

The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The lighting is dramatic, with a bright glow in the upper right corner, suggesting a sunrise or sunset. The stars are white on a dark blue field, and the stripes are red and white.

Election 2024 Potential Impacts:

Transportation & Infrastructure

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Holland & Knight

Meet our Speakers



Lisa Barkovic



Michael Friedberg



Anita Mosner



Joel Roberson

Scene-Setting

- 2024 has been a significant year for the transportation sector
 - Newly-passed FAA Reauthorization bill
 - Continued implementation of:
 - Inflation Reduction Act (IRA) and
 - Bipartisan Infrastructure Law (BIL and IIJA)
 - Emergence of new transportation technologies:
 - Automation and electrification across all modes
 - Intelligent sensors
 - Upheaval in transportation:
 - Strike at East Coast ports
 - Strike at Boeing
 - Bridge collapse in Baltimore
- Although transportation is widely viewed as bipartisan, outcomes of the 2024 election will shape the growth and development of the sector

Agenda

- Current Political Landscape
 - Possible Election Scenarios
- Review of Possible Implications By Sector
 - Aviation
 - Drones
 - Autonomous transportation
 - Rail
 - Surface and Infrastructure
- Issues to watch
- Q&A

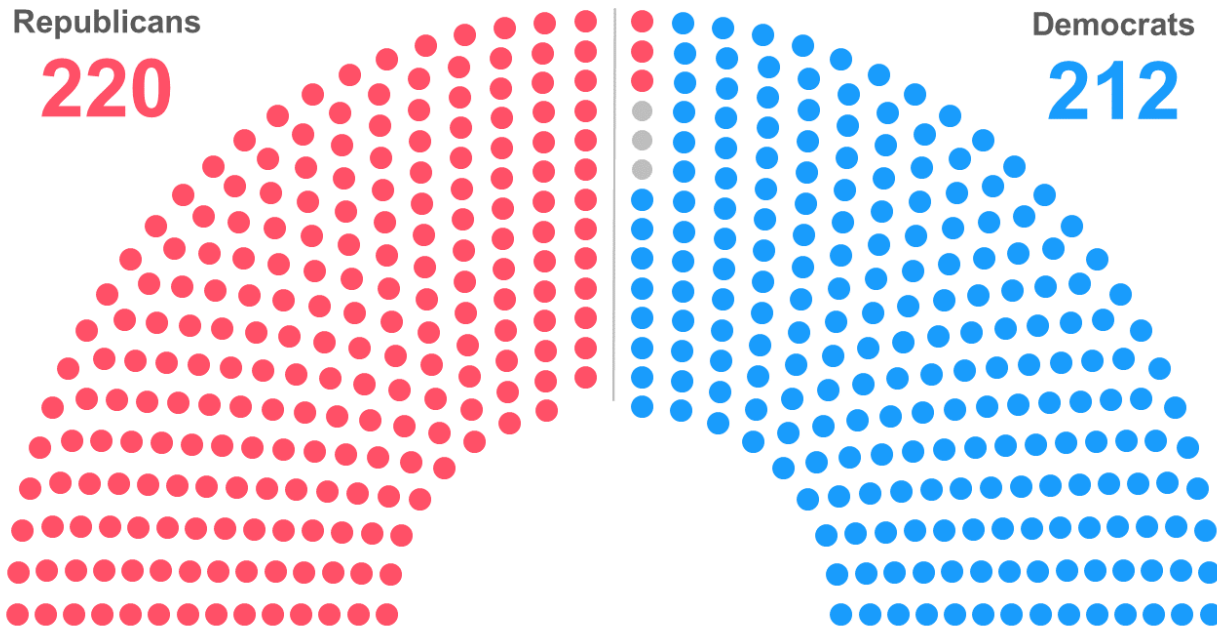
Current Political Landscape



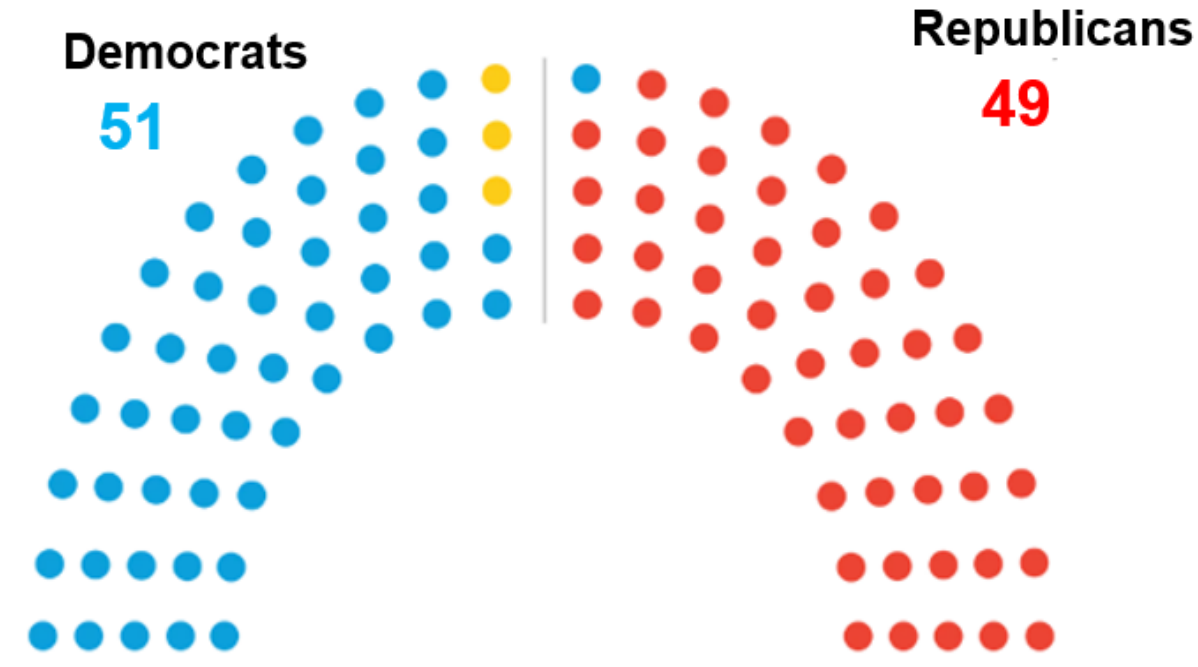
Current State of Play: Congress

Narrowly divided Congress and tight margins in both chambers

House Balance of Power



Senate Balance of Power



Notes: As of Sept. 25. Grey circles reflect WI-08 seat vacated April 24 by Mike Gallagher (R), TX-18 vacancy caused by July 19 death of Sheila Jackson Lee (D), NJ-09 vacancy caused by Aug. 21 death of Rep. Bill Pascrell (D)

Yellow indicates Independents who caucus with Democrats

Upcoming 2024 Elections

U.S. House of Representatives

- 435 seats are up for election
 - 220 Republicans
 - 212 Democrats
 - 3 Vacancies (2-D, 1-R)

