

May 11, 2017



***AFTER THE FIRST 100 DAYS: TRANSPORTATION PRIORITIES OF THE
NEW ADMINISTRATION***

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<http://ntl.bts.gov/networking/roundtable.html>

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TRANSPORTATION LIBRARIANS ROUNDTABLE AFTER THE FIRST 100 DAYS: TRANSPORTATION PRIORITIES OF THE NEW ADMINISTRATION

Joung H. Lee

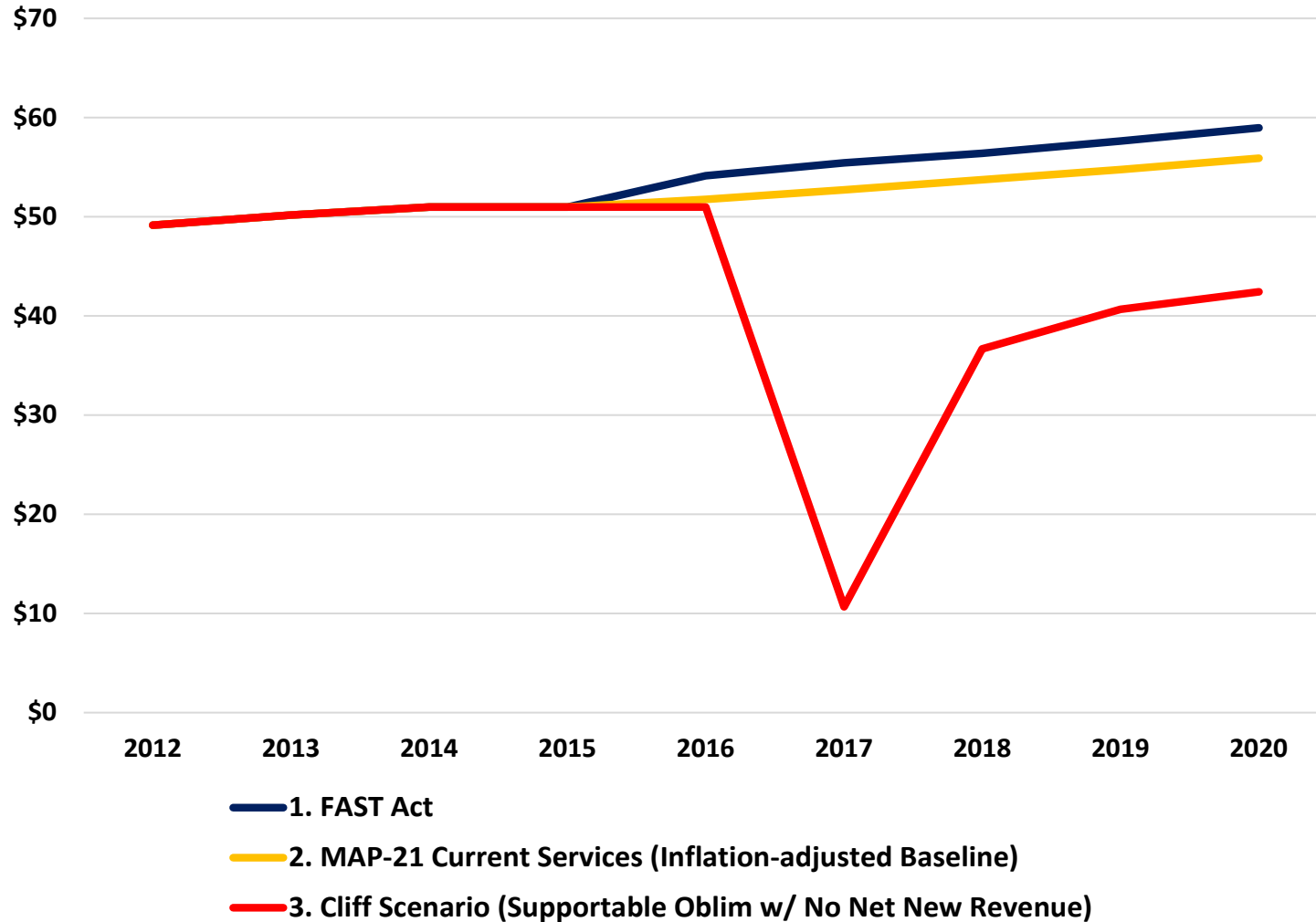
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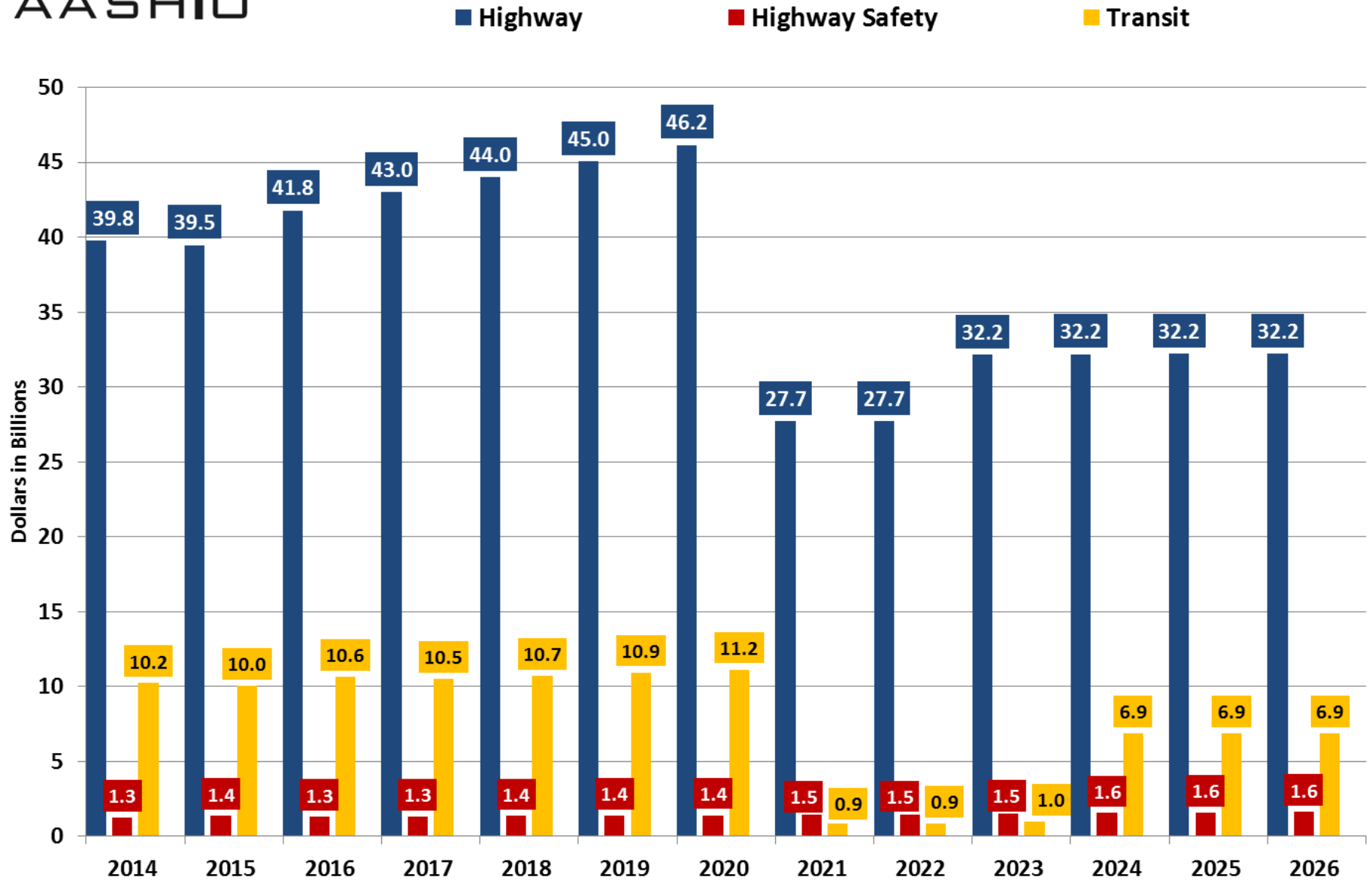


