Congress holds series of hearings to discuss the Trump Administration’s infrastructure proposal

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In March 2018, Congress responded to President Donald Trump’s infrastructure proposal through a series of hearings in which committee members questioned the heads of key federal agencies regarding funding mechanisms, permitting processes, and other logistical aspects of the proposal, and discussed their own legislative measures. Although the White House has been pushing for Congress to complete an infrastructure overhaul by the end of the year, senior administration officials conceded in a phone call with reporters on March 28 that pieces of President Trump’s infrastructure plan are likely to pass via smaller infrastructure-related bills, as recently suggested by congressional leadership, instead of the broad package proposed last month.

Department of Transportation Secretary Elaine Chao was the first cabinet member to promote President Trump’s infrastructure plan at a Senate Environment and Public Works Committee hearing on March 1 and a House Transportation and Infrastructure Committee hearing on March 6. Secretary Chao supported the goals of the plan, which proposes spending $200 billion in federal money to stimulate at least $1.5 trillion in total infrastructure investment and emphasizes streamlining the review and permitting processes for infrastructure projects. At the hearings, members from both parties questioned Secretary Chao and other government officials about where the additional investments would come from, with many suggesting that changes to the federal gasoline tax could support the Highway Trust Fund. While President Trump endorsed the idea of a 25-cent-per-gallon tax increase last month, Secretary Chao would only go so far as to say that the Administration is open to considering all revenue sources and that she is eager to work with Congress on finding a funding mechanism.

The House Oversight and Government Reform Committee held a hearing on March 14 to discuss the federal regulatory process, followed by a subcommittee hearing on March 15 to further examine ways of improving the federal permitting process, particularly focusing on the National Environmental Policy Act (NEPA) and the Clean Water Act. Republicans at the hearing focused on how permitting requirements under these laws can cause lengthy delays for infrastructure projects, and stressed that permitting process revisions must be a key feature of any infrastructure bill. Democrats mostly argued against rolling back environmental protections and explained that the proposed permitting reforms would not result in substantial savings or increased investment, suggesting that a lack of funding to address the growing number of permit applications at federal agencies is a much bigger problem than the existing laws and regulations themselves. However, a new report from the White House’s Council of Economic Advisers investigating the efficiency of permitting for major infrastructure projects indicates that the average time to complete an environmental impact statement rose to more than 5 years in 2016, and also highlights the potential economic benefits of infrastructure investment.

Looking to lead the way on informing bipartisan legislative efforts relating to the infrastructure plan, the Senate Commerce, Science, and Transportation Committee, which has jurisdiction over aviation, railroad, broadband, and other key infrastructure, held a hearing on March 14 to consider various policy reforms, permitting improvements, and program ideas outlined in the White House’s proposal, including testimony from five cabinet secretaries: Secretary Elaine Chao, Department of Transportation; Secretary Wilbur Ross, Department of Commerce; Secretary Rick Perry, Department of Energy; Secretary Alexander Acosta, Department of Labor; and Secretary Sonny Perdue, Department of Agriculture. Secretary Ross suggested revenues could partially come from asset recycling, which allows the private sector to buy or lease publicly owned infrastructure. Secretary Perry suggested the proposals to streamline permitting and regulations would affect the bottom line even more than taxes. Chairman John Thune (R-SD) agreed that lawmakers could identify some offsets, and said he expects Congress to move infrastructure legislation, likely through a conglomeration of infrastructure-related bills.

Congress has many infrastructure-related bills on the docket to be considered, many with firm deadlines to pass by the end of this session. Both chambers are considering a Water Resources and Development Act (WRDA), which would authorize the U.S. Army
Corps of Engineers to construct a variety of navigation, flood control, and environmental projects. The Federal Aviation Administration is also due for reauthorization, which could include improvements in national aviation infrastructure. Senators Lisa Murkowski (R-AK) and Maria Cantwell (D-WA) are eager to address energy infrastructure by passing their comprehensive Energy and Natural Resources Act (S.1460). Similarly, Representative Greg Walden (R-OR-2) has identified a number of bills that address improvements in energy infrastructure, brownfields, and drinking water systems (H.R.3017, H.R.3387, H.R.2910, H.R.3043, and H.R.2883). Democrats also released their own infrastructure proposal on March 7 for $1 trillion in federal investment to modernize the nation’s infrastructure and create more than fifteen million jobs.