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The Current: Can the administration and Congress move forward on \$2 trillion infrastructure plan?

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(MUSIC)

PITA: You're listening to "The Current" from the Brookings Podcast Network. With us today is Adie Tomer, a fellow leading our Metropolitan Policy Program's infrastructure initiative. House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer met Tuesday with President Trump to discuss a potential bipartisan agreement on infrastructure priorities.

Adie, what came out of this meeting?

TOMER: So this meeting has been long in the waiting. The topic was moving forward on the long-discussed infrastructure package. And to take folks all the way back, during the 2016 presidential campaign it was the first time in recent memory that both major party final candidates discussed infrastructure on the trail. So the country was really excited about the prospect here, but ever since the Trump administration dropped their proposal in February of 2017-- and that proposal failed to move on Capitol Hill--everyone around Washington and frankly onlookers across the country had been waiting for Washington--but especially congressional Democrats and the Trump administration--to move forward on the next round of ideas. Now, details are scarce but Senator Schumer did a really good job giving us the contours of today's 90 minute meeting.

So number one: The two sides agreed on the importance of investment across four infrastructure categories. So that includes transportation, water, broadband, and energy--specifically an energy grid. The second element that they talked about was they want to target two trillion dollars in new spending. So let me just repeat that really quick: that's two trillion dollars in new spending. So, in some ways, this is a momentous day, but this is really just the beginning.

PITA: Great. This is one of those areas where infrastructure, as you said, it's been long touted as one of those areas where there might possibly be some bipartisan cooperation possible. It's also kind of a running joke here in D.C. about its Infrastructure Week all over again. Where might you see some real possibilities for action here?

TOMER: There is so many details to sort out still, and my confidence meter has not gone up much, which I hope is the major takeaway here from our talk today. So let's start first with the money because two trillion is a really, really big figure. So, simply put, it dwarfs the amount of federal spending today we have across those infrastructure categories. Context matters here. The federal government mostly just invests in transportation--so this is your roads, your transit systems, even bike lanes in some places, and also some amount of water infrastructure--but they're mostly focused on Army Corps of Engineer style projects--so think levees and dams--much less so on investment and water utilities which we'll get to in a second. So to get to a true two trillion dollar figure in some reasonable amount of time with let's call it a decade even we're going to have to see spending go up to levels that we have not seen in inflation adjusted terms since the New Deal. So let me repeat that because that really matters, right. What--what Senator Schumer, Speaker Pelosi have kind of outlined--and let's presume that they're telling the same story as President Trump would have reported if he spoke today, right--was they just announced like early stage

contours for a new deal around infrastructure. That is a big deal, that's historic, and I'm unsure if they're going to get there. And that's where the spending part comes in here, and you're already seeing pushback on Twitter and then the few folks who have already filed, you know, from traditional journalism outlets that where are they going to find this money? Raising infrastructure money is notoriously difficult. To give you an example, in 2015, the Surface Transportation Bill--again this is our roads and transit money--needed 50 billion dollars to effectively be rated from the Federal Reserve--which the Federal Reserve was not happy about--just to make that project--that program--whole for another five years, which is going to expire here at the end of 2020. So, you're talking about 20 percent the program they had to raid the Federal Reserve just to find that money. And now we're going from 50 billion to two trillion. So it is going to be really hard to find that loop.

Second is that attitudes around spending are really different too. So, Republicans like user fees like the gas tax or let's say water rates or the bill that each of us pay for our broadband or our wireless, right?--the telecommunication side. Democrats, though, find those bills rightfully--as economists would say--as regressive meaning they hit lower income households more so than higher income households. So there's a real mismatch there on the kind of funding sources that would make this all work.

The third bit that gives me pause, though, is that how Congress manages infrastructure is not as straightforward as maybe the members are alluding to the media today. So just to be literal about this, there are over six standing committees in both the House and the Senate that all have jurisdiction over infrastructure. So this isn't something where you just have, for example, at the time Ways and Means chairman Congressman Brady from Texas, right, he could really lead the tax reform effort. This is going to require, just on the House side, six different chairmen or chairwomen to actually get this proposal through. And that's to say nothing of the Senate lining up with it. So there are a lot of moving pieces here, and we shouldn't get too excited by some really positive conversation today from a media appearance right outside the White House.

PITA: What are some of the key issues that often get overlooked in these kinds of conversations? If we are an observer interested in this issue where should we be keeping our eye on?

TOMER: It's a great question. And what you're hearing already so to just reinforce it--and when folks are listening they've probably seen stories about it, maybe seen some folks go on Twitter sprees--the question is the money, right? I mean if we do not see direct information about the money, then there's a reason for a healthy dose of skepticism. I don't want to pile on that because there's another issue that I actually could see throwing just as much of a wrench in the works here if you will. And that is quote-unquote the "what."

It's really easy to just throw around the term infrastructure. But if you think about it, the word in and of itself means very different things to different people. If you went to a man on the street, you know onion joke style, and interviewed people for "what does infrastructure mean to them?" you're going to get as many different answers as people you interview. And that's a real problem when it comes to actually

writing policy and then to then assigned programming behind it. Currently, the federal programs are woefully outdated. So there's a need for a new kind of framework. So what do I mean by outdated? Well the Surface Transportation program is really oriented around building out the highway system, whereas all of us know the highways connect America already. That is an actual kind of mission accomplished programming effort. But what's next for the country? It's autonomous vehicles, electric vehicles are coming. Transportation is now the number one polluting sector of the country, so we need to be cleaner. How can we make sure a federal program reflects that challenge? Second. There's a complete lack of direct investment at the federal level into water utilities across the country. So when folks are rightfully so bothered by the event happening in Flint Michigan that are much less publicized but equally challenging, and Toledo Ohio, and the Detroit public school system is failing water pipes, federal government actually doesn't invest in those utilities--it does not directly send them money. So how can we update the programming there?

And then third is the broadband gaps in this country. And that's both coverage gaps which mostly exist in rural America. So these are folks who quite literally cannot get a broadband subscription even if they wanted. It also occurs in many lower income urban neighborhoods because there's no requirement that Internet service providers go there. But there's another broadband gap to, and that's adoption. So many low income and lower educated households tend to subscribe to broadband in lower numbers. That creates a real barrier to the full digitalization of the American economy which we all know is really important for powering our competitiveness moving further into this century. So you've got a hybrid program that's outdated, a water program that's outdated, and a broadband program that actually really doesn't even exist yet. So that's what I would say is missing today is how can we find some actual programming to spend down these pretty absurd numbers, financially speaking, in terms of investment? There's a lot of work to do here. So again I'm a little skeptical of where we are today.

PITA: Gotcha, so, with about a minute left, what is going to happen next? Does Congress pick up the ball? Is there more meetings?

TOMER: Yeah. The only thing we heard today was that there were going to be more meetings in about three weeks. There is actually a real infrastructure week. I totally get the jokes here happening in between. So you're going to see a lot of meetings, probably some national press about folks meeting in Washington on the week of May 13th. The week after that--again the same leadership is meant to come together--and the Trump administration is supposed to be the ones per Senator Schumer that will bring funding ideas to the table. That's going to be our next kind of dose of information on what's going on behind the scenes. And depending on how those conversations go, if they stay as civil as they were today, maybe there can be some hope moving forward.

PITA: All right, Adie. Thanks so much for giving us a few minutes on this, and we'll keep an eye out and cross our fingers and hope for good luck.

TOMER: I'm feeling the same way. Thanks for having me.