DEMOCRACY FORWARD

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A Blueprint For Cronyism

President Trump's Illegal Infrastructure Plan to Enrich His Friends

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President Trump's Illegal Infrastructure Plan to Enrich His Friends

President Trump made rebuilding America's infrastructure a central part of his campaign, promising to invest in "the next generation of roads, bridges, railways, tunnels, sea ports, and airports." But that's not the President's plan.

Instead, what President Trump will outline is a blueprint for cronyism: An infrastructure proposal illegally developed in secret that is designed to further enrich people like President Trump, his business associates, and his friends.

The proposal, details of which have been slowly leaked to the press, follows months of closed-door meetings by President Trump's "Infrastructure Council," a group of well-connected individuals tasked by the President to design and direct federal infrastructure policy. Members of the Infrastructure Council are long-time friends and business associates of President Trump and his family, are unfettered by conflict-of-interest rules designed to prevent corruption, and stand to benefit from the President's infrastructure policies.

We've already seen the consequences of President Trump's decision to outsource infrastructure policy-making to his financially-conflicted friends. Over the past year, the Administration has quietly taken actions that benefit financiers and developers like those on President Trump's Infrastructure Council. The Trump Administration rolled back federal flood regulations that a Council member's development firm lobbied against; gutted pipeline safety rules that were cited as financial risks to a company owned by a Council member's private equity firm; halted an industry-opposed federal initiative that promoted local hiring in infrastructure projects; and is rolling back protections for children exposed to lead in federally-subsidized apartment buildings, including ones owned by the Trump and Kushner families.

AP Photo/Carolyn Kaster

President Trump's infrastructure plan is the capstone of these efforts. The plan appears to allow the Administration to award new infrastructure grants directly to private companies, empower companies to charge tolls and fees on America's roads and bridges, cut career officials and agency experts out of project and permitting decisions, and eliminate regulatory and legal safeguards that protect against corruption.

As Congress and the public consider President Trump's infrastructure proposal, they should consider the illegal way the proposal was crafted behind closed doors, the self-dealing infrastructure actions President Trump has already taken, and the ways in which the plan is ripe for abuse. Then they should ask a simple but critical question: Who would President Trump's plan benefit, and who would it hurt?

As this report will detail, the answer to that question is clear: President Trump's infrastructure strategy would leave American communities behind, as private special interests like his friends and business associates get rich.

PART I

An Illegal Plan Developed Behind Closed Doors

In January 2017, President Trump established an "Infrastructure Council" to advise the White House and the Department of Transportation (DOT) on developing and implementing federal infrastructure policy.

The Infrastructure Council — led by New York real-estate moguls and Trump associates Richard LeFrak and Steven Roth — operated behind closed doors for months, holding secret meetings, soliciting and reviewing project proposals, recommending regulatory actions, all leading up to President Trump's infrastructure proposal.

The Infrastructure Council's work and the actions taken by President Trump at the Council's recommendation were done in violation of the Federal Advisory Committee Act (FACA).

President Trump's Illegal Infrastructure Council

The Trump Administration has made a practice of outsourcing policy making to private individuals, particularly President Trump's business associates and friends, who are unfettered by conflict-of-interest rules and other public accountability standards. This practice, by which the Administration converts private wish lists into government policy, raises a host of ethical and legal concerns.

In January 2017, President Trump employed this approach to address the nation's infrastructure needs, establishing an Infrastructure Council to advise himself and DOT on matters related to infrastructure policy.

President Trump named Richard LeFrak and Steven Roth to lead the Council. LeFrak is a billionaire New York real estate developer and personal friend of the President. Roth is the CEO of Vornado Realty Trust—one of New York's largest landlords and a business partner of the Trump Organization. Both LeFrak and Roth own development projects that stand to benefit from the President's infrastructure policies. The Infrastructure Council also included Joshua Harris and William E. Ford, two private equity executives.

