



PORTS-TO-PLAINS ALLIANCE

Securing the Benefits of Commerce to
North America's Energy & Agricultural Heartland

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Contact: Michael Reeves
(806) 775-2338
michael.reeves@portstoplains.com

President's 2018 Infrastructure Initiative and Rural America

While President Trump has called for a \$1 trillion investment in infrastructure over the next 10 years, there were very few details of a plan prior to the release of his budget last week. A Fact Sheet outlining the administration's priorities for infrastructure offers some insight into what may be included in a larger infrastructure package, with some things that the Ports-to-Plains Alliance sees as positive, as well as some areas of concern.

Ports-to-Plains is pleased that the White House continues to recognize the need for infrastructure investment and its clear importance to the U.S. economy. The administration recognizes that the nation's infrastructure is aging, deteriorating and in dire need of improvement. Ports-to-Plains strongly supports the administration's call for \$1 trillion in overall infrastructure investment and \$200 billion in federal funding, with an emphasis on advancing projects that are of high regional and national importance. We also support proposals to enhance the environmental review and permitting process in order to deliver projects more efficiently.

The bottom line is that the Ports-to-Plains Alliance strongly supports President Trump's call for an Eisenhower-esque investment in infrastructure. It is needed all across America. But it must be done right, and we do have a few concerns in that regard.

First, the Fact Sheet did not clearly define the infrastructure that will be funded by the program. We cannot evaluate how effective the plan will be if we do not know exactly which areas are to be addressed. It is easy to see that \$1 trillion over ten years concentrated on roads and bridges would make a major improvement to the nation's highway system. But if that money covers roads, bridges, airports, water and sewage systems, transit, rail, electric transmission lines, government buildings, customs facilities, etc., then the impact and benefits will be diluted.

The Ports-to-Plains Alliance is very concerned about the Fact Sheet's apparent questioning of the federal government's role in infrastructure investment. Exploring the transfer of additional responsibilities to state and local governments seems to imply devolution of the federal program and funding. While local input is important, there must be a national vision and priorities for our transportation system to provide the connectivity to effectively move our economy. This is especially true for rural corridors like Ports-to-Plains. Shifting fiscal responsibility exclusively to state and local governments would lead to

balkanized transportation systems. We could see large metropolitan areas with good freeways and city streets, but no funding for interstates and highways to connect to other markets.

The Alliance worries that rural projects could be underfunded due to the budget proposal's emphasis on private investment to fund infrastructure projects. Public-private-partnerships do not work in every situation. In order to attract private capital there must be a revenue stream adequate to provide a return on that investment. For highways that means toll roads, usually in large metropolitan areas. That is not to say that there is not a role for private funding and toll roads, but it is not an effective strategy to address rural projects. It would be impossible to make the economically critical improvements to freight corridors such as the Ports-to-Plains Corridor with such a strategy.

Furthermore, structuring federal funding to incentivize additional non-federal funding creates a situation where infrastructure investment will not be about connections and national priorities, but about who has the greatest amount of local match. While we are generally supportive of leveraging our dollars to maximize benefits, this is an area where the rural portions of the national system might be outmatched. There must be consideration given to ensure that rural projects are not shutout of funding.

We have similar concerns with liberalizing toll policy to allow states more flexibility to toll existing highways. Again this focuses on areas of the country that have the concentration of vehicles to offset the administrative costs of tolling those existing highways.

The Ports-to-Plains Alliance continues to carry the message that the Infrastructure Initiative needs to provide new federal funding for those important rural highways of national and regional significance and Fix the Highway Trust Fund. Both the Infrastructure Initiative and tax reform are opportunities to fix the Highway Trust Fund into the future.

Ports-to-Plains is a grassroots alliance of over 275 communities and businesses, including alliance partners Heartland Expressway, Theodore Roosevelt Expressway and Eastern Alberta Trade Corridor Coalition, whose mission is to advocate for a robust international transportation infrastructure to promote economic security and prosperity throughout North America's energy and agricultural heartland including Mexico to Canada. Additional information on the Ports-to-Plains Alliance is available at <http://www.portstoplains.com/>.