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Office of the Press Secretary

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BACKGROUND PRESS CALL  
BY SENIOR ADMINISTRATION OFFICIALS  
ON THE PRESIDENT'S INFRASTRUCTURE PRINCIPLES

Via Teleconference

1:07 P.M. EST

MS. STROM: Thank you. And, guys, I'm sorry if you're hearing a little extra noise on the line. That might just be me. But we'll make sure that's taken care of, and we'll also have a transcript of this later. So reach out to me if you want that.

But thanks for joining us on Saturday afternoon to talk about the upcoming release of the President's infrastructure principles.

On the line with me is [senior administration official], and he'll start off by running through a summary of the infrastructure principles which will be released Monday morning, and then we'll open it up to your questions.

The information on this call is embargoed until 5:00 p.m. Eastern Time on Sunday, February 11. So without further ado, I'll let [senior administration official] take it away so we can all get back to our Saturday as quickly as possible.

SENIOR ADMINISTRATION OFFICIAL: Thank you, Natalie, and thank you everyone for joining for this. As Natalie mentioned, I'm going to walk through just, kind of, high-level overview of what we'll be releasing on Monday, and then we can open it up for questions and answers for anybody who wants more detail than what I cover initially.

So let me start by just talking about why are we doing this. Infrastructure is obviously a critical component to the functioning of our economy. A lot of America's success is a result of the quality of the infrastructure we've had historically. But the current system is fundamentally broken, and it's broken in two different ways: We are under-investing in our infrastructure, and we have a permitting process that takes so long that even when funds are adequate, it can take a decade to build critical infrastructure.

So the President's vision is to have a permanent fix for the problems that plague us in terms of under-investing and the length of the permitting process, and not just kick the can down the road and pass things over for a couple of years, which has been the habit in infrastructure policy for the last couple of decades.

So before we start talking about what we're doing, I think it's important to understand the context in which we're operating and understanding in terms of how infrastructure is currently funded and developed.

The federal government plays a huge role in permitting infrastructure. So virtually 100 percent of major infrastructure in the U.S. requires some form of federal permitting, but we play a much smaller role when it comes to funding in that we only fund about 14 percent of infrastructure costs, and we own even less; we own in the single digits in terms of -- if you think of all the infrastructure in the U.S. and what does the federal government own.

While we fund 14 percent, the other 86 percent is relatively evenly split between state and local governments and the private sector. So while the federal government is an important component, we're a minority player when it comes to investing in infrastructure.

All of infrastructure is paid for by taxpayers, by users of the infrastructure. And we have done -- if you go and ask the public what their preference is, they would prefer to invest locally as opposed to sending money to Washington. And so the President's proposal, sort of, builds on what it is that the public is asking for, and that is an opportunity to improve their infrastructure but do it in a way that's accountable, do that in a way it's local, do that in a way where they can see

tangible benefits for the investments that they're applying to infrastructure.

So with that as a background, the President's proposal that will be rolled out on Monday has four major overarching objectives: We want to stimulate \$1.5 trillion in new investment and infrastructure. We want to shorten the permitting process into two years. We want to invest in rural infrastructure. And we want to making improvements in training our workforce so Americans are prepared to take advantage of the jobs that will be created as we build out and improve our workforce.

So the \$1.5 trillion in new investment comes from an incentives package that we're proposing and from enhancing our loan programs federally. So the way that the \$200 billion in new federal funds will be spent is it will be split down into -- \$100 billion will be spent on incentives. And there, what we will do is we will match dollars that state and local governments are spending on infrastructure. So if they're creating new revenue streams and they want to build something, we will partner with them to help them to match and fulfill that one final gap in terms of financing infrastructure.

And then, in addition to that, we get there through a \$20 billion expansion in our loan programs and in private activity bonds. So, currently, our lending programs include TIFIA, WIFIA, and RRIF. TIFIA is a transportation lending program; WIFIA for water; RRIF for rail.

In the case of TIFIA, one federal taxpayer dollar of investment generates \$40 of project being built. And so that is a great return in terms of taxpayer dollars to projects overall. That's how we get from a \$100 billion investment in incentives and the \$20 billion investment expanding our loan programs, to \$1.5 trillion in new investment infrastructure nationwide.