As part of the mandate, the Infrastructure Council was tasked with making regulatory policy recommendations to President Trump, reviewing incoming project proposals, and helping the President develop his infrastructure proposal.

IN THE WORDS OF PRESIDENT TRUMP:

"everything" would be "run by them."

THE COUNCIL CARRIED OUT THESE TASKS FOR MONTHS, LARGELY IN SECRET:

In February 2017, LeFrak met with President Trump at Mar-A-Lago to discuss funding for a proposed wall on the southern border of the United States.

On March 8, 2017, the White House held a meeting on infrastructure with President Trump, Transportation Secretary Chao, and members of the Infrastructure Council, including LeFrak, Roth, Harris, and Ford.

Following the March 8th meeting, LeFrak told Reuters the Infrastructure Council was considering a pilot program to speed up proposals and halt litigation that delays infrastructure projects. In August, the President issued an executive order that, according to Construction Dive, seemed "inspired" by the recommendation.

President Trump's first budget proposal, released in March 2017, reflected the importance of the Infrastructure Council. The budget defunded established federal infrastructure programs in favor, according to Crain's New York, "of putting the Roth and LeFrak-led council in charge of what could be $1 trillion of federal infrastructure spending."

At a town hall on April 8, 2017, President Trump highlighted that he was working with Roth and LeFrak, and that the Infrastructure Council they led would "cut a lot of red tape."

In May 2017, during an interview with Secretary Chao, LeFrak told CNBC that the Infrastructure Council was hard at work. Chao also thanked LeFrak and fellow council members Steve Roth, Josh Harris, and Bill Ford for "giv[ing] up their time and their life's experience and finding the best way to build our infrastructure for the future."

As of May 11, 2017, the White House had received more than 500 infrastructure project requests from governors, consultants, contractors, unions, and advisors. According to President Trump, the Administration was "going to run projects through" the Infrastructure Council.

On June 7, 2017, LeFrak joined Special Assistant to the President for Infrastructure DJ Gribbin at a speech given by President Trump on infrastructure.

On August 11, 2017, LeFrak, Roth, and Secretary Chao exchanged emails regarding the Administration's approach to the Gateway Program. Both LeFrak and Roth stand to benefit financially from the project. In the email exchange, Secretary Chao forwarded the advisors a Weekly Standard article that described New York Senator Chuck Schumer as "need[ing] her" to secure funding for the project. Roth responded, saying: "You are doing great. Stick to your guns." The exchange suggested that the Administration was taking a firm public stance against funding Gateway in order to use the project as leverage in future infrastructure negotiations.

After the Infrastructure Council had been operating illegally for nearly half a year, President Trump attempted to formalize the Council's operations by issuing Executive Order 13805, which purported to "create" the Council on July 19, 2017. But the Council's formal operation was short-lived. After the President's controversial remarks in support of attendees at a white supremacy march in Charlottesville, Virginia, the White House announced it would not move forward with formalizing the Infrastructure Council.

The Development of President Trump's Infrastructure Proposal Violated Federal Law

Despite providing regular advice and recommendations to President Trump, the Infrastructure Council conducted its work under a cloak of secrecy, a clear violation of FACA.

Enacted by Congress in 1972 to promote transparency in federal policymaking, FACA defines an "advisory committee" as "any committee, board, commission, council, conference, panel, task force, or other similar group … which is (A) established by statute or reorganization plan, or (B) established or utilized by the President, or (C) established or utilized by one or more agencies in the interest of obtaining advice or recommendations for the President or one or more agencies or officers of the Federal Government." 5 U.S.C. app. 2 § 2(a).

In part, FACA requires presidential advisory committees to: (1) file a charter upon their creation, (2) be "fairly balanced in terms of the points of view represented and the functions to be performed," (3) make all meetings open to the public, (4) provide notice of all meetings in the Federal Register, (5) allow all interested persons to attend, appear before, or file statements with the advisory committee, and (6) make all records available to the public, including reports, transcripts, minutes, working papers, drafts, studies, agendas, and other documents prepared for or by the advisory committee. 5 U.S.C. app. §§ 5(b)(2), 9(c), 10(a)(1)-(3), 10(b)-(c).

