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Subject: Building a Stronger America | Infrastructure Update

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Good Afternoon State Leaders,

President Donald J. Trump and his Administration aim to build a stronger America. Below is an update of the Trump Administration's recent efforts to improve our nation's infrastructure.

- AMERICA'S GOVERNORS | White House Business Session with Our Nation's Governors – Improving our Nation's Infrastructure
- GROWING THE AMERICAN ECONOMY | The Economic Report of The President
- WHAT THEY ARE SAYING | Support Continues to Build for The President's Infrastructure Initiative
- BIPARTISAN OP-ED IN THE WALL STREET JOURNAL | Both Sides of the Aisle Want Better Roads and Ports
- BUILDING A STRONGER AMERICA | Rural Communities Need Reliable, Modern Infrastructure
- OP-ED FROM SECRETARY PERDUE | Rural America Will See Major Benefits from Trump's Infrastructure Plan (*Des Moines Register*)



*"No longer will we allow the infrastructure  
of our magnificent country to crumble and decay."*  
– President Donald J. Trump

AMERICA'S GOVERNORS | White House Business Session with Our Nation's Governors – Improving Our Nation's Infrastructure

On Monday, February 26, the White House hosted our Nation's Governors for a Business Session. The Business Session included breakout sessions on shared state-federal priorities, including two on improving our nation's infrastructure with nearly 20 governors.

- Governors and senior Administration officials discussed the vital importance of improving the nation's aging and crumbling infrastructure, discussed how President Trump's proposal will spur new investment, discussed the need to fix the broken permitting process, discussed the block grant the Administration proposed to improve rural America's infrastructure. Two separate breakout sessions were also held with over 25 governors to discuss workforce development, which is part of the Administration's plan.
- Finally, officials discussed multiple ways that the President's proposal empowers Governors and other

State and local leaders.



*Our Nation's Governors at the White House Business Session participating in breakout sessions on infrastructure with federal officials - February 26, 2018*

## GROWING THE AMERICAN ECONOMY | The Economic Report of The President

Last week, the Economic Report Of The President was released with the Annual Report of the Council of Economic Advisers. Read the Economic Report of the President [here](#). President Trump wants to rebuild our Nation's infrastructure by working with State and local governments and the private sector to spur new investment.

- The CEA estimates that a \$1.5 trillion investment in infrastructure, as proposed by the President, could add approximately 0.1 to 0.2 percentage points to economic growth over the next decade.
- The CEA finds that growth will be encouraged through a plan that streamlines the permitting process, encourages the prioritization of spending, and optimizes use of infrastructure assets.



*President Donald J. Trump at the 2018 White House Business Session with state governors - February 26, 2018*

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**WHAT THEY ARE SAYING** | Support Continues to Build for the President's Infrastructure Initiative  
*The President's effort to rebuild America's infrastructure continues to gain support from the American public and commentators.*

**RASMUSSEN REPORTS: Support High for Trump's Infrastructure Plan**

"President Trump's plan to fix the nation's ailing infrastructure calls for generating \$1.5 trillion in upgrades through ventures involving the federal government, state government and private industry. Most voters support the proposal, and among those voters, most like the idea of finding outside sources to help fund it. A new Rasmussen Reports national telephone and online survey finds that 65% of Likely U.S. Voters favor Trump's major plan to improve America's infrastructure, including highways, bridges and tunnels."

**THE OKLAHOMAN EDITORIAL BOARD: Infrastructure Could Benefit from Trump's Regulatory Reforms**

"Deregulation has been a major focus of the Trump administration, and those efforts have paid off in increased economic activity. So Americans should welcome news that President Trump has included regulatory streamlining in his infrastructure proposal."

