What is in Trump's $200 billion infrastructure plan?

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Trump's infrastructure plan was released late last month as part of his proposed 2018 budget. The vague proposal, which according to his administration will be worked out in detail by the fall of this year, will lead to the mass sell-off of public infrastructure throughout the country while simultaneously slashing the transportation budget.

The plan earmarks $200 billion over 10 years. Though there are no details yet, a Trump administration memo suggests that the bulk of the money will be given to states and local governments as incentives for privatizing public infrastructure.

Moreover, more than $200 billion will simultaneously be cut from the transportation budget. This will likely hurt, among other programs, Amtrak, the national passenger rail service, potentially shutting it down, and TIGER, a program that gives state grants to fund infrastructure projects.

Trump's dubious plan will not repair or upgrade the decrepit and outmoded American infrastructure and transit systems. The proposal will force the public to pay new tolls and fees for basic transportation needs with no guarantees that the monopolies that control the roads will maintain them properly.

The true beneficiaries of Trump's plan are a handful of financial parasites and corporate conglomerates that will rake in the cash from this unprecedented transaction. Everything about the plan stinks of a disastrous con job. Trump ran for president on the promise that he would bring $1 trillion in infrastructure spending to the decaying and broken infrastructure of the United States. It is notable then that his administration has essentially slipped this into the 2018 budget without any mention of it to the public. The deal is too rotten to show more publicly.

The heart of the deal seems to be the encouragement of something known as P3, that is a public-private partnership schemes. The plan has most notably been tested in Australia, where it is known as the "Asset Recycling Initiative." Since 2013, the Australian government has paid an Australian state and two territories 15 percent of public assets they sell off as an incentive to make the sale.

Joyce Nelson, an economist, writes in her book *Beyond Banksters:* "Australian critics of 'asset recycling' say it is basically 'selling a hospital to build a road,' with the federal government bribing local governments with incentive payments in order to sell off public assets."

Australian economist William Mitchell notes that these schemes "have systematically failed to deliver on the promises made by the consultants." Meanwhile, he writes, "The stockbroking and legal companies and economists who advised governments in these public robberies have all done very well."

The Trump Administration is also considering some direct federal investments, but its memo makes clear that it believes local governments have become too reliant on federal funds. It euphemistically calls on "encouraging self-help" at the local level, by which it means pressuring local governments to make the choice to sell off assets.

It must be stressed that there is nothing unique in Trump's championing of P3. The Democratic Party and Republican Party have both stressed the need for public-private partnerships as the solution to the infrastructural and local-public debt problem in the United States. In the Detroit metro area, for example, Democratic politicians have played a key role in selling off infrastructure to private companies.

The American Society of Civil Engineers, which has repeatedly warned about the dismal state of US infrastructure, also advocates P3 as the solution. The group has written, "Infrastructure owners and operators must charge, and Americans must be willing to pay, rates and fees that reflect the true cost of using, maintaining, and improving infrastructure." The ASCE advocates “user generated fees,” hiking the gasoline tax, and other regressive proposals that would disproportionately affect the country’s poorest citizens. The group also calls for more “public-private” partnerships, along with the streamlining of approval for private investment in public infrastructure projects. These are all currently being considered by the Trump administration.

Because roads, highways, transit lines, and other infrastructure investments are expensive long-term investments, it is rare to be able to have any kind of competition between service providers in a region. Having two highways going between the same places would be unprofitable, not to say irrational. The result is that privatization of public infrastructure always means monopoly privatization, with one company in charge of necessary infrastructure. This monopoly allows the company to charge exorbitant fees or provide sub-standard service with no repercussions.

Reorienting American infrastructure along private lines would only create an ever more class-based infrastructure system, where only those who could afford to will be able to drive on high-toll expressways and bridges, send their children to quality schools, drink clean water and live in areas not threatened with constant flooding or environmental disasters.

States and local municipalities whose budgets partially rely on revenue from transportation will likely be hurt in the long run by P3 schemes. For example, a privatization scheme of Chicago meters cost the city $974 million in revenue, according to the Inspector General’s office. Depriving states and municipalities of this source of revenue would compound a future budget crisis in the event of a future financial collapse. This would encourage cases like Detroit and Stockton where the collapse of city funds acts as a springboard for brutal cuts to worker pensions, pay, medical benefit and city services.