Despite its total failure to operate in accordance with these legal mandates, President Trump's Infrastructure Council took an active role in helping to shape his infrastructure agenda and policies.

In July 2017, Democracy Forward filed suit against President Trump and DOT on behalf of Food & Water Watch. The suit alleges President Trump's Infrastructure Council has been operating in violation of FACA and seeks to vacate and set aside as unlawful any action taken by the Council, or by the Trump Administration in reliance on the Council's advice. The suit also seeks to compel the Administration to disclose legally-required information about Council's activities.

In its response to the lawsuit, the Trump Administration hopes to convince the court that the Infrastructure Council did not constitute an "advisory committee," and thus, was not subject to FACA's transparency requirements.

Their argument is clearly belied by the facts, but it's notable that the Administration does not attempt to deny that in developing President Trump's infrastructure plan, "the president receiv[ed] input from various individuals about infrastructure issues," including Roth and LeFrak.

IN ITS RESPONSE TO THE LAWSUIT, THE ADMINISTRATION ADMITTED THAT

"the president receiv[ed] input from various individuals about infrastructure issues"

PART II

Advisors and Staff With a Stake in Infrastructure

News reports and the Administration's own statements make clear that, in developing his infrastructure strategy, President Trump has relied heavily on advice and recommendations from friends and business associates who stand to benefit. This includes both members of his illegal Infrastructure Council and staff from the White House Office of American Innovation (OAI), which according to White House officials, is helping draft the President's infrastructure proposal.

These individuals have a significant financial stake in the plan President Trump is expected to outline during his State of the Union address, and some have already benefited from decisions President Trump has made on infrastructure policy.

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RICHARD LEFRAK
INFRASTRUCTURE COUNCIL CO-CHAIR

BACKGROUND: LeFrak is Chairman and CEO of LeFrak Organization, a privately owned real estate development, energy extraction, and financial firm. In January 2017, President Trump appointed LeFrak Co-Chair of his Infrastructure Council.

CONNECTION TO TRUMP: LeFrak has known President Trump for decades because of their shared history in New York City real estate circles. LeFrak is reportedly a frequent guest at Mar-a-Lago, earned a mention in Art of the Deal, and even appeared on "The Apprentice." He also served as an economic advisor to President Trump during the 2016 campaign.

POTENTIAL CONFLICT: LeFrak's company is one of the largest private landlords and real estate developers in America, with holdings in the New York City, Los Angeles, and Miami areas. It is also a major investor in on-shore oil and gas extraction. As Co-Chair of President Trump's Infrastructure Council, LeFrak appears to have had the President's ear on infrastructure spending and regulatory policy, including where he stood to benefit. For example, as detailed below, President Trump rolled back federal flood protections that the LeFrak Organization had lobbied against.

AP Photo/Mark Lennihan

STEVEN ROTH
INFRASTRUCTURE COUNCIL CO-CHAIR

BACKGROUND: Roth is founder and CEO of Vornado Realty Trust, one of New York's largest landlords. In January 2017, President Trump appointed Roth Co-Chair of his Infrastructure Council.

CONNECTION TO TRUMP: Roth's company is partial owner with the Trump Organization in two buildings, one in New York and one in San Francisco. In the 1980s, Roth and Trump co-owned the New York City department store Alexander's, which has since gone bankrupt. Roth also owns nearly half of 666 Fifth Avenue, an office skyscraper purchased in 2006 by Jared Kushner's family.

POTENTIAL CONFLICT: Roth's Vornado owns millions of square feet in Manhattan, including a significant holding surrounding New York's Penn Station. The company is also part of a public-private partnership to redevelop a former federal building into an expanded Penn Station, a project Roth claims is vital for his company. As Bloomberg noted, the "web of personal and professional ties" between Roth and President Trump, and the ability of Roth to "benefit from increased infrastructure spending," raised questions about potential conflicts.

