While not likely to be a major issue in the fall campaign, the future of the nation’s infrastructure did receive some attention in the party platforms released last month in advance of the Republican and Democratic presidential nominating conventions. The platforms reveal very different philosophies that could guide the federal government’s approach to infrastructure in the years to come and have a huge impact for states seeking to meet their future infrastructure needs. But the statements of the presidential candidates themselves on infrastructure issues are also prompting some attention this week.

**Democratic Platform: Create Infrastructure Bank, New Build America Bonds Program**

The 2016 Democratic Party Platform approved last month emphasizes the importance of infrastructure to future economic growth.

“If we are serious about reversing the decline of the middle class, we need major federal investments to rebuild our crumbling infrastructure and put millions of Americans back to work in decent paying jobs in both the public and private sectors,” the platform committee wrote. “We will put Americans to work updating and expanding our roads, bridges, public transit, airports, and passenger and freight rail lines.”

The platform further mentions energy and water systems, schools and broadband networks as infrastructure ripe for reinvestment. Democrats also hope such investments can help address another issue as well.

“We will protect communities from the impact of climate change and help them to mitigate its effects by investing in green and resilient infrastructure,” the platform reads.

While the platform says little about how to inject additional federal funding into infrastructure, it does weigh in on some tools that could be important in helping states finance infrastructure projects.

“Democrats will also create an independent, national infrastructure bank that will support critical infrastructure improvements,” the Democratic platform reads. “This bank will provide loans and other financial assistance for investments in energy, water, broadband, transportation, and multi-modal infrastructure projects.”

The platform also says Democrats will continue to support the interest tax exemption on municipal bonds, which help many communities borrow to finance infrastructure projects. And Democrats will seek to encourage infrastructure investment by state and local governments by working to create a permanent version of the Build America Bonds program, according to the platform.

**Republican Platform: Phase Out Federal Transit Program, Other Highway Trust Fund “Diversions”**
While noting that “everyone agrees on the need for clean water and safe roads, rail, bridges, ports, and airports” and that “over time, additional revenue will be needed to expand the carrying capacity of roads and bridges,” the 2016 Republican Party Platform is notable not for recommending ways for investing more in infrastructure but for suggesting programs and projects party leaders deem unworthy of investment.

“We propose to remove from the Highway Trust Fund programs that should not be the business of the federal government,” the platform reads. “More than a quarter of the Fund’s spending is diverted from its original purpose.”

Republicans believe the biggest such diversion is mass transit, which accounts for one fifth of Highway Trust Fund spending and which the platform describes as “an inherently local affair that serves only a small portion of the population, concentrated in six big cities.”

“We propose to phase out the federal transit program,” the platform reads.

The platform also looks unfavorably on using federal funds for bike-share programs, sidewalks, recreational trails, landscaping, historical renovations, ferries, the federal lands access program, scenic byways, and education initiatives.

Republicans also seek to take one potential funding source for future infrastructure investment off the table.

“With most of the states increasing their own funding for transportation, we oppose a further increase in the federal gas tax,” the platform committee writes.

The federal gas tax has remained unchanged since 1993 and was never indexed to inflation.

Instead, Republicans recommend facilitating the use of another tool for getting infrastructure projects done.

“We will remove legal roadblocks to public-private partnership agreements that can save the taxpayers’ money and bring outside investment to meet a community’s needs,” the platform reads.

The Republican platform also recommends:

- Reforming provisions of the National Environmental Policy Act (NEPA) as a means of speeding up and lowering the cost of transportation projects.
- Repealing the Davis-Bacon Act, the 1931 federal law that requires local prevailing wages be paid to laborers and mechanics on public works projects, which Republicans contend “drives up construction and maintenance costs for the benefit of unions.”
- Reversing the policy that allows Transportation Security Administration personnel to unionize.
- Allowing private ventures to provide passenger rail service in the northeast corridor to compete with Amtrak, which the platform describes as “an extremely expensive railroad for the American taxpayers, who must subsidize every ticket.”
- Ending federal support for California’s high-speed rail project.

