

Trump's \$1 trillion plan inspires 'Hunger Games' angst

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The president's long-awaited infrastructure package will expect cities and states to pick up much more of the costs for their projects.



President Donald Trump holds up a Channellock locking plier during a "Made in America," roundtable event in the White House on July 19. The Trump administration isn't expected to issue full details of its infrastructure plan for two to four weeks. | Alex Brandon/AP Photo

President Donald Trump won the White House promising a \$1 trillion, 10-year blueprint to rebuild America — an initiative he said would create millions of jobs while making the nation's highways, bridges, railroad and airports "[second to none](#)."

But the infrastructure plan he's poised to pitch in Tuesday's State of the Union is already drawing comparisons to the [The Hunger Games](#)."

Instead of the grand, New Deal-style public works program that Trump's eye-popping price tag implies, Democratic lawmakers and [mayors](#) fear the plan would set up a vicious, zero-sum scramble for a relatively meager amount of federal cash — while forcing cities and states to scrounge up more of their own money, bringing a surge

of privately financed toll roads, and shredding regulations in the name of building projects faster.

The federal share of the decade-long program would be \$200 billion, a sum Trump himself concedes is "[not a large amount](#)." The White House contends it would lure a far larger pool of state, local and private money off the sidelines, steering as much as \$1.8 trillion to needs as diverse as highways, rural broadband service, drinking water systems and veterans hospitals. (Maybe even commercial spaceflight, one recently leaked draft suggests.)

The administration isn't expected to issue full details for two to four weeks. But already, the details that have emerged are unnerving some key infrastructure supporters in Congress, who say it's unrealistic to propose such a mammoth program without money to pay for it. They also note that Trump's budget proposals have called for cutting existing infrastructure programs at the Department of Transportation and the Army Corps of Engineers.

"I think we're down to minus about \$200 billion, because I don't think they have enough money to fund the current program, let alone anything on top of it," said Sen. Ben Cardin (D-Md.), who recently sat in on a meeting with lawmakers and administration officials on the plan. "I don't see any money from what I've seen so far at all. Zero. Not \$200 billion, certainly not a trillion."

Democratic Chicago Mayor Rahm Emanuel dismissed the plan last week as "fairy dust. ... It's not real."

The White House defends its approach as an overdue shift from decades of federal spending and control.

"The Washington establishment still thinks that infrastructure can only be built correctly if they make all the decisions and control the purse strings, but one look at the crumbling bridges and roads across America shows that approach has failed," deputy press secretary Lindsay Walters said in a statement. "Instead of sending taxpayer money to DC only to have it eventually trickle back down to communities along with a host of new restrictions and requirements, the President wants to allow communities to keep more of their funds and make their own decisions, and to simplify the federal bureaucratic maze."

But even some key Republicans have sounded cautious notes about Trump's blueprint, or at least the details that have trickled out so far.

"A lot of it, I think, will come down to how is it paid for," said Sen. John Thune (R-S.D.), a member of GOP leadership who, as chairman of the Senate Commerce Committee, will have a role to play in crafting the legislation to realize an infrastructure plan. "And, you know, the substance will matter, I think, in terms of whether or not there's bipartisan support for it."

Last summer, the GOP-led Senate Appropriations Committee expressed alarm at Trump's budget cuts and White House [accusations](#) of state and local "overreliance" on federal money. "The administration's approach is dangerously close to support for devolution of federal funding provided by the Highway Trust Fund," the committee wrote.

Administration officials have said they intend to pay for the plan's federal share with cuts elsewhere in the budget. They've declined to join the U.S. Chamber of Commerce in advocating an increase in the federal gasoline tax, and did not attempt to glean any infrastructure money from last year's overhaul of the federal tax code.

For the president, a victory on infrastructure would fulfill one of the striking themes of his campaign — that the developer who built skyscrapers such as Trump Tower is "the only one to fix the infrastructure of our country." His stump speeches frequently bemoaned the "Third World" quality of American airports, the lack of any U.S. equivalent to Chinese bullet trains and the trillions of dollars spent reconstructing countries like Iraq.

"We will build the roads, highways, bridges, tunnels, airports and the railways of tomorrow," Trump pledged as he accepted the Republican nomination in July 2016. "This, in turn, will create millions of more jobs."

The nation's needs are indeed immense, say groups like the American Society of Civil Engineers, which [estimates](#) the U.S. will require a total of \$4.59 trillion in infrastructure investments by 2025 to avoid economic damage that would wipe out millions of jobs.

Some Democrats, like Senate Minority Leader Chuck Schumer, initially expressed a willingness to work with the new president on his plan. But then came a year's worth

of Republican attempts to push through partisan bills targeting health care and taxes. Trump also [stepped on his own sales pitch](#) in August, when he followed up an infrastructure speech at Trump Tower by defending the “very fine people” who had marched in a white supremacist rally in Charlottesville, Virginia.

“Before the swearing-in, it was the one area of hope Democrats had that we could find some common ground, 'cause we agreed that infrastructure desperately needs serious investment in America to stay competitive,” said Rep. Gerry Connolly (D-Va.). “But I don’t think there are many of us left who labor under that hope any longer.”

