



A trillion is not enough: Trump's infrastructure ambitions grow

President considers privatising US airports and dams and admits final bill could exceed \$1tn, but may once more face bipartisan obstacle in Congress

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Donald Trump is considering privatising America's airports and dams as part of an infrastructure building programme that could exceed past estimates of a trillion dollars.

But the US president, bruised by the failure of his healthcare bill, could again face a combination of doubtful Democrats and sceptical conservatives threatening to scuttle the flagship project.

On Tuesday, Trump hosted 16 business leaders, including the chief executives of General Electric, IBM, PepsiCo and Walmart, to discuss subjects including infrastructure, regulations and fixing the Veterans Administration.

Philip Howard, a lawyer and advocate of "government simplification", took part in a break-out session with Elaine Chao, the transportation secretary; Bayo Ogunlesi, chairman of Global Infrastructure Partners; and Matt Rose, executive chairman of the Burlington Northern Santa Fe railway, which then reported back to Trump.

The president has pledged to unleash \$1tn in private and public investments to repair bridges, improve the electrical grid and broadband internet, upgrade airports and potentially rebuild hospitals for veterans, but Howard said Trump acknowledged even this sum might not be enough.

"That was a figure that people discussed but it wasn't hard and fast and in fact I think President Trump at one point mentioned that perhaps it should be more," he told the Guardian after leaving the White House grounds. "Fixing infrastructure's really important and it's going to cost. He was

very hopeful that Democrats, certainly on the infrastructure part of this, would be very cooperative.”

Among the ideas discussed was the privatisation of US airports. “America can do much more than it has, and can do what other countries in Europe and Australia have done, by harnessing private capital,” Howard said. “So it could privatise a number of assets such as airports and dams, and get a lot of capital from that, as well as increase the tax base.”

Hundreds of airports around the world have been privatised or partly privatised but, Howard noted, virtually none in America. “Experience shows that private operators actually do a better job for the customer as well as for efficiency’s sake.”

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Last year the Cato Institute, a conservative thinktank, published a paper that endorsed privatising the nation’s more than 500 commercial airports, which are currently owned by state and local governments and rely on the federal government for capital improvements.

Howard also called for an increase in public-private partnerships similar to other countries. “Government is needed for many things but it’s not necessarily the most efficient mechanism to fix a road, for example,” he said.

The lawyer gave his backing to a vehicle miles travelled (VMT) tax so that, as motorists moved toward electric or hybrid vehicles, drivers of those with internal combustion engines do not have to bear the burden for maintaining roads: “Every car would pay the same. You travel 10,000 miles, you pay for 10,000 miles.”

On Tuesday, the Associated Press reported that the White House intends to propose a package of tax breaks meant to help spur \$1tn in new spending on roads, bridges and other construction over the next decade. But as part of that bill, it said, Trump also wants to introduce measures to significantly shorten approval times for projects.

Howard called for an overhaul of the infrastructure permitting process, cutting through red tape for faster decisions. “There’s been this accretion of well-meaning laws over the last 50 years with no one in charge of drawing lines, so the process can take a decade or longer to get an infrastructure project,” he said. “The effect of that is that it more than doubles the cost of infrastructure and it’s also dramatically harmful to the environment, ironically, because conducting an environmental review just prolongs bottlenecks.

“So there needs to be a new mechanism, basically clear lines of authority to make decisions. Congress caused the problem and, although the administration can do certain things by itself, Congress needs to solve that problem. It’s kind of a mosh pit of overlapping regulatory requirements often run by agencies with dramatically different missions that don’t even like each other.”

Michael Sargent, a policy analyst at the Heritage Foundation, a conservative thinktank with influence on the administration, said: “Any bill as large as \$1tn is going to be a heavy lift. There

will almost certainly be immediate concern from fiscal conservatives, who will bristle at the price tag.

“On the other hand, if the administration plan focuses exclusively or more heavily on private sector capital – as did the Ross-Navarro plan released during the campaign – Democrats might not have as much incentive to come on board without large amounts of federal spending. But overall, infrastructure tends to be one of the more bipartisan issues, so there is a lot of room for compromise.”

After the healthcare debacle, Trump hopes to gain some momentum from decisive action against Syria and the confirmation of Neil Gorsuch to the supreme court, pushing on to infrastructure. “I think it’s going to be one of the very bipartisan bills and it’s going to happen,” he told the New York Times last week, claiming that Democrats in particular are “desperate for infrastructure”.

But it is far from clear where Congress will find the money. Many Republicans in the conservative House Freedom Caucus are wary of the idea of massive government investment, while Democrats are critical of the focus on public-private partnerships, tax breaks for private investors and the watering down of regulations that require environmental reviews and community consultation.

Nancy Pelosi, the House minority leader, asked at a press conference last week: “Where is the infrastructure bill? The president talked about infrastructure during the campaign. Every conversation or any interaction I have had with the president has been infrastructure, infrastructure, infrastructure. Where’s the bill? Show us the bill.”

Among those present at Tuesday’s White House meeting were Dina Powell, senior counselor for economic initiatives; Kellyanne Conway, a senior adviser; Gary Cohn, chief economic adviser; and five cabinet officers.

Howard found Trump receptive to ideas, he said. “I do think he has his finger on the endemic problem with this legacy government, a government that’s run by laws written over the last 50 or 60 years that nobody ever goes and fixes. You end up having out of date computer systems using eight-inch floppy disks, stuff like that, that costs a lot more to maintain than it would take to build a new one entirely.

“Somehow or other we need to change the operating system of government so that it can make sensible choices where today sensible choices are basically illegal. I think he understands the problem. I’m not sure he or anyone has come to grips with the solution.”