

Basic Policy Directions of Transportation and Tourism under the Second Trump Administration: Key Characteristics of Policy Management in the First Year after Inauguration

Kazuya Fukuhara, Japan International Transport and Tourism Institute, USA

1. Introduction

As of January 20, 2026, one year has passed since the inauguration of the second Trump administration. From the outset, the administration issued a large number of executive orders in rapid succession and moved to undertake a broad reassessment of policy frameworks established under the Biden administration, encompassing climate, industrial, trade and foreign policies. In the transportation and tourism sectors as well, the effects of this shift became apparent right away. Over the past year, policy priorities were substantially reconfigured around three core analytical axes: domestically focused policy management grounded in the principle of “America First,” the selective allocation of fiscal expenditures with an emphasis on “strategic prioritization,” and the recalibration of international cooperation.



Photo 1. On January 20, 2026, President Trump highlighting achievements at a press conference marking the first anniversary of his inauguration (Source: The White House).

From the spring of 2025 onward, the United States entered a phase of full-scale negotiations with multiple countries over reciprocal tariffs, using trade policy as a lever to restructure industrial and investment policy. One of the most emblematic developments in this context, from the Japanese side, was the announcement, within the framework of U.S.–Japan tariff negotiations, of Japan’s commitment to invest a total of approximately USD 550 billion in the United States. This commitment includes the shipbuilding sector among its target areas and has begun to shape transportation-related industrial and investment discussions in both Japan and the United States.

In July of the same year, the One Big Beautiful Bill Act (OBBBA) was enacted. The fiscal and institutional measures embedded in the legislation affected infrastructure development, subsidy programs, and tax measures, with particularly pronounced impacts on the aviation and tourism sectors.

In addition, from October 1 to November 12, 2025, the United States experienced a 43-day government shutdown—the longest in its history. This episode became another defining feature of the year, as it directly disrupted transportation and tourism policies and service provisions through measures such as flight restrictions resulting from air traffic controller shortages and the partial closure of national parks and tourism-related facilities.

Furthermore, in January 2026, President Trump signed a presidential memorandum to review U.S. engagement with a total of 66 international organizations and international frameworks, pushing withdrawals and participation suspensions. This action clearly signaled a

shift in the administration's stance toward international cooperation.

Against this backdrop of political and economic change, this report aims to examine how these shifts translated into policy outcomes in the transportation and tourism domains during the first year of the second Trump administration. It does so by organizing developments across four sectors—aviation, maritime, high-speed rail and urban transport, and tourism—and by offering an overarching assessment based on cross-sectoral analysis.

2. Key Developments by Sector

2.1 Aviation

Major policy developments in the aviation sector under the second Trump administration can be summarized into four areas: (1) a concentration of investment in aviation safety in response to major accidents; (2) a shift in aviation consumer protection policy; (3) changes in aviation decarbonization policy; and (4) progress in developing institutional and policy frameworks for next-generation aircraft.

In particular, the aircraft collision that occurred near Washington National Airport (DCA) on January 29, 2025, shortly after the administration took office, served as a critical turning point. The incident led to aviation safety being redefined as a top national priority and strongly shaped the allocation of resources and the direction of institutional management in aviation policy during the administration's first year. As a result, budgets and personnel were strategically concentrated on initiatives such as the modernization of air traffic control systems and the expansion of the controller workforce. Notably, OBBBA allocated USD 12.5 billion for air traffic control system modernization, clearly positioning aviation safety as a core pillar of national infrastructure investment.

By contrast, aviation consumer protection policy underwent a reassessment of regulatory frameworks and enforcement practices that had been strengthened under the previous administration, including the use of large monetary penalties. Policy emphasis shifted away from deterrence through harsher sanctions, and toward corrective measures and voluntary improvements by

airlines. Aviation decarbonization policy also saw notable changes, including the termination of subsidy programs for sustainable aviation fuel (SAF) and the articulation of a more critical stance toward climate-related initiatives advanced within the International Civil Aviation Organization (ICAO), signaling a recalibration of policy priorities in this area.

In addition, with regard to next-generation aircraft, efforts to establish institutional foundations for the deployment of emerging aviation technologies—including Advanced Air Mobility (AAM)—have continued. Centered on the Federal Aviation Administration (FAA), discussions have focused primarily on regulatory aspects such as type certification and operational rules, reflecting a sustained emphasis on institutional preparedness rather than immediate large-scale deployment.



Photo 2. In May 2025, Secretary of Transportation Duffy announces a plan to build a state-of-the-art air traffic control system (Source: U.S. Department of Transportation X account).