**BLOOMBERG VIEW EDITORIAL BOARD: Trump's Hardest Construction Job**

"President Donald Trump is offering some good ideas with his infrastructure proposal.... Some aspects are indeed promising. Giving states and cities an incentive to spend more on their own public works makes sense, especially when borrowing costs are moderate. Encouraging them to impose user fees, such as tolls, might help control costs and leave them less reliant on Washington. Attracting private investment is likewise a sensible goal. In addition to boosting available funds, it could lead to more efficient and innovative projects, and thereby reduce public maintenance costs down the road.... On a problem that Congress has avoided for too long, this plan offers a decent start."

**THE HILL CONTRIBUTOR LIZ PEEK: Trump Infrastructure Plan Will Boost Spending, Cut Costs**

"So, we have to be smarter in how we finance our needed investments, and to save money, we need to cut regulations to speed the permitting process. That's what Trump is proposing, and he has it exactly right."

**UBS AMERICAS PRESIDENT TOM NARATIL IN USA TODAY: Trump's Infrastructure Plan Is Gaining Support from Small Businesses**

"Four out of five business owners we spoke to support the idea of splitting costs between the public and private sectors. They particularly find public-private partnerships (P3s) to be the most appealing way to quickly and effectively mobilize dollars for our crumbling infrastructure. That's where the Trump Administration's infrastructure



plan comes in. The elements that have already been made public include several provisions that seek to leverage the combined strengths of the public and private sectors.”

REASON FOUNDATION’S ROBERT POOLE: Assessing the White House Infrastructure Plan

“The White House’s more nuanced approach is not intended as a massive ‘stimulus’ program, which is not what America needs. What we do need is much better targeting of investment to infrastructure projects that deliver better value for money. Both the Incentives Initiative and the Transformative Projects Program are aimed at this kind of project. And the former, in particular, is aimed at expanding the use of long-term public-private partnerships (P3s), for which hundreds of billions in private equity capital is interested and available.... That plus meaningful streamlining of the permitting process should open the door for significant new investment in American infrastructure.”

AMERICAN ENTERPRISE INSTITUTE’S R. RICHARD GEDDES IN THE WALL STREET JOURNAL: Why Some Stops Are a Cut Above the Rest

“Mr. Trump’s plan would allow rest areas to be converted into valuable revenue-producing assets. Many are strategically located with easy on- and offramps, sidewalks, streetlights and restrooms already installed. Adding restaurants and shops would be inexpensive and profitable. The renovated stops could also offer amenities such as electric-vehicle charging stations.”



President Donald J. Trump, seated next Mayor George Flaggs Jr. of Vicksburg, MS, and U.S. Secretary of Transportation Elaine Chao, right, listens during discussions at the infrastructure initiative meeting with state and local officials, to unveil a \$1.5 trillion infrastructure proposal, Monday, February 12, 2018, in the State Dining Room at the White House in Washington, D.C. U.S. Secretary of Transportation Elaine Chao is seen at right. (Official White House Photo by Shealah Craighead)

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## [BIPARTISAN OP-ED IN THE WALL STREET JOURNAL](#) | Both Sides of the Aisle Want Better Roads and Ports

Both Sides of the Aisle Want Better Roads and Ports

By Sen. James Inhofe and Sen. Sheldon Whitehouse

The Wall Street Journal

February 21, 2018

During his State of the Union address, President Trump called for a broad bipartisan infrastructure package, pledging to improve the nation’s infrastructure and invest in the future. If you believe the news reports on partisan bickering in Washington, this bipartisan approach might seem impossible. But we know that it can, and will, happen.

...

There’s a strong link between infrastructure investment and a robust economy that creates jobs. The American

Society of Civil Engineers estimates that unless the U.S. starts making smart investments now, by 2025 the country will have forgone \$3.9 trillion in gross domestic product, \$7 trillion in business sales and 2.5 million American jobs.

The time is right to close the infrastructure gap. America's economy is strong and poised to continue growing if Congress can work together to make smart decisions.

...