AP Photo/Julio Cortez

JOSHUA HARRIS
INFRASTRUCTURE COUNCIL MEMBER

BACKGROUND: Harris is co-founder and Senior Managing Director of Apollo Global Management, LLC, a private equity giant. According to the New York Times, President Trump added Harris to his Infrastructure Council.

POTENTIAL CONFLICT: Apollo Global Management has large-scale investments in energy, steel, transportation, and similar industries poised to benefit from infrastructure spending. In earnings calls in August and November of 2017, Harris said Apollo was assembling a team to take advantage of "the tremendous need for capital in the infrastructure." Pressed for details, Harris said "I'll keep you guessing."

AP Photo/Carlos Osorio

WILLIAM (BILL) FORD
INFRASTRUCTURE COUNCIL MEMBER

BACKGROUND: Ford is CEO and Managing Director of General Atlantic, a multi-billion dollar financial services and venture capital firm. According to the New York Times, President Trump added Ford to his Infrastructure Council.

CONNECTION TO TRUMP: Prior to his appointment on the Infrastructure Council, Ford was part of the U.S. delegation that traveled with President Trump to Saudi Arabia, where the Saudis announced an infrastructure partnership with the private-equity giant Blackstone.

POTENTIAL CONFLICT: As the head of a giant investment and financial services firm, Ford has a financial interest in what he describes as President Trump's plans to incentivize "states and municipalities to privatize important infrastructure assets." In addition, General Atlantic's portfolio includes companies like EN Engineering, a pipeline and industrial services firm that could benefit from proposals to expedite construction by rolling back environmental protections.

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JARED KUSHNER
SENIOR ADVISOR TO THE PRESIDENT

BACKGROUND: Kushner is Senior Advisor to President Trump and the head of the White House Office of American Innovation. Prior to entering the Administration, Kushner was an executive with Kushner Companies, a major real estate developer.

CONNECTION TO TRUMP: Kushner married President Trump's daughter, Ivanka Trump, in 2009.

POTENTIAL CONFLICT: When Kushner left Kushner Companies to join the Trump Administration, the business was saddled with debt from expensive acquisitions and developments in New York and New Jersey. These developments, and other Kushner family properties and ventures, stand to benefit from targeted infrastructure spending and the removal of regulatory protections. For example, the President's son-in-law owns several apartment complexes that receive millions of dollars in federal housing assistance. In August 2017, the Trump Administration illegally rolled back a rule designed to prevent private landlords like Kushner Companies from using federal housing assistance to artificially inflate rents.

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REED CORDISH
SPECIAL ASSISTANT TO THE PRESIDENT

BACKGROUND: Cordish is Special Assistant to the President and works in the Kushner-led Office of American Innovation. Prior to entering the Administration, Cordish was a principal at Cordish Company. His family's firm develops and manages real estate and entertainment venues and invests in private equity and venture capital funds. According to reports, Cordish is involved in developing President Trump's infrastructure plan.

CONNECTION TO TRUMP: Cordish's father became friendly with President Trump following a legal battle over a Florida casino project in 2004. In 2010, Cordish married a close friend of Ivanka Trump, who introduced the two.

POTENTIAL CONFLICT: The Cordish Company has a history of taking advantage of taxpayer backed bonds, and other tax credits, to fund their developments across the country. For example, Kansas City issued $295 million in public-backed bonds to finance the development of Cordish Company's new property, with the promise it would create jobs and generate tax revenue for the city. According to the Kansas City Star, the deal "didn't come close" to meeting expectations, and as a result, the city will be paying off the debt on the deal until 2040. For example, in FY 2014, the total debt service owed by the city was $19.6 million, but the development only generated $4.7 million in tax revenue. As a result, taxpayers picked up the $14.9 million tab. As the Kansas City Star noted, "That's money that wasn't available for police, fire, code enforcement and other services." Publicly financed private projects comparable to these are reportedly incentivized in the President's infrastructure plan.