U.S. Senate

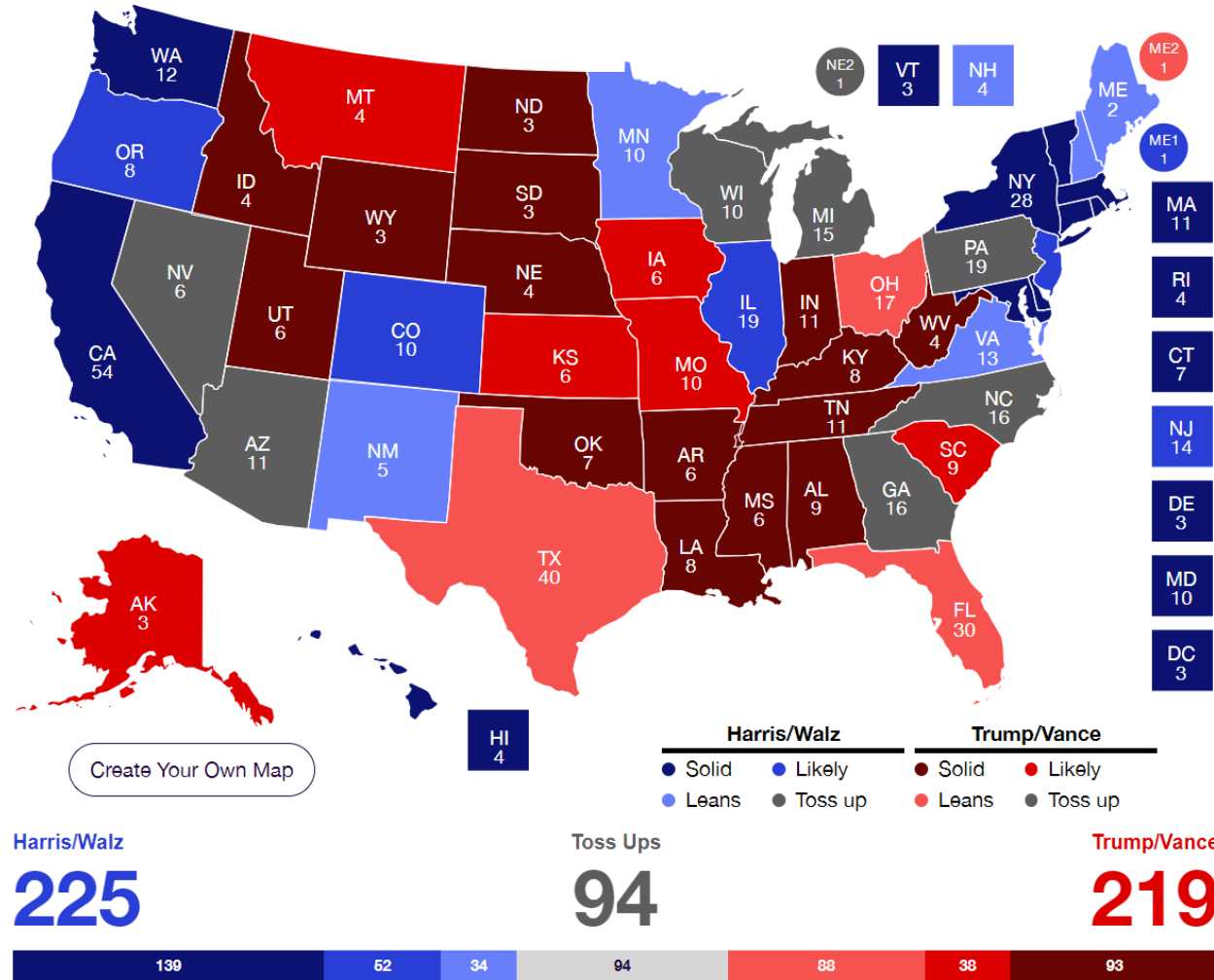
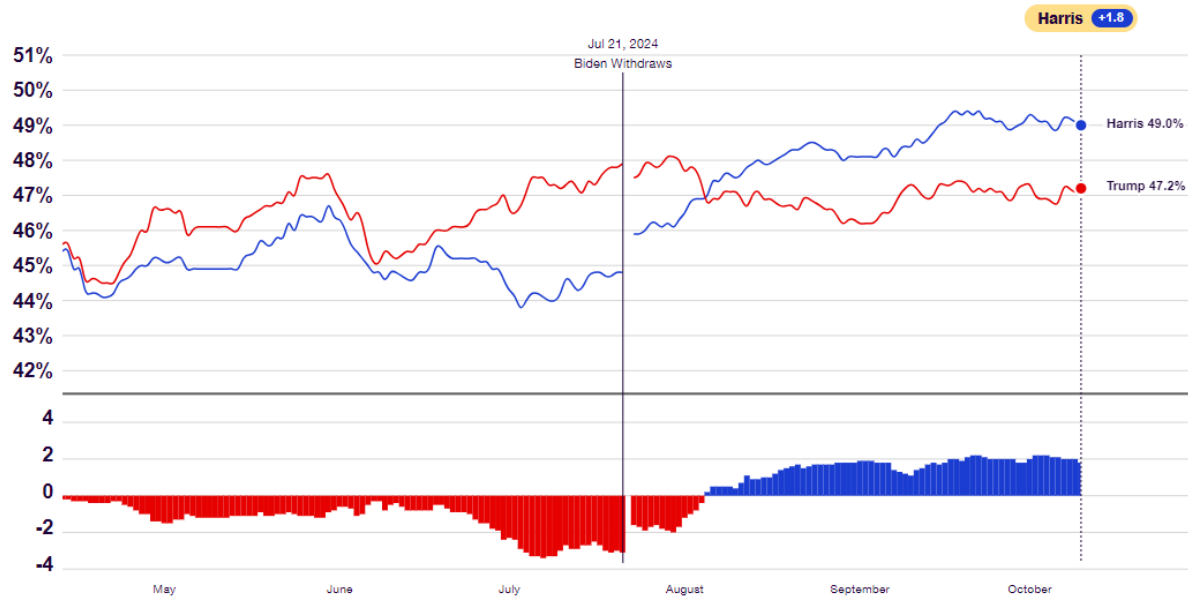
- 34 seats are up for election
 - 11 Republicans
 - 23 Democrats & Independents who Caucus with Democrats