In addition, we want to invest \$50 billion in rural infrastructure. That will be funded differently. The incentives programs will be applications that come to agencies asking for matching grants. The rural program will be block grants to governors, to allow governors to select what the priorities of infrastructure are in their respective states.

One thing that -- the consistent feedback that we get from those that are interested in investing more in infrastructure is

they would like to set their own priorities as opposed to have the federal government set priorities for them. So the rural program does that.

We will also have \$20 billion for transformative programs. That ensures that we're not focusing on just patching up the infrastructure that we have currently, but will we also have a vision towards the future, towards projects that can lift the American spirit, that are the next-century-type of infrastructure as opposed to just rebuilding what we have currently.

And then, finally, we're setting aside and proposing that Congress spend \$10 billion and put it into a capital financing fund. That fund -- that helps us with those governmental accounting rules. And I can get more details if somebody wants to. In essence, it's a just more responsible way for us to actually fund the office-building infrastructure that the federal government is building currently.

In addition to that, we also have a section that focuses on workforce, where we are removing obstacles and disincentives for people who don't want to go to a four-year college, and prefer to move in some type of trade, by expanding Pell eligibility, changing the license requirements, and adding more flexibility. So if you're licensed to perform a trade in one part of the country, you can move to another part of the country and transfer that license, and then expand out the use of apprenticeships to help those that are interested in going to trades, develop their skills, and move more gradually into the workforce. So that's where the funding component of this is going.

An equally significant component of what the President will be proposing on Monday touches on the environmental permitting process. You've heard him talking -- and he's mentioned it several times, in the State of the Union most recently -- that the process that we have in the U.S. just takes way too long, and it's not really focused on outcomes in terms of making sure we build projects responsibly and understand the environmental impact. It's focused more on preparing for litigation and building up massive documents.

And so we want to shorten the process but, at the same time, preserve all of the environmental protections that current law has. And so we're going to move towards a process that we call "One Agency, One Decision," where we will create a lead

federal agency that will have the authority to establish and move through a process so that that agency, working with the permitting agencies, can reach a collective decision. They would all sign a record of decision. That process would be done in 21 months, and then the permitting would be done within three months after that.

So we're making a number of changes that allow us to get there. And I can go into more detail about those if anyone is interested. But, really, the primary mission is having -- the primary way we get there is to have one agency lead, and then remove a whole series of duplicative requirements that are in law, where we will have one federal agency make a decision, and that decision will then be second-guessed by a second federal agency, which, of course, creates inevitable conflicts and inevitable delays as you have multiple agencies trying to make the same decision.

So what we're going to do is, for every decision that needs to be made, find the agency that has the best expertise in terms of making that decision, give them the authority to make that decision, and then have other agencies partner with them and execute on that decision that's been made.

We also would look to expand more delegation to states. Currently, we delegate relatively heavily for some highway permitting decisions. So the states would still be required to comply with federal requirements, but they would be able to do that and do the analysis themselves. And we would create some pilot programs to expand better ways to do environmental compliance than the way we're doing currently.

Again, as I mentioned before, to circle back to how do we spend funds in a way to help us protect and enhance the environment as opposed to spending hundreds of millions of dollars on lawyers and accountants and engineers, to pull together massive documents that are limited utility in terms of helping the public understand the environmental impact that a specific project would have.

Let me close with the fact that we're very excited to be rolling this proposal out, and that we envision this will be a bipartisan push. And if you look at the proposals that have been out to date in terms of -- from Senate Democrats and House Democrats, and the Problem Solvers Caucus in the House -- it is a remarkable overlap in terms of the objective that we want to accomplish.

So in all of these programs we talk about, sort of, fixing the Highway Trust Fund and having stable funding for that; that we want to have competitive grants; increase loan funding; focus on waterways, on rural programs like broadband; to improve public lands; to have better facilities for veterans.

So we find it quite encouraging that, if you look at our proposal, there's a significant amount of overlap in terms of the objectives that we want to accomplish. There's obviously a disagreement of the best way to get to those objectives, but I think that a debate around the method, as opposed to objective, is much more likely to be successful. And so we're encouraged by the fact that, to date, Republicans, Democrats, independents all seem to share in terms of what ought to be done to resolve the problem that the nation currently has with infrastructure.

