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White House turns to Congress for ideas on infrastructure funding

By Ashley Halsey III

The White House has proposed to spend \$200 billion more in infrastructure but remains unsettled on how to pay for the investment, despite President Trump's hints of an increase in the federal gas tax, his transportation chief said Tuesday.

Transportation Secretary Elaine Chao told a House committee that there has been "no resolution [within the administration] on how to pay for this proposal." "I think the good news is . . . that everything is on the table and this administration is open to considering all revenue sources," Chao told the House Transportation Committee. "We need the help and counsel of the Congress on this."

The search for fresh infrastructure funding is familiar to those who know the need, and surveys have shown that the public has developed increasing awareness that there is a problem.

The Trump administration last month proposed raising \$1.5 trillion over 10 years, but few experts think that goal will be achieved, particularly after the sweeping tax cut bill approved last year. The White House says the federal government should contribute

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\$200 billion — and Trump has suggested raising the federal gas tax by 25 cents per gallon to provide that — with the rest of the \$1.3 trillion coming from private investors, states, counties and municipalities.

"We continue to spin our wheels on how we intend to bridge the gap between nearly universal support for fixing our nation's infrastructure and our massive

funding needs," Rep. Elizabeth H. Esty (D-Conn.) said.

A [Hornstein Center poll](#) last month found that 72 percent of Americans believe more investment is needed, and 75 percent rate existing infrastructure as "fair or poor."

Ironically, some of that awareness is caused in late winter and early spring by gaping potholes, which are a symptom of a much larger problem. But the problem extends far beyond that to the patchwork electrical grid, problematic drinking water supplies, transit systems needs, demands for aviation overhaul, the need for expansion of ports and challenges with sewage treatment.

With the nation focused largely on expansion, not maintenance, since World War II, and population growth of 70 million projected by midcentury, the need to repair existing infrastructure never has been greater.

“A key element [of the White House plan] is to empower decision-making at the state and local level. They know best the infrastructure needs of their communities,” Chao said.

Esty responded that in Connecticut officials see that as “pushing the problem down on the state and local governments.” “If the federal government is rolling back its commitment on infrastructure, and the states are going to have to come up with the money, that’s less money they have to pay for the roads and bridges,” Esty said.

Chao disagreed that the administration was rolling back its commitment. “In the beginning of our country’s history, a lot of the infrastructure was done by the state and local and private sector,” Chao said.

While water-sewer and electric utilities can raise revenue by setting higher rates, the challenge has been to raise cash for roadways and transit systems. In the past, that money has come from the Highway Trust Fund, which gets most of its money from the federal tax of 18.4 cents on gasoline and 24.4 cents on diesel fuel.

The fund has largely evaporated because of several factors, among them greater fuel efficiency and the trend toward hybrid or electric cars. Increasing the gas tax by 25 cents per gallon would provide an estimated \$840 billion over more than 40 years that could be targeted for infrastructure.

Republicans in Congress, however, have been reluctant to associate themselves with a tax increase, particularly one so broad-based that it would touch all their constituents.

They may be mindful of another poll, done by [Quinnipiac University](#) last month that found a nearly even split — 46 percent to 44 percent — between those who think a gas tax increase would be a good idea and those who don’t.

“The president said in a meeting [to increase the federal tax by] 25 cents. That’s a great starting place to talk about this,” said House Transportation Committee Chairman Bill Shuster (R-Pa.). “If you look across the country, 31 states have already dealt with their shortfalls in [transportation] revenue and there has been no political price.”

With the tax-conscious GOP in control of 33 governorships and 32 state legislatures, there may be resistance to shifting the traditional federal share of infrastructure funding to state and local governments.

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