



**February 20, 2025**

**To:** Legislative and Communications Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Federal Legislative Status Report

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**Overview**

The Orange County Transportation Authority regularly updates the Legislative and Communications Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. 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. An update is also provided on Federal Transit Administration and Federal Railroad Administration appointments. Additionally, this report highlights ongoing federal legislative discussions, including hearings on highways, freight, and passenger rail networks, with a focus on regulatory reforms, permitting challenges, and the economic impacts of federal transportation investments.

**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) that seek to change how federal funding and policies are implemented. While each EO has a distinct focus, together they signal a broader shift toward deregulation, energy independence, and changes to priorities in decision-making in government programs. Below is a summary of some of the EOs, actions, and other guidance that have since been cited in United States Department of Transportation (USDOT) memorandum. It is important to note that EOs direct federal agencies on how to interpret and enforce existing laws. At the time of writing this staff report, staff is still awaiting further guidance from the modal agencies on how these EOs will be implemented and whether they will apply to regional transportation agencies, such as the Orange County

Transportation Authority (OCTA). Additionally, there have been several relevant court orders issued related to these EOs, which have held implementation of some components.

*EO 14148: Initial Recissions of Harmful Executive Orders and Actions*

Included in this EO are recissions of several previous Biden Administration EOs, specifically related to the coronavirus, climate change, implementing the Infrastructure Investments and Jobs Act (IIJA), and the Inflation Reduction Act (IRA). Of particular importance to OCTA is the revocation of a Biden Administration EO titled, Implementation of the IIJA, which required modal agencies to use funding from the IIJA to support high labor standards, prioritize funding 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 resilient infrastructure that helps combat the crisis of climate change. EO 14148 similarly revokes a Biden Administration EO, which pertained to implementation of the IRA, and tasks the head of each agency to “take immediate steps to end Federal implementation of unlawful and radical Diversity, Equity, and Inclusion (DEI) ideology.”

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

EO 14151 terminates programs, mandates, policies, preferences, and activities in the federal government pertaining to DEI. It also requires federal agencies to submit a detailed list of federal grantees that have received funding for DEI or environmental justice programs since January 20, 2021. Moving forward, it specifies that federal transportation contracts and grant programs may no longer include DEI-based requirements. Currently, no guidance exists on how this will be implemented by the transportation modal agencies.

*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, two separate district courts issued stays 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. This shift could lead to significant changes in how environmental assessments are conducted, potentially reducing the time and complexity involved in obtaining project approvals. The EO also mandates that all agencies limit environmental considerations strictly to those required by law.

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

This EO mandates that all federal agencies define sex strictly based on immutable biological characteristics, recognizing only male and female classifications. It further directs the removal of any federal content promoting gender ideology and prohibits the use of federal funds for such purposes. It is still unclear how this will be interpreted and enforced, with guidance likely to come from individual federal agencies.

#### 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 being sworn in, the Secretary issued a Secretarial Memorandum to further implement key Administration EOs and priorities. The Secretarial Memorandum specifically requires, within ten days, agencies to produce a list of all USDOT orders, directives, rules, regulations, notices, guidance documents, funding agreements, programs, and policy statements, which are subject to the previously mentioned EOs. At the time of writing this staff report, the ten days had not elapsed and, therefore, a verbal update will be provided at the February 20, 2025, Legislative and Communications Committee.

A USDOT Order was also published seeking rigorous economic analysis and cost-benefit calculations to ensure all grants, loans, contracts, and state-assisted projects strengthen the American economy and benefit the American people, reducing the emphasis on greenhouse gas emissions and the social cost of carbon. Programs must avoid adverse community impacts such as pollution, service reductions, and economic disruption, while maximizing benefits like economic opportunities, poverty alleviation, and safety improvements. Funding is not to be used for purely local political objectives and must align with federal priorities, emphasizing co-funding requirements, Buy America provisions, and fiscal sustainability. Projects will be prioritized based on user-pay models, investments in opportunity zones, and support for family-focused transportation access, with preference for communities with higher marriage and birth rates. Additionally, USDOT funding recipients cannot impose vaccine or mask mandates and must comply with federal immigration enforcement. To implement these changes, USDOT agencies will update guidance, revise funding agreements, and amend existing contracts where legally permitted. At this time, funding guidance documents have not yet been updated, so it is unclear how these new requirements will be integrated in either new funding opportunities or existing funding agreements.

The Secretary also approved the submission of a Notice of Proposed Rulemaking to rescind a rule requiring state transportation departments to measure and establish declining targets for carbon dioxide emissions on federally supported highways. OCTA staff will monitor the publication of such.

#### 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. As of now, an appointment for the Federal Highway Administration has not been announced.

#### Overview of House Transportation and Infrastructure Committee Hearings

As the 119th Congress commenced, the House Transportation and Infrastructure Committee held several hearings regarding surface transportation reauthorization as well as other relevant discussions regarding rail, highways, and permitting.

*At the “The State of the Nation’s Transportation System”* hearing held on January 15, 2025, the committee introduced new members, which included Representative Robert Garcia (D-CA) and Representative Laura Friedman (D-CA). Much of the discussion focused on how successful the IIJA had been thus far, and the future of transportation funding. Representative LaMalfa (R-CA) asked whether there should be a limit or repeal on California’s ability to set its own vehicle standards, which has had negative impacts to the Highway Trust Fund due to EVs not needing to pay for gasoline; specifically because it could have a compounding effect since other states tend to follow California’s actions. While the conversation of this hearing focused on the central region of the country, the discussion explored permitting reforms, the economic impacts of the IIJA, and support for the reauthorization of surface transportation legislation. Most of the witnesses all shared testimonies regarding the positive impact the IIJA has had on their industries/regions.

In the *“America Builds: Highways to Move People and Freight”* and *“America Builds: Examining America’s Freight and Passenger Rail Network”* hearings held on January 22, 2025, and January 23, 2025, respectively, additional discussions were held regarding reauthorization, the success, and challenges IIJA funding has brought to highway, rail, and state/local governments. Regarding highways and freight, permitting reform was an important issue among members and witnesses. Representative Westerman (R-AR) opened a discussion on what can be done by Congress for state transportation departments to conduct their projects efficiently. Jim Tymon, Executive Director of the American Association of State Highway and Transportation Officials, brought up an example in Georgia, where they decided to collocate and collaborate federal resources together into one interagency office to make sure agencies are working on a project in the most efficient way and consolidate duplicate permits. He suggested that these actions must be happening concurrently. Additionally, he mentioned that the One Federal Decision provision has not been fully implemented in the IIJA as intended by the previous Administration to help streamline the review process. Further discussions were held regarding permitting and NEPA reform. Committee members also raised questions about the recent EOs and what impacts could occur. Witnesses generally opined that further conversations need to be had between modal agencies and OMB. The discussion on freight and

passenger rail networks highlighted the continued need for permitting process reform. Representative Webster (R-FL) asked for the importance of permitting reform in order to build and maintain a robust and safe rail network. Chuck Baker, President and Chief Executive Officer of American Short Line and Regional Railroad Association stated that when projects get delayed due to permitting, it causes a larger financial burden on communities.

**Summary**

Information is provided on recent executive orders and activities happening at the United States Department of Transportation. A summary is provided related to hearings pertaining to transportation.

**Attachments**

- A. Potomac Partners DC, Monthly Legislative Report – December 2024
- B. Potomac Partners DC, Monthly Legislative Report – January 2025

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