

PUBLICATION

Movement on Infrastructure Package Possible, but Unlikely this Fall

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Dating all the way back to the campaign last year, President Trump has long focused on advancing a broad-based infrastructure investment program. Initially expected this spring, the White House is now expected to release an infrastructure plan sometime this fall. Details of the plan remain sparse, but it is generally understood that the proposal will include roughly \$200 billion in federal spending over ten years aimed at unlocking another \$800 billion in private investment and local matching funds. The plan will also likely include "massive permit reform" to cut approval times on major projects to two years or less, from ten years typically now; loans and grants to improve rural infrastructure; and funding for "transformative projects," like broadband and power grid improvements. In addition, the effort will likely include bolstering existing programs funded through the Finance and Innovation Act and new "incentives" to encourage states and localities to bankroll their own projects, officials said.

At various points, there had been speculation that either revenue from tax reform would be utilized to pay for the infrastructure spending or that the two measures would be combined into a single bill. However, both of these possibilities have become less likely as the border adjustment tax – the tax reform bill's single largest revenue raiser – was dropped from consideration. In addition, congressional leadership pushed back against combination of the two bills, fearing a combined bill would fail to attract the democratic support cited by the President and make the tax bill more difficult to pass.

In lieu of progress in Congress, President Trump has issued a number of executive orders aimed at streamlining infrastructure construction timelines. The most recent executive order, issued in August, aims to reduce the environmental permit process from an average of seven years to two years for "complex" highway projects, ensure that one federal agency manages each project's paperwork, and eliminates an Obama-era flood standard requiring federally funded projects to be built to withstand the stronger storms projected to occur as the planet's temperature rises.

Takeaway: Long a priority of the President, a major federal infrastructure investment program seems to have stalled as other priorities and more immediate fiscal deadlines have taken center stage. Officials insist the Administration will release a proposal sometime this fall, most likely after tax reform, but the precise timeline remains unclear.