2.2 Maritime

Major policy developments in the maritime sector under the second Trump administration can be summarized into four areas: (1) the presidentially led articulation of a “shipbuilding revitalization” agenda and the broader revival of the maritime industry; (2) market intervention through measures against China under Section 301 of the Trade Act; (3) the supplementation of supply capacity through shipbuilding cooperation with allied countries; and (4) the administration's response to maritime decarbonization policies discussed within the International

Maritime Organization (IMO).

Underlying these policies is a long-standing structural vulnerability, reflected in the fact that U.S. shipbuilding accounts for less than 1 percent of global market share and that the U.S.-flagged oceangoing commercial fleet consists of only around 80 vessels. Against this backdrop, President Trump articulated a commitment to reviving the U.S. shipbuilding industry in an address to Congress. Thus, the administration positioned the maritime sector as a high-priority policy area from both national security and economic security perspectives and has proceeded in stages with initiatives aimed at revitalizing the maritime industry based on presidential executive orders. In parallel, comprehensive legislative proposals aligned with the same policy direction have been introduced in the U.S. Congress.

At the same time, through measures against China under Section 301 of the Trade Act, the administration has intensified market intervention with the stated objective of correcting market-distorting practices by China in the shipping, logistics, and shipbuilding sectors. These measures included restrictions such as port fees imposed on Chinese shipping companies, Chinese-built vessels, and foreign-built automobile carriers calling at U.S. ports. Although these port fees entered into force on October 14, 2025, their application was suspended from November 11 following a U.S.–China leaders’ meeting in late October. Meanwhile, recognizing the difficulty of restoring shipbuilding capacity through domestic efforts alone, the administration has also moved to deepen cooperation in the shipbuilding sector with allied countries, including Japan.

By contrast, with respect to decarbonization in the maritime sector, the administration has adopted a cautious stance toward international discussions on greenhouse gas reductions within the IMO, particularly with regard to international frameworks such as the Net Zero Framework (NZF). As a result, tensions have become increasingly apparent between international cooperation based rule-making, and a state-led approach to policy management.

2.3 High-Speed Rail and Urban Transport

Major policy developments in the high-speed rail and urban transport sectors under the second Trump

administration can be summarized into three areas: (1) the screening of high-speed rail projects and the cancellation of federal subsidies; (2) changes in the role of Amtrak and the restructuring of its governance; and (3) the strengthening of federal oversight of urban transport through public safety and security standards.

The administration reviewed the large-scale public funding commitments and state- and city-led operating frameworks advanced under the previous administration and adopted a strict stance toward high-speed rail projects deemed to have problems in terms of progress or cost-effectiveness. In such cases—including the California High-Speed Rail project—federal subsidies were cancelled. By contrast, the administration has taken a relatively positive view of Brightline West, a privately led high-speed rail initiative connecting Las Vegas and Southern California that is positioned favorably in the context of the 2028 Los Angeles Olympic Games. This approach indicates that the administration does not categorically reject all high-speed rail, but rather engages selectively, placing emphasis on project viability, progress management, and the burden on taxpayers.

At the same time, governance reforms were advanced with respect to Amtrak, including efforts to clarify management accountability and redefine the appropriate scope of federal involvement. In particular, the redevelopment of New York Penn Station transitioned to a new framework in which Amtrak serves as the core entity, with the Department of Transportation (DOT) and the Federal Railroad Administration (FRA) playing key roles.

In the urban transport sector, concerns over deteriorating public safety and homelessness in major metropolitan areas (such as New York), prompted the administration to signal a tougher federal stance, including the possibility of withholding federal funding from transit operators like the Metropolitan Transportation Authority (MTA). Framed around public safety and security, this approach reflects a broader move to strengthen federal oversight. While emphasizing the restoration of public confidence in public transportation, the federal government has increasingly used “safety” as a lever to pressure state and local governments and transit agencies on governance and

accountability.

2.4 Tourism

Major policy developments and related changes in the tourism sector under the second Trump administration can be summarized into four areas: (1) the tightening of border management and entry requirements affecting inbound travel to the United States; (2) shifts in international perceptions and willingness to visit the United States, associated with a more confrontational external posture; (3) policy changes related to tourism promotion and major tourism assets; and (4) impacts arising from government operations and nationally significant events.

These developments are underpinned by the administration's basic stance of prioritizing security, fiscal discipline, and the interests of domestic taxpayers, which has led to stricter immigration controls and higher user charges. Enhanced screening under visa waiver programs, including Electronic System for Travel Authorization (ESTA), as well as tighter entry inspections, have acted as suppressive factors on inbound demand in certain markets. In addition, the administration's more hardline approach to foreign relations has also contributed to a reduced willingness among some travelers to visit the United States.

With respect to tourism promotion, the enactment of the OBBBA significantly lowered the federal funding cap for Brand USA, the national tourism marketing organization of the United States. At the same time, pricing structures at major tourism assets such as national parks were reviewed, with increases in non-resident fees implemented from the perspective of rebalancing “user burden” and “taxpayer burden.”

