



## The Trump Administration and Community Transportation

In brief, Mr. Trump did not campaign on a “pro-transit” platform, but nor has he railed against transit in his presidential campaign. As has been widely reported, both he and his Democratic opponent did make statements about the need to expand and improve our nation’s investment in infrastructure.

Any plan of President-elect Trump’s will require actions of Congress, whether to appropriate federal funds or to change tax policy. Some of Mr. Trump’s proposals around transportation and infrastructure priorities will require regulatory action, which – if pursued – would take time to carry out. While he has been speaking about infrastructure investment quite a bit while campaigning, it remains to be seen whether he will actively pursue these policies in the coming few months. In any case, it is reasonable to anticipate that Mr. Trump’s FY 2018 budget request will include elements of his “America’s Infrastructure First” concept, and he will probably be promoting this concept even as he prepares to assume office.

On the now-official Presidential Transition website (<https://www.greatagain.gov/policy/transportation-infrastructure.html>), President-elect Trump has a fairly short statement of his policy position on transportation and infrastructure:

*“The American people have been burdened by a transportation system that has been neglected far too long. From traffic jams, poorly maintained farm/ranch-to-market roads, airport and airline delays and crowded subways, our system is literally falling apart.*

*“Americans deserve a reliable and efficient transportation network and the Trump Administration seeks to invest \$550 billion to ensure we can export our goods and move our people faster and safer. We will harness technology and make smarter decisions on how we build and utilize our infrastructure. Our roads, bridges, airports, transit systems and ports will be the envy of the world and enhance the lives of all*

*Americans. We will build the roads, highways, bridges, tunnels, airports, and railways of tomorrow.”*

During his campaign, Mr. Trump and his team developed a 16-point vision of what he would seek to accomplish in the area of transportation and infrastructure. While this vision barely touches on transit, and certainly does not cite rural or small-urban public transit, it at least offers some insight as to what elements of the federal transportation program might be most important to the incoming administration, and what issues they may most want to address, once in office.

**What Mr. Trump said:** *“Transform America’s crumbling infrastructure into a golden opportunity for accelerated economic growth and more rapid productivity gains with a deficit-neutral plan targeting substantial new infrastructure investments.”*

**What this could mean for rural and small-urban transit:** There will be interest in building and rebuilding infrastructure across all modes, mainly if it leverages tax-based financing and is tied to improvements in employment and economic productivity. This may be a challenging bandwagon for many smaller transit systems to join, but opportunities for their benefit could present themselves. But the fact that so many transit buses remain in service long past their useful life, and that the FTA’s Section 5339 program is simply unable to do more than make a dent in the safe and timely replacement of over-age rural and small-urban transit vehicles, can create a meaningful opportunity.

**What Mr. Trump said:** *“Pursue an ‘America’s Infrastructure First’ policy that supports investments in transportation, clean water, a modern and reliable electricity grid, telecommunications, security infrastructure, and other pressing domestic infrastructure needs.”*

**What this could mean for rural and small-urban transit:** Expect to see some statements, possibly even some major media, around this moniker early in Mr. Trump’s administration. Whether it goes anywhere will depend on how it resonates with Congress, and whether this remains a priority of the Trump administration. It will be national in scope. Depending on the details, there may be items of interest and potential benefit to rural and small-urban transit.

**What Mr. Trump said:** *Refocus government spending on American infrastructure and away from the Obama-Clinton globalization agenda.*

**What this could mean for rural and small-urban transit:** While this item mainly was election season political posturing, it underscores the fact that Mr. Trump has said he wants to see our nation investing in infrastructure across all modes.

**What Mr. Trump said:** *Provide maximum flexibility to the states.*

**What this could mean for rural and small-urban transit:** In the transit space, most rural and small-urban funding already is managed by the states. In previous Republican administrations, this kind of language would lead to legislative proposals for transforming FTA capital grants into state-administered block grants, or even to transform funding for transit in large-urban areas into a state-managed program. It’s also a hook for possibly leaving more of the regulation and programmatic oversight of transit in the hands of states.