So with that as a high-level overview, I'll be happy to open it up and answer any questions.

SENIOR ADMINISTRATION OFFICIAL: Thanks. Just before I open it up for questions, I wanted to quickly touch on the extensive outreach that DJ Gribbin, Gary Cohn, obviously, and the team at the NEC, the White House Office of Legislative Affairs, and really the President's whole team have been doing on the Hill, on this issue.

I know it isn't like them to brag, but the President's whole team has spent the last year meeting with members and staff from both parties, both sides of the Hill, keeping them apprised of the plan (inaudible), and incorporating their feedback to ensure that the principles we're presenting on Monday have the best chance for success.

Since March of 2017, when we started formally tracking this, they've had over 40 meetings with members or their staff on infrastructure, many of which were with caucuses or other larger groups. Overwhelmingly, these numbers recognize the American people are calling for change from Washington when it comes to infrastructure.

According to a poll from Harvard-Harris, 84 percent of Americans believe that the U.S. needs an investment in infrastructure, and 76 percent believe that funding should come from a combination of public funds, bonds, and public-private partnerships, all of which would be available under the President's plan.

That same poll thinks that passing an infrastructure bill should be the second-highest priority for Congress, only behind stimulating American jobs, which, by the way, this plan also does a lot for as well. So it's not surprising that members of both parties are aligned with us in a lot of places.

On Wednesday, the President will host a bipartisan group of members, including Republican and Democrat leadership, as well as chairmen and ranking members from many of the relevant committees, to continue this conversation at the White House.

Also on the line with us is [senior administration officials] from the White House Office of Legislative Affairs to work on the Senate and House side, respectively, on infrastructure. And they'll be available to answer some questions related to the legislative process on this, and some of that outreach. And they'll also be speaking as senior White House officials.

So with that, we will open it up for questions.

Q Thanks for having the call today. Two questions. Can you walk us through how you get to the \$1.5 trillion or more in net infrastructure spending? And can you tell us what took so long? You mentioned you've been talking to people for a year. At one point, this plan was thought to come out last summer or fall. Walk us through what led to the timing of the release on Monday.

SENIOR ADMINISTRATION OFFICIAL: Okay, so how do we get to the \$1.5 trillion. As I mentioned before, some of the incentives package is designed to provide matching funds for states and localities who are, sort of, struggling to identify capital to expand on their infrastructure. So, for example, if a state says, hey, we want to build a certain project and we want to use this revenue stream for it, then they would come to us with that as a package. And the funds would be broken down into Department of Transportation, EPA, Corps of Engineers.

So if it's a transportation project, they'd go to DOT -- not unlike what they do currently with TIGER and with INFRA -- and say, here's the project that we are proposing; here are the funds that we'd like to spend on it. Federal government, we'd like you to pull out a match for that.

But the match -- the way that we get to \$1.5 trillion is we could be putting 10 percent of -- or 20 percent in terms of the cost of that project. So if it's 10 percent, that would be 10 to 1; 20 percent would be 5 to 1. And so we envision that what we'll be doing is we'll be -- great return for federal taxpayer dollars, and that allows those dollars to go much, much further than the hundred billion dollars that's incentives.

And then, in addition, on the lending side, as I mentioned before, TIFIA has a 40 to 1 ratio. So \$10 billion in TIFIA could be leveraged up to \$400 billion in projects because of the way that TIFIA works. I can walk through that if you want me to.

So that's how -- so the focus is whether it's a trillion or 1.5, or a trillion higher, what that number represents is what do we think that state and local governments -- how will they likely respond to this program. And the reason we want from a trillion to \$1.5 trillion is because we've actually received a, sort of, more enthusiastic response than we anticipated from state and local governments coming to us and saying, hey, we have this project, we have funding identified, but we'd love to participate in incentives to get that match to help finish up the project and build the whole thing.

And in terms of what took so long, I'll leave that up to the leg affairs team to answer.

SENIOR ADMINISTRATION OFFICIAL: Very simply, we got tax reform done last fall, and we're excited about rolling out on Monday.