By contrast, for large-scale international sporting events that attract global attention—such as the FIFA World Cup and the Los Angeles Olympic Games—government involvement has been maintained or strengthened, reflecting an emphasis on national interest and international visibility. Meanwhile, the 43-day government shutdown had a direct impact on the tourism industry through the deterioration of public services and the closure of some national parks and related facilities.

3. Conclusion

This report has examined the fundamental trends in transportation and tourism policy during the first year of the second Trump administration, organizing developments across the aviation, maritime, high-speed rail and urban transport, and tourism sectors. Viewed from a cross-sectoral perspective, three overarching analytical axes can be consistently identified as characterizing the administration's policy approach.

The first axis is domestically oriented policy management grounded in an “America First” framework. Under this approach, policy priorities have been structured around placing the highest importance on safety, domestic industry, and the interests of U.S. taxpayers. In the aviation sector, a major accident served as the trigger for redefining aviation safety as a top national priority, leading to a concentrated allocation of resources toward the modernization of air traffic control systems and the strengthening of personnel capacity. This emphasis on safety has extended beyond aviation to the rail and urban transport sectors as well. Governance reforms at Amtrak and the strengthening of federal involvement in the name of public safety and security in major metropolitan areas reflect a broader effort to restore public confidence in public transportation, while placing governance and accountability by the federal government more clearly at the forefront.

At the same time, in aviation consumer protection policy, regulatory practices that imposed substantial burdens on operators were reassessed, with a shift away from penalty-driven enforcement, and toward corrective measures, indicating an effort to preserve industry flexibility alongside safety considerations.

Initiatives aimed at revitalizing the shipbuilding industry in the maritime sector—measures against China under Section 301 of the Trade Act, tighter border management, and higher non-resident fees at national parks—likewise reflect a shared policy orientation that prioritizes safety, domestic industry, and taxpayer interests across sectors.

The second axis is the strategic prioritization and selective allocation of fiscal expenditures. The second

Trump administration did not treat the federal spending structure inherited from the previous administration as fixed. Instead, it actively reviewed and, where necessary, revised or withdrew support from projects judged to face problems related to progress or cost-effectiveness. The cancellation of federal subsidies for certain high-speed rail projects represents a clear example of this approach.

This line of thinking has also extended to tourism- and environment-related areas, where spending that expanded under the previous administration—often driven by demand-creation objectives or policy ambitions—has been subject to cross-sectoral reassessment. Examples include the reduction of the federal funding cap for Brand USA and the review of decarbonization-related expenditures in the aviation sector.

By contrast, in policy areas consistent with the domestically focused approach described above, fiscal resources have been strategically concentrated. In this context, responses to nationally significant events such as the FIFA World Cup and the Los Angeles Olympic Games have been supported through targeted budgetary measures, reflecting an emphasis on national interest and international visibility. Taken together, fiscal management during the administration's first year can be characterized by a clear distinction between expenditure reduction and expenditure prioritization, with budget allocation itself functioning as a tool of policy direction.

The third axis is the recalibration of international cooperation. The second Trump administration selectively reviewed the scope and level of U.S. engagement with international organizations and multilateral frameworks, using consistency with national interests and policy autonomy as key reference points. In the transportation sector, this did not result in a uniform disengagement from existing international frameworks, but rather in a sector-specific reassessment of the terms of engagement.

In the maritime sector, the administration adopted a cautious stance toward discussions on greenhouse gas reductions within the IMO, particularly with respect to frameworks such as the NZF, reflecting concerns over the potential impact of stricter international regulations on U.S. shipping, shipbuilding, and transport costs. In aviation,

while maintaining engagement with the ICAO, the administration emphasized that decarbonization measures should be carefully evaluated in relation to safety and operational efficiency, and consistently avoided automatic alignment with international agreements.

Moreover, a more confrontational external posture and stricter border management have affected international exchange through reduced inbound tourism demand, indicating that the recalibration of international cooperation has extended beyond transportation policy into the tourism sector.

Taken together, these three analytical axes indicate that transportation and tourism policy during the first year of the second Trump administration can be understood as a coherent effort to redesign fiscal allocation and international engagement around a domestically oriented policy framework. Resources and authority were concentrated in areas aligned with priority objectives such as safety, domestic industry, and taxpayer interests, while expenditures and international commitments that expanded under the previous administration were selectively reviewed and restructured based on their outcomes and consistency with U.S. national interests.

Looking ahead, it will be important to assess whether these approaches become institutionalized or are adjusted on a sector-by-sector basis, and to continue examining both their policy effectiveness and their broader international implications.