



Questions hang over Trump plan on infrastructure

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Doubts are growing that President-elect Donald Trump will be able to push through a massive infrastructure package in his first 100 days, as he had once promised.

He faces likely pushback from conservatives, and he will also have to weigh many other competing priorities.

When radio host Hugh Hewitt asked incoming White House Chief of Staff Reince Priebus about a stimulus package that could be used to rebuild the nation's roads and bridges, Priebus said that the administration would likely focus on tax reform and ObamaCare in the first nine months of the year.

In a November interview with The New York Times, Trump said that infrastructure won't be the "core" of his first few years, but that he is interested in a large infrastructure bill.

Tax reform, Obamacare and appropriations "are going to push infrastructure right out of the way," predicted Chris Edwards, an economist at the Cato Institute.

Trump's nomination of fiscal conservative Mick Mulvaney, a Republican lawmaker from South Carolina who is a member of the hard-line Freedom Caucus, also raised eyebrows.

Mulvaney has made a name for himself in Washington as an advocate for cutting spending, and would appear to be a potential voice within the administration arguing against heavy infrastructure spending.

The Trump transition website states that "the Trump Administration seeks to invest \$550 billion to ensure we can export our goods and move our people faster and safer," but it does not explain how that investment would be made.

In August, Trump suggested that he'd finance infrastructure spending through bonds. But later in the campaign, Wilbur Ross and Peter Navarro, Trump's picks to lead the Commerce Department and a new White House trade council respectively, together developed a plan to boost private sector infrastructure investment with tax credits.

A document on Trump's first 100 days that his campaign released in October seems to reference the Ross-Navarro plan, saying that Trump would leverage "public-private partnerships, and private investments through tax incentives, to spur \$1 trillion in infrastructure investment over 10 years." Campaign aides argued that this plan would be revenue neutral.

On Dec. 20, the Washington Post reported that Trump was planning to create an infrastructure "task force" that would help move forward on the issue.

Besides Mulvaney, Trump has named people to top administration jobs who have diverse views on the importance of infrastructure spending.

His choice for Treasury Secretary, Steven Mnuchin, told reporters last month that Trump was considering an infrastructure bank. Ross and Navarro, however, criticized Hillary Clinton's proposal of direct government spending and an infrastructure bank.

Trump has nominated Elaine Chao, who served as Labor Secretary under President George W. Bush, to be his Transportation Secretary.

Chao is married to Senate Majority Leader Mitch McConnell (R-Ky.), who earlier this month did not sound keen on an infrastructure spending plan. "I hope we avoid a trillion-dollar stimulus," he told reporters.

Edwards said he doesn't think Chao herself would be in favor of a large federal spending plan. "She [was] probably the most conservative member of the Bush administration," he said.

In a questionnaire Chao submitted to the Senate Commerce Committee, she did not name new infrastructure funding or financing as one of DOT's top priorities. Instead, she emphasized streamlining the construction process and balancing between priorities in urban and rural areas.

But a Trump transition team spokesman told CNN that Chao "is completely aligned with the President-elect's plans to invest in America's infrastructure, and she understands the critical connection between our infrastructure and our competitiveness."

Rep. Jim Jordan (R-Ohio), the outgoing Freedom Caucus chairman, said that Mulvaney would make sure that Trump is being fiscally responsible, though he also said the budget director could work to rebuild the nation's infrastructure.

"President-elect Trump chose my friend Mick Mulvaney for director of the Office of Management and Budget because he understands our nation's financial situation and will work to restore fiscal sanity while also rebuilding America's infrastructure," Jordan said.

House Minority Leader Nancy Pelosi (D-Calif.) and incoming Senate Minority Leader Chuck Schumer (D-N.Y.) have both praised Trump's interest in infrastructure spending, suggesting they are keen to work with him on the issue.

If he backtracks, they are just as likely to criticize him.

Fiscal conservatives tend to think increasing federal infrastructure spending is bad policy given the size of the nation's deficit. They don't view many infrastructure projects as a federal responsibility and often argue that advocates exaggerate the number of jobs that will be created.

A spokesman for House Transportation Committee Chairman Bill Shuster (R-Pa.) said that it's too early to discuss the timing and substance of a bill.

But the committee plans to work with the incoming administration and other lawmakers "in exploring options that make smart, fiscally responsible investments and help ensure America has a 21st century infrastructure," the spokesman added.

Despite the challenges, infrastructure groups are publicly hopeful that Congress will pass a bill.

"We are cautiously optimistic that Mr. Trump will move this along," said Kevin Burke, CEO of Airports Council International — North America.

Jim Tymon, chief operating officer of the American Association of State Highway and Transportation Officials, said that if the administration is looking for an "early bipartisan win," infrastructure would fit the bill.

"It's not a slam dunk that it's one of the first issues out of the gate, but we think there's a case to be made for it," he said.