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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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May 11, 2017

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin:

I write today to express my strong concern over the Trump administration's pursuit of policies that will enrich wealthy investors with tax giveaways, at the expense of direct investments that would drive our economy forward, improve productivity, and create middle class jobs.

America's infrastructure is at a breaking point. Roadways are clogged with traffic and littered with potholes. Transit systems are straining with billions of dollars in deferred maintenance as ridership surges. The nation's ports face tens of billions in needed upgrades to handle expanding trade and shipping. This is to say nothing of the state of water systems, where American children throughout the country face new threats of lead poisoning and problems with water quality, or of our schools and hospitals. And it is absurd that, in 2017, vast swaths of rural America still do not have reliable access to broadband connections. A lack of investment is choking potential growth.

These problems have accrued while the federal government has dithered. After continuous short-term extensions, Congress finally passed a five-year highway bill in 2015. However, the Congressional Budget Office still projects that the Highway Trust Fund will be insolvent in 2021.¹ Authorization for the federal aviation programs, another victim of short-term legislative malpractice, will expire on September 30, 2017.

Action to date has not met the scope of the problems America faces. Independent estimates show an infrastructure investment gap of as much as \$2 trillion over the next decade, beyond current spending commitments.² It is time for the federal government to take swift action – to ensure sustainable, long-term funding for the existing infrastructure trust funds, and to take a step further, and finally address the historic underinvestment in our national infrastructure.

¹ Congressional Budget Office, Projections of Highway Trust Fund Accounts, January 2017 Baseline. See: <https://www.cbo.gov/sites/default/files/recurringdata/51300-2017-01-highwaytrustfund.pdf>

² American Society of Civil Engineers, Report Card for America's Infrastructure, March 2017. See: <http://www.infrastructurereportcard.org/>

State and local governments have already stepped up to the plate, increasing infrastructure investment even while grappling with budget shortfalls that date to the Great Recession. The federal government must join them in meeting this challenge and provide additional infrastructure funding. My Democratic colleagues and I, led by Senator Schumer, have already provided a blueprint to inject \$1 trillion to begin to address the massive backlog of projects.

The president makes bold claims when it comes to infrastructure, but that talk has not yet been met with action. The few proposals the president has put forward are concerning and wrong-headed. On the campaign trail, then-candidate Trump proposed a massive privatization of public infrastructure assets, underwritten by taxpayers. In the budget proposal released in March, now President Trump proposed to gut vital infrastructure grant programs.

I am no opponent of private investment in infrastructure – with proper oversight on the right kinds of projects, private sector expertise can help accelerate the delivery of high quality public infrastructure. I have bipartisan legislation that would encourage those types of public-private partnerships (P3s) – the Move America Act, introduced in 2015.

But P3s are not a magical solution to a massive, long-running problem – especially if they are only used to shift costs by levying tolls. Private investment is also not going to repave rural highways, or maintain and expand America’s transit networks. It is unsurprising that CBO estimates that private investment accounted for only 1.5 percent of all infrastructure investment in the United States over the past three decades.³

Privatization will not solve our infrastructure problems. Gutting federal grant programs will not solve our infrastructures problems. America doesn’t need gimmicks, it needs solutions.

You are a principal economic policymaker in an administration that has made big promises to the American people and little to show for it. Democrats have put forward a plan that would rebuild the nation’s infrastructure, create jobs, and grow the economy, while the American people still wait on this administration’s “phenomenal plans” that are forever “a few weeks” away.

It is time for you and the president to stop talking and start working.

Sincerely,



Ron Wyden
Ranking Member

³ Congressional Budget Office, *Public-Private Partnerships for Highway Projects*, March 2014. See: <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/45157-PublicPrivatePartnerships.pdf>