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**MAY 5, 2017**

**TO: BOARD OF DIRECTORS**

**FROM: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**SUBJECT: ENGAGEMENT WITH TRUMP ADMINISTRATION ON  
POTENTIAL INFRASTRUCTURE PLAN**

**ISSUE**

Consistent with the principles embedded in our Board-approved 2017 Federal Legislative Program, our agency has been engaged in a shared and constructive dialogue with the Trump Administration with respect to their stated plans to advance an Infrastructure Plan in the near future. These discussions, including contact with White House officials and senior officials at the U.S. Department of Transportation, have been centered on how Measure M revenues and revenues secured by other Self-Help Counties across the United States can be smartly leveraged by any new infrastructure plan put forth by the Trump Administration and potentially considered by the 115<sup>th</sup> Congress.

**DISCUSSION**

During the course of the 2016 Presidential general election and following his swearing-in as the 45<sup>th</sup> President of the United States, Donald Trump had and continues to articulate the goal of implementing a \$1 trillion infrastructure plan to rebuild America's roads, bridges and transit systems. In a joint address to Congress on February 28, 2017, President Trump asserted that, "To launch our national rebuilding, I will be asking Congress to approve legislation that produces a \$1 trillion investment in the infrastructure of the United States – financed through both public and private capital – creating millions of new jobs." The President added, "This effort will be guided by two core principles: Buy American and Hire American."

While no specific infrastructure plan has been made public by President Trump or his senior aides, officials in the White House and U.S. Department of Transportation are currently weighing a number of options with respect to the content of an infrastructure plan. Such a plan would likely be the product of efforts being led by the President's National Economic Council Director Gary Cohn and U.S. Secretary of Transportation

Elaine Chao and their top aides. From our engagement with the White House and the U.S. Department of Transportation, we believe it is likely that any infrastructure plan announced by the White House would be a combination of innovative finance tools and more traditional funding mechanisms – like grants.

While we engage with the new Administration on these matters, we are mindful that critics of President Trump's infrastructure plan, including prominent House and Senate Democrats, have noted that the "skinny budget" released on March 16, 2017 by the new Administration for Federal Fiscal Year 2018 proposes cutting the U.S. Department of Transportation's budget by 13% - or \$2.4 billion. That budget proposal also recommends eliminating funding for future transit projects funded through the New Starts program and also eliminating funding for the popular TIGER program. Over the last several years, Metro has secured over \$3 billion in New Starts grant commitments and we have also secured a record number of TIGER grants for projects ranging from the Willowbrook/Rosa Parks Station and the Rosecrans/Marquardt Grade Separation Project in Santa Fe Springs, California. Notwithstanding the criticism noted above, we believe it is prudent for Metro to continue to remain engaged with the Trump Administration on any future infrastructure plan.

Metro's efforts with regard to the potential Trump infrastructure plan have been squarely focused on how Metro and other Self-Help Counties and jurisdictions across the country could leverage their own revenues and assets with federal funding mechanisms and more traditional federal grant programs. As outlined in our Board-approved 2017 Federal Legislative Program, we have discussed with the Trump Administration the concept of dramatically expanding the FASTLANE grant program and making it a multi-year program, not unlike the New Starts program. We have also provided information on our America Fast Forward Transportation Bond program – which seeks to create a sixth class of qualified tax credit bonds that would stimulate greater investment in America's transportation infrastructure and concurrently take pressure off of conventional federal transportation grant programs. Lastly, we have put forth to the Administration the argument that federal rules should be reformed in any infrastructure package so that public-private partnership arrangements can be more practically used for both transit and highway projects.

## **NEXT STEPS**

Earlier this week, President Trump expressed his intent to unveil his infrastructure plan over the course of the next several weeks. While the exact release date for an infrastructure plan is unclear and the fate of such a measure before Congress is equally unclear, Metro will continue to remain fully engaged with the White House and Congress to attempt to influence the content of a future infrastructure package. We believe it is imperative for such a plan to include incentives for us to leverage Measure M dollars, thereby increasing the power of the local funding entrusted to our agency by Los Angeles County residents. We believe that this engagement with key federal stakeholders helps ensure the flow of not only new federal transportation dollars to our agency, but also new federal financing tools that can be used to accelerate some of our capital projects.

**Metro Government Relations staff will continue to guide this process and keep our Board apprised of our efforts on this matter – through both regular reports at the Executive Management Committee and through periodic and timely Board Boxes.**