Q Hi, thanks for the call. Can you explain how the private activity bonds will be expanded or more utilized? And will there be any, sort of, specific funding for projects of regional or national importance, like the Gateway Program? Or is that just going to be eligible for matching funds under the grant program that you described?

SENIOR ADMINISTRATION OFFICIAL: So on the private activity bonds, or the PAB fund, what we're going to do is expand eligibility for them and increase the amount -- in fact, we'd lift the state volume of caps. So, currently, PABs apply to a broad array of asset classes that include governmental and not necessarily governmental infrastructure.



And so the thinking is, to the extent that we're applying them to governmental infrastructure, and therefore not distorting the market -- which is the concern that you have with PABS if you're operating outside of governmental infrastructure -- that we would lift the cap on those and then we would expand it to all governmental infrastructure.

And in terms of the projects of regional and national significance, one of the underlying or overlaying themes of this whole thing is for the federal government not to pick and choose between projects, but to allow states and localities to advance what their priorities are. So the Gateway project would certainly be eligible for the incentives program, and, kind of, depending on what they do, they could potentially be eligible for the transformative project -- program, as well.

But we want to stay away from what has been historical precedent and what undermines the public's trust in sending money to Washington, and that is Washington picking and choosing what we think priorities ought to be for states and communities across the country.

Q Thanks for doing this call. Can you give us some more guidance on how the \$200 billion in new money, how that will be paid for? Does that, kind of, come from shifting other resources in the federal budget around? Or will there be a specific plan for new revenue sources in this proposal?

SENIOR ADMINISTRATION OFFICIAL: Yes, so the \$200 billion is in the President's budget, which will also be released on Monday. And the budget, as you know, includes a whole series of places where the administration is suggesting reducing funding and just a few places where it's suggesting increasing funding. And so the way it's currently envisioned is that we would pay for the \$200 billion out of savings from other areas of the federal budget.

Q Hi, good afternoon. Thanks so much for doing this call. I wanted to follow up on the last question -- and sorry I missed the top part. To clarify, \$200 billion will be direct spending. Please clarify that. And then my other question is, what happens if states that do have infrastructure needs actually don't have the money to pay their half of it? What is the alternative in that scenario?

SENIOR ADMINISTRATION OFFICIAL: So, yeah, there is \$200 billion in direct spending as part of the budget. The rural

funds are advanced and moved faster. So there's a frontloading of the rural funds, but there's a typical, sort of, bell-shaped curve over the 10 years of how the \$200 billion would be spent.

And then, sorry, what was the second half of your question?

I think we lost Renee.

SENIOR ADMINISTRATION OFFICIAL: I think the second half was related to if there are state and local governments who can't raise the funds, what their alternative would be.

SENIOR ADMINISTRATION OFFICIAL: Thank you. Yeah, so, going back to -- what I did mention at the top was, this is a program that sits on top of existing programs. So we're not going to -- we're not proposing eliminating the Highway Trust Fund, or changing the state revolving funds. So to the extent that communities are eligible for federal funds already, that eligibility remains.

What this is, is for communities that say, hey, listen, we want to increase the revenue that we're raising and we'd like to the federal government to help match in that process.

Q Hey, guys, a couple questions. One, you mentioned that this is supposed to be a sustainable effort, not just kicking the can. If it's paid for by offsets, by cuts in other programs, is that really sustainable, the idea to find \$200 billion every 10 years or so? And my other question is about the legislative strategy. Does this move through appropriations committees? And if so, how does the permitting part of it work?

SENIOR ADMINISTRATION OFFICIAL: So in terms of sustainability, when we're thinking of revenues at the state and local level, that could be property taxes; it could be user fees; it would be sales taxes. It could be a wide range of things. So a good case study would be Measure M in Los Angeles, where in the last year they passed ballot initiatives that ultimately will generate \$120 billion in funding for infrastructure. That sales tax does not expire, so that is, kind of, the ultimate sustainable source of revenue for projects.

One of the problems with federal funding, as you know, is it's very intermittent. So we'll throw money at it and then we'll back off. I mean, at one stage, we weren't spending everything; it was in the Highway Trust Fund. Now we're

spending \$10 billion, \$12 billion over what comes in the Highway Trust Fund.

