

# WHITE HOUSE INFRASTRUCTURE PLAN AND ITS MUNICIPAL IMPACT

NWMC Transportation Committee  
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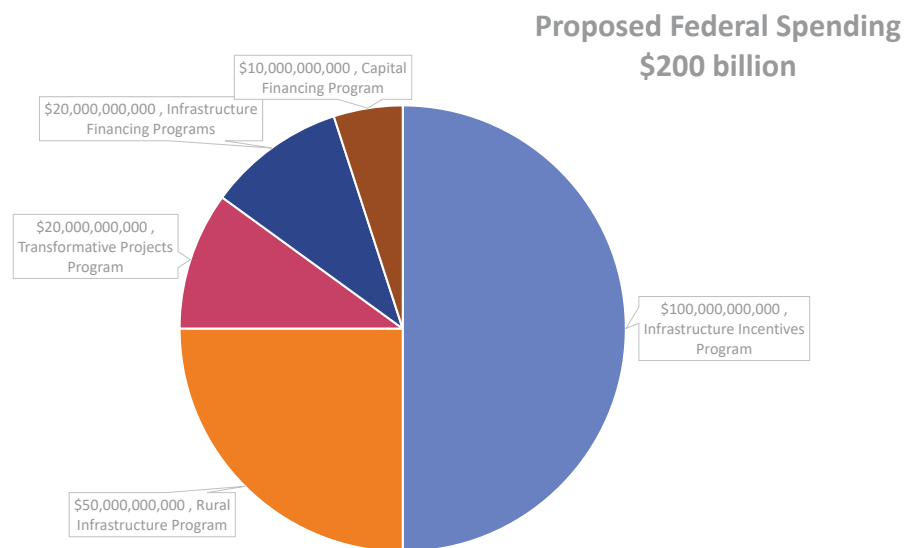


## EARLIER THIS MONTH, THE WHITE HOUSE RELEASED A 53-PAGE INFRASTRUCTURE PLAN. THE PLAN AIMS TO:

- Use federal funding to leverage state, local and private funds totaling \$1.5 trillion
- Streamline the project approval process to 2 years or less
- Address unmet rural infrastructure needs
- Empower state and local authorities
- Train the American workforce for the future

## CHANGES TO FEDERAL FUNDING PERCENTAGES

- Traditionally, federal funding has covered 80% of a project's cost with the state and/or local partner required to provide a 20% match. For transit projects, that match has typically been 50/50.
- This plan would flip those percentages with the federal government funding 20% of a project's cost and requiring a combination of state, local or private funds to cover the other 80%.
- Through this change, the administration seeks to leverage \$200 billion in direct federal spending to generate \$1.5 trillion in total spending over 10 years.





## INFRASTRUCTURE INCENTIVES PROGRAM

- \$100 billion divided between the USDOT, Army Corps of Engineers and EPA.
- Heavily favors projects with new, sustainable, non-federal revenue streams (50% of application score).
- Infrastructure Incentives grants would be subject to project milestone schedules. Incomplete milestones after 2 years would void agreements and funds would be reallocated.



## RURAL INFRASTRUCTURE PROGRAM



- \$50 billion in federal funding
- Projects include transportation, broadband, water and waste, power and electric, and water resources.
- 80% of funds given directly to state governors as block grants for areas with populations under 50k.
- 20% of funds used for rural performance grants under each asset class.



## TRANSFORMATIVE PROJECTS PROGRAM

- \$20 billion program administered by the Department of Commerce
- Intended for “bold, innovative, and transformative infrastructure projects” which are “likely to be commercially viable, but that possess unique technical and risk characteristics that otherwise deter private sector investment.”
- Funding available for 3 tracks: demonstration, project planning, capital construction.



## INFRASTRUCTURE FINANCING PROGRAMS

- \$20 billion overall to expand existing federal credit programs including:
  - Transportation Infrastructure Finance and Innovation Act (TIFIA) loans.
  - Railroad Rehabilitation and Improvement Financing (RRIF) program
  - Water Infrastructure Finance and Innovation Act (WIFIA).
- USDA Rural Utilities Service (RUS) lending programs
- Broaden eligibility to use Private Activity Bonds



## CAPITAL FINANCING FUND

- \$10 billion capital financing program for the construction of federal office buildings and similar infrastructure for government use.



## OTHER ITEMS AND FUNDING

- Would require value capture (TIF) financing as condition for federal transit funds.
- Suggests selling off Dulles International and Reagan National airports and other federal assets.
- Recommends lifting the ban in interstate tolling.
- Seeks to increase the speed of environmental reviews.
- Funding for this plan would come from cuts to other areas of the federal infrastructure budget, including:
  - Amtrak
  - TIGER grant program
  - FTA Capital Investment program
- No new revenue is generated under this plan.





## CONCLUSIONS AND IMPACTS

- This plan would force state and local governments to shoulder the majority of the cost for infrastructure projects.
- Favors rural areas at the expense of metropolitan areas.
- Does not raise federal motor fuel tax or address insolvency of the Highway trust fund
- Favors public-private partnerships and projects that can generate revenue (toll roads, bridges)
- Even if the plan manages to leverage \$1.5 trillion in spending, that still falls far short of the American Society of Civil Engineers estimated \$4.5 trillion infrastructure backlog.



# QUESTIONS?