



Monthly Legislative Report – February 2025

February Advocacy Meetings

House Transportation and Infrastructure (T&I) Rail Subcommittee, Majority Staff – We met with subcommittee staff to discuss possible permit streamlining for rail projects in California. We also discussed capital and operational funding needs for rail projects to support the 2028 Olympics.

Senate Banking Committee, Majority & Minority Staff – We discussed the timing for the confirmation vote for the Federal Transit Administration's (FTA) next Administrator, Marcus Molinaro. We also discussed ways to improve the U.S. domestic bus manufacturing market, including possible tax incentives, workforce training support, and reforms to the bus procurement process. We also discuss the budget reconciliation process in the Senate and funding for public transportation and bus capital accounts.

Office of Congresswoman Young Kim (R-CA) – We met with Congresswoman Kim to discuss policy and administrative reforms that could be included in the next Surface Transportation Authorization, to include Build America/Buy America (BABA) reforms and environmental streamlining for transit and rail projects. We also discussed the expansion of categorical exclusions for infrastructure projects.

Office of Congressman Mike Levin (D-CA) – We followed up with Rep. Levin's staff to discuss updates on the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor and the need for possible streamlining of the National Environmental Policy Act (NEPA) requirements. We also discussed LOSSAN resiliency funding needs in the surface transportation reauthorization.

Congressman Derek Tran (D-CA) – We met with the Congressman to discuss possible transit funding needs for the Olympics. We also discussed recent delays regarding grant funding and ways simplify and improve grant application process especially with Community Project Funding (CFP) requests.

Office of Congressman Daniel Webster (R-FL) – We met with Congressman Webster, the new Chairman of the T&I Railroad Subcommittee. We discussed possible funding for commuter rail and capital and operation funding needs for the upcoming Olympics.

Office of Congresswoman Judy Chu (D-CA) – We met with senior staff for the Congresswoman to discuss possible changes to the tax-exempt status of municipal bonds. We also discussed recent delays in grant funding for grant awards to include the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program.

Congressman David Min (D-CA) – We met with the Congressman to discuss support for grants in the region to reduce emissions related to goods movement and for zero-emission technologies.

Congressman Ken Calvert (R-CA) – We discussed with the Congressman the possibility of a year-long Continuing Resolution (CR) for Fiscal Year (FY) 2025 appropriations bills that would maintain FY24 funding. We also discussed possible “anomalies” for transportation and infrastructure funding in the FY25 Appropriations bill.

Office of Congressman Pete Aguilar (D-CA) – We met with the Congressman to discuss the FY26 Community Project Funding (CPF) request timeline and possible programmatic requests for transit. We also discussed delays in federal grant funding agreements and the need for additional resources to address the current and future transportation and goods movement issues in Southern California.

Office of Congressman David Rouzer (R-NC) – We met with Congressman Rouzer to discuss the upcoming T&I Committee hearings on the next Surface Transportation Authorization. We also discussed support for key funding programs at the U.S. Department of Transportation (USDOT) and policy reforms, such as providing BABA waivers in instances where construction materials or manufactured products that meet BABA requirements are unavailable or cost prohibitive.

Fiscal Year 2025 Appropriations Update

House Appropriators are currently preparing for the possibility of a CR for the rest of FY25. House Appropriations Chairman Tom Cole (R-OK) and his Senate counterpart, Susan Collins (R-ME) have previously suggested that they could still enact the full-year spending bills, but Speaker Mike Johnson (R-LA) and Senate Majority Leader John Thune (R-SD) have endorsed the plan for a full-year CR that would then allow Appropriators to begin the FY 2026 process. House and Senate GOP leaders are currently working out details of a CR that will likely include a range of “anomalies” such as funding for Immigration and Customs Enforcement and some Defense Department priorities. Democrats in both chambers remain largely against the full-year CR approach, with senior Democrat negotiators calling for another short-term CR into April, to provide sufficient time to reach a deal on topline spending levels and on the 12 spending bills. Democrats are also seeking some type of guarantee that the Trump Administration (more specifically, the Office of Management and Budget) will not freeze or prevent any of the appropriated funds from being released.

We expect negotiations to ramp up in the coming days, ahead of the March 14th deadline. It is worth noting that even if all House Republicans united to ensure its passage in that chamber, it remains unclear how Senate Republicans plan to secure the support of a sufficient number of Senate Democrats to avoid a filibuster.

