



Trump's Infrastructure Plan Finally Came Out and Man, It F***ing Sucks

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On Monday, President Donald Trump finally released his infrastructure plan, **something he's been promising to deliver** almost since he took office. And it was a total letdown.

Sure, it's ostensibly bigger than Trump originally promised; **he goosed it** from \$1 trillion to \$1.5 trillion during his **state of the union address**. But the 53-page plan mostly codifies ideas the White House has been floating for months. "None of this was a huge surprise," said Jacob Leibenluft of the Center on Budget and Policy Priorities. "We just got confirmation that this was their approach."

More importantly, while Trump and company have signaled this plan will be a **legislative priority for 2018** and are preparing to sell it to lawmakers in the coming weeks, it's pretty much doomed already. In the emphatic words of infrastructure investor and academic Joel Moser, "it's never going to happen. It's DOA. It's a joke."

Despite its big topline number, **Trump's plan actually calls for just \$200 billion** in direct federal funding, which would theoretically be leveraged into \$1.3 trillion more in state, local, and private spending. **Of this limited pot of cash**, \$100 billion is slated for matching grants for state and local spending, \$50 billion for block grants for rural projects that might not be able to raise local or private funds, \$20 billion for "projects of national significance," and \$10 billion for capital financing to fund the acquisition of federal governmental facilities. The plan also calls for the federal government to drastically reduce how much it will contribute to infrastructure projects as a ratio of overall spending, shifting fundraising responsibilities onto states and cities. Additionally, it advocates loosening restrictions on localities creating of new or increased tolls and fees for public usage of any infrastructure, save for "essential services" like water and public restrooms.

On top of that, the **plan** calls for streamlining the federal permitting process, making it easier to lease or sell federal assets to localities and private corporations, allowing the Department of the Interior to authorize pipeline construction inside national parks, and tweaking Pell grants and apprenticeship program requirements so that they can support more training for engineers and construction workers, among other comparatively minor provisions.

This is an ambitious proposal that would drastically reorganize how American approaches infrastructure. Yet it still falls short of addressing America's baseline infrastructure needs, which the American Society of Civil Engineers estimates to cost between \$4 and \$5 trillion. The plan also does little to address how projects that cannot generate revenue would be funded.

Democrats have already come out strongly against this small-government plan and are mostly advocating for a more traditional direct spending approach instead. As any infrastructure bill would require 60 votes in the Senate, noted Brookings Institute infrastructure wonk Adie Tomer, "the Democrats hold almost all the cards here. If they don't want to negotiate something in the Senate, there's no bill."

Although some Republicans have come out in favour of Trump's plan, there's also resistance to it among fiscal conservatives. Especially in the wake of a costly tax bill and spending deal within the past few months, deficit hawks have no patience for even \$200 billion in spending without clear offsets. And the White House proposals offers no specific ideas on how to pay for this modest investment, making only vague suggestions that Congress ought to consider hacking an equal amount out of existing infrastructure programs it believes are not well managed. "Cutting from current transportation programs, many of which have very deep support," said Tomer, "is really hard to see going through."

It also reads as a cynical shell game. Paying for \$200 billion in infrastructure by cutting \$200 billion in infrastructure spending, fumed Moser, is "a bolder lie, a bolder sleight of hand, and a bolder bunch of BS than I would have ever imagined even from" Trump.

(Trump also reportedly brought up the idea of **raising the gas tax** to pay for infrastructure in a recent meeting. But, well, Trump says a lot of stuff in meetings.)

Team Trump could have sidestepped this complication if it had allocated the proceeds slated from the reparation of American cash stowed overseas to the US, part of the tax bill, to infrastructure, **an idea that had broad support**. But instead they used that projected cash to offset the costs of more tax cuts. "The president and other people are serious about doing something on" infrastructure, said Marcia Hale of the infrastructure booster group Building America's Future. "They were just more serious about doing tax cuts."

The plan will also face likely opposition from bipartisan city and state officials who will not relish the idea of being forced to levy new taxes and tolls, especially just after the Trump tax bill killed their constituents' abilities to write off some of those expenses on their federal taxes.

All of this may be exacerbated by the fact that no one's sure Trump is fully behind his plan. He's voiced his concern with its central fund-leveraging mechanisms in recent months; reportedly this was a large part of the reason it took so long to roll out the plan, which was last promised to drop before the state of the union. Yet at the same time it appears House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell are waiting for the White House to take the lead on pushing this proposal through Congress.

According to all of the experts I've consulted, there's still broad support on Capitol Hill for *some kind* of infrastructure bill. So there's a good chance an infrastructure bill will make it to the floor

of Congress at some point this year. It may even include elements of Trump's proposal—most experts I spoke to agree streamlining permitting, so long as there are guarantees for environmental and worker protection retentions, could make the cut. But this bill would not include the major funding reform and spending elements of Trump's proposal. Instead, it would likely work within existing infrastructure programs, and be modest in scale.

It's also unclear how *any* kind of infrastructure bill would pass this year. Fiscal hawks won't like any bill with a notable price tag. Democrats will not be eager to deal with the GOP in an election year. And there's just not much trust between the parties on which to build.

Congress also has a host of other issues to address in the coming months, notes Hale, including the 2018 budget and an immigration deal pegged to the expiration of protections for Dreamers. Those fights will eat up Congress's bandwidth until at least late March. Past that point, primaries and imminent Congressional races will increasingly suck the air out of the Capitol. "It's a clock that's ticking down and it gains speed as it gets closer to zero," said Tomer.

"People are already saying, 'Well, we may not have enough time to do an infrastructure package,'" said Cato Institute analyst **Chris Edwards**. "Which is kind of stunning. The year has just begun and people are already talking about a limited number of days for legislation... We're up against Washington dysfunction. So even stuff where there would be a lot of bipartisan support, if the leadership doesn't make it a priority, it just won't happen."