



International Right of Way Association Weekly Update

Monday, May 1, 2017

Trump Administration

- The Trump Administration rolled out a tax reform proposal this week. While details are still being negotiated, it appears that infrastructure funding is not contemplated by the proposal. (https://www.nytimes.com/2017/04/26/us/politics/trump-tax-cut-plan.html?_r=0; <http://www.politico.com/tipsheets/morning-transportation/2017/04/whole-lotta-nada-for-infrastructure-in-tax-plan-220013>)
- Secretary Chao recently noted that the Administration plans to tackle infrastructure later this summer after tax reform. (<https://www.bostonglobe.com/metro/2017/04/22/transportation-secretary-calls-governor-advocacy-for-green-line-extension-persuasive/BSjG279stuQfp1Penr10fJ/story.html>)
- A federal judge blocked the Trump Administration from enforcing part of its efforts to limit federal funding, including infrastructure funding, to sanctuary cities. (<http://www.cnn.com/2017/04/25/politics/sanctuary-cities-injunction/index.html>)

Congress

- Congressional leaders reached a deal over the weekend to fund the government through the end of fiscal year 2017. There will be no government shutdown, as Congress passed a one-week continuing resolution, which the President signed, prior to expiration of funding authority last week. (<http://thehill.com/homenews/senate/331332-congress-has-deal-to-fund-government-through-september>)
- President Trump is urging House Republicans to vote this week on a bill to repeal and replace the Affordable Care Act. (<https://www.nytimes.com/2017/05/01/us/politics/trump-health-care.html>)

Analysis

- Now that Congress has reached a deal to fund the government through September, the Administration is intent on wasting no time on its other priorities. As of Saturday, President Trump is past his first 100 days in office, which is a common, albeit arbitrary, period to measure a new President's accomplishments.

- National Economic Council Director Gary Cohn and Treasury Secretary Steven Mnuchin outlined the broad strokes of the President's tax reform proposal on Wednesday, which includes reducing the corporate income tax rate to 15% (from 35%); reducing the top two personal income tax rates to 33% from (39.6% and 35%); reducing the total number of tax brackets for personal filers to three (from seven); moving to a territorial tax system for American businesses; and providing a repatriation holiday. Cohn and Mnuchin responded repeatedly to reporters' questions at the announcement that details are still being negotiated with Congress.
- From the discussion on Wednesday, it does not appear that the Administration plans to pay for additional infrastructure spending as part of this tax reform proposal, leaving unanswered the question as to how an infrastructure bill would be funded. Secretary Chao's recent comments that infrastructure will proceed after tax reform supports the contention that the Administration currently views these two policies as distinct from one another.