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Transportation Advocates to Trump: Where's the Money?

The president's budget proposal has many in the industry worried that he might break his promise to spend $1 trillion on infrastructure.

One of President Trump's most popular promises has been his oft-repeated pledge to spend $1 trillion in infrastructure improvements. While he has never given much detail about how he'd do that, the idea was enough to give hope to local officials, state highway departments and transit agencies.

But those hopes are beginning to dim.

Earlier this month, the Trump administration released a budget outline that called for cutting funding for the U.S. Department of Transportation by 12.7 percent. The new president also proposed eliminating popular programs, such as competitive TIGER grants, which are used to build large, intermodal projects, and New Starts, which funds transit construction.

In addition, the administration wants to ax subsidies for air service in small cities and eliminate Amtrak services for unprofitable routes in the South and West. The plan, which has informally been referred to as the "skinny budget," would cut Energy Department programs for researching new vehicle technologies, and scale back funding for the U.S. Army Corps of Engineers, which maintains ports, rivers and other waterways throughout the country.

Cuts like these, many observers say, are at odds with a president who envisions himself a builder.

"There's clearly an inconsistency between the campaign promises and the very first budget proposal," says Robert Puentes, the president and CEO of the Eno Center for Transportation. "We know [infrastructure] is not the first policy priority, but the skinny budget has left people scratching their heads."

Trump's top budget aide, Office of Management and Budget Director Mick Mulvaney, acknowledged the dissonance while discussing the budget outline.

"People might say, 'Well, goodness gracious, that doesn't line up with what the president said about a commitment to infrastructure.' That was done intentionally," Mulvaney told reporters. "Why? Because we believe those programs to be less efficient than the infrastructure package that we're working on for later this year. So what we've effectively done is try to move money out of existing, more inefficient programs, and hold that money for what we expect to be more efficient infrastructure programs later on."

But without any details about what would be in the new infrastructure package, that explanation isn't likely to sit well with transportation advocates.

"Actions that result in a reduction to U.S. transportation system investment concern us, so we're anxious to see the president's full infrastructure investment package to put the proposals outlined in this budget in context," says Bud Wright, the executive director of the American Association of State

Highway and Transportation Officials.

Linda Bailey, the executive director of the National Association of City Transportation Officials, went further, saying the Trump budget outline would be a “disaster for cities.”

“President Trump has promised to rebuild our nation’s infrastructure with a widely touted $1 trillion infrastructure plan,” she says. “But it is impossible to square his words with his budget proposal.”

Trump’s budget proposal also suggested large cuts to popular programs like Meals on Wheels, public television and energy assistance for low-income Americans in order to pay for increases in military spending.

Marcia Hale, the president of Build America’s Future, says the combination of all of those unpopular proposals makes it unlikely that Congress will go along with the Trump blueprint. She doesn’t think the fate of the budget proposal will directly affect the president’s plans to invest in infrastructure. But Hale anticipates that the administration will focus on areas that could attract private financing, such as toll roads, water and broadband.

Puentes, the president of the Eno Center, says Trump’s background may give him a different perspective on what is crucial infrastructure. Trump may be more interested in spurring real estate developments than, say, funding public transportation.

In his first weeks in office, Trump’s biggest impact on infrastructure will ultimately benefit private developers. The president signed executive measures that encouraged construction of two controversial oil pipelines, the Keystone XL Pipeline and the Dakota Access Pipeline.

Just weeks before Election Day, Trump’s campaign released a short infrastructure plan that would have relied primarily on tax credits for private investors. That plan received only tepid support from transportation advocates because it did not include any new revenue to pay for projects. It also focused solely on projects that would generate their own revenue, which wouldn’t really help residents in rural areas or agencies with major repair and maintenance needs.

Both Commerce Secretary Wilbur Ross, one of the two authors of the Trump campaign proposal, and Transportation Secretary Elaine Chao, said during their confirmation hearings that new federal revenues would be needed to address the country’s infrastructure needs. But they didn’t elaborate.

“The infrastructure paper I put out was meant to provide another tool, not to be the be all and end all,” Ross told a Senate panel in January. “There will be some necessity for [direct federal spending on transportation], whether it’s in the form of guarantees or direct investment or whatever.”

For now, though, transportation advocates will have to wait to see whether that funding materializes and, if it does, whether it will be used to pay for the needs at the top of their lists.

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