



# CONSTRUCTION ADVISORY

March 1, 2018

## TRUMP ADMINISTRATION RELEASES ITS \$1.5 TRILLION INFRASTRUCTURE PLAN

The Trump Administration's 10-year, \$1.5 trillion infrastructure plan, "The American Infrastructure Initiative", was released to Congress and the public last week. The Administration's plan notes that it will use \$200 billion of federal funds to attract \$1.3 trillion of local, state and private investments in various infrastructure projects. The 53-page document does not identify where the \$200 billion of seed money will come from.

The plan is divided in four segments, 1) Infrastructure projects, 2) Permitting process, 3) Workforce development and 4) Other non-traditional infrastructure related projects. Half of the new federal money, \$100 billion, would be parceled out as incentives to local government entities. An additional \$20 billion would go toward "projects of national significance" that can "lift the American spirit." Another \$50 billion is earmarked for rural block grants, most of which will be given to states according to a formula based on the miles of rural roads and the rural population they have. States can then spend that money on transportation, broadband, water, wastewater and power projects. The rest of the money would support other infrastructure-related undertakings, including existing loan programs like WIFIA and RRIF, which White House officials said could leverage up to \$40 in local and private money for every \$1 in federal investment.

Other sections of the plan include shortening the time and expense of getting federal permits by consolidating the reviews conducted by different agencies into "one federal decision," with one agency taking the lead on evaluating a project. The plan proposes to cut federal permitting to two years, down from five to ten. The document also calls for changes aimed at widening the pipeline of skilled construction workers, such as allowing Pell Grants to be used for short-term credentials from places like community colleges and targeting federal work-study funding toward on-the-job training. Finally, the plan allows the federal government to quickly sell federal assets that "would be better managed by state, local, or private entities." Examples of property that could be divested, include the Ronald Reagan and Dulles International Airports, the Tennessee Valley Authority and Bonneville Power Authority's transmission assets, and the Washington Aqueduct, which supplies Washington, D.C. with fresh drinking water.

While the current White House document contains more details of the President's infrastructure plan, it does not identify the source of the federal \$200 billion seed money and relies upon Congress to establish the funding sources and nor does the plan provide a fix to the Highway Trust Fund deficit in 2020.

## **UTCA AND ARTBA OFFICIALS MEET WITH HOUSE WAYS AND MEANS CHAIRMAN FRELINGHUYSEN'S TEAM & CONGRESSMAN TOM MACARTHUR TO DISCUSS INFRASTRUCTURE SPENDING**

On January 30, 2018, UTCA's Executive Director Anthony Attanasio and leadership from the American Road & Transportation Builders Association (ARTBA) met with House Ways and Means Committee Chairman Rodney Frelinghuysen's (R-NJ) team and Congressman Tom MacArthur (R-NJ) to review ARTBA's "Bold Act" proposal which seeks to address the Federal Highway Trust Fund deficit that is projected to occur in 2020. The Bold Act proposal eliminates several non-gas tax fees paid by the trucking industry that are directed to the federal highway trust fund and replaces those revenue sources with a fee on the trucking of goods and materials. The implementation of the Bold Act would result in an annual net increase of \$32 billion to the Federal Highway Trust Fund. Current annual Highway Trust outlays are approximately \$44 billion per year. Congressman Tom MacArthur, a true friend to the industry, signed onto the plan as a sensible move forward for sustainable funding for America's Highway Trust Fund.

UTCA and our national affiliate, ARTBA, will continue to aggressively urge Congress to address the federal Highway Trust Fund shortfall prior to 2020.