Political Landscape: President

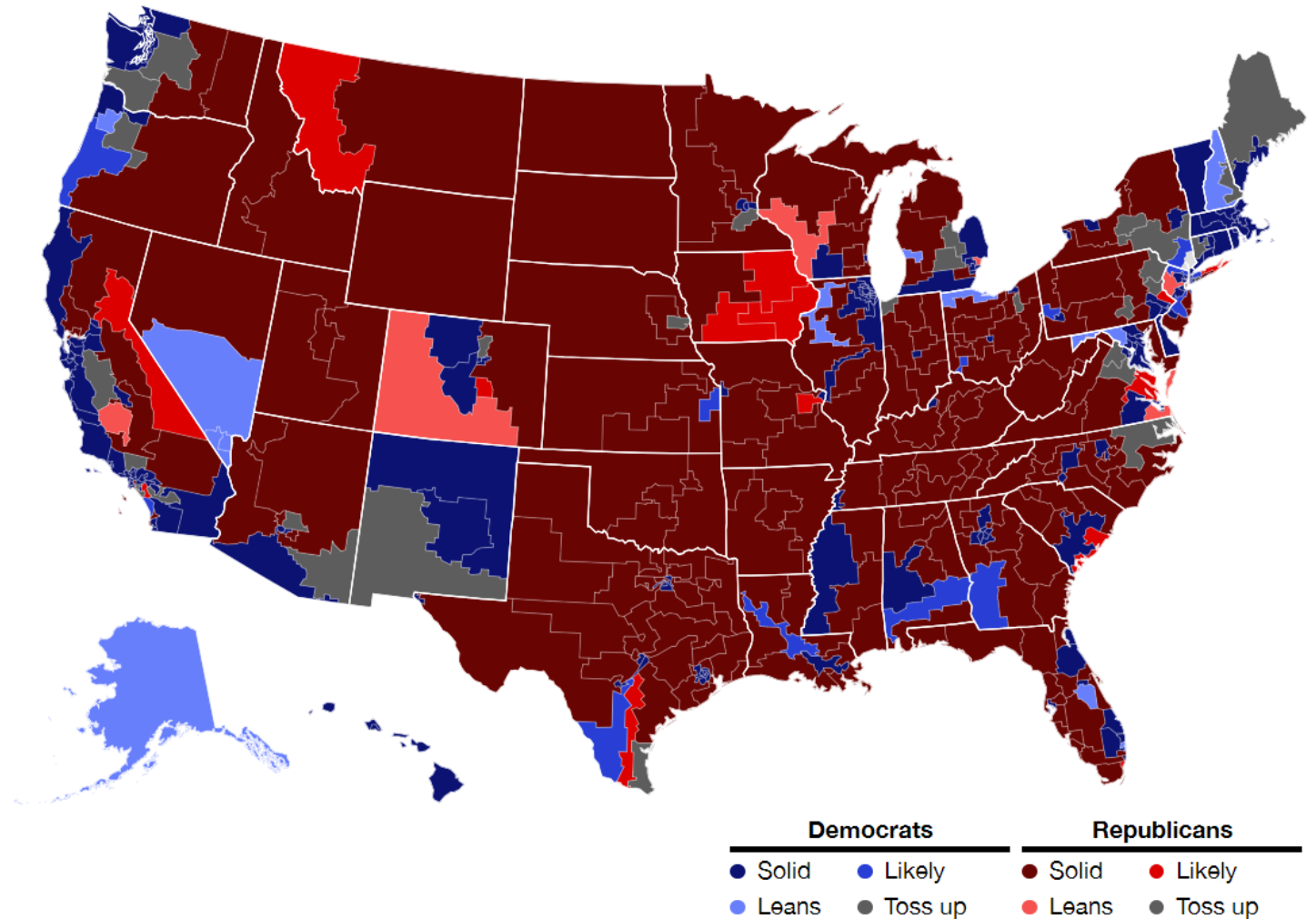
Trump vs. Harris

(Trump vs. Biden Before July 21, 2024)



Political Landscape: House of Representatives

House Control – Generic Ballot	
Republicans	45.4%
Democrats	46.7%
House Control – Projected Seats	
Republicans	207
Democrats	196
Toss-Up	32



The background of the slide is a close-up, artistic photograph of the American flag. The stars and stripes are visible, with a soft, warm light source in the upper right corner creating a lens flare effect. The flag appears to be waving, with some folds and shadows. The text is overlaid on the left side of the image.

Election Implications for Transportation

Aviation Priorities Contrasted

