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Wyden Statement at Finance Committee Hearing on Republican Tax Law, Treasury's Fiscal Year 2019 Budget

As Prepared for Delivery

Today ought to start off with a recap on taxes. A little more than three months ago, Treasury Secretary Mnuchin told CNN that his models showed the Trump tax bill would spur \$2.5 trillion in growth – enough to fully cover its \$1.5 trillion cost and leave a \$1 trillion cherry on top. He added, quote, “and we're happy to go through the numbers ... we want full transparency to the American public.”

If you're looking for transparency, the American public finally got a little of it on Monday, when the budget showed how baseless that talking point was from the get-go. Revenue, according to the budget projections, is about to plummet. \$300 billion short in 2018. \$400 billion short in 2019. And it doesn't get better. The fiscal bottom line is so far out of whack and the budget so deep in fantasyland, there's a magical \$813 billion in growth dropped in out of nowhere to make the overall picture look a bit less irresponsible.

But the idea that the tax cuts would pay for themselves is far from the only misleading statement about the tax law.

How about the idea that corporate tax cuts would get turned around immediately into workers pockets, not shareholders? Twenty times more money has been spent on stock buybacks than on worker bonuses over the last few months. As of today, millions of workers haven't seen their Trump Bump.

It's great for the slim, wealthy share of the population who dominate the stock market when stocks are doing well. But it's a prescription for trouble when you're reaching into middle class pockets to fund the buybacks that drive up the value of stock portfolios.

The famed Mnuchin Rule – the promise that there would be no absolute tax cut for the well-off – that's been shattered in a few trillion little pieces. The administration didn't follow through on the promise to close the carried interest loophole. And then, of course, there was the promise that the tax bill would not lead to cuts to Social Security, Medicare or Medicaid. Well, on Monday, our worst fears were confirmed. The Trump budget admits the tax cuts don't pay for themselves, so it hits those programs with massive cuts.

This morning I've also got to address infrastructure. The administration's infrastructure plan is fiction upon fiction upon fiction.

First off, the idea that this is a \$1.5 trillion dollar infrastructure plan is nonsense. Even factoring in the new \$200 billion infrastructure proposal, the Trump budget is a net DECREASE in infrastructure spending. It cuts infrastructure programs like a bulldozer through asphalt. \$122 billion cut out of the Highway Trust Fund. \$14 billion cut from the Army Corps of Engineers. \$5 billion cut from the TIGER transportation grant program. \$7.6 billion cut from Amtrak, and more. In my view, If you want big-league infrastructure, a good place to start is not making huge cuts to infrastructure programs that already work.

The second fiction -- that this plan is going to be workable for the states. Just a matter of weeks ago, the Trump administration kneecapped the ability of states to raise revenue to fund infrastructure projects with changes to the tax code. Now the Trump infrastructure plan burdens them with huge new costs they cannot possibly afford.

And that leads to the third fiction -- that the Trump infrastructure plan will not be a roadmap to more privatization and more tolls taking money out of families' pockets. If states and local governments can't cover the costs of projects, they're going to look for private dollars. And that can only mean one outcome.

Drive more than a few miles to work? Get ready for more tolls. Rushing to school in the morning? Don't forget cash for the tollbooth. Heading to the grocery store or the mall to do some shopping? Better remember to budget tolls into your trip.

The infrastructure proposal brought back an old, misguided idea to sell off the Bonneville Power Administration's transmission system, which only makes sense if you believe people's electricity bills in Oregon aren't high enough. The fact is, the Trump plan is a green light for infrastructure nationwide to be sold off to Wall Street investors, or worse, to shadowy buyers from China or other foreign countries.

Colleagues, I take a back seat to nobody when it comes to calling for major investments in our infrastructure systems. In my view, you cannot have a big-league economy with little-league infrastructure. And I'm also a firm believer in responsible private financing, and in tackling this issue on a bipartisan basis.

But getting infrastructure done right, rebuilding the spine of our infrastructure system that connects the country, requires more than hoping for private dollars. It requires robust funding at a federal level to tackle projects that are in the national interest. That's not what the Trump plan does -- not even close. Bottom line, the Trump infrastructure plan dumps huge costs onto states and cities, sells off public assets like an auction at a county fair, and raises transportation costs for hard-working families. And that's why it's such a disappointment to see it added to the list of broken Trump promises.

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