



# Next Stop for Infrastructure Policy: Congress

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Last Monday the White House released its long-anticipated infrastructure proposal. While the Administration has taken executive action on a number of infrastructure-related issues over the past year, most notably relating to the federal environmental review and permitting process, this proposal articulates the Administration's vision for federal infrastructure policy in the future, which will require the enactment of new legislation to accomplish.

The White House opted not to offer specific legislative language. This leaves Congress wide discretion regarding which concepts to include and how to translate them into legislative text. While Congress would not necessarily have been bound by White House legislative language, if the White House issued a first draft it would have reduced the likelihood that a Republican-controlled Congress would completely detour from the recommended policies. Instead, Congress must decide how much of the White House proposal to include when crafting and negotiating a new infrastructure spending bill.

There is no shortage of committees with legislative jurisdiction over the issues contained in the White House proposal. In the House, the Transportation and Infrastructure Committee, chaired by retiring Rep. Bill Shuster (R-PA), will take the lead. However, the Natural Resources Committee may be involved in any permit streamlining provisions. In the Senate, the Commerce, Science and Transportation Committee will share jurisdiction with the Environment and Public Works Committee, the Banking, Housing and Urban Affairs Committee (overseeing mass transit), the Energy and Natural Resources Committee, and the Finance Committee. The Chairs and Ranking Members of each committee will want to put their stamp on the legislation, and individual Members sitting on the committees will be focused on how proposals will affect their congressional district or state. Chairman Shuster has said that he and Transportation and Infrastructure Committee Ranking Member Peter DeFazio (D-OR) have already discussed working together on a bi-partisan infrastructure bill, but none of the committees have provided specific timelines.

The White House proposal addressed many topics, but avoided suggesting how Congress should pay for the additional spending. Solvency of the Highway Trust Fund has been a problem for a decade, and

Congress has yet to adopt a permanent solution. Congressional Democrats have generally supported increasing the 18.4-cent gas tax, but Republicans have consistently opposed this option. In a bipartisan meeting with Senators this week, President Trump reportedly agreed with the idea of a 25-cent increase to the gas tax focused on roads, highways and bridges, and Chairman Shuster has expressed public support for increasing the gas tax. Other Republicans, like Environment and Public Works Committee Chairman Barrasso (R-WY), oppose raising the gas tax but have not articulated what type of funding offset they would prefer. The level of public infrastructure spending across all levels of government has failed to keep pace with the nation's infrastructure backlog, so the bottom line is that any additional infrastructure spending will need to be offset somehow. If not an increase in the gas tax, then Congress will need to identify another revenue source to support increased infrastructure investment.

As part of the budget process laid out under the procedures of the House of Representatives, the Transportation and Infrastructure Committee transmitted its views and estimates on infrastructure legislation in fiscal year 2019 to the Budget Committee. The document highlights the importance of the fundamental federal role in infrastructure and notes that infrastructure legislation considered this year should leverag[e] resources from all levels of government and the private sector, and promote integrated transportation systems, technological solutions, and innovation. Views and estimates documents are usually routine documents that authorizing committees are required to submit under House rules, but which are mostly viewed as a pro-forma exercise. As a result, these documents are largely verbatim year to year and if there is a real budgetary issue at play, the chairman of the authorizing committee will usually go straight to the Budget Committee Chairman to express the issue and work out a deal. As a result, the fact that the Transportation and Infrastructure Committee's views and estimates document is so explicit about its priorities for infrastructure means that it should be taken that much more seriously.

Some have criticized the President for undermining the fundamental federal role in the nation's infrastructure development given the proposed cuts to passenger rail, public transit, and other existing infrastructure programs in the President's fiscal year 2019 budget proposal. The industry consensus is that these proposed cuts will never fly on Capitol Hill, and this views and estimates document takes that issue on explicitly by noting that the federal role is fundamental. The views and estimates also echo many of the core elements of the President's infrastructure proposal relating to leveraging non-federal resources and promoting integrated (read: multi-modal) transportation systems.

One further congressional development to watch is the impact of the new budget caps. The policies proposed by the White House must be codified to take effect, which means that the authorizing committees mentioned above will have jurisdiction and the responsibility to advance the relevant legislation. As previously discussed, the biggest job for Congress will be to figure out how to fund or offset the hundreds of billions of dollars in new spending that these policies require. In the new budget caps negotiated by Senate Majority Leader McConnell and Senate Minority Leader Schumer, congressional appropriators will have an additional \$20 billion to spend on infrastructure over the next two years. If the policy debate over the nuts and bolts of the White House proposal stalls, Congress may be tempted to take the easy way out and simply spend this additional \$20 billion and claim victory instead of finding a long-term solution to the nation's infrastructure needs. Recent polling regarding the budget and infrastructure spending suggests this may be a road to which a majority of Americans are open.