Olivier Douliery /Pool via CNP

DJ GRIBBIN
SPECIAL ASSISTANT TO THE PRESIDENT

BACKGROUND: Gribbin serves as Special Assistant to the President for Infrastructure Policy. An infrastructure finance and public-private-partnership (PPP) specialist, Gribbin previously worked at the infrastructure asset firm Macquarie Capital, the debt and private capital arm of the investment banking giant Macquarie Group.

POTENTIAL CONFLICT: Gribbin's former employer Macquarie Group is one of the world's largest infrastructure asset management firms. The company specializes in privatizing assets and profiting from user fees and tolls. For example, Macquarie is working to build and maintain a new Goethals Bridge, a venture in which the Port Authority of New York and New Jersey will pay the company roughly $56 million a year for 40 years once the bridge opens. Despite President Trump's claim that PPPs such as these are "more trouble than they're worth," they will reportedly be a centerpiece of the President's proposal.

PART III

Infrastructure Actions Already Taken That Benefit President Trump and His Friends

President Trump has already taken actions on infrastructure that prioritize the interests of people like his family and business associates over the needs of American communities.

Over the past year, the Administration has scrapped flood protections that would save Americans billions of dollars, abandoned federal safety regulations that would help prevent pipeline accidents, and ended a local hiring program designed to ensure infrastructure projects create jobs in local communities. The Administration is also making plans to roll back a rule that protects young children living in federally-owned or -assisted housing from lead poisoning.

The Administration's actions on infrastructure thus far offer a window into whom President Trump's larger proposal could benefit.

President Trump rolled back federal flood protections that Richard LeFrak's firm lobbied against

BACKGROUND: In 2015, President Obama issued Executive Order 13690, establishing the Federal Flood Risk Management Standard (FFRMS) to "address current and future flood risk and ensure that projects funded with taxpayer dollars last as long as intended." In implementing the Executive Order, the Department of Housing and Urban Development (HUD) proposed a rule that would have instituted additional elevation or floodproofing requirements for projects receiving HUD assistance located in flood plains.

Experts, including conservative think tanks, agree that encouraging agencies to engage in disaster-mitigation strategies could potentially save billions of dollars and help prevent the loss of lives and property to flooding.

TRUMP ACTION: In August of 2017, President Trump issued Executive Order 13807, which revoked the new flood protections.

WHO BENEFITS: Housing developers like Richard LeFrak have consistently opposed federal flood regulations. From 2013 through 2016, the LeFrak Organization reported spending $320,000 lobbying Congress on the "Flood Map issue," as well as other topics. In 2015, the LeFrak Organization criticized new federal flood regulations enacted after Hurricane Sandy that required the company to raise the height of a Jersey City site by about three feet before starting construction because, according to Richard LeFrak's son, it would increase costs for the development.

FROM 2013 THROUGH 2016, the LeFrak Organization reported spending $320,000 lobbying Congress on the "Flood Map issue," as well as other topics.

President Trump gutted pipeline safety rules that were cited as financial "risks" to an Infrastructure Council member's investment

BACKGROUND: In 2010, a gas pipeline exploded in California, killing eight people and injuring dozens more. In response, Congress passed the Pipeline Safety, Regulatory Certainty, and Job Creation Act, requiring the DOT to revise federal safety regulations for the nation's rapidly growing gas pipeline network. DOT did just that in 2016, and issued a proposed rule that included new assessment, inspection, and repair requirements for new and existing gas transmission pipelines. During the last week of the Obama Administration, DOT also issued a pre-publication copy of a similar final rule for hazardous liquid pipelines. Furthermore, in November 2016, the Department of Interior (DOI) issued a final rule imposing, among other protections, additional safety requirements on natural gas transportation and production.

