

ALERT

Grants Key Component of Trump's Infrastructure Initiative

February 14, 2018

WHAT: Earlier this week, President Trump released his long-awaited "American Infrastructure Initiative," which sets forth the administration's legislative agenda for rebuilding the nation's aging infrastructure. The President's plan calls for \$200 billion in direct federal funding, which is intended to spur \$1.5 trillion in infrastructure investments by state and local governments as well as the private sector over a ten-year period.

WHEN: The Initiative was released on February 12, 2018.

WHAT DOES IT MEAN FOR INDUSTRY: President Trump's plan acknowledges that the federal Government has historically played a significant role in the nation's infrastructure development, and should continue to do so. Most of the federal funding provided under the Initiative would be in the form of various grants awarded to states – including block grants, formula grants, performance grants, and other competitively awarded grants. States could use the federal grant funds – in combination with state, local, or private funding – to award sub-grants and contracts to private non-profit and for-profit entities to perform infrastructure projects that address each state's unique infrastructure needs. The plan also provides for public-private partnerships where state and local governments contract with private firms to build or manage infrastructure projects.

Highlights of the American Infrastructure Initiative include the following:

1. Stimulating Non-Federal Infrastructure Investments. Using federal funding, including grants, to stimulate state, local and private investments in a wide range of infrastructure projects,

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including surface transportation and airports, passenger rail, maritime and inland waterway ports, waterways, flood risk management, water supply, hydropower, water resources, drinking water facilities, wastewater facilities, storm water facilities, and Brownfield and Superfund sites.

2. Investing in Rural Infrastructure. Federal block and formula grants to states for rural infrastructure projects such as rebuilding and modernizing bridges, roads, water and wastewater assets, water resources, waterways, and power generation assets. Performance grants will also be available to states for expanding broadband access in rural communities.
3. Transformative Infrastructure Projects. Awarding competitive grants for transformative projects that have the potential to dramatically improve infrastructure in the future, while becoming self-sustaining, without the need for ongoing federal support.
4. Expanding Infrastructure Financing Programs. Increasing opportunities for state and local governments to finance large-scale infrastructure projects by expanding existing federal loan programs, including the Transportation Infrastructure Finance and Innovation Act (TIFIA), the Railroad Rehabilitation and Improvement Financing (RRIF) program, and the Water Infrastructure Finance and Innovation Act (WIFIA).
5. Streamlining the Infrastructure Permitting Process. Streamlining the federal environmental review and permitting process for major infrastructure projects by vesting decision-making authority in a single agency, amending existing statutory provisions to eliminate redundancy and inefficiency, and delegating certain aspects of the process to state and local authorities.
6. Workforce Development. Reforming federal education and workforce development programs to ensure skilled employees are available to perform infrastructure projects.

The Initiative will likely face an uphill legislative battle as nine different congressional committees and seven Cabinet agencies will be involved in crafting a bill to implement it. The administration has also indicated it will not seek new revenue to fund the bill, but will rather seek to pay for it through spending cuts.

Wiley Rein will monitor the progress of the Initiative and, when developments occur, provide further updates and analysis.