



MONTHLY SBCCOG TRANSPORTATION REPORT

A summary of recent federal, state, regional and local
developments and trends in transportation

COVERING AUGUST 2025

Edited by Anne Tsai

Federal

NHTSA Issues First-Ever Demonstration Exemption to American-Built Automated Vehicles

The National Highway Traffic Safety Administration announced that the agency issued an exemption for Zoox driverless vehicles under its newly expanded Automated Vehicle Exemption Program. This is the first-ever exemption for American-built vehicles under the program.

Secretary Duffy has made safely growing America's autonomous vehicle capabilities a key part of his Innovation Agenda. In April, NHTSA expanded its Automated Vehicle Exemption Program to include domestically produced vehicles as part of its AV Framework.

Previously only foreign AVs were eligible, disadvantaging American innovators. Thanks to the change, the expanded AVEP program is successfully promoting U.S. technology and safety through simpler, faster exemption procedures that allow companies to operate noncompliant vehicles on U.S. roads.

As a condition of the exemption, Zoox will remove or cover all statements that its purpose-built vehicles comply with applicable Federal Motor Vehicle Safety Standards. All of the purpose-built vehicles manufactured by Zoox and operating on public roads in the United States are now covered by this exemption. NHTSA is also concurrently closing its investigation into Zoox's self-certification of its purpose-built AVs.

Source: <https://www.nhtsa.gov/press-releases/nhtsa-issues-first-ever-demonstration-exemption-american-built-automated-vehicles>

State

USDOT Cancels Another \$175 Million in California High-Speed Rail Projects

The U.S. Transportation Department announced on August 26 that it is cancelling \$175 million in funding for four California high-speed rail projects, following the July cancellation of \$4 billion in federal grants. The cuts affect grade separations, overcrossings, design work, and a planned station in Madera. California has sued, arguing the funding withdrawal is illegal.

The high-speed rail project, first approved by voters in 2008 with a \$10 billion bond, has completed 70 miles of guideway and over 50 major structures. Originally planned to link San Francisco and Los Angeles by 2020 for \$33 billion, the project is now projected to cost \$89–128 billion with service starting by 2033.

This funding fight follows earlier disputes: in 2019, the Trump administration revoked \$929 million, but the state regained it in a 2021 settlement under President Biden.

Source: <https://www.reuters.com/legal/litigation/us-cancelling-another-175-million-california-high-speed-rail-projects-2025-08-26/>

Region

Milestone reached for Metro Transit Ambassadors, who are now officially part of agency's staff

Metro Transit Ambassadors are officially now Metro employees — a milestone that reflects the program's success.

The Metro Board of Directors in June approved a collective bargaining agreement with the International Brotherhood of Teamsters Union to represent Transit Ambassador personnel effective this past July 1. The Ambassadors first day as Metro employees was Sunday, July 27.

The Board also approved 85 additional Ambassador program positions to manage the program in house and expand Ambassadors coverage on more bus lines and new stations as the Metro system expands.

With these actions, Metro has begun the process of building an in-house Metro Ambassador department, which the Metro Board approved in October 2023. Metro is beginning the process of hiring current Ambassadors who are deployed on the system through two contractors.

A 2023 survey of Metro customers found that the visible presence of Metro Ambassadors contributes to the perceptions of safety. Sixty-three percent of survey respondents who reported having seen Ambassadors stated that seeing them made them feel safer. That number increases to 66 percent among women and people earning less than \$25,000 a year, 68 percent among people Hispanic/Latinos and people under the age of 18 and 70 percent among Asian/Pacific Islanders.

As part of the Board's approval, Metro's budget for fiscal year 2026 (which runs from July 1, 2025, through June 30, 2026) was amended to include \$11.8 million for the implementation of new wages and benefits.

This collective bargaining agreement results in the addition of 388 contract positions (Teamsters) comprised of 309 Transit Ambassador program staff who are currently in the field and 79 new Transit Ambassadors to provide coverage on our expanding system.

Metro Ambassadors are an essential part of the Metro public safety ecosystem, along with transit security, law enforcement, homeless outreach and crisis intervention teams.

Ambassadors help riders navigate the Metro system, provide assistance, connect them to resources and report issues that need to be addressed.

This includes summoning emergency help for those customers in distress, as well as providing critical life-saving support. Check out these stats for the past fiscal year, which ended on July 1:

- Metro Ambassadors have helped over 645,00 people.
- They have made over 4,300 safety reports through the Transit Watch app.
- Ambassadors have also saved 76 lives through timely administration of Naloxone.

Source: <https://thesource.metro.net/milestone-reached-for-metro-transit-ambassadors-who-are-now-officially-part-of-agencys-staff/>

Trends

Fresno Eyed as Potential Site for AI Data Centers Amid High-Speed Rail Funding Struggles

The California High-Speed Rail Authority, led by CEO Ian Choudri, is exploring ways to make the long-delayed rail project financially viable after the Trump administration cut \$4 billion in federal funding. A recent update points to private-sector partnerships, with hints that AI data centers could be built in Fresno.

Data centers are attractive for revenue but controversial for their huge water and power demands – large ones can use up to 5 million gallons of water per day, straining Fresno's already stressed water supplies. The Authority has not detailed how it would address these challenges, promising more information in its 2026 business plan.

Beyond data centers, the agency is considering cost-cutting (like eliminating the Merced stop) and monetizing land holdings through parking fees, retail development, naming rights, or land sales. The Merced–Bakersfield segment is now projected for completion in 2032, with long-term profitability hinging on future connections to Southern California and Silicon Valley.

Meanwhile, Governor Gavin Newsom and legislators are seeking \$1 billion annually from cap-and-trade funds to replace lost federal support.

Source: <https://fresnoland.org/2025/08/26/could-fresno-soon-be-home-to-thirsty-ai-data-centers/>