Budget Reconciliation Update

On February 25th, the House adopted a budget resolution in a 217-215 vote, with just one Republican joining all Democrats to oppose it. The resolution now goes to the Senate, which has been pursuing its own budget proposal. The timing for a Senate vote is still uncertain.

This Budget Reconciliation process will provide a fast-track process for consideration of Republican policy priorities in the Senate for this year, including border security, defense, and energy priorities, along with \$4.5 trillion in tax cuts. House and Senate negotiations are expected to take most of the month of March. House and Senate Republicans have differing views on the size of a reconciliation bill, tax cuts, and how to address the debt ceiling.

USDOT Review of State Transportation Plan Amendments Halted

The USDOT no longer requires an extra layer of federal review whenever states seek even minor changes to their transportation plans after the rescinded requirement sparked concern that some payments for roads, bridges, and transit could be further delayed with the extra reviews. Amendments to state transportation plans were already subject to a federal review from a regional office to confirm they did not violate any U.S. laws. State transportation departments learned of the reversal on February 28th from the American Association of State Highway and Transportation Officials (ASHTO), who confirmed that the review process was being returned to the regional level without the need for lawyers in Washington to sign off, thus maintaining the status quo for now.

Secretary of Labor Nomination Advances to the Senate Floor

On February 27th, the Senate Health, Education, Labor and Pensions (HELP) Committee approved the nomination of former Representative Lori Chavez-DeRemer (R-OR) to become secretary of labor. The panel reported the nomination to the floor of the chamber by a vote of 13-9. That floor vote to confirm has yet to be scheduled.

President Trump Announces Tariffs on Mexico and Canada Will Proceed March 4th

On February 27th, Trump posted on Truth Social saying that illicit drugs such as fentanyl are being smuggled into the United States at “unacceptable levels” and that import taxes would force other countries to crack down on the trafficking.

“We cannot allow this scourge to continue to harm the USA, and therefore, until it stops, or is seriously limited, the proposed TARIFFS scheduled to go into effect on MARCH FOURTH will, indeed, go into effect, as scheduled,” President Trump wrote. “China will likewise be charged an additional 10% Tariff on that date.”

President Trump also indicated at the end of this month that European countries would face a 25% tariff. The President is also considering separate tariffs on autos, computer chips, and pharmaceutical drugs that would be levied in addition to the reciprocal tariffs.

Bus Rolling Stock Modernization Act Introduced in the Senate

At the end of February, Senators Katie Britt (R-AL), John Fetterman (D-PA), Tina Smith (D-MN), and Kevin Cramer (R-ND) re-introduced the Bus Rolling Stock Modernization Act. This legislation that aims to cut red tape and strengthen domestic bus manufacturing by providing more flexibility for local transit systems and allow bus purchasers to make 20 percent advanced payments. Current Federal Transit Administration (FTA) regulations allow for advance payment only when the manufacturer obtains a performance bond or letter of credit, and the grantee receives pre-approval from FTA, a process that is cumbersome, time-consuming, and costly for the purchaser and the manufacturer. Under the Bus Rolling Stock Modernization Act, local transit agencies will have the option to provide advance payments of up to 20% for buses without the need for a performance bond, or letter of credit, or FTA approval. This will simplify the purchasing process and help drive down costs for agencies and manufacturers. The reintroduction of the Bus Rolling Stock Modernization Act marks a bipartisan effort to modernize U.S. transit regulations, with a focus on strengthening domestic manufacturing and improving transportation accessibility nationwide.

USDOT To Review California High Speed Rail (CAHSR) Project

At a Union Station press conference this month, U.S. Transportation Secretary Sean Duffy announced he had directed the Federal Railroad Administration (FRA) to initiate a review of the California High-Speed Rail Authority. Secretary Duffy said the review would help determine the appropriateness of committing roughly \$4 billion in funding to the project. The FRA will investigate delays and cost overruns on the project through a compliance and performance review, officials said. Secretary Duffy directed the FRA to review CHSRA and the progress on the Merced-to-Bakersfield Corridor and to look at the agency's compliance under FRA-administered grant agreements to determine if the agency has met its obligations under the award terms.

Federal Highway Administration (FHWA) Suspends State Electric Vehicle (EV) Infrastructure Deployment Plans

According to a February 6th letter from FHWA to state transportation directors, the agency has suspended state EV infrastructure deployment plans under the National Electric Vehicle Infrastructure (NEVI) Formula Program. According to the letter, new guidance about the NEVI Formula program will be published for public comment in the spring. No new funding obligations will occur until the final program guidance is published.