- **FAA** Administrator Whitaker confirmed in October 2023 to a 5-year term ending in 2028
- **DOT** is likely to have a new Secretary under either Kamala Harris or Donald Trump

- **Harris**

- Continuation of Biden policies
 - Friendliness to labor
 - Emphasis on infrastructure spend
 - Emphasis on environmental objectives
 - Emphasis on consumer rights
 - Emphasis on disability rights
- Emphasis on aviation safety
- Emphasis on enforcement initiatives

- **Trump**

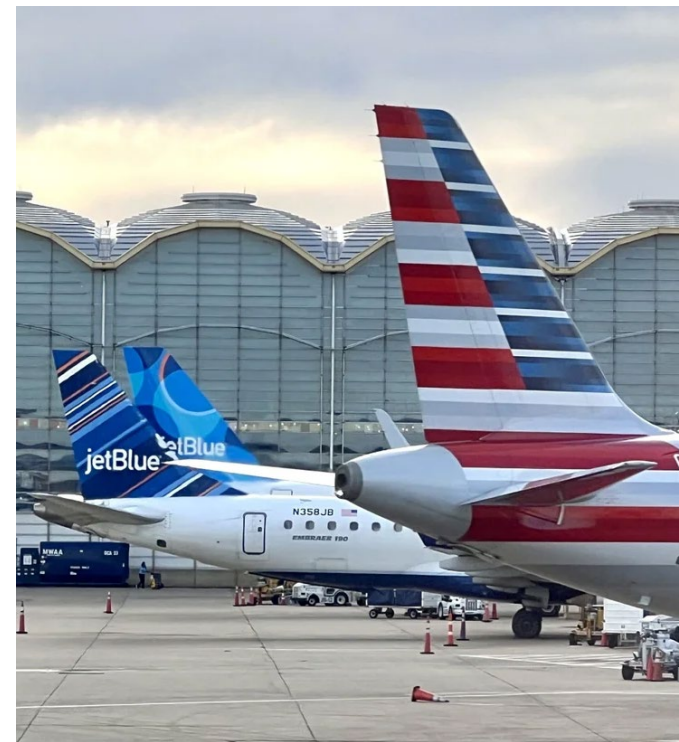
- Attempt to reverse Biden policies
- Constraints on agency enforcement
- Support for mergers and consolidation
- Emphasis on aviation safety
- Reversal of incentives for alternative fuels
- Support for private space development