So moving towards a more stable platform for funding is part of this initiative. And that more stable platform is at the state and local level. And then couple that with the fact that the public has said, hey, we prefer to invest at the state and local level. And so we should move -- if you're looking for sustainability, we should move -- you know, the federal government continues to play an important role, but we should move and rely more heavily on what state and local governments are doing.

Q Is there a second part of that?

SENIOR ADMINISTRATION OFFICIAL: Sure. This is [senior administration official, White House leg, specifically the House side. Just to, kind of, try and answer the second part of the question here -- and I'll turn it over to my counterpart who handles the Senate -- the House of Representatives will have, probably, at least six committees that will have parts of the infrastructure plan -- anywhere from the T&I committee to Education and Workforce, Veterans Affairs, Natural Resources, Energy and Commerce, and the Agriculture committee.

So you can see that the plan will be a broad group of committees in the House that will have, hopefully, their own lanes and maybe some overlapping issues, like rural infrastructure and broadband that can touch T&I, ag, and energy and commerce.

Within our discussions with members of Congress, staff directors, and chiefs of staff, everybody shares the goal that something has to be done. My colleagues spoke on the polling numbers that, I think, it was something about 84 percent of Americans know that infrastructure needs to be upgraded in this country. So there certainly is a desire to get something done this year.

The permitting process -- again, my colleague and I have talked to either very conservative or very liberal members of Congress who understand and know that permitting needs to be reformed in this country. So there is an absolute desire to fix some of these issues and these problems to make America more innovative and competitive around the world.

So our committees, they'll be up and ready to go and running as soon as we transmit stuff out this week. So that's, kind of, my pitch on the House side. I'll turn it over to my colleague of the Senate.

SENIOR ADMINISTRATION OFFICIAL: From the Senate standpoint, we're looking at, at least, five core committees or jurisdictions. The two primary committees, I would say, out of those five would be the committee on environment and public works and the commerce committee. So the permitting side will cross those committees.

Over the last year, my colleague and I, and other administration officials, have done extensive outreach to the Senate on a bipartisan basis. We've met with committee staff for all of the relevant committees or jurisdictions. We've met with the chairmen, we've met with rank-and-file members. We have briefed committee members and groups. We've done extensive lunches at the White House with key stakeholders from Capitol Hill, senators, and senior staff members. So we feel that we've accomplished a lot in terms of socializing our plan and getting feedback, incorporating that feedback, and making changes in our plan as well.

But we also want to emphasize that, with Monday's rollout, our plan is our opening in terms of providing ideas to Capitol Hill. And we look forward to working with the relevant committees through the regular-order process, through hearings and through additional feedback, through the markup process. And what we anticipate after we have hearings, after the committees write their bills, we'll be working very closely with Senator McConnell's team to determine a final legislative vehicle where we can put everything together and get it passed into law.

Q Hi, thanks for doing this. I was wondering if you could be more specific about the programs that are being cut in order to come up with the \$200 billion -- if you could give us some examples of that. And then, also, on the incentives grants, am I correct that states and local governments would be eligible to -- they would have to provide at least 80 percent, and the government would do no more than 20? So I was hoping you could address those two issues.

SENIOR ADMINISTRATION OFFICIAL: So in terms of the programs being cut for the \$200 billion, they're not matched. So it's not like we have \$200 billion for

infrastructure and these are the programs that we're cutting to pay for that \$200 billion. That's not the way the budget works. We just have a list of cuts, and then some increases on the other side. So they're not paired.

There are some reductions in things like transit funding and TIGER grants, and things where the administration thinks that infrastructure funds haven't been spent efficaciously. And so, therefore, we want to do it in a better, more focused way. So there's not that matching.

In terms of incentives, and state and local governments providing at least 80 percent, there is -- thank you for asking that question, because there is, sort of, counter-narrative that's going on right now in terms of what the federal government traditionally funds.