**What Mr. Trump said:** *Create thousands of new jobs in construction, steel manufacturing, and other sectors to build the transportation, water, telecommunications and energy infrastructure needed to enable new economic development in the U.S., all of which will generate new tax revenues.*

**What this could mean for rural and small-urban transit:** For a number of reasons, ranging from real-estate values to workforce availability to zoning to supply-chain economics, a good deal of this economic activity, if it takes place, will happen in rural areas, small cities, and the suburban rings of larger metropolitan areas. This could be good for the local tax bases that support many public transit systems, and occasionally can lead to specific expansion and improvement in some areas' transit infrastructure.

**What Mr. Trump said:** *Put American steel made by American workers into the backbone of America's infrastructure.*

**What this could mean for rural and small-urban transit:** On one hand, this will be an influencing factor in any construction projects; of course, this already has been a requirement of federally funded transit and highway projects, so large-scale change is unlikely. On another hand, growth in the domestic steel industry mainly is taking place in smaller steel mills in rural areas, not the large mills, many long-closed, that were a feature of the industrial Midwest. If the production of domestic steels mills expands, this can promote local economies, which in turn can lead to transit improvements.

**What Mr. Trump said:** *Leverage new revenues and work with financing authorities, public-private partnerships, and other prudent funding opportunities.*

**What this could mean for rural and small-urban transit:** In all honesty, the kind of creative credit-backed financing and public-private partnerships in transportation development hinted in this statement are beyond the scope of many rural and small-urban transit agencies. However, there is an imperative need for local transit providers to be engaged with the economic development agencies and private sector developers in their community, who may be accessing the kinds of financing and partnerships Mr. Trump is championing, and may find value and including transit partners in their plans and projects.

**What Mr. Trump said:** *Harness market forces to help attract new private infrastructure investments through a deficit-neutral system of infrastructure tax credits.*

**What this may mean for rural and small-urban transit:** The success of these tax credit arrangements, and the potential success of transit agencies' participation, will hinge on the details of how they're constructed, as Mr. Trump works with Congress to build these tax credits into the Internal Revenue Code. In general, these credits will need to be structured so that they can work for small- and medium-scale infrastructure projects; if Mr. Trump's Infrastructure Tax Credits share some of the features of programs like Low-Income Housing Tax Credits, or New Markets Tax Credits, they may have the potential to be meaningful for some rural and small-urban transit activities.

**What Mr. Trump said:** *Implement a bold, visionary plan for a cost-effective system of roads, bridges, tunnels, airports, railroads, ports and waterways, and pipelines in the proud tradition of President Dwight D. Eisenhower, who championed the interstate highway system.*

**What this may mean for rural and small-urban transit:** Cost-effective multi-modal infrastructure investment includes transit, especially when this infrastructure is part of a national priority network. When Pres. Reagan was in office, it became possible for transit projects to receive funding based on highway segments withdrawn from the Interstate Highway System. When George H.W. Bush was in office, it became possible to use Surface Transportation Program and Congestion Mitigation & Air Quality Improvement Program funds for transit projects, and several billion dollars of “highway” funds have been used to buy buses and build transit facilities through these opportunities. Similar potential can be opened up if Congress takes on this priority of Mr. Trump’s in any future surface transportation legislation.

**What Mr. Trump said:** *Link increases in spending to reforms that streamline permitting and approvals, improve the project delivery system, and cut wasteful spending on boondoggles.*

**What this may mean for rural and small-urban transit:** These are signals familiar from many Republican administrations. Look for efforts to scale back environmental reviews of transportation projects, labor protection reviews of transit grants, and White House pushback if Congress seems poised to jump back on the “earmarked project” train.

**What Mr. Trump said:** *Employ incentive-based contracting to ensure projects are on time and on budget.*

**What this may mean for rural and small-urban transit:** These types of contracts actually are pretty common in the transportation sector, but there may be a push to recognize and reward these contracting strategies.