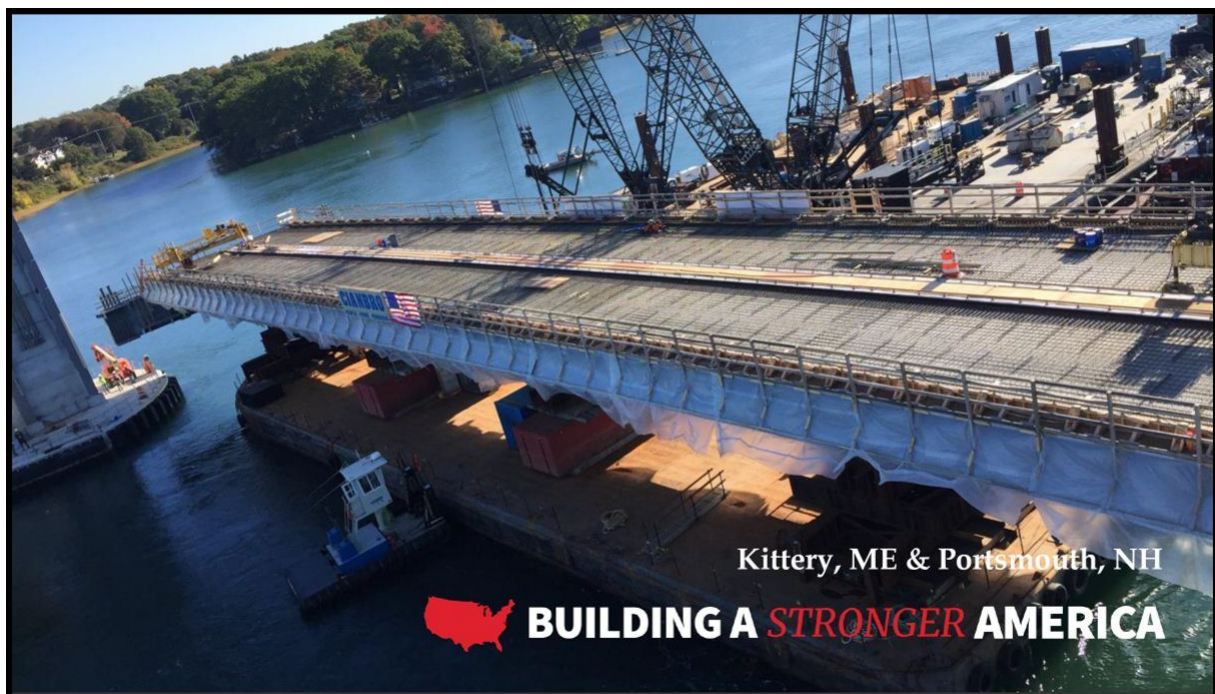
The two of us believe that state and local leaders should identify and select the projects that are most needed in their communities. There is no one-size-fits-all federal solution for infrastructure. Local communities know best what they need, whether it's to upgrade a wastewater facility in Warren, R.I., or repair a levee in Tulsa, Okla.

Money should be specifically designated for rural infrastructure. The unique needs of rural communities often make it difficult for them to compete with urban ones for private financing or traditional funding.

...

Finally, Congress should streamline the process for approving new projects, so that critical ones can get off the ground faster. The Treasury Department reports that among the major obstacles to completing infrastructure projects are inefficient reviews and lack of consensus among public and private entities.

[Read the full op-ed here.](#)



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## **BUILDING A STRONGER AMERICA** | Rural Communities Need Reliable, Modern Infrastructure

**RURAL INFRASTRUCTURE IS IN NEED OF REPAIR:** Infrastructure systems across rural America have fallen into a state of disrepair, holding back rural communities.

