March 17, 2025

To: Members of the Board of Directors

From: Jason Jewell, Managing Director

Subject: Federal Legislative Status Report

Overview

This status report provides a summary of recent executive orders issued by President Trump. An update is provided on the confirmation of a new Transportation Secretary and actions that the United States Department of Transportation has taken to align with the executive orders, including an announcement related to reviewing funds for the California High-Speed Rail project. An update is also provided on Federal Railroad Administration and Federal Transit Administration appointments.

Recommendation

Receive and file as an information item.

Discussion

Summary of Executive Actions Taken by Trump Administration

Since taking office on January 20, 2025, the President has signed several executive orders (EO) signaling a broader shift toward deregulation, energy independence, and changes in federal funding priorities. These EOs direct federal agencies on how to interpret and enforce existing laws. As of the writing of this staff report, staff is still awaiting further guidance from the modal agencies on how these EOs will be implemented. Additionally, there have been several relevant court orders issued related to these EOs, which have held the implementation of some components, creating further uncertainty as to the timing on when or if the EO directives will take effect.

EO 14148: Initial Recissions of Harmful Executive Orders and Actions

This EO rescinds several policies from the previous Administration, including provisions tied to the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). It specifically revokes requirements for federal transportation funding to prioritize high labor standards, direct benefits to disadvantaged communities through the Justice40 Initiative (a goal that 40 percent of the overall benefits from federal investments in climate and clean energy flow to disadvantaged communities) and build climate-resilient infrastructure. The order also calls for an immediate halt to the federal implementation of diversity, equity, and inclusion (DEI) programs, though it is unclear how this directive will affect transportation agencies and programs.

EO 14151: Ending Radical and Wasteful Government DEI Programs and Preference

This EO eliminates federal DEI initiatives, including mandates, policies, and funding preferences for DEI and environmental justice programs. It further requires agencies to compile a list of grantees that have received such funding since 2021. The implications for transportation grant programs remain uncertain.

EO 14154: Unleashing American Energy

This EO seeks to roll back regulations and expand domestic energy production, prioritizing fossil fuel development over recent federal policies aimed at transitioning to cleaner energy sources. The EO frames environmental regulations as obstacles to economic growth and national security, directing agencies to remove restrictions that limit oil, gas, and coal production. It also aims to reduce federal influence over state-level energy policies, reinforcing a market-driven approach that moves away from emissions reduction targets and climate-focused initiatives.

A significant component of this EO is the directive to eliminate the “electric vehicle (EV) mandate,” which is not defined. This involves removing regulatory barriers that favor EVs, terminating state emissions waivers that limit the sale of gasoline-powered vehicles, and reconsidering subsidies that promote EV adoption. The EO goes on to explicitly state that no federal funding shall be used in a manner contrary to its outlined principles and seeks to terminate the “Green New Deal.”

More specifically, the EO states that all agencies must immediately pause the disbursement of funds appropriated through the IRA or the IIJA, including but not limited to, funds for EV charging stations made available through the National Electric Vehicle Infrastructure Program and the Charging and Fueling Infrastructure Discretionary Grant Program. It goes on to require agencies to review their processes, policies, and programs for issuing grants, loans, contracts, or any other financial disbursements of the IRA and IIJA for consistency with the law and the policies outlined in this EO. Within 90 days, a report will need to be submitted to include recommendations to enhance alignment with the policy. It is unclear what is included in the “Green New Deal,” leading to ambiguity regarding which specific programs or initiatives are targeted. After the EO was signed, the Office of Management and Budget (OMB) published a memorandum to provide clarification and begin implementation of this directive, including the pause of the release of federal funds. While the OMB memorandum was retracted shortly thereafter, several courts have since issued stays that have paused any associated funding freeze.

Finally, the EO mandates a comprehensive review of the National Environmental Policy Act (NEPA) processes. It directs the Council on Environmental Quality to rescind NEPA existing regulations and provide new guidance to streamline environmental reviews, with the intent to expedite energy projects. The EO mandates that all agencies limit environmental considerations strictly to those required by law. The process to amend the guidance is currently underway but is expected to take at least a year to be finalized. This shift could lead to significant changes in how environmental assessments are conducted, potentially reducing the time and complexity involved in obtaining project approval.