Aviation Consumer Regulation

- Biden Administration has issued several new consumer regulations
 - Refund rule
 - Ancillary fee transparency rule
 - Investigations of airline loyalty programs and privacy policies
- Courts have taken aim at DOT’s “unfair and deceptive practices” policies
 - Depending on legislative control, Congress may try to “backfill” DOT authority to fix perceived gaps, or seek to further narrow federal role
- Trump Administration likely to stall process of NPRMs that currently are “in the pipeline,” such as the family seating and wheelchair NPRMs
- Sharply differing approach to enforcement expected
 - The prior Trump administration took the view that if a requirement is not in a regulation or statute, it cannot be used as a basis for enforcement action
 - Biden/Harris administration took an expansive view of regulatory authority and penalized behaviors that were not squarely prohibited in a statute or regulation

Airline Alliances and Mergers

- **Current Administration policy has been hostile to airline mergers**
 - Rejection of American/JetBlue “Northeast” alliance
 - Rejection of Spirit/JetBlue merger
 - Challenge to Asiana/Korean merger
- **Expect a similar tenor in a Harris Administration and a *laissez-faire* approach to competition issues in the Trump Administration**
 - NB: JetBlue/American alliance had been favorably reviewed in Trump Administration -- position was then reversed in Biden Administration



International Aviation Issues

- **Biden Administration**

- Environmental and noise initiatives have driven disputes over international aviation market access
- Current DOT leadership has deep environmental background and expertise, less engagement with trade aspects of aviation

- **Potential Harris Administration**

- Expect a continuation of current international aviation policies

- **Potential Trump Administration**

- Abandonment of environmental initiatives
- Expect a harder line toward international cooperation

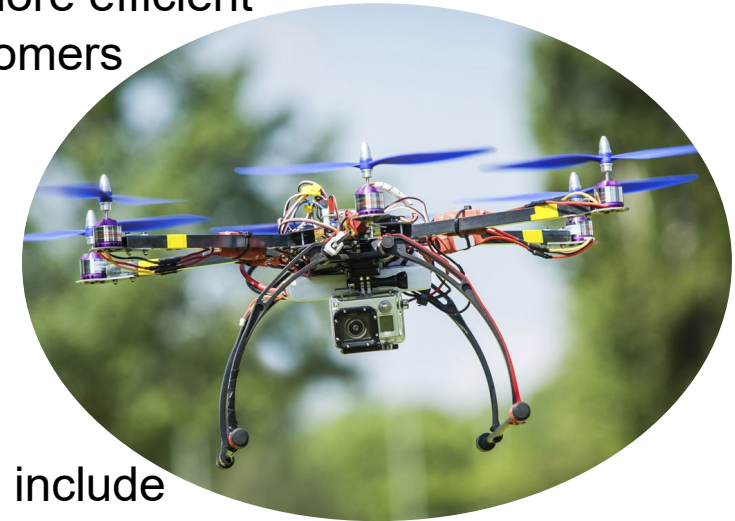
Aviation Safety Regulation

- Aviation safety regulation and oversight has generally been non-partisan
- The FAA Administrator's fixed five-year term will provide consistency
- Recent judicial challenges to agency rulemaking authority and enforcement power set forth in *Loper Bright* and *Corner Post* decisions have raised questions about future enforcement initiatives
 - New administration will shape the tenor and intensity of future safety enforcement and regulation



Drones

- Drones are becoming more and more strategically important from a civil and defense standpoint
 - Wars in Ukraine and Israel show the strategic importance of drones to national security
 - Drones are making infrastructure inspection and disaster recovery more efficient
 - Drone deliveries are rapidly expanding just-in-time deliveries to customers
- **Biden Administration**
 - Drone policy has never been a priority of the White House
 - Drone industry secured smaller wins in the SMART grant program and operational waivers
- **Potential Harris Administration**
 - Likely to continue the Biden Administration's approach
 - However, as a former Senator from California, her cabinet is likely to include policy experts who understand the tech industry
- **Potential Trump Administration**
 - Drone policy was a priority of the first Trump Administration and is expected to return as a priority
 - President Trump issued a Memorandum creating the Drone Integration Pilot Program



