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What Does the Demise of Trump's Infrastructure Council Mean?

DALLAS — The abrupt demise of President Trump's infrastructure council less than one month after it was officially established should not be an impediment to the administration's pledge to deliver an infrastructure renewal proposal to Congress next month, industry observers said.

The dissolution of the infrastructure council is not a problem because it was not a serious effort in the first place, said Robert Poole, director of transportation policy at the Reason Foundation.

"I'm not that concerned, since I saw the infrastructure council as mostly window dressing," Poole said. "The hard work seems to be getting done by Gary Cohn and D.J. Gribbin at the National Economic Council and by [Transportation Secretary Elaine] Chao and her staff."

"With all the folks in the agencies and in the White House involved with infrastructure, I don't think there is a shortage of qualified people to work on an infrastructure package," said Dave Bauer, senior vice president of government relations at the American Road and Transportation Builders Association.

The White House said late Thursday that the council, which was announced July 19 but never met and had no appointed members, "will not move forward." The infrastructure council was one of three presidential business advisory panels that were terminated following criticism of Trump's statements on Tuesday blaming both sides for the violence over the weekend in Charlottesville, Va.

"The President has announced the end of the Manufacturing Council and the Strategy & Policy Forum. In addition, the President's Advisory Council on Infrastructure, which was still being formed, will not move forward," a White House official said.

Chao told lawmakers on a Senate appropriations panel last month that a multi-agency task force is working on a 10-year, \$1 trillion infrastructure renewal effort that would be sent to Congress in September.

The dissolution of the infrastructure panel is a bonus for the municipal bond market, not a sign that the Trump administration is losing interest in infrastructure, said Matt Posner, managing director of capital markets at Neighborly, a San Francisco-based broker-dealer.

There would have been no representatives from municipal finance on the 15-member infrastructure panel that would have been loaded with real estate developers and business executives, he said.

"I actually think this is a nice opportunity," said Posner. "I don't see this as an unwillingness to pay attention to the issue. Under that committee there was zero chance that municipalities were going to be taken seriously."

There is mounting political pressure on Trump to get something done on infrastructure, which he and Democratic rival Hillary Clinton campaigned on heavily last year, Posner said.

Lawmakers are far more bipartisan on the infrastructure agenda than on other issues such as healthcare or tax reform, Posner said, adding he fully expects some effort to materialize despite the dissolution of the infrastructure committee.

"There is going to be some legislation put out there," he said. "I think infrastructure in general is a path of less resistance."

The end of the council should not affect development of administration's infrastructure proposal, said transportation financing consultant Jack Basso of Peter J. Basso & Associates LLC.

"It's not a big deal," said Basso, a former chief operating officer of the American Association of State Highway and Transportation Officials. "It's just not that important. It never met and nobody was ever appointed to it."

Infrastructure policy is best developed through a robust debate that includes a variety of viewpoints, said Brian Turmail, senior director of public affairs for the Associated General Contractors of America.

"Certainly any move that limits the range of voices participating in that conversation runs the risk of undermining the quality, and perhaps the political viability, of the administration's long-promised proposal," Turmail said. "Even without this group, however, we will continue to hold frequent conversations with administration officials to make sure the construction industry's voice is well represented as the White House crafts its infrastructure proposal."

Divisions in Congress over health care, immigration, and tax reform pose a bigger roadblock for infrastructure than the lack of an infrastructure council, said Poole.

"The disorganization in Congress makes it less and less likely that they will get to an infrastructure bill this year," Poole said. "I'd be pleased to see a serious tax reform bill by the end of the calendar year, with an infrastructure bill after they come back from the Christmas/New Year holiday."

The industry's optimism remains despite a mounting track record of stalled plans, infighting in the White House, and an increasingly contentious relationship between Trump and lawmakers in his own party. The president's push to repeal Obamacare has now died two public deaths, most recently last month when ailing Arizona Republican Sen. John McCain cast a surprising vote against the repeal measure Trump urged Republicans to pass.

Republicans have not advanced a tax reform agenda, another Trump campaign pledge. The president has traded barbs through the media with Senate Majority Leader Mitch McConnell, R-Ky. Republican lawmakers have been all too willing to criticize the president over the past week, rebuking him for a perceived failure to unequivocally denounce a white supremacist march in Charlottesville at which a woman lost her life and others were hurt.

Trump has also had major shakeups within the White House, dismissing communications director Anthony Scaramucci July 31 after he had served fewer than two weeks on the job. Scaramucci's brief tenure also saw the resignation of White House chief of staff Reince Priebus and his subsequent replacement by John Kelly, who had been Homeland Security secretary. Trump announced Friday that chief strategist Steve Bannon, a confidant and key member of his campaign, would also be out of the West Wing,

Chris Hamel, managing director and head of municipal finance at RBC Capital Markets, urged patience.

“The administration and Washington policymakers are sincere in wanting to advance meaningful policy to improve our infrastructure,” Hamel said. “The process will be long, though, so we should keep our focus on the end goal.”

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