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Chao: Solution Elusive for More Infrastructure Funding.

DALLAS — Figuring out how to pay for a massive program to rebuild the national transportation infrastructure is one of the biggest, most complex questions facing the Trump administration and Congress, Transportation Secretary Elaine Chao said Sunday in her first public appearance since taking office on Jan. 31.

There is currently no consensus on Capitol Hill or across the country on the best ways to finance infrastructure renewal, Chao told the state executives at the National Governors Association's winter meeting in Washington.

"Everybody wants a better transportation system but very few people want to pay for it, so that's a big conundrum," she said.

The \$305 billion Fixing America's Surface Transportation Act that passed in late 2015 provided five years of federal transportation funding to the states but that required the infusion of some \$70 billion of general fund transfers to the Highway Trust Fund, Chao pointed out.

"There are a number of ways for improving critical infrastructure, but the pay-fors are going to be hard," she said. "There will be a lot of discussion about pay-fors and that will be a tremendous challenge. I think that if we all decide that there are things that we think are very important, we all need to come to a national consensus about how to do that."

Chao pushed back on reports last week that Republican leaders in Congress hope to defer the infrastructure funding debate into 2018 as lawmakers deal this year with reforming health care, immigration, and the tax code.

"There seems to be bipartisan support for addressing the infrastructure needs of our country. So if not now, when? I believe the time is now," she said. "There's no better time in my recent memory than now for the recognition that the infrastructure of our country is critical."

Chao provided no additional details on the \$1 trillion, 10-year infrastructure program that the Trump campaign unveiled in late October, but said President Trump will discuss the issue when he addresses the NGA on Monday and then again during his speech to a joint session of Congress on Tuesday night.

"The president is very futuristic-looking," Chao said. "He's thinking about a transportation system and an infrastructure system that includes not only transportation but other aspects of critical infrastructure that will make us more competitive internationally."

The president's futuristic outlook includes high-speed rail as a component in a 21st century transportation network, she said.

Chao said she met recently with sponsors of the proposed privately funded HSR system between Dallas and Houston.

“High-speed rail is part of the thinking of the future of transportation systems in our country,” she said. “This is not to say they are without problems. Eminent domain is a huge issue with any of high-speed rail projects.”

The Trump plan relies on attracting private investments to revenue-generating infrastructure, but public-private partnerships are not the only tool in the president’s toolbox, Chao said.

“We do look forward to public-private partnerships but that is not the answer to everything,” she said. “There is a lack of consumer acceptance for toll roads in certain areas.”

This would be the best time in years for Congress to fix infrastructure funding, said Bud Wright, executive director of the American Association of State Highway and Transportation Officials.

“This is one of those rare times when infrastructure is a principal topic in Washington, D.C.,” Wright said. “From the presidential campaign to now, infrastructure seems as though it is going to be at the forefront of [Trump’s] policy agenda.”

Hundreds of state highway executives will be in Washington this week to lobby their congressional delegations on the need for a long-term, sustainable source of transportation funding, he said.

“We know we have a Highway Trust Fund that’s broken,” Wright said.

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By Jim Watts

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