Some critics of our approach have said we're going to move from an 80-20 formula to a 20-80 -- you know, 80 percent federal to just 20 percent federal. That comment is, sort of, indicative of the problem that we have in the way that Washington currently thinks about infrastructure, because that comment is not talking about infrastructure, it's not talking about transportation, it's not talking about highways. It's talking about federal-aid highways that are a small component of infrastructure overall that currently are eligible for an 80-20 mix.

If you just look at highways -- not federal-aid highways, but highways in the U.S. as a total, 28 percent of the funding is federal, 72 percent is non-federal. If you look at water projects, 4 percent is federal, 96 percent is non-federal.

So part of this is a little bit of an expectations game. What we need to understand is, if we're saying to state and local governments, who are currently spending the vast majority of funds on infrastructure, that if you, sort of, increase what you're doing already, we want to partner and match with you. And a lot of communities have been doing this for a decade now, so there's a trend that's accelerating where they're increasing their investment in infrastructure. That's a very healthy trend and we want to encourage that trend.

So the way the incentive program works is, come with revenue and come with a project, and your score is higher based upon the share of non-federal revenue that you have in your project. So there's not a 20 percent minimum, or maximum

federal, but it's all about how do we get people to compete around in projects that they truly care about. And how do we know they truly care about them? Well, because they've got a lot of skin in the game on the project -- as opposed to, a lot of comments I've received since starting this job are people who are going, this is an absolutely critical project, it has to be done, it's vital to our community; our economy will boom if we do this. And I ask how much you've invested in it. And they're like, no, we're not investing in anything; we'd like you to invest in it.

So we, kind of, changed that dynamic and that culture to one -- since we talked about the (inaudible) more sustainable. The whole 80-20 is a little bit of a throwaway line that applies to a subset of a subset of a subset of infrastructure overall.

Q Hi, thanks for holding the call. A couple weeks ago, there was a document that -- a leaked document that detailed a number of potential environmental permitting changes. I wanted to -- the White House said that that was an old document. I want to know specifically what changes need to be made through legislation that this proposal will do, that you couldn't already do through administrative deference.

And then also, I wanted to know whether there were any, sort of, new requirements put in any of this infrastructure proposal that relates to some of the flooding and hurricanes that we saw this past fall, and with an eye towards reducing damage and better preparing communities for those types of events.

SENIOR ADMINISTRATION OFFICIAL: Good questions. So, on the permitting side, we're taking a four-pronged approach to helping with permitting: statutory changes, regulatory changes, policy changes, and cultural changes. And you really can't -- I mean, our process is so byzantine and so inefficient that we really can't address it short of doing activities on all four levels.

So, unfortunately, even if we did the culture changes, the policy changes, or the regulatory changes, there are still components of code that need to be changed to help align this up better. And I should start by saying that we are not touching any of the fundamental requirements of any of the core infrastructure acts. We're not saying you can have a bigger impact on dangerous species, or the water can be dirtier or the

air can be dirtier, or anything like that. So the core acts stay the same. We're talking about the process that's used to do the analysis around the environmental impact.

So, some example are, we're going to require -- and we've actually done this administratively -- require everyone to sign a record of decision. So if you're an agency and you're looking at a project, and you're working with a lead federal agency, you need to be part of that team and sign off on the analysis, and not come back around after the record of decision is done, and say, "Oh, to issue my permit I need the following six additional things to do my analysis." So just getting people more coordinated upfront.

Currently, statute allows the EPA to do the 306 and 209 review of environmental impact statements. And that gets to the point where, if the federal government has gone through a process and made a decision, we don't want another component to second-guess that. You currently have, in 4(f), in (inaudible) property, you have overlapping jurisdictions of the Department of Interior, USDA, and HUD. They're all doing very similar analysis on 4(f). Sometimes we require an agency like the Corps of Engineers to do a 404 analysis and a 408 analysis, which essentially are looking at exactly the same things, but they have to be done separately because they're two different sections of the code.

So the statutory changes really are focused on let's eliminate the duplicative analysis and let's be clear in terms of who has the decision-making responsibility, and let's be clear in deferring to agencies' expertise and not have agencies second-guessing other agencies.