**Clinton, Trump on Infrastructure Spending**

So party platforms aside, where do the presidential candidates themselves stand on infrastructure investment?

Last November, Hillary Clinton announced a proposal to increase federal infrastructure funding by
$275 billion over five years. The plan would be fully paid for, the Clinton campaign said, through “business tax reform.” Of the $275 billion, $250 would go to direct public investment and the other $25 billion would be used to capitalize a national infrastructure bank that could leverage an additional $225 billion in direct loans, loan guarantees and credit enhancement.

Among other things, the Clinton plan promises to harness both public and private capital to:

- Fix and expand roads and bridges—reducing congestion and cutting the “pothole tax” Americans pay in car repairs as a result of infrastructure in disrepair.
- Expand public transit options. “Americans are increasingly living and working in and around urban communities, and they want a range of safe, affordable, convenient, and environmentally sustainable transportation options,” the plan reads.
- Enhance safety and economic growth by equipping infrastructure and cities with the technology of tomorrow.
- Build a faster, safer and higher capacity passenger rail system.

Not to be outdone and the Republican platform notwithstanding, Republican presidential nominee Donald Trump told the Fox Business Channel this week that he’d like to spend at least twice as much as Clinton to invest in new infrastructure as part of a broader effort to stimulate the U.S. economy, The New York Times noted.

“We have bridges that are falling down,” Trump said. “We have many, many bridges that are in danger of falling.”

Trump suggested the creation of an infrastructure fund that would be supported by government bonds that investors and citizens could purchase.

“We're going to have to go out with a fund,” he said. “We'll get a fund. We'll make a phenomenal deal with the low interest rates, and we're going to have to rebuild our infrastructure. We have no choice.”

But Trump’s statements struck many as being out of step with debt averse, fiscal conservatives in his party and a step to the left of Clinton.

And as The Times noted: “If Mr. Trump’s call for more spending sounds familiar, that could be because Lawrence H. Summers, who was President Bill Clinton’s Treasury secretary and the director of President Obama’s National Economic Council, has been saying the same thing. At a Democratic National Convention round table last week in Philadelphia, he said the United States should invest between $1 trillion and $2 trillion in infrastructure over the next 10 years.”

Possible Clinton Cabinet Choices

Politico this week looked at who might fill the slots in a Clinton cabinet should she win the presidential race. Among the names being floated to head the U.S. Department of Transportation, according to the publication: former Philadelphia Mayor Michael Nutter and FAA Administrator Michael Huerta. No word yet on potential Trump picks for DOT but one Forbes contributor last month suggested a candidate for the post if the Republican nominee were to go with a cabinet made up entirely of billionaires: Uber CEO Travis Kalanick.

Update on Ballot Measures

It looks like regional leaders in southeast Michigan have been able to rescue a proposal to have voters consider a property tax increase this November to generate $4.7 billion for expanded mass transit in Detroit and surrounding counties. The Detroit Free Press noted that the measure was in doubt.
last week after concerns were raised by officials from Macomb and Oakland counties. Back in June, I wrote about transportation ballot measures that will be considered in many states this fall for a Capitol Research brief.

Further Reading

- “Both parties claim support for investing in infrastructure. But how will they do it?” The Transport Politic, July 26, 2016.
- “Of Course the GOP Transportation Platform is a Catastrophe,” Streetsblog USA, July 21, 2016.
- “APTA opposed to GOP’s call to end federal funding of public transportation,” Progressive Railroading, July 20, 2016.

By: Wednesday, August 3, 2016 at 03:43 PM

© 2016 The Council of State Governments. All Rights Reserved.
Links


48828?email=sslone@csg.org&utm_medium=email&utm_source=prdailynews&utm_campaign=prdailynews07/20/2016
[17] http://www.slate.com/blogs/moneybox/2016/07/20/the_gop_platform_explains_why_the_party_has_ceased_to_compete_in_most_big.html