Advanced Air Mobility

- The United States dominated the first two revolutions in aviation (first in flight and jet propulsion) and is seeking to dominate the third revolution (electrification).
- **Biden Administration**
 - Significant AAM progress under the Biden Administration
 - The FAA released a Special Federal Aviation Regulation for powered lift pilots on October 22
 - Multiple manufacturers advance toward aircraft certification
- **Potential Harris Administration**
 - Continuation of progress under the Biden Administration
 - Opportunity to reduce aviation emissions
- **Potential Trump Administration**
 - Expected to continue progress on AAM
 - Opportunity for U.S. aviation manufacturing and economic growth

Automotive Industry

- **Biden Administration**

- President Biden intends to be the most labor-friendly President in history
- President Biden joined the picket line with the UAW in 2023
- EPA-NHSTA fuel economy standards drive toward electrification
- Increased tariffs on Chinese vehicles to 100%
- Commerce NPRM on Connected Vehicle technology from China or Russia

- **Potential Harris Administration**

- Endorsed by the UAW and targeting auto manufacturing states to win the Electoral College
- Supports the Biden Administration vehicle emissions regulations driving towards greater EV adoption

- **Potential Trump Administration**

- Courting auto workers that are members of the UAW to vote for him
- Support from Elon Musk would influence Trump's approach to automotive manufacturing
- Opposed to Chinese auto manufacturing and foreign manufacturers relocating to Mexico
- Committed to reverse the Biden Administration "EV mandate" in fuel economy standards



Automation

- **Biden Administration**

- DOT Secretary Buttigieg has supported the potential of autonomous vehicles and stated “[F]rankly, the track record of human drivers is murderous”
- Has not taken any major actions to advance automation
- Faces steep opposition to automation from organized labor

- **Potential Harris Administration**

- Likely to continue policies of the Biden Administration
- Endorsed by the UAW and targeting auto manufacturing states to win the Electoral College
- Likely to support the port workers opposing automation in their negotiations with port operators

- **Potential Trump Administration**

- First Trump Administration was very pro-autonomy
- Issued AV Comprehensive Plans versions 1.0, 2.0, 3.0 and 4.0

Rail Priorities

- Will it be in the Surface Bill?
- Was IIJA a down payment or an offsetting budget tool?
 - Amtrak
 - Large Infrastructure Projects
 - Northeast Corridor and Political Dynamic
 - California High Speed Rail
 - Brightline
 - The next stage of investment
- Rail Safety
 - VP Vance?
 - Labor and the Republican Party
- Rail Supply and Buy America
 - Implementation of all the IIJA money and creating a more robust rail industry



Infrastructure Priorities

Surface Transportation Reauthorization: IIJA expires September 2026

CALENDAR

2025

- January: New Administration and 119th Congress sworn in
- Spring to Summer: Member requests for surface reauthorization
- Spring to Winter: Hearings on policy and funding principles

