

Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee

February 14, 2025

Agenda Item 2c

Washington D.C. Legislative Update

Subject:

January 2025 Report from Washington, D.C. advocate.

Issues:

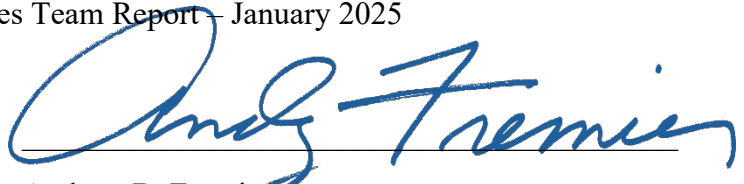
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – January 2025



Andrew B. Fremier



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Summit Strategies Team Report – January 2025

From: Summit Strategies Team

To: Andrew B. Fremier, Executive Director

Date: January 31, 2025

Subject: January 2025 Federal Policy Monthly Report

- **In Flurry of Executive Orders, Trump Upends Status Quo**
 - **House GOP Plans for Reconciliation**
 - **Molinaro in Talks to Lead Federal Transit Administration**
 - **Duffy Confirmed as Transportation Secretary**
 - **Supporting MTC Priorities in Congress**
 - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

In Flurry of Executive Orders, Trump Upends Status Quo

President Trump has issued dozens of Executive Orders (EOs) since his inauguration, rescinding regulations and policymaking from past presidential administrations and establishing new policies. While EOs have touched on several issues, including trade policy and diversity, equity and inclusion, one caused an outsized impact on the transportation industry, halting all highway reimbursement payments to states for roughly four hours on January 21, 2025. Unclear wording in the EOs Order titled “Unleashing American Energy” led the Federal Highway Administration (FHWA) to pause all administration activities, including project authorizations and reimbursements associated with projects funded through the Bipartisan Infrastructure Law (BIL) through formula programs to states. The EO received a swift backlash from state Departments of Transportation (DOT) and Congress, leading the Office of Management and Budget (OMB) to issue a memo clarifying the EO. By the end of the day, FHWA resumed approving projects funded through the Highway Trust Fund and repaying state DOTs for work already completed. While OMB issued a memo clarifying the original EO, it remains ambiguous. The EO calls for terminating the Green New Deal, which is not a piece of legislation. It appears the EO intended to target funding for electric vehicles (EV), including the Charging and Fueling Infrastructure (CFI) program and National Electric Vehicle Infrastructure (NEVI) formula program, but this is not certain.

State DOTs and regional and local transportation agencies are also tracking two other EOs titled “Ending Illegal Discrimination and Restoring Merit-Based Opportunity” and “Ending Radical and Wasteful Government DEI [Diversity, Equity and Inclusion] Programs and Preferencing.” It is unclear the degree to which these EOs could impact the flow of federal transportation funds to projects and programs. The U.S. Department of Transportation (USDOT) Secretary Duffy on January 29, 2025 signed a “Woke Rescission” memorandum that the USDOT’s press release on the topic noted aligned with the two previously mentioned DEI-related EOs. The D.C. team will be following these and other EOs and will provide regular updates to MTC.

Additionally, OMB issued a memo on January 27, 2025, that paused all federal aid. This memo directs agencies to “cancel awards already awarded that are in conflict with Administration priorities.” While it is unclear what exact awards will be targeted, this memo gives the

Administration latitude to cut back funding for discretionary grant programs that do not yet have project agreements signed. As of December 15, 2024, the Office of the Secretary had only obligated 16 percent of its BIL funding.

In the memo, “OMB also directs Federal agencies to pause all activities associated with open NOFOs [Notice of Funding Opportunity], such as conducting merit review panels.” The memo also requires agencies to submit to OMB by February 10, 2025, detailed information on any programs, projects, and activities subject to the funding pause.

On January 28, 2025, a federal judge halted the funding freeze minutes before it was set to take effect, ruling that the courts needed more time to consider the potentially far-reaching ramifications of the order. The judge’s ruling was set to expire on February 3, 2025 at 5 p.m. Eastern. On January 29, 2025, the White House rescinded the OMB memo. According to the White House Press Secretary Karoline Leavitt, the “[action] is NOT a rescission of the federal funding freeze. It is simply a rescission of the OMB memo. Why? To end any confusion created by the court’s injunction. The President’s EO of federal funding remain[s] in full force and effect, and will be rigorously implemented.”

House GOP Plans for Reconciliation

Recently, House Republicans descended on Miami to plan their legislative agenda for the 119th Congress. House Republicans have several ambitious proposals to tackle energy permitting, border security, and tax reform. Combined, the reconciliation package is expected to cost trillions of dollars. To pay for the massive package, Committee Chairs have been tasked with cutting programs to produce savings totaling nearly \$2.5 trillion. While the bulk of these cuts will fall to other committees, the House Transportation and Infrastructure Committee (T&I) is expected to contribute their share. T&I Chairman Sam Graves (R-MO) believes he can find \$25 billion in savings to help pay for reconciliation. This funding would come from imposing a higher fee on vessel tonnage, making electric vehicles pay a fee for road use, and rescinding parts of the BIL.

