



Democrats take a fresh shot at creating an infrastructure bank

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A fresh attempt at creating a national bank to help fund infrastructure projects might find a receptive audience with the incoming Trump administration but will face conservative opposition.

Rep. Rosa DeLauro, D-Conn., introduced the Infrastructure Development Bank Act earlier this month, taking another shot at a long-sought goal of former President Obama and congressional Democrats. The bill, which has 73 co-sponsors, would create and fund a public bank that would use public and private money to build roads, bridges, highways and other infrastructure projects.

"With the nation's infrastructure in dire need of rebuilding and reinvestment, a National Infrastructure Bank would allow Congress to pursue a clear, comprehensive infrastructure policy that addresses the scope of the issue," DeLauro said. "Now is the time to invest in our nation, building better infrastructure systems and a stronger economy."

The bill is modeled after a European infrastructure bank that takes private-sector investments from sources such as pension funds and uses the money to supplement congressionally appropriated infrastructure funding. The bank would award loans and issue bonds to fund projects, while paying states and local municipalities to help them pay interest on their bonds.

DeLauro's bill would help pay for surface projects such as roads, highways and bridges as well as energy, environmental and telecommunications projects. The bill would leave the process of selecting which projects to fund up to the bank.

During the campaign, President Trump's team came out strongly against an infrastructure bank, which was championed by Democratic nominee Hillary Clinton.

A report released in the weeks before the election said the infrastructure bank idea was "potentially rife with economic problems as it is with the prospect of crony capitalism," according to Secretary of Commerce-designee Wilbur Ross and University of California-Irvine Professor Peter Navarro.

However, days after the election was finished, top Trump advisers were singing a different tune.

Secretary of Treasury-designee Steven Mnuchin called infrastructure investment "a very big focus" of Trump's incoming administration and said "regulatory changes [and] looking at the creation of an infrastructure bank to fund infrastructure investments" was on their to-do list.

DeLauro seized on the statement as a reason why Congress should pass her bill immediately.

"Congress should work together to pass my National Infrastructure Development Bank Act and send it to President-elect Trump as soon as he is sworn into office," she said. "Mr. Trump advocated for investment in our nation's infrastructure on the campaign trail, and this legislation is an opportunity for him to build on his promises."

The transition team did not respond to a request for comment on where Trump stands on the idea of an infrastructure bank.

Insiders believe infrastructure investment may be put on the legislative backburner while a fight over repealing and replacing Obamacare plays out.

While DeLauro might have some support in the new administration, it's going to be an uphill battle to get conservative lawmakers on board.

Obama proposed an infrastructure bank as a part of an infrastructure bill during his first term, but it was unpopular because of the additional level of bureaucracy and concerns about how it would decide which projects to fund.

Those fears have not faded for conservative analysts.

Michael Sargent, a research associate at the Heritage Foundation, wrote that a program already exists to deliver federally subsidized loans designed to spur private investment in infrastructure.

Adding a federal bank would put U.S. taxpayers at risk, as they were under mortgage buyers Fannie Mae and Freddie Mac, he said.

"The administration should oppose the establishment of a federal infrastructure bank and instead pursue funding and regulatory reforms that make it easier to invest in major infrastructure projects," Sargent wrote.

Chris Edwards, director of tax policy studies at the Cato Institute, said an infrastructure bank would lead to "more bureaucracy, subsidies and central control."

"America should have world-class infrastructure. But the way to get it is not through subsidies, regulations, and centralization," he said. "Instead, the incoming administration should focus on market-based reforms to privatize facilities, reduce subsidies and regulations, and increase competition."

That would fall in line with Trump's initial criticism of the idea that still lives on his campaign website.

"Hillary Clinton proposes a massive \$275 billion tax increase on American businesses to help fund an 'infrastructure bank' that is controlled by politicians and bureaucrats in Washington, D.C.," the website reads.

