

The waiver rescission directly impacts successful transportation project delivery in the state as a result of the federal transportation conformity requirements in 40 CFR Part 93, where California is the only state required to use its own emissions model for conformity purposes.

¹ For more information of EPA’s actions related to California waivers and authorizations, please see: [Vehicle Emissions California Waivers and Authorizations | US EPA](#).

The only emissions model currently approved by EPA for regional and project-level conformity use is EMFAC2021, which assumes criteria pollutant and fuel use reductions due to ACT and Low-NOx Omnibus Regulations. Given the recent federal direction that California has no authority to implement these regulations, all future conformity analyses with EMFAC2021 will no longer be federally approvable.

This means California MPOs are in a “conformity lockdown” until a remedy is identified and implemented or a grace period is established. The diagram below summarizes the relationship between the CA waiver rescission, State Implementation Plan (SIP) development, and regional transportation planning.



During a conformity lockdown, the SJV MPOs are NOT able to:

1. Process TIP/RTP² amendments that require a new conformity analysis or rely on a previous conformity analysis, which may result in a loss of federal funding. New conformity requirements are triggered when there are changes to regionally significant project's design/scope and open to traffic dates. Conformity is also required when adding or removing new regionally significant projects³.
2. Adopt the 2027 FTIP/2026 RTP. Current transportation plans in the SJV expire December 16, 2026. If a remedy or a grace period are not implemented, SJV MPOs will need to develop an interim "exempt project" TIP where only exempt projects and approved project phases can be advanced.
3. Receive updated budgets for the 2016 Ozone SIP (2008 75 ppb standard) that are needed for two SJV MPOs to make future conformity demonstrations. These budgets were adopted by the California Air Resources Board (CARB) in March 2025.
4. Proceed with project-level conformity analysis for the Atwater Merced Expressway (AME) project, the only quantitative hot-spot analysis in the SJV.

The following activities CAN proceed during a conformity lockdown:

1. Adding/removing or amending projects exempt from conformity (e.g. transit, active transportation, traffic signalization, etc.)
2. Continue implementing Transportation Control Measures (TCMs) from an approved SIP⁴.
3. Advancing project phases and projects in a currently conforming TIP/RTP.
4. Making PM Hot-Spot Determinations for projects consistent with the TIP/RTP (non-POAQC).

The timing for issuing federal implementation guidance and the development of a technical or administrative strategy to remedy conformity impacts is crucial given that the SJV MPOs have already begun 2026 RTP development and the supporting travel modeling. While SJV 2027 FTIP/2026 RTP adoption is planned for July 2026, emissions modeling must begin at least 6 months in advance to allow sufficient time for interagency consultation (IAC) and public review.

² A TIP is a short-term (4-year) transportation improvement program, while an RTP is a long-term (20-year) regional transportation plan.

³ A "regionally significant project" is defined in 40 CFR § 93.101 as a transportation project is on a facility which serves regional transportation needs and would normally be included in the modeling of a metropolitan area's transportation network.

⁴ Not all TCMs are considered exempt from conformity requirements but can still proceed during a lockdown.

Further, two SJV MPOs cannot pass transportation conformity budgets contained in the 2016 Ozone SIP (2008 standard) since these budgets were developed with a previous model version; therefore, CARB has to develop and EPA must approve, the revised 2016 Ozone SIP budgets without accounting for ACT and Low-NOx Omnibus regulations prior to SJV TIP/RTP adoption. Finally, the AME project has received IAC concurrence to utilize EMFAC2021 as part of the quantitative PM hot-spot analysis and it is unclear whether all modeling efforts to date are now void given EMFAC2021 issues.

In conclusion, it is crucial for EPA to provide timely guidance that specifically addresses approvable regional and project-level conformity procedures. It is also important for CARB and EPA to coordinate on a technical solution that will allow California MPOs to make future conformity demonstrations. Given that federal approval of a technical solution to be proposed by CARB may take months, a grace period may be necessary during which MPOs can continue demonstrating conformity under the old rules or using an interim modified process. Alternatively, EPA could implement a temporary regulatory relief from transportation conformity requirements to ensure that the CRA resolutions do not immediately impact transportation project delivery.

The following actions are necessary to avoid transportation project delays and loss of funding:

1. Develop and approve a technical solution, such as EMFAC adjustment factors, or an administrative solution, such as a grace period or relief from conformity requirements, in a timely manner.
2. Revise and approve new 2016 SJV Ozone SIP budgets without accounting for emission reductions from the ACT and Low-NOx Omnibus regulations.
3. Allow the use of EMFAC2021 for the AME project level hot-spot analysis given that the IAC concurrence on the technical methodology was received prior to waiver rescissions.