A document was leaked yesterday that contains an outline of what *might* be contained in a long-promised White House infrastructure proposal. Heavy caveats are required, as we do not know who prepared this document, who leaked it, or whether it reflects the administration's thinking. When asked about the document, a White House spokesperson declined to comment on a leaked source. She did not, however, indicate the document was fabricated.

The document contains two major sections: "Funding Principles" and "Principles for Infrastructure Improvements." The document does not contain principles as much as a set of policy ideas and proposed regulatory changes, with varying degrees of detail. The draft outline leaves much to be answered. There is no proposed funding amount, just percentages of the total that would be committed to the proposed programs. Since no funding level is proposed, nothing indicates how the bill would ultimately be paid for. In addition, the document does not contain provisions that would help close the funding gap the Highway Trust Fund faces after the expiration of the current authorization legislation.

The changes proposed appear to be separate from the current transportation authorization, which relies mostly on fuel tax revenues to fund projects primarily through discretionary, formula-based programs. The program outlined in the leaked document would do a little of that (for dollars to rural areas), but primarily relies upon grant awards through a competitive process controlled by federal agencies.

The portions described below are those most impactful for NARC's members. You can read the full document here.

Funding Principles

The section is broken into several programs and initiatives, and how much of the total funding each would receive. (Note: the percentages total to 97.05%, highlighting the danger of working with a not-yet-final document). This section is more specific on the policy details than the second section.

Name:	**Infrastructure Incentives Initiative**
Percentage of overall funding:	50%
Applies to:	Surface transportation, airports, passenger rail, maritime and inland waterway ports, flood control, water supply, hydropower, water resources, drinking water facilities, storm water facilities, Brownfield and Superfund sites
Eligible entities:	States or groups of states, Puerto Rico, U.S. territories, MPOs, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity
How it works:	Grant-based program to encourage State, local, and private investment in infrastructure Lead agency (not specified) will solicit applications every six months. Project scored based: dollar value of project (10%), commitment to new, non-federal revenue generation for funding projects (50%), commitment to new, non-federal revenue generation for operations, maintenance, and rehab, update of procurement policies and project delivery (20%), updates to procurement and project delivery approaches to improve

	efficiency (10%), incorporation of new technology (5%), and evidence that a given project will spur economic and social returns (5%) Lookback period for new revenue generation phases to zero for actions taken longer than three years ago
Federal share:	No more than 20%
Name:	**Transformative Projects Program**
Percentage of overall funding:	10%
Applies to:	Transportation, clean water, drinking water, energy, commercial space, and telecommunications
Eligible entities:	States or groups of states, Puerto Rico, U.S. territories, MPOs, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity
How it works:	Provides federal funding and technical assistance for transformative and innovative projects that are otherwise unable to secure private funding due to the uniqueness of the proposal Lead agency is Department of Commerce, and projects will be chosen by an interagency selection committee Three funding tracks: 1. Demonstration projects. Federal funding can cover up to 30% for planning, construction, deployment, and evaluation. 2. Project planning. Federal funding can cover up to 50% of final design and engineering. 3. Capitol construction. Federal funding can cover up to 80%. In this case, an applicant would be required to enter into a financial partnership agreement with the Federal government that if a project generates value, the Federal government gets a share of that value.
Name:	**Rural Infrastructure Program**
Percentage of overall funding:	25%
Applies to:	Transportation (roads, bridges, public transit, rail airports, and maritime and inland waterway ports); Broadband (and other high-speed data and communication conduits); Water and waste (drinking water, waste water, land revitalization, and Brownfields); Power and electric (governmental generation, transmission and distribution facilities); and Water resources (inland waterway ports, flood risk management, maritime ports and water supply).

Eligible entities:	States would receive as block grant funding, to be used for projects in rural areas with less than 50,000 population, including tribal lands and U.S. territories
How it works:	Formula distribution: 80% of funding would be distributed to States based on formulas, including ratio of rural lane miles in a state to the entire rural system, and ratio of rural population in a State to rural population in all states. Rural Performance Grants: 20% of funding would go to States that have developed a comprehensive rural infrastructure investment plan (RIIP)
Federal share:	100%
Name:	**Federal Credit Programs**
Percentage of overall funding:	7.05% (typo?)
How it works:	Designed to increase capacity of federal loan programs, including TIFIA, RRIF, WIFIA, and Rural Utilities Lending Program
Name:	**Public Lands Infrastructure Fund**
Percentage of overall funding:	Unspecified
How it works:	New infrastructure fund, the Interior Maintenance Fund, comprised of additional revenues from mineral and energy development on Federal lands and waters
Name:	**Federal Capital Financing Fund**
Percentage of overall funding:	5%
How it works:	Would allow for something like a capital budget under current Federal budgeting rules, by establishing a mandatory revolving fund. Once establish in an Appropriations bill, the fund would transfer money to agencies to finance large-dollar real property purchases. Purchasing agency would be required to repay the fund in 15 equal annual amounts using discretionary appropriations.
Name:	**Private Activity Bonds**
Percentage of overall funding:	n/a
How it works:	Would allow for increased utilization of PABs for a broader category of infrastructure projects, including reconstruction, ports, and airports Reinstates Advanced Refunding of PABs, which was eliminated in recent tax law, and eliminates the application of AMT
Name:	**Disposition of Federal Real Property**

“Would establish through executive order the authority to allow for the disposal of Federal assets to improve the overall allocation of economic resources in infrastructure investment.”

Principles for Infrastructure Improvements

The draft also includes many "principles" for Infrastructure Improvements, which are more accurately described as regulatory changes that will expand the use of existing federal tools, increase the speed and efficiency with which projects are approved, and otherwise change federal regulation as it relates to infrastructure.

Transportation

Financing – Allows for tolling of interstates and reinvestment of tolls into existing infrastructure; and removes application of federal requirements on projects that receive *de minimis* federal funding.

Highways – Raises major project cost threshold to $1 billion; authorizes utility relocation to occur before the completion of NEPA process; and relief from federal requirements for small highway projects

Transit – Requires value capture financing as a condition for receipt of Capital Improvement Grants (New Starts) funds; remove restrictions of use of public-private partnerships on transit projects; and codification of expedited project delivery

Rail – Applies FAST Act project delivery streamlining provisions to rail projects

Water Infrastructure

Financing – Expands WIFIA to include flood mitigation, navigation, water supply, brownfields, and superfund; broadens eligibility for WIFIA beyond community water systems.

Water Programs – Removes application of federal requirements on projects that receive *de minimis* federal funding

Inland Waterways – Expands what can be funded with Inland Waterways Trust Fund funding

Water Infrastructure Resources – Makes changes to WRDA and Corps authority under specific circumstances

Veterans Affairs

Allows Veterans Administration to sell or trade existing facilities for the building of new facilities

Land Revitalization (Brownfields/Superfund)

Limits liability for states and municipalities that acquire contaminated property and increases funding and process flexibility to encourage integrated site management