- More than a third of all major rural roads in the United States were in poor or mediocre condition in 2015 according to a report by TRIP, a national transportation research organization.
  - o 15 percent of major rural roads were rated in poor condition.
  - o 21 percent of major rural roads were rated in mediocre condition.
  - o 14 states had 20 percent or more of their major rural roads rated in poor condition, with some states having around 40 percent in poor condition.
- Ten percent of all rural bridges were rated as "structurally deficient" in 2016, according to TRIP.
- Small community water systems, or systems that serve 3,300 people or fewer, have \$64.5 billion in funding needs over a 20 year period according to a report by the Environmental Protection Agency.
  - o Because small water systems lack economies of scale, small cities often experience the largest percentage increase in user charges and fees.
- More than 100,000 miles of rail lines have been abandoned over the past few decades, reducing critical



rail access in many rural communities.

**INSUFFICIENT BROADBAND ACCESS:** Far too many Americans living in rural communities lack sufficient broadband access.

- The high cost of rural broadband deployment has prevented commercial internet providers from installing broadband equipment in rural areas.
- Insufficient broadband access has left many rural Americans without the tools they need to engage in the modern economy and use important services such as telemedicine and long-distance learning.
- 39 percent of Americans living in rural areas, 23 million people, lack sufficient broadband access, according to a 2016 report by the Federal Communications Commission.

**RURAL PROSPERITY DEPENDS ON INFRASTRUCTURE:** It is time to give rural communities the quality infrastructure they need in order to grow and thrive.

- 93 percent of rural Americans believe Federal investments in infrastructure are important to improving the job situation in their communities, according to a June 2017 poll published by *The Washington Post* and the Kaiser Family Foundation.
  - 74 percent of rural Americans polled believe infrastructure investments are “very important” to improving the job situation in their communities.
- Many industries important to the rural economy require efficient infrastructure, including energy production, manufacturing, and agriculture.
- Communities with agriculture dominant economies need reliable infrastructure in order to effectively conduct business.
  - Effective transportation systems help reduce the prices farmers must pay for operating supplies.
  - The agriculture industry relies on a variety of transportation methods such as trucking, rail, and waterways to maintain the agriculture supply chain.



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**OP-ED FROM SECRETARY PERDUE** | Rural America Will See Major Benefits From Trump's Infrastructure Plan  
(*Des Moines Register*)

The Des Moines Register  
February 19, 2018

Throughout American history, we have been recognized as a global leader in many areas, but we are in distinct danger of squandering advantages we hold over other countries when it comes to our infrastructure system.

Once the envy of the world, our infrastructure is crumbling and inadequate, and our nation risks slipping behind in economic achievement.

Under President Trump's "Building a Stronger America" infrastructure agenda, we can restore our position in the world and steer America back to prosperity, particularly in rural America.

...

He committed \$200 billion in new federal funding that will catalyze at least \$1.5 trillion in infrastructure investment nationwide, allowing state and local governments to make investment decisions based on what's needed in their communities.

Importantly, President Trump committed \$50 billion, or a quarter of all newly announced federal funding, solely to modernizing and repairing the vital infrastructure of rural America.

...

In my nine months in office, I have traveled to 33 states, including Iowa, taking a hard look at the challenges and opportunities in rural communities and hearing from rural citizens. At every stop, I heard about the dire need to expand broadband access, rebuild aging roads and bridges, provide clean water, and supply affordable, reliable power.

Specifically, I heard from people in agricultural communities who could use better transportation for moving American farmers and ranchers' amazing bounty and enhancing access to their suppliers and customers, both domestically and internationally. Only with reliable and efficient infrastructure can rural America's bounty be brought to market at home and abroad.

...

Aside from improving the quality of life for the people who live in non-urban parts of our country, President Trump's American infrastructure initiative will create jobs for Americans. Such investment will increase our gross domestic product and boost the economy for all, including rural Americans.

At USDA, our informal motto is "Do right and feed everyone," but we also fully endorse the president's goal of restoring the "Made in America" label to the products we purchase and use. Neither is possible without modern 21st century infrastructure connecting our rural communities to each other, to our nation's metropolitan areas, and to the world.

[Read the full op-ed here.](#)

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Please let us know if you have any questions.

Thanks,  
Nic

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