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## Trump Budget Said to Include \$200 Billion for Infrastructure.

- **Budget first step in Trump's \$1 trillion infrastructure plan**
- **Federal funds aim to spark state, local and private investment**

President Donald Trump will propose spending \$200 billion in federal funds over 10 years to spur investment in the nation's infrastructure, a senior Office of Management and Budget official said.

The administration's aim for the funds, which will be part of the budget proposal Trump plans to release on May 23, is to provide incentives for at least \$800 billion of infrastructure investment by the private sector and state and local governments, said the official, who spoke on condition of anonymity because the plans were not yet public.

Administration officials are examining the use of federal grants and loans as well as other vehicles to spur the investment, much as the existing Transportation Infrastructure Finance and Innovation Act loan program leverages federal funding for state and local spending, the official said.

One option likely to be part of the plan is asset recycling, in which the federal government offers an incentive to encourage a state or municipality to lease a public asset to the private sector in return for an upfront payment that can be used for other projects that lack funding, according to the official.

Most U.S. infrastructure is owned and controlled by states, localities and private entities. Trump's plan, the official said, will be designed to encourage them to secure their own funding and financing rather than relying on the federal government.

Trump promised throughout the campaign and since taking office to invest \$1 trillion over 10 years to upgrade roads, bridges, airports and other assets. The \$200 billion in the budget being released next week would be mostly spent between years two through six in the 10-year budget window, the official said, adding that it would be offset to avoid adding to the deficit. The official didn't specify how.

The administration also has convened a task force of 16 federal agencies to identify rules, regulations and statutes that could be changed to streamline the environmental review and permitting process to accelerate projects.

U.S. Transportation Secretary Elaine Chao has said the administration is providing principles for its infrastructure plan this month, with a complete legislative package expected by the third quarter.

Officials are using a broad definition of infrastructure that includes veterans' hospitals, energy and broadband, Chao said during testimony on Wednesday at the Senate Environment and Public Works Committee. Administration officials also have said the plan will encourage public-private partnerships as a way to tap the estimated trillions of dollars in available private capital worldwide.

Democrats and even some Republicans have said such deals don't work in rural areas that can't support tolls or a revenue stream needed to secure private investment, and Chao said during her Senate testimony that the administration is committed to meeting both rural and urban infrastructure needs.

Chao has said Trump's plan could involve consideration for "special projects" that are not candidates for private investment and need to be funded directly, though the plan probably won't include a list of specific projects, she said.

## **Bloomberg**

by Mark Niquette

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