**What Mr. Trump said:** *Approve private sector energy infrastructure projects—including pipelines and coal export facilities—to better connect American coal and shale energy production with markets and consumers.*

**What this may mean for rural and small-urban transit:** On its face, this topic has next to nothing to do with transit. However, anyone who’s been in late-20<sup>th</sup> century coal towns or 21<sup>st</sup> century oil shale fields has seen there is a tremendous “boom & bust” physical burden these rural areas face, in terms of housing costs, traffic congestion, the soundness of bridges and highways, drinking water quality, and economic impact. Just as the now-disgraced NAFTA included a program of adjustment assistance for displaced workers, it may be necessary to promote a community adjustment benefit for increased energy-sector work in rural areas.

**What Mr. Trump said:** *Work with Congress to modernize our airports and air traffic control systems, end long wait times, and reform the FAA and TSA, while also ensuring that American travelers are safe from terrorism and other threats.*

**What this may mean for rural and small-urban transit:** When TSA was first created under Pres. George W. Bush, it began to reach into transit security in intrusive and burdensome ways. Traveler safety and security are important in all modes, but it will be important to see that prudence of approach prevails when addressing security in the transit sector. House Transportation and Infrastructure Committee Republicans have already called for the President-elect to work on FAA reauthorization.

**What Mr. Trump said:** *Incorporate new technologies and innovations into our national transportation system such as state-of-the-art pipelines, advancements in maritime commerce, and the next generation of vehicles.*

**What this may mean for rural and small-urban transit:** Both the federal government and the private sector have been making great advances in connected and autonomous vehicles, whether personal vehicles, trucking, or transit. The Trump administration may be interested in seeing this kind of work continue, if it boosts employment and industrial productivity.

**What Mr. Trump said:** *Make clean water a high priority. Develop a long-term water infrastructure plan with city, state and federal leaders to upgrade aging water systems. Triple funding for state revolving loan fund programs to help states and local governments upgrade critical drinking water and wastewater infrastructure.*

**What this may mean for rural and small-urban transit:** On the surface, there is absolutely no transit connection here....or is there? If the federal government under Mr. Trump's presidency provides investment to communities for upgrading their water and wastewater infrastructure, that's a lot of streets being torn up and rebuilt, and a lot of travel disruption. Transit can be a part of managing the disruption, and the rebuilding of streets after water and sewer work is completed creates fresh opportunities for addressing local transit, bicycling, pedestrian and vehicular mobility priorities.

**What Mr. Trump said:** *Link increased investments with positive reforms to infrastructure programs that reduce waste and cut costs. Complete projects faster and at lower cost through significant regulatory reform and ending needless red-tape.*

**What this may mean for rural and small-urban transit:** This will depend on how Mr. Trump's very general statement will be implemented by federal agencies. They probably will be challenged to identify opportunities to streamline processes and reduce duplicative program management requirements. This was something that Pres. Reagan addressed through a series of Executive Orders that remain in force, but Mr. Trump has sounded opposed to governing by executive order. It also was something carried out through a more bureaucratic process through the Clinton-Gore "Reinventing Government" initiative. This could be an interesting thing to watch, depending on how the Trump administration and Congress choose to address it.

### **What does it all mean?**

In short, it's probably too soon to say anything definitive. Public transit is not a topic that comes to the forefront in U.S. presidential campaigns, and this latest race was no exception. The fact that both Mr. Trump and his opponent spoke out about the importance they attached to infrastructure investment is notable, especially since the President-elect speaks of infrastructure as something much more inclusive than a highway-only vision. The bullet points of his infrastructure tax credit plan probably will emerge soon after the inauguration, and then the matter is in Congress' hands. Day-to-day details of how federal departments transform their rules and business practices will need to wait for political appointees to be confirmed and assume their posts. If these points from Mr. Trump's rallies

and stump speeches gain traction upon his taking office, the responsibility will fall on the transit sector's shoulders to become part of the discussion, policy-setting and implementation.