COMPARISON OF ESTIMATED ANNUAL HIGHWAY AND TRANSIT OBLIGATIONS

In billions of dollars



ESTIMATED FEDERAL HIGHWAY TRUST FUND OBLIGATIONS



For illustrative purposes, this scenario assumes maintenance of a "minimum prudence balance" of \$4 billion in the Highway Account and \$1 billion in the Mass Transit Account.

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HOW WE GOT HERE

November 2015

\$275 billion proposal

That's why Hillary Clinton is announcing a five-year \$275 billion dollar infrastructure plan.

Clinton would increase federal infrastructure funding by \$275 billion over a five-year period, fully paying for these investments through business tax reform. Of these funds, she would allocate \$250 billion to direct public investment. She would allocate the other \$25 billion to a national infrastructure bank, dedicated to advancing our competitive advantage for the 21st century economy. The bank would leverage its \$25 billion in funds to support up to an additional \$225 billion in direct loans, loan guarantees, and other forms of credit enhancement —meaning that Clinton's infrastructure plan would in total result in up to \$500 billion in federally supported investment. The bank would also administer part of a renewed and expanded Build American Bonds program, and would look for opportunities to work with partners in the private sector to get the best possible outcomes for the American people.



HOW WE GOT HERE

August 2016

\$550 billion proposal

Donald Trump Proposes to Double Hillary Clinton's Spending on Infrastructure

By ALAN RAPPEPORT AUG. 2, 2016



HOW WE GOT HERE

October 2016

\$1 trillion proposal

An analysis by Wilbur Ross, a private equity investor, and Peter Navarro, UC-Irvine business professor. Both are senior policy advisors to the Trump campaign.

We believe that this tax credit-assisted program could help finance up to a trillion dollars' worth of projects over a ten-year period. This innovative financing option would serve as a critical supplement to existing financing programs, public-private partnerships, Build America Bonds, and other prudent funding opportunities.

PRESIDENT TRUMP'S QUOTES

“I don’t even think it’s a big part of [jobs]. It’s going to be a big number but I think I am doing things that are more important than infrastructure, but infrastructure is still a part of it, and we’re talking about a very large-scale infrastructure bill. And that’s not a very Republican thing—I didn’t even know that, frankly.”

November 23, 2016



PRESIDENT TRUMP'S QUOTES

“I'm going to have a big statement tomorrow night on infrastructure,” Trump said. “We spend \$6 trillion in the Middle East and we have potholes all over our highways and our roads... so we're going to take care of that. Infrastructure—we're going to start spending on infrastructure big. Not like we have a choice. It's not like, oh gee, let's hold it off.”

February 27, 2017





DESIGNING THE INFRASTRUCTURE PACKAGE

- Utilize existing formula-based funding to states instead of a project list
 - Investments flow to every area of the country
 - Flexible with long track record of efficiency
 - Project lists tend to lead to select “winner” and “losers”





DESIGNING THE INFRASTRUCTURE PACKAGE

- Direct Funding Instead of Financing Tools
 - Most transportation projects simply cannot generate a sufficient revenue stream
 - Non-direct funding amount to 18% of capital outlays





DESIGNING THE INFRASTRUCTURE PACKAGE

- Focus on Transportation Investments that Produce Long-term Benefits
 - Generates a multi-decade return on investment in the form of improved productivity and quality of life
 - \$1 of highway and bridge improvements = \$5.20 benefit in vehicle maintenance costs, reduced delays and fuel consumption, improved safety
 - Unlike 2008, this is an opportune time to secure our economic future for the long-term through modernized transportation infrastructure



FY 2018 “SKINNY BUDGET”

- 13 percent reduction in discretionary spending for US Department of Transportation
 - Eliminates TIGER discretionary grants
 - Eliminates long-distance Amtrak support
 - Eliminates Essential Air Service
 - No new transit projects funded under Capital Investment Grants (New Starts)
- OMB Director Mick Mulvaney
 - "What we're saying is, 'Look, for years and years we have built infrastructure like this and it doesn't work very well, so what we're doing now is we're taking it out of the discretionary budget and we're going to move it into the larger infrastructure plan this summer.'"



INFRASTRUCTURE ASSET CLASSES

AIR TRAFFIC CONTROL

DAMS AND LEVEES

ROADS AND BRIDGES

PASSENGER RAIL AND TRANSIT

WATER AND WASTEWATER

AIRPORTS

GOVERNMENT HOUSING AND BUILDINGS

TELECOM

ELECTRIC TRANSMISSION

PIPELINES

FREIGHT RAIL

PORTS AND WATERWAYS

BROADBAND

PRISONS

SOCIAL INFRASTRUCTURE: SCHOOLS, HOSPITALS, PARKS

REAL ESTATE

POWER GENERATION

OIL EXPLORATION AND PRODUCTION

LESS FEDERAL INFLUENCE



WORK STREAMS AND EXAMPLES

- Launch new projects: Air traffic control reform
- Expedite existing projects: Keystone XL
- Adjust policies: FHWA SEP-15 program
- Adjust regulations: Pre-NEPA right-of-way acquisition and design regulations
- Adjust statutes: Federal Permitting Improvement Steering Council from FAST Act
- Expand funding: Broaden TIFIA and Private Activity Bonds; enable PPPs



BROAD QUESTIONS

How much resource?

- Amount of federal budgetary support: \$200 billion?
- Amount of total project investments induced: \$1+ trillion?
- How do we pay for this?



BROAD QUESTIONS

How to target investment?

- How much for transportation versus other infrastructure sectors?
- Programmatic or project based?
- “Shovel-ready”?

How to time the legislation?

- After American Health Care Act and tax reform? Or combined?



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Thank you for attending!

Join us next month:



Title: Smart Growth and Complete Streets

SPEAKERS: Emiko Atherton & Debra Alvarez

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<https://ntl.bts.gov/networking/tlrarchive/index.html>