TRUMP ACTION: The Trump Administration delayed the gas pipeline safety rule for at least a year, even though DOT estimated the rule would prevent approximately 40 pipeline accidents per year. The Administration also delayed the hazardous liquid pipeline rule, withholding it from posting as final in the federal register during President Trump's first days in office. Finally, the Administration delayed the DOI rule until at least 2019 after failing to convince Congress to repeal the rule through the Congressional Review Act. As of publication of this report, none of the rules have been finalized by President Trump.

The delays follow a pattern of actions taken by the Trump Administration to benefit special oil and gas interests. The President has also issued an Executive Order to hasten the pipeline development permitting and review process, renewed construction of the Keystone XL and Dakota Access pipelines, and appointed a former lobbyist who reportedly profits from oil spills to a top post in the Pipeline and Hazardous Materials Safety Administration at DOT.

WHO BENEFITS: Several members of President Trump's Infrastructure Council are affiliated with entities that stand to benefit from the Administration's decision to delay the important safety rules. For example, Joshua Harris is Senior Managing Director for Apollo Global Management, which has substantial investments in energy companies like EP Energy and Northwoods Energy. In its annual report filed with the SEC, EP Energy listed the three rules cited above as examples of potential financial risks to company profits, claiming they "may expose us to significant costs and liabilities." In addition, while Infrastructure Council Co-Chair Richard LeFrak is most commonly known for his real estate holdings, he also has substantial energy investments, and recently committed $100 million to natural gas extraction in North Louisiana.

THE TRUMP ADMINISTRATION DELAYED THE GAS PIPELINE SAFETY RULE FOR AT LEAST A YEAR, even though DOT estimated the rule would prevent approximately 40 pipeline accidents per year.

President Trump is rolling back protections for children exposed to dangerous levels of lead in apartment buildings

BACKGROUND: On January 13, 2017, HUD published a rule to protect young children who live in federally-owned or-assisted housing from lead poisoning. In part, the rule lowered the threshold for when HUD considers a child's level of lead in their blood to be "elevated," aligning HUD standards with Centers for Disease Control guidelines. The rule also established more comprehensive testing and evaluation procedures that require landlords to take action if a child's blood lead level exceeds those updated standards.

TRUMP ACTION: The Trump Administration plans to issue an interim final rule to "streamline" the rule's reporting requirements. HUD claimed it had "received feedback to suggest that the rule's reporting requirements, specifically those for residential properties receiving project-based assistance under a HUD program (PBA housing) and housing occupied by families receiving tenant-based rental assistance (TBRA housing), respectively, should be streamlined." Among the reporting requirements: Provisions that require building owners to report cases of elevated blood levels to HUD field offices and provide documentation that they have taken steps to address the problem.

WHO BENEFITS: The Trump family owns properties subject to the child protection rules. The President himself owns a four percent stake in Starrett City, one of the largest public housing complexes in the country. The housing complex was built in 1973 and has a project-based housing contract with HUD, making Starrett City subject to the updated lead poisoning protection rule. Since 2013, the partnership that owns Starrett City has received more than $490 million in subsidies from HUD, including almost $38 million since President Trump took office. Jared Kushner also owns apartment complexes that have received millions of dollars in HUD tenant-based rental assistance, making his properties subject to the updated lead poisoning protection rule as well.

President Trump scrapped an industry-opposed initiative to create infrastructure jobs in local communities

BACKGROUND: In 2015, DOT introduced a proposal to promote local hiring in federally funded infrastructure and construction projects. Specifically, the local job creation rule would have permitted cities using federal funds to give a preference for local hiring in the contract bidding process, allowing communities to build infrastructure projects and create jobs. In conjunction with the proposal, DOT piloted the program on fourteen projects in approximately ten metropolitan areas, including in New York, Los Angeles, Chicago, and New Orleans. According to Newsweek, the initiative "enabled states and cities to create thousands of new, high-wage transportation and construction jobs in some of the nation's most depressed local labor markets."

