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Federal government owns little infrastructure for Trump to privatize

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A coalition of liberal activists and Democratic lawmakers has launched a national campaign against President Trump's infrastructure program that accuses him of attempting to privatize the country's highways, bridges and other public assets.

There's one problem: The federal government doesn't own most of that stuff.

By one measure, state and local governments and the private sector own 97 percent of the nation's nondefense infrastructure, and they fund 94 percent of it, according to a report by Chris Edwards, director of tax policy studies at the libertarian Cato Institute.

The report examined data from the U.S. Bureau of Economic Analysis that showed the federal government owned \$1.5 trillion of nondefense infrastructure, compared with \$10.1 trillion for state and local governments and \$40.7 trillion for the private sector.

Still, the Millions of Jobs Coalition is looking for at least \$1 trillion of direct federal spending to repair and replace American infrastructure, which has degraded to 12th in the world, according to the World Economic Forum.

"Donald Trump wants to sell off our roads to foreign governments and give taxpayer dollars to Wall Street billionaires, and he calls that job creation?" said Rep. Mark Pocan, Wisconsin Democrat and a member of the coalition.

As Mr. Trump pushed his rebuilding plan with a series of events last week, he met at the White House with a group of governors and mayors who have authority over their state and municipal infrastructure, including highways, bridges and water systems.

"Together, we're going to rebuild America," he told the eight governors and 10 mayors at the meeting. "For too long, Washington has slowed down your projects and driven up your costs and driven up beyond anything even recognizable. Those days are over."

The two sides couldn't be further apart as the debate digs into the central question of the role of the federal government that divides liberals and conservatives.

The federal government's meager holdings include features such as dams, postal buildings and the air traffic control system. But highways — including the entire interstate highway system — roads, bridges and schools are owned by local and state governments.

The country's vast array of pipelines, power stations, railways, factories and telecommunications networks are owned by businesses, according to the report.

Mr. Trump's proposals — including a push to privatize the air traffic control system and use public-private partnerships to finance some construction projects — fueled the left's accusations of a sell-off.

“Donald Trump wants to sell off our roads, bridges and other public assets to foreign corporations and his Wall Street billionaire friends — allowing them to hit Americans with new tolls and put our money in their pockets. Privatizing air traffic controllers — paid for by hiking user fees on American consumers — is just the first step in this direction,” said Tate Hausman, a leader of the Millions of Jobs Coalition.

The coalition was formed by labor, environmental, racial justice and other liberal activists to oppose Mr. Trump's infrastructure plan, which is a top priority of the administration.

The group has the backing of Democratic National Committee leaders and Democratic lawmakers, including the House Progressive Caucus.

Coalition member Rep. Jamie Raskin, Maryland Democrat, said the president was trying to perpetrate a scam.

“It is a complete diversion from what we need to be doing. It's an abdication of public responsibility — and it's a money-making operation. And that is the thing that is most insulting about it,” Mr. Raskin said on a conference call with reporters.

A spokesman for the coalition did not respond to questions about the federal government's limited ownership of infrastructure.

Democratic leaders at the highest levels have echoed the rhetoric.

“The entire focus of the president's infrastructure ‘proposal’ is on privatization, which sounds like a nice word, but when you scratch beneath the surface, it means much less construction and far fewer jobs, particularly in rural areas,” said Senate Minority Leader Charles E. Schumer, New York Democrat.

Mr. Trump's \$200 billion plan does include privatization, most prominently the ambitious proposal to remove air traffic control from the Federal Aviation Administration and put it in the hands of a self-financed, nonprofit corporation.

Dozens of countries have privatized air traffic control in this way, and Canada and Australia have state-of-the-art systems.

However, the thrust of Mr. Trump's proposals is about rolling back federal regulations and streamlining the approval and permitting process to lower costs and speed up projects by state and local governments and the private sector.

The president, who already has slashed scores of federal regulations, said he wants to reduce the approval process for infrastructure projects from 10 years to two years or less.

“It should not take 10 years to get approvals for a very small, little piece of infrastructure. And it won't. Because under my administration, it's not going to happen like that anymore,” Mr. Trump said at an event in Cincinnati to highlight plans to renovate inland waterways.

“We will work directly with state and local governments to give them the freedom and flexibility they need to revitalize our nation's infrastructure,” he said.

To upgrade some of the locks and dams that haven't been overhauled since they were built in the 1930s on the Mississippi and Ohio rivers, the Trump plan relies on user fees instead of federal tax dollars.

For the most part, the shipping industry hasn't balked at the fees.

Overall, Mr. Trump proposed \$200 billion of federal taxpayer funding for the infrastructure program, which is supposed to leverage a total public-private investment of \$1 trillion over 10 years.

The spending, about \$20 billion a year for 10 years, would be on top of the roughly \$124 billion a year the federal government already spends on building and maintaining infrastructure.

Mr. Edwards said Mr. Trump was on the right path, privatizing some aspects of infrastructure and getting the feds out of the way to allow state and local government and the private sector to make spending decisions.

“I would be more radical on privatization, of course, but they move in the right direction,” Mr. Edwards told The Washington Times.

He also proposed reducing federal spending on these projects to force state and local government to take responsibility for their infrastructure.

Mr. Trump's plan didn't go that far.

Mr. Edwards' report, published in Cato's Tax & Budget Bulletin, argued that deregulation would limit interference by the federal government that drives up the cost of building and repairing infrastructure.

“The federal government is the tail that wags the dog on the nation's infrastructure — and not in a good way,” he wrote in the report.