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Who pays for Trump's $1.5T public works plan?

President Donald Trump wants $1.5 trillion for infrastructure. All he needs is a way to pay for it.

Lawmakers from both parties and industry representatives say they're still waiting for key details months after Trump promised a plan to restore the nation's roads and bridges. They're also skeptical about prospects for legislation that doesn't include robust federal contributions for projects and specific financing sources.

Trump urged Congress in his State of the Union speech Tuesday night to put forward a $1.5 trillion bipartisan infrastructure bill that envisions greater reliance on local and private-sector money. His request left even some Republicans searching for more details.

While leveraging public dollars is a good start, "the question is, how are you going to pay for it?" John Cornyn of Texas, the No. 2 Senate Republican, said after the speech.

In a speech to lawmakers last year, the president mentioned a $1 trillion infrastructure figure. That was increased to $1.5 trillion after his team met with state and local officials who showed enthusiasm for the plan and its incentives, a White House official said. The administration has proposed contributing at least $200 billion in federal funds over 10 years to spur spending by states, localities and the private sector.

A fact sheet released along with the State of the Union address said half of the funds would go toward generating state and local investments in infrastructure. That would be achieved by offering grants with preference given to applicants that generate their own revenue for projects, administration officials have said.

The White House said Wednesday it plans to send detailed principles to Congress in the coming weeks, after the legislative calendar and a government shutdown caused a delay in the public rollout of the plan.

Republican lawmakers will be discussing infrastructure at their policy retreat Thursday in West Virginia, said Rep. Cathy McMorris Rodgers of Washington, the chairwoman of the House Republican Conference. Trump is spoke to the group Thursday, and Transportation Secretary Elaine Chao and National Economic Council Director Gary Cohn will participate to discuss the administration's proposal, McMorris Rodgers said.

"If we could find a way to pay for it, I believe that the Republicans and the Democrats would love to be able to move forward and deliver a major infrastructure package for the country," McMorris Rodgers said a news conference. "The question is, how do we pay for it?"

Republican Charlie Dent of Pennsylvania, a retiring member of the House Appropriations Committee, also said that financing is the big question. "We're going to need a recurring source of revenue on infrastructure," he said after Trump's speech.

The administration has pointed to unspecified budget savings to account for the $200 billion federal

contribution, saying it's open to conversations about other funding sources or a larger figure, but wants to negotiate those details with lawmakers.

"Without real federal funding to address the huge backlog of desperately needed improvements to the nation's roads, bridges, public transit, airports, water systems, and other critical assets, it's an empty promise," Dave Raymond, president and chief executive of the American Council of Engineering Companies, said in a statement.

Congressional hurdles

Key Congressional Democrats Trump needs to pass a bill have already said $200 billion from the federal government isn't enough. They doubt Republican leaders will approve more spending in a mid-term election year after passing the $1.5 trillion tax overhaul, which didn't allocate money for infrastructure.

"The only way there will be funding for infrastructure will be by a very strong push for it by the White House," said Rep. Peter DeFazio of Oregon, the top Democrat on the House Transportation and Infrastructure Committee.

Some governors and mayors also say they're already doing their fair share, and that they need a more reliable federal partner. Twenty-six states have raised or adjusted their motor-fuel tax rates and other fees during the past five years, and voters in 20 states approved $4.25 billion in new and continued financing for infrastructure in Nov. 7 ballot issues alone, according to the American Road & Transportation Builders Association.

"The cities are doing most of it now in terms of the existing infrastructure that we've got," Little Rock Mayor Mark Stodola, president of the National League of Cities, said at an event in Washington on Jan. 18.

Industry groups are focused on stabilizing the Highway Trust Fund, which uses federal fuel taxes to pay for transportation and transit projects. Congress has kept the fund solvent with transfers from other sources, and it is projected to become insolvent by 2021 without additional money, according to the Congressional Budget Office.

Organizations including the U.S. Chamber of Commerce are calling for an increase in the gas tax — which hasn't been raised since 1993 — as the most efficient way to raise more money, though the idea still faces Republican opposition in Congress.

Rep. Bill Shuster of Pennsylvania, chairman of the House Transportation and Infrastructure Committee, told reporters he brought up the gas tax at the Republican policy retreat and the response was mixed.

"Nobody wants to raise any taxes, but this is something that's understandable and efficient," Shuster said. "If you did 15 cents — that's a cup of coffee a week or two bottles of water."

Shuster said one concept being explored is asset recycling, which involves selling or leasing airports and other public facilities to the private sector to raise money for projects, a concept Democrats generally oppose. Australia had such a program, and officials from that country have pitched the idea in the U.S.

The American Trucking Associations has proposed a 20-cent-per-gallon fee on all transportation fuels at the wholesale level over four years to generate as much as $340 billion in highway funding over 10 years. A funding source will be needed to get a bill through Congress, said Chris Spear, the

group’s president and chief executive officer.

“It really comes down to, do you want to make a statement, or do you want to win?” Spear said “To win, you have to put real money on the table.”

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