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August Recess Report: *Transportation & Infrastructure Policy*

Overview

From the beginning of his term, President Donald Trump has taken a dramatically different approach from the previous Administration towards infrastructure and transportation policy. The Trump Administration has refocused on highways, roads and bridges, as well as additional aviation deregulation and increasing usage of drones. The President has also redirected the federal government's support of electric vehicles back to gas vehicles, unwinding the EV policies of the previous Administration.

President Trump has also sought to drastically alter and reduce federal spending on transportation and infrastructure. The Trump Administration has cancelled and withheld funding appropriated through Former President Joe Biden's Infrastructure Investment and Jobs Act and Inflation Reduction Act.

Transportation and Infrastructure Policy

On Jan. 29, 2025, Department of Transportation (DOT) Secretary Sean Duffy issued an order and memorandum outlining significant policy shifts. These actions signaled a broad rollback of regulatory initiatives from the prior administration and a renewed focus on economic analysis and cost-benefit considerations in transportation policy that take the new administration's perspective.

There are several key principles that will guide DOT's approach to carrying out policies and programs.

- Moving forward, all DOT policymaking, grantmaking and rulemaking activities must be supported by a positive cost-benefit analysis. This means that projects will need to demonstrate clear economic advantages before receiving federal support, eliminating considerations that prioritize environmental or social justice factors over financial viability.
- A particularly consequential aspect of the Order is the directive for DOT to review and unilaterally amend the terms and conditions of existing grant agreements, loan agreements and contracts where legally permissible. This means that recipients of past DOT funding may see changes to the terms under which their projects were originally approved. Agreements initially made under previous regulatory frameworks may now be subject to new economic evaluation criteria, which could impact ongoing projects that relied on prior commitments.
- Projects located in local opportunity zones are preferred candidates for DOT funding. Qualified Opportunity Zones were designated under the previous Trump Administration and added to the tax code by the Tax Cuts and Jobs Act on Dec. 22, 2017. These zones were designed to spur economic development and job creation in distressed communities.
- DOT will no longer use or consider the social cost of carbon estimates in its analyses, arguing that such calculations have been overly speculative and burdensome on businesses. The Environmental Protection Agency (EPA) has been directed to issue new guidance on carbon cost methodologies, likely leading to significant changes in environmental impact assessments.

- Instead of focusing on broader environmental and social equity concerns, DOT policies will now prioritize impacts on families and local communities. This means that infrastructure projects will be evaluated based on factors such as noise reduction, water and soil quality, and economic stability rather than climate or equity goals. Communities with marriage and birth rates higher than the national average will receive higher preference for awards.
- DOT grants, loans and contracts must now serve a clear federal interest and cannot be used to advance projects that serve purely local political goals. This could lead to the defunding of initiatives that prioritize local political or social priorities over national economic and infrastructure objectives.
- Moving forward, projects must demonstrate strong local financial commitment and adhere to Buy America provisions. DOT will also prioritize project awards that include utilizing user-pay modules. Federal funding will no longer be available for projects that rely on indefinite government support for future maintenance or expansion.
- Communities are required to cooperate with federal immigration enforcement in order to qualify for DOT funding. A similar effort was put forth by the Trump Administration in 2017 but was ultimately rejected by the courts.

Additionally, DOT has been tasked with rescinding, canceling and revoking all orders, rules, funding agreements and policies enacted during the Biden Administration that reference topics such as climate change, greenhouse gas (GHG) emissions, racial equity, gender identity, DEI goals, environmental justice or the Justice40 Initiative.

The Trump administration has also significantly changed the federal government's approach to EV adoption. Under Biden, agencies invested heavily in EV infrastructure and fleet electrification. However, the new administration is taking the following steps:

- Cutting Charging Infrastructure – The General Services Administration (GSA) plans to deactivate many EV charging stations installed at federal properties, arguing they are costly and rely on foreign supply chains.
- Liquidating the EV Fleet – Thousands of EVs purchased under Biden will be auctioned or reassigned, with a return to gasoline-powered government vehicles.
- Rolling Back Emissions Standards – The administration is easing federal fuel economy requirements, citing concerns over costs for automakers and consumers.

These changes align with Trump's broader focus on domestic oil and gas production and a market-driven energy policy. The administration has also questioned EV tax credits, with some officials calling for their removal.

The administration is also focused on reducing federal regulations to speed up infrastructure projects and give states more control over transportation policy. Key actions include:

- Eliminating Some Environmental Reviews – A rule requiring extensive environmental impact studies for large projects is being reversed. This is expected to accelerate road and bridge construction.

- Shifting Authority to States – State governments will have more control over transportation decisions, which could lead to varied policies across the country.
- Reducing Federal Funding for Public Transit – The administration is scaling back support for urban transit projects, encouraging private sector involvement instead.

The Trump administration's budget significantly reduces funding for transportation research and development:

- Funding for autonomous vehicles, smart traffic systems, and sustainable transit solutions is being reduced.
- The Advanced Research Projects Agency-Infrastructure, created under Biden, is being shut down.
- The focus is shifting toward road construction, bridge repairs, and airport upgrades instead of emerging technologies.

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