Molinaro in Talks to Lead Federal Transit Administration

President Trump is expected to nominate former Representative Marc Molinaro (R-NY) to lead the Federal Transit Administration (FTA). The announcement is expected in the coming days. Molinaro does not have an extensive history with transit, but he has made a name for himself attacking New York City's congestion pricing proposals and the high cost of transit projects.

Duffy Confirmed as Transportation Secretary

In an overwhelming bipartisan vote, Sean Duffy has been confirmed as the next Secretary of Transportation. Unlike some other of Trump's nominees, Duffy sailed through the nomination hearing process. While it is unclear what Duffy will prioritize as the new head of USDOT, he did indicate some of his interests during his hearing, including bringing Boeing back to international prominence, ensuring electric vehicles pay a fee for their use of the roads, and rail safety.

On January 29, 2025, Secretary Duffy authorized a series of policy directives aimed at implementing the new Administration's priorities. According to the press release, the series of actions "advancing President Trump's agenda to rescind woke policies, roll back burdensome and costly regulations, restore economic growth, and ensure that all USDOT policies align with the Administration's priorities. These actions deliver on the President's commitment to rescind harmful policies enacted under the Biden-Harris Administration and reaffirm USDOT's focus on safety, efficiency, economic prosperity, and regulatory reform." They include:

- A "Woke Rescission" memorandum directing Secretarial Officers and Heads of Operating Administrations to identify and eliminate all Biden-era programs, policies, activities, rules, and orders that promote climate change activism, DEI initiatives, racial equity, gender identity policies, environmental justice, and other partisan objectives.
- A USDOT Order ensuring that all USDOT policies, grants, loans, and actions are based on sound economic principles, positive cost-benefit analyses, and pro-economic growth priorities. This order aligns USDOT operations with the President's agenda to support economic development and strengthen American families by focusing on real, measurable benefits rather than ideological considerations.

- A Notice of Proposed Rulemaking to rescind the Biden-Harris Administration's rule requiring state transportation departments to measure and establish declining targets for carbon dioxide emissions on federally supported highways. This rule had been rescinded during the first Trump Administration, only to be reinstated by the Biden Administration and later two federal judges ruled USDOT lacked authority to issue the rule. The rescission reflects the Administration's commitment to unleashing American energy and eliminating unlawful regulatory burdens.

Additional details and links to the memorandum, order, and notice of proposed rulemaking are included in this press release: <https://www.transportation.gov/briefing-room/us-transportation-secretary-sean-duffy-takes-action-rescind-woke-dei-policies-and>.

Supporting MTC Priorities in Congress

Your DC Team has been hard at work and has communicated with several congressional offices and agencies over the last month. This list includes:

- The DC Team has been in communication with the Offices of Representative Lateefah Simon (D-CA) and Senator Adam Schiff (D-CA) about MTC's Better Utilizing Investments to Leverage Development (BUILD) Grant application—the BUILD program was previously known as the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program.
- The DC Team has reached out to the entire Bay Area delegation to invite them to a transportation "meet and greet" we are cohosting on January 29, 2025.
- The DC Team has been in communication with MTC staff about Trump Administration EOs and their possible impacts on MTC priorities.

National Transportation News Roundup (links to articles)

- [AASHTO Supports Transit Operator Exemption Request \(AASHTO\)](https://aashtojournal.transportation.org/aashto-supports-transit-operator-exemption-request/)
<https://aashtojournal.transportation.org/aashto-supports-transit-operator-exemption-request/>
- [Ridership Lulls and Autonomous Vehicles: How San Francisco Fared the Last Five Years \(Governing\)](https://www.governing.com/transportation/ridership-lulls-and-autonomous-vehicles-how-san-francisco-transit-fared-the-last-five-years)
<https://www.governing.com/transportation/ridership-lulls-and-autonomous-vehicles-how-san-francisco-transit-fared-the-last-five-years>
- [Trump to name congestion pricing opponent Marc Molinaro to oversee transit \(Gothamist\)](https://gothamist.com/news/trump-to-name-congestion-pricing-opponent-marc-molinaro-to-oversee-transit)
<https://gothamist.com/news/trump-to-name-congestion-pricing-opponent-marc-molinaro-to-oversee-transit>
- [Sean Duffy clears key Senate vote to head DOT \(Politico\)](https://www.politico.com/live-updates/2025/01/27/congress/sean-duffy-clears-key-senate-vote-to-head-dot-00200740)
<https://www.politico.com/live-updates/2025/01/27/congress/sean-duffy-clears-key-senate-vote-to-head-dot-00200740>
- [Sierra Club poll finds wide support for more transit, walking and biking investments \(Maryland Matters\)](https://marylandmatters.org/briefs/sierra-club-poll-finds-wide-support-for-more-transit-walking-and-biking-investments/)
<https://marylandmatters.org/briefs/sierra-club-poll-finds-wide-support-for-more-transit-walking-and-biking-investments/>