

Memorandum

From: Capitol Transportation Consulting and Pavluchuk & Associates

To: James Corless, Executive Director

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Subject: Federal Policy Monthly Report

Administration

On January 20, 2025, Donald Trump was inaugurated as the 47th President of the United States in a ceremony held indoors at the Capitol Rotunda due to inclement weather. In his inaugural address, President Trump proclaimed the beginning of a new "golden age" for America. He outlined plans to strengthen border security, impose tariffs on rival nations, and increase domestic energy production. He also announced executive actions to combat illegal immigration, boost American manufacturing, and establish a Department of Government Efficiency.

In the past week, the President has released a number of Executive Orders with broad impacts. Key actions include declaring a national emergency at the southern border, restricting birthright citizenship, and tightening visa vetting. He has reinstated the Mexico City Policy and halted diversity, equity, and inclusion (DEI) initiatives in federal hiring and contracting. Additionally, he ordered reviews of trade agreements, declared a national energy emergency, and mandated the declassification of records related to historical assassinations. These orders emphasize border security, domestic energy production, and a shift in federal priorities. The President also put a freeze on all regulatory action and hiring.

A few of the executive orders impacted the U.S. Department of Transportation and transportation stakeholders. First, the "Unleashing American Energy" executive order was intended to pause any "Green New Deal" spending on renewables and electric vehicles pending a 90-day review and report. However, the actual wording of the order impacted all funding from the Bipartisan Infrastructure Law causing the federal funding and reimbursement process to be temporarily shut down. The Administration later provided some clarity to narrow the scope of the original order, but there is still confusion as to what programs specifically are implicated by the order. While typical funding for MPOs has been restored, many grant programs and some formula programs are impacted in various states. Several executive orders aimed at rolling back Diversity, Equity and Inclusion programs may also have implications in the transportation space. We are awaiting further details on how these orders may be interpreted by U.S. DOT.

Secretary-Elect Sean Duffy

The nomination of Sean Duffy to be U.S. Secretary of Transportation was approved by a 28 to 0 vote of the Senate Commerce, Science, and Transportation Committee on January 22. While some of President-elect Trump's Cabinet nominees faced contentious Senate hearings Duffy's nomination hearing was friendly and he garnered bipartisan support. Duffy focused his priorities on safety and efficiency. His wife was in a serious car crash in the past and many of his comments on safety referenced that experience. He will likely be confirmed by the full Senate shortly.

Congressional Updates

The Transportation and Infrastructure Committee has named their new members and subcommittee chairs. Several Californians were newly assigned to the Committee, including Rep. Kiley, Rep. Fong, Rep. Garcia, and Rep. Friedman. Rep. Carbajal is the only Subcommittee Chairman from California and he will continue as ranking member on the Coast Guard and Maritime Subcommittee.

Republicans are working on their first large legislative package, a party-line bill they hope to pass using the budget reconciliation process that only requires 50 votes. The package is intended to focus on energy, border and tax policy primarily, but will impact transportation programs as well. House T&I Chair Sam Graves (R-MO) discussed potential transportation savings of \$25 billion to offset reconciliation spending. Proposals include imposing fees on electric vehicles for road use, reinstating vessel tonnage fees at 2002 levels, and rescinding portions of the IIJA and the IRA. Graves emphasized the need for EVs to contribute to the Highway Trust Fund and referenced programs that include, "moving roads, based on neighborhoods" (likely reconnecting communities grants).

SACOG Priorities

The federal team continues to work to refine our legislative priorities for the next bill, educate our delegation members on the importance of SACOG's mission, programs and projects. We are also regularly in contact with national associations to help amplify our message and priorities. We are particularly focused on supporting additional funding opportunities for our core planning funding and programs like Green Means Go. While the people and priorities in DC change with each Administration, we are working to advance priorities that can get bipartisan support and grow support with our key champions.