TRUMP ACTION: In October 2017, the Trump Administration withdrew the local job creation rule and discontinued the pilot program, citing industry concerns.

WHO BENEFITS: While cities overwhelmingly supported the local job creation initiative, industry trade groups did not. For example, the rule was opposed by the Associated Builders and Contractors and the Associated General Contractors of America, the latter of which "recommended to the Trump transition team that it discontinue the pilot program and ensure that the rulemaking does not move forward."

PART IV

A Blueprint for Cronyism

While President Trump has kept the full details of his infrastructure proposal secret, central elements and principles of the plan are known. Given the illegal way the Infrastructure Council has operated, and the infrastructure actions President Trump has taken thus far that benefit his family and associates, it's troubling that the plan would provide opportunities for the President and his associates to further profit at taxpayer expense:

The plan would allow the Administration to award new infrastructure grants directly to private companies

President Trump's proposal would provide his Administration $20 billion each year to select projects to fund. While it is not unusual for agencies to award infrastructure funding on a competitive basis, the plan will reportedly allow the Administration to provide grants directly to sponsored private companies. Recent discretionary infrastructure grant programs, such as the Transportation Investment Generating Economic Recovery (TIGER) program, have limited eligible applicants to state, local, and tribal governments.

These concerns are particularly acute given the financial interest President Trump's infrastructure advisors have in federal spending on infrastructure and the Administration's record of politicizing federal grants. For example, President Trump's Environmental Protection Agency illegally terminated funding for a newspaper that reported on the President's environmental policies,, the Department of Homeland Security illegally changed grant criteria to direct awards away from organizations countering violent white extremism, the Department of Interior reportedly now puts hundreds of millions of dollars in grants through "political review," and the Transportation Security Administration recently awarded a $4 million contract to an airport security company just months after President Trump appointed one the company's top lobbyists to a position at the agency.

The plan would favor projects designed to maximize revenue for private companies while incentivizing state and local governments to take on debt

On the rubric for judging infrastructure grant applicants under the President's proposal, 70 percent of a project's score would be based upon the availability of non-federal revenue, compared to 5 percent for a project's "economic and social returns." At the same time, the plan limits federal funding to 20 percent of a project's overall cost. This formula will favor projects that can more easily generate revenue for private financiers, as states will need to attract investors to fill in the federal funding gap.

The plan not only requires projects to secure additional financing by withholding sufficient federal funds, it then encourages states and local governments to take on debt to benefit private companies by incentivizing private activity bonds. DJ Gribbin's former employer Macquarie Capital regularly takes advantage of these bonds, even calling them the "premier source" of financing in a presentation bearing Gribbin's name.

The plan would allow the Trump Administration to empower favored companies to charge tolls and fees on America's roads and bridges

The President's plan calls for increased use of tolls and users fees to fund selected projects, which in public-private partnerships are often retained by the private companies themselves. Macquarie, for example, was criticized in Virginia for tunnel tolling policies that "sent some people invoices topping $10,000 for fewer than 1,000 tolled trips." In one instance, a woman owed over $15,000 for commuting to a job that paid $11,000. The Governor of Virginia excoriated Macquarie's tolling practices, calling the public-private partnership "one of the worst deals ever negotiated."

The plan would eliminate regulatory and legal safeguards that protect against cronyism, cutting out career officials and agency experts from the decision-making process and limiting judicial oversight

The President's plan would restrict the ability of federal agencies to consider alternatives to projects, reduce the roles of certain agencies in the decision-making process, and completely eliminate some environmental oversight studies. In fact, the President's proposal would even allow private companies to pay for federally required regulatory reviews of their projects, a practice the Administration concedes requires "controls" given the "potential conflicts-of-interests" inherent in such a policy.

The plan would also bar courts from reviewing Trump Administration decisions to waive environmental reviews on favored projects and severely limit statutes of limitations for challenging arbitrary and illegal permitting decisions.

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