At a May 14 event to kick off Infrastructure Week 2018 in Washington, D.C., U.S. Secretary of Transportation Elaine Chao both reiterated the Trump administration’s hopes for a comprehensive infrastructure package this year and acknowledged the challenge inherent in making it a reality.

“This administration sent out a bill on Feb. 12 of this year to the Congress and we hope that there will be a bipartisan effort to talk about how we can rebuild and repair our infrastructure,” she said. “The difficulty is how do we pay for it.”

The administration proposed an infrastructure package that would seek $200 billion in federal funds that would be used to attract additional funds from states, localities and private investors and generate a total of $1.5 trillion. But the proposal left it up to Congress to figure out where that $200 billion would come from.

The administration has sought to champion a greater role for public-private partnerships in financing infrastructure projects. Chao pointed to Australia and some European countries where such arrangements are much more prevalent.

“I think in this country we’re not quite familiar with tapping the private sector and there’s also an element of distrust—that somehow the private sector is not going to do it right, when actually there are many, many benefits to including the private sector,” she said.

Chao said part of the challenge is that in 26 states there are restrictions on how the private sector can participate in the financing of public infrastructure.

Other speakers during Infrastructure Week said one of the reasons the Trump infrastructure plan hasn’t exactly caught fire among lawmakers this spring is that it seeks to shift much of the funding burden to states. Rep. Alan Lowenthal, a member of the House Transportation and Infrastructure Committee, represents portions of Los Angeles and Orange counties.

“I am proud of my district and the state of California and other states that have said ‘well, if the federal government is walking away, we’re going to be taxing ourselves. We’re going to be doing our own self-help,’” he said at a May 16 event hosted by the Coalition for America’s Gateways and Trade Corridors, or CAGTC. “So if you expect that now we’re going to do more of that and the federal government’s not going to do anything, that’s just pie-in-the-sky. It’s not reality.”

That’s one reason Lowenthal sees little chance for progress this year.

“We’re closing this Congress down now and I don’t think there’s going to be any major infrastructure bill at all,” he said.

It was later announced that House Transportation and Infrastructure Committee Chairman Bill Shuster hoped to introduce infrastructure legislation this summer. Senate Environment and Public Works
Committee Chairman James Inhofe also said during Infrastructure Week that he and his colleagues were actively working on coming up with $200 billion to make President Trump’s plan a reality.

**Some Infrastructure Legislation & Funding on the Horizon**

Whether or not a comprehensive infrastructure package emerges this year, there are several pieces of infrastructure-related legislation in the works that may benefit states.

Legislation to reauthorize the Federal Aviation Administration that passed the House in April and that’s expected to be considered by the Senate in June includes a provision to remove the cap on the number of airports that can be privatized. That could help more airports in the U.S. make upgrades to remain competitive with airports around the world that have partnered with the private sector to provide amenities to travelers.

“Cities are learning that they better darn well compete and invest in their airports because other people are,” said Glenn Youngkin of investment firm The Carlyle Group. “It’s estimated that over the course of the next 15 years, we need to spend between $150 billion and $250 billion on airports in order to bring them up to snuff.”

House and Senate committees used Infrastructure Week to advance each chamber’s version of the biennial Water Resources Development Act, or WRDA. Lawmakers also worked on an appropriations bill to fund the departments of Transportation and Housing and Urban Development that could include significant increases in highway formula funding.

In addition, the U.S. Department of Transportation is seeking to get as much competitive discretionary grant money out the door as they can before the election, said Jeff Davis of the Eno Center for Transportation at the CAGTC event, including $1.5 billion in freight-focused grants under the INFRA program (formerly called FASTLANE) and another $1.5 billion in grants under the BUILD program (formerly known as TIGER).

**Future of the Highway Trust Fund**

The Congressional Budget Office reported in April that the Highway Trust Fund is now scheduled to default in the spring of 2021. The FAST Act, the 2015 surface transportation legislation that bolstered gas tax revenues in the trust fund with an infusion of general fund dollars, is due to expire in the fall of 2020. The federal gas tax was last raised in 1993 and, while every penny of the 18.4-cent tax continues to bring in $1.8 billion for the trust fund annually, greater fuel efficiency will mean a drop to $1.6 billion per penny over 10 years.

U.S. Rep. Sam Graves, who chairs the House Transportation and Infrastructure Committee’s Highways and Transit Subcommittee, said he and his colleagues haven’t forgotten about the trust fund situation and he’s hopeful that a program included in the FAST Act could show Congress the way to ensure its future.

“We had ($95) million in there for states to be able to take a look at their ideas, alternative ways of collecting dollars to be able to sustain roads, bridges, infrastructure, everything,” he said. “We’ve got a lot of states that are actually doing some very interesting projects out there right now. We’re gathering that data all the time.”

Stating that he personally opposes expanded tolling and doesn’t want to see Congress expend political capital on raising the federal gas tax, when electric vehicles and other factors will eventually make it less reliable, Graves noted that many states are experimenting with mileage-based user fees.
But due to privacy concerns, Graves appears to have ruled out using GPS tracking devices to tally mileage and location data for private vehicles, as some mileage-based pilot projects have pursued. He said he would prefer to see a system that allowed drivers to pay at the gas pump at the time of their fuel purchase much as they pay gas taxes now.

**CSG Resources**


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