EO 14168: Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government

Another EO mandates that federal agencies define sex based strictly on biological characteristics and prohibits the use of federal funds for materials or programs promoting gender ideology. While the scope of enforcement is unclear, further guidance from federal agencies is expected in the coming months.

Staff will continue monitoring developments to determine whether changes in federal funding priorities could impact the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency operations or its recently-awarded grant funding.

United States Department of Transportation Updates

Secretary Sean Duffy was confirmed as the Secretary of Transportation on January 28, 2025, following a 77-22 vote in the Senate. Secretary Duffy previously served as the District Attorney of Ashland County, Wisconsin, before representing Wisconsin's 7th congressional district in the House of Representatives from 2011 to 2019. After resigning from Congress to focus on his family, he worked as a co-host on Fox Business. During his confirmation hearing, the Secretary focused on efficiency, cutting red tape, and ensuring infrastructure projects get funded and completed faster.

Shortly after taking office, the Secretary issued a Secretarial Memorandum directing agencies to identify all United States Department of Transportation (USDOT) policies, regulations, and funding agreements subject to the new Administration’s executive orders within ten days. Staff have not seen the results of such actions though that time period has lapsed. USDOT also issued an order requiring economic analysis to ensure federal grants, loans, and contracts prioritize economic growth over greenhouse gas reduction and the social cost of carbon. Projects must avoid negative community impacts while maximizing benefits such as job creation, poverty alleviation, and safety improvements. Funding cannot support purely local political objectives and must align with federal priorities, emphasizing co-funding, Buy America provisions, and fiscal sustainability. Preference will be given to projects using user-pay models, those in opportunity zones, and those improving transportation access in communities with higher marriage and birth rates. USDOT funding recipients are also prohibited from imposing vaccine or mask mandates and must comply with federal immigration enforcement. Implementation will involve updates to guidance, funding agreements, and contracts, but details remain unclear as no funding guidance documents have been revised yet.

Other Modal Agency Appointments

The President has nominated two individuals for key leadership roles within the USDOT. Marcus Molinaro, a former U.S. Representative for New York’s 19th congressional district and former Dutchess County Executive, has been nominated to serve as the next Administrator of the Federal Transit Administration. Molinaro previously served on the House Transportation and Infrastructure Committee and has been critical of pricing plans to enter New York City, the increased costs of transportation projects, and has been a proponent of disabled access issues. Additionally, David Fink has been nominated to lead the Federal Railroad Administration. As the former president of Pan Am Railways, Fink has over 45 years of experience in the transportation sector. Both nominations are pending Senate confirmation.

California High-Speed Rail Announcement

On February 20, 2025, at Los Angeles Union Station, Transportation Secretary Sean Duffy announced a compliance review of the $4 billion in federal funds allocated to California's high-speed rail project. The funding under review includes a $3.1 billion grant as a part of the Federal-State Partnership for Intercity Passenger Rail program and $929 million awarded through the American Recovery and Reinvestment Act of 2009, which was restored under the Biden Administration after being revoked by the previous Trump Administration.

Secretary Duffy stated that the compliance review will examine several key aspects of the California high-speed rail project, including assessing whether federal funds have been used efficiently and in accordance with grant agreements. Investigators will also look into project delays; cost overruns, seeking to understand why the project's budget has increased from an estimated $33 billion to over $100 billion; and on accountability and management; determining whether the California High-Speed Rail Authority (CHSRA) has adhered to its commitments and followed best practices in project execution. Lastly, the review will explore alternative uses of funds, evaluating whether the federal government should reallocate money to other infrastructure projects if mismanagement or a lack of progress is identified.

The CHSRA defended the project's progress, citing over 171 miles under active construction, the creation of 14,700 jobs, and an economic impact of $22 billion, primarily benefiting the Central Valley. Staff will continue to monitor the development of this review process.

Summary

Information is provided on recent executive orders and activities happening at the United States Department of Transportation.

Attachment

None.

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