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Trump takes aim at blue states in infrastructure plan

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Major transportation projects in blue states may be in jeopardy in President Donald Trump's 10-year infrastructure plan, which critics say favors little-populated rural areas to the detriment of urban America.

The White House isn't being coy about where its priorities lie in the \$1.5 trillion proposal, released Monday: Of the \$200 billion in actual federal investment called for in the 10-year plan, one-quarter would go to rural areas for purposes as diverse as sewers, highways, airports and broadband. But only 14 percent of people in the U.S. live in non-metropolitan areas.

That leaves major transit projects — ranging from a long-planned rail tunnel linking New York and New Jersey to a nascent passenger rail system in California — fighting for the remaining money, \$20 billion of which is dedicated to lightly defined “transformative” proposals that will “lift the American spirit.”

"That's a very clear message that urban America is not of very much consequence, and, ironically, it's urban America that needs most of the infrastructure money," said Martin Robins, the founding director of Rutgers University's Alan M. Voorhees Transportation Center in New Jersey.

That could spell real trouble for mega projects across the U.S., from the \$64 billion high-speed passenger rail line envisioned for California to the \$13 billion Gateway project, which would construct a new rail tunnel connecting New Jersey to midtown Manhattan and repair the existing tunnel that the region's economy relies on, and which is now falling apart.

The plan challenges the notion that major infrastructure projects can't be built without significant federal help, reversing course from the transportation funding philosophies of previous administrations. And it emphasizes finding ways to augment government funding with private sector money, which detractors say would invariably result in more tolls or other passenger fees. It's a tough assignment for public-transit projects that have little prospect of making money.

The plan has "a lot of good words associated with it, but not a lot of coin," Democratic Gov. Phil Murphy of New Jersey said on Monday afternoon at a press conference. "This is probably a fraction of what our state needs or, frankly, the country needs."

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The Trump administration wants to rely on local governments and private operators to do the heavy lifting, even as those same local governments — particularly in high-tax blue states — are

grappling with the budgetary implications of Trump's tax code changes that took effect last month.

"The Republican tax bill was specifically designed to extract wealth from places that vote Democratic and shift it to places that vote Republican, and so that makes it extremely difficult for us to self-tax to make up for the cuts that are coming from the federal government," said Gabriel Metcalf, president and CEO of SPUR, a San Francisco Bay area-based urban policy think tank.

Trump's plan plays to his base in rural and small-town America, where nearly two thirds of voters chose him in 2016 over Democrat Hillary Clinton. He campaigned on promises of improving job prospects for the parts of the country where they have been dim.

"It looks to me like the Cato Institute or somebody opened the file drawer and took all of their hackneyed old ideas out and rolled them into one proposal," said a Democratic official with a significant transportation experience. "They're half-baked. At the end of the day, they don't serve the economic interests of the country."

At the White House on Monday, Trump — a former reality TV competition host — seemed to revel in the idea that states would be competing for the funds by putting as much skin in the game as possible. Sitting around a table with state and local officials from across the country, including Democratic Gov. Ralph Northam of Virginia and some Democratic mayors, he invited them to prove their worthiness and suggested some would struggle to do so.

"Let's see how badly you want it," Trump said. "Because if you want it badly, you're going to get it. And if you don't want it, that's OK with me too."

During a briefing with reporters Saturday, the White House repeatedly declined to say how it would fund the \$200 billion federal portion of the plan, aside from unspecified budget cuts, but an official did suggest that at least some of the money would come from programs that cities depend on. The Trump administration has not ruled out raising the federal gas tax, which was last raised in 1993 and is the primary means of national funding for transportation. Its purchasing power has decreased, and cars have become more fuel efficient, meaning drivers pay less in gas tax on average than they used to.

"There are some reductions in things like transit funding and TIGER grants, and things where the administration thinks that infrastructure funds haven't been spent efficaciously," an unidentified White House official told reporters.

It wasn't clear which "transit funding" pots the official was referring to, but TIGER is the popular Transportation Investment Generating Economic Recovery program, which states and cities across the country have used to advance transportation projects. New York City, for one, has relied on TIGER funding for its Vision Zero effort to eliminate traffic fatalities. New Jersey has used it to conduct preparatory work to replace the bridge over the Hackensack River that both New Jersey Transit and Amtrak rely on to access New York City.

The infrastructure proposal, which only uses the word "urban" once in its 53 pages, would also require transit agencies to use so-called "value capture" as a prerequisite for accessing certain capital grants. Value capture refers to the practice of requiring the owners of property near new transit projects to help pay for their costs, since such projects typically increase the value of

adjacent properties. But in established cities like New York, the priority is less one of building new lines — for which value capture is considered a useful tool — than of repairing existing ones.

"Chicago's in the same boat," said Audrey Wennink, director of transportation at the Metropolitan Planning Council in Chicago. "It's very expensive to maintain these legacy systems. ... A program that's going to give minimal funding and look at only new, experimental projects, I don't think, will offer a lot of recourse for us."

A third of the expansive subway system run by the Chicago Transit Authority is in a state of disrepair and much of its needs to be modernized.

One transit official, meanwhile, expressed confidence that the proposal would improve once the Congress began negotiating with the White House.

"What we see here is a way to look at how we enhance infrastructure across the board, and across America," said Pauletta Tonilas, spokeswoman for LA Metro, which is relying on federal funding to build out the city's subway system. "And somewhere in the middle we will come to a funding plan that tries to meet all needs as best as we can."