In terms of the flooding and the hurricane, there are provisions in here that expand the ability of the Corps of Engineers to partner with local communities and be more proactive. So, currently, if you're a community and there's a levee that's protecting your community, and you want to raise it a couple of feet, and you're willing to pay for all of it, the federal government will require you to jump through years and years and years of hoops before you're able to do that. We just think that's crazy and that -- there's going to be limited Corps funding; there's been limited Corps funding for generations. It's likely that's going to continue. Let's give the Corps flexibility to allow others to participate in the improvement of that infrastructure.

In terms of specific funding for flooding and hurricane, obviously that's for legislation. That's not part of this bill.

Q Hello, thanks again for having the call. I guess, I was hoping to get another reaction to potential criticism of this proposal. The heartburn I'd been hearing from expectations about the plan was both the 80-20 match, switching to the, perhaps, 20-80, and also the notion of just finding cuts elsewhere in the budget, rather than finding a new channel of funding such as raising the gas tax. So basically, more simply, is the federal government walking away from its responsibilities to contribute to state and local construction projects?

SENIOR ADMINISTRATION OFFICIAL: Thank you, Bart. That's a great question. So, as I mentioned before, the 80-20/20-80 is just not accurate and it's wildly inaccurate. The federal government does not fund 80 percent of infrastructure in the U.S. Again, if you look at infrastructure overall, transportation, highways, federal-aid highways -- you get all the way down to federal-aid highways, then you see some 80-20 responsibility for specific projects. But even then you have states spending without that federal match on highways.

So I think that we're going to keep existing programs in place for the most part; we are going to eliminate a few things here and there. But for the most part, we're keeping everything stable. And the President has said that he is open to new sources of funding. And I should also say that we are going to roll out this package. We want it to be bipartisan. The President has four clear objectives that he wants to accomplish. And we will be quite flexible in terms of how we accomplish those objectives.

So this isn't -- this in no way, shape, or form should be considering a take-it-or-leave-it proposal. This is the start of a negotiation -- bicameral bipartisan negotiation -- to find the best solution for infrastructure in the U.S.

But we are not -- not only are we not walking away from the federal responsibility; we're taking even more responsibility to ensure that we get infrastructure funding and permitting on a sustainable track for generations.

Q Great, thanks. I have two questions. First, the President is always your best salesman. How are we going to see the President selling this? Will we see him taking trips to places with bridges crumbling and so on? And secondly, let me



push back a little bit on the notion that the federal government won't be picking projects. The President has talked repeatedly, during the campaign and since, about this embarrassment at the state of American airports. Are we not going to see that priority by the President reflected at all?

SENIOR ADMINISTRATION OFFICIAL: So in terms of the best salesman -- I mean, absolutely, the President will be traveling. You'll see the Cabinet traveling. We will be talking about infrastructure all across the nation. I mean, unfortunately, we have infrastructure challenges in almost every corner of our country, so we'll be spending a lot of time talking about that.

In terms of not picking projects, the President has mentioned airports. And the last administration, as you recall, highlighted the challenge we have with airports as well. That is a longstanding struggle. What we're doing as part of this package is making it easier -- and you'll see the provisions in there -- making it easier for airport projects to get permitted, to get approved, to get funded, and to get financed.

So again, we're providing the opportunity and tools that currently are constraining infrastructure (inaudible) from improving and bettering their infrastructure. So a large part of the problem, currently, is that the federal government's rules and restrictions get in the way of building a better America. So we want to get out of the way in that regard. And then, in addition that, with our matching fund and incentive program, we want to boost the amount of revenue that's flowing to infrastructure all across the nation.

And one of the problems, when you pick specific projects, is that you then tend to pool federal resources in select areas, and everyone else gets left out. We're getting out of the project-picking primarily because we want everyone to have access to federal funds in terms of help, and to federal permitting systems.

SENIOR ADMINISTRATION OFFICIAL: And let me just piggyback a little bit on the answer to the first question. I think -- you mentioned specifically would the President be going to places with infrastructure challenges. I think we're also looking for him to go to places where we can highlight the positive steps that a lot of state and local governments have already taken in order to really address this problem at the state and local level, and highlight them and hold them up, and

show them as examples of things that we would like to see more of, and how this plan will enable more of those types of projects to find success.

END

1:48 P.M. EST