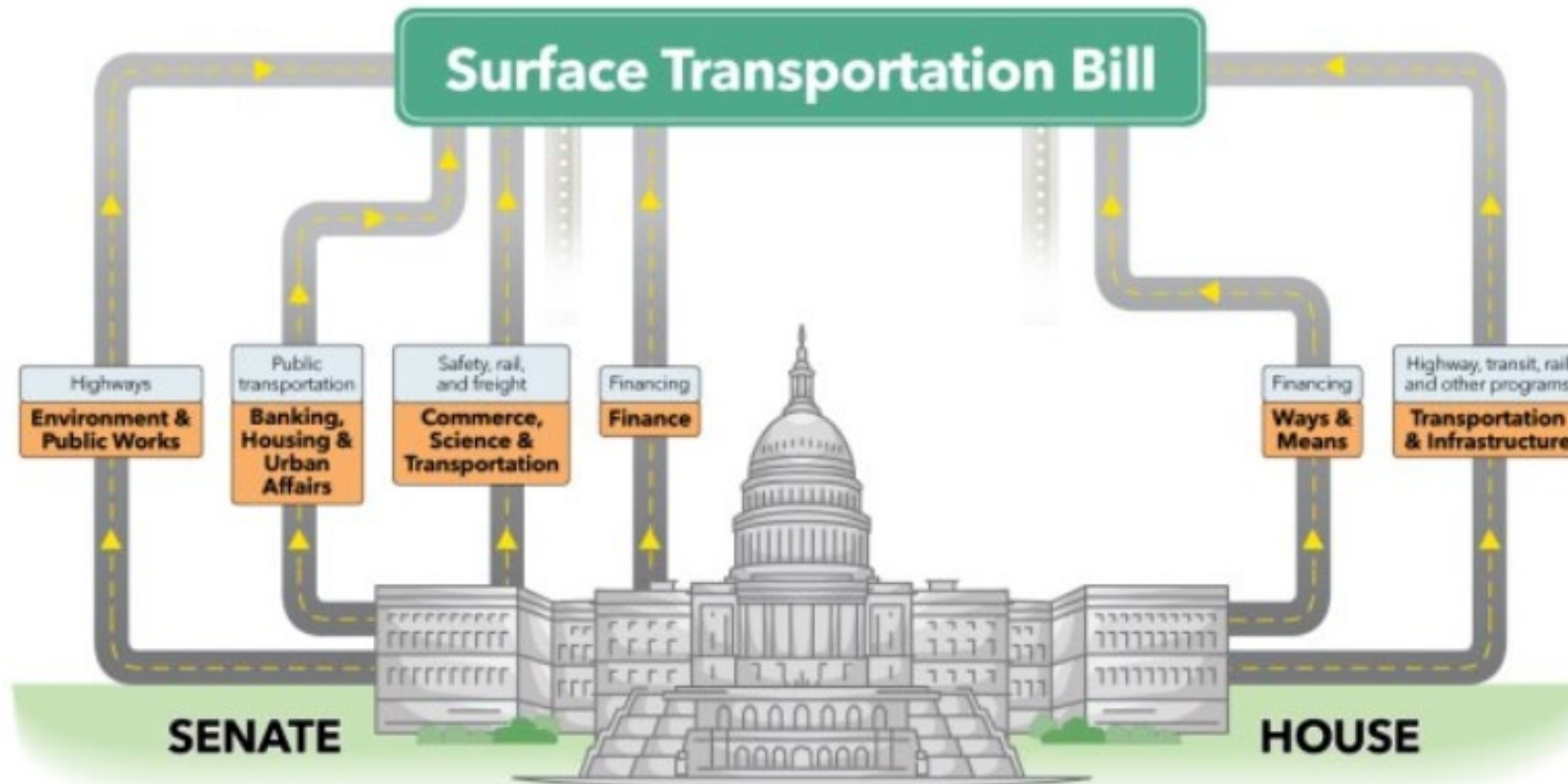
2026

- Early Winter: Administration rolls out surface transportation proposal with a budget proposal
- Spring: Congressional committees will finalize STR bill and hold mark-ups. Typically, the House will release their bill first.
- Early Summer: Each chamber holds floor votes on respective bills. Move to conference differences.
- September 31st: Current Surface Transportation Re-Authorization (STR) bill expires.

Infrastructure Priorities Continued...

Committees Responsible for Surface Transportation Reauthorization

Several panels will play a role in a long-term reauthorization.



Note: Additional committees – including House Energy and Commerce and Science, Space and Technology – may also be involved in the final bill.

Infrastructure Priorities Continued...

Harris

- Continuation of BIL/IRA Funding
- Justice 40 Initiatives
- Historically Disadvantage Communities
- Continuation of EV investments

Trump

- Scaled back BIL/IRA Funding
- Opportunity Zones
- Rural
- Streamlining regulations

Issues to Watch and Closing Observations



What to Watch

- Cabinet Picks
 - In the Presidential debate, VP Harris indicated she might have a Republican in Cabinet
 - Historically, bipartisan cabinet picks have been chosen for the Department of Transportation
 - Sec. Mineta (D) under George W. Bush Administration
 - Sec. LaHood (R) in Obama Administration
- Lame Duck
- Port Strike
 - Strike is temporarily paused
 - Core issue now is opposition to automation at ports
- Increasing influence of organized labor in both parties
- Implementation of IIJA

Questions?

Thank You