From the start, the particulars of the plan have been a moving target.

During his campaign, Trump originally promised at least a \$550 billion plan, which he suggested would be at least partly funded by new government debt. Weeks before the election, his ["action plan"](#) for his first 100 days in office increased the pledge to “\$1 trillion in infrastructure investment over 10 years,” from both public and private money.

Then the 100-day time frame came and went. The idea of combining infrastructure and tax reform also bloomed and wilted, as did Trump’s comment to Bloomberg in May that he ["would certainly consider"](#) hiking the gas tax. By the spring, the administration was talking budget cuts while settling on \$200 billion as the plan’s federal portion.

“I think there was definitely a little bit of a bait-and-switch on this where there were a lot of promises made and none of it delivered on,” said Maryland Rep. John Delaney, an early presidential hopeful for the 2020 Democratic nomination who’s been vocal on infrastructure spending.

A purported plan draft leaked to POLITICO last week [increased complaints](#) in states like New Jersey and New York, where officials were already dismayed by the Trump administration’s refusal to pay half the costs of a \$13 billion rail project under the Hudson River. The draft — whose accuracy the White House would not confirm — indicated that federal grants under one major part of the plan could pay no more than 20 percent of a project’s costs.

“It’s a direct repudiation of the federal role in building infrastructure,” said one person familiar with the Hudson project, who was not authorized to discuss the matter publicly. Such a meager federal share means the plan “really is the Hunger Games,” the person added. “It’s pitting project against project, regardless of the merit.”

For most transit agencies, accustomed to a 50 percent federal share for most capital investment grants, reducing that to 20 percent is “a nonstarter,” transit consultant Jeff Boothe said. He said it could disrupt work in communities where voters approved ballot measures to raise money for projects.

According to the draft, a separate pot of money in Trump’s plan would help fund block grants for rural projects such as transportation, broadband, water and electricity. And another segment would pay as much as 80 percent of the capital costs of “transformative” projects, which it defines as “exploratory and ground-breaking ideas.”

The draft offers no examples of transformative ideas, although Trump [told](#) The Wall Street Journal in March that he was interested in Tesla founder Elon Musk’s concept of a high-speed “Hyperloop” that would move both people and goods underground.

The most important part of the plan may be where the administration sees the federal government’s future role in infrastructure, said John Cline, a lobbyist and former Republican DOT official under President George H.W. Bush. “I think the over-focus on a dollar number is diverting attention from the key issue here, ” he said.

Administration officials have been clear that they want to shift decisions about infrastructure funding onto lower levels of government.

All the while, officials say they would remain “agnostic” about how states and localities drum up money to pay for their projects. That could mean local or state tax hikes, or it could open the door to government partnerships with private investors who might recoup their money with tolls or other fees.

The White House raised expectations for a major role for public-private partnerships when it hired D.J. Gribbin — a DOT alumnus with a private-sector background in setting up such arrangements — to be the blueprint’s mastermind. But that made it all the more striking when meetings between Trump and Capitol Hill tax-writers last

fall generated multiple reports that the president had soured on those partnerships, citing cases when they didn't work out.

"He said he doesn't like public-private partnerships," Sen. Sherrod Brown (D-Ohio) told POLITICO after an Oct. 18 meeting at which Trump echoed his concerns. "We're with him on that — let's use real dollars."

Republicans from rural red states have also expressed objections about relying too heavily on partnerships, arguing that sparsely populated rural communities would be at a disadvantage in trying to attract investors.

After Trump's comments, one administration official downplayed the role these partnerships were ever going to play in the package, even though former White House press secretary Sean Spicer had once described them as the "cornerstone."

Trump's criticism "was sort of expressing an understanding that these projects don't always work as envisioned, and they can be complicated and they can be costly," the administration official said in a December interview. "And sometimes they don't end up the way that the state and local governments hoped that they would end."

Regardless of how cities and states decide to raise money, administration officials have said Trump's blueprint would heavily favor projects that put more of their own dollars on the table. And that has some infrastructure supporters worried.

"We have real concerns about further burdening states and localities with what should be a federal responsibility," said Larry Willis, president of the AFL-CIO's Transportation Trades Department, a labor coalition that could be a key ally for Trump's proposal. The danger, he said, is that many projects "are going to get left behind."

Others aren't so worried. Sen. Jim Inhofe (R-Okla.), a longtime supporter of federal infrastructure spending, said he doesn't expect Trump's plan to change the federal formulas that specify how money from Washington traditionally makes its way to states for highway and transit projects, since the new programs would be distinct from longstanding practice.

"One of the few things that's worked well in government is the way we've done the formulas," said Inhofe, a former chairman of the Senate Environment and Public Works Committee.

But to Democrats like Sen. Tom Carper of Delaware, any deal that upends the decades-old federal-local funding split would be tough to swallow.

"That's a pretty hard sell to the states, and I'd say it's going to be a hard sell to us," he said.

Brianna Gurciullo, Tanya Snyder and Dana Rubinstein contributed to this report.