

Dear friends,

As you know, the White House issued its [Legislative Outline for Rebuilding Infrastructure in America](#) and a [Fact Sheet Summary of the Outline](#) this morning. This follows by several weeks the release of a document that purported to be a leaked draft of the Administration's infrastructure principles, about which I wrote [an article](#) that was published this weekend.

A quick review of the factsheet summary and the Outline suggests that much of what was in the leaked document made it into the Outline, and that at least two of the themes I suggested in my article were missing from the leaked document, permitting reform and expansion of the Airport Privatization Pilot Program, play a prominent role in the Outline.

Although we are still analyzing the Outline, which runs to over 50 pages, and will have more to say later, the Outline contains much good news in the way of significant reforms. Commentators over the last few months have criticized the Administration's telegraphed spending plans, consisting of \$200 billion to be leveraged by state, city and private funding to get to the \$1.5 trillion aggregate figure. Of course, the threshold question has been where the \$200 billion will come from in the first place. These are all fair criticisms and can be debated.

That being said, the reforms in the Outline are the more important aspect of the proposal. Digging into the policy details yields a lot of encouraging material. Frankly, the Outline contains many of the themes that we have been urging over the last year in our work with key stakeholders such as you. The headline dollar figures in the document will attract criticism, no doubt, but there is much here for the private sector to work with if these reforms can be moved forward. For me personally, this glass is at least half full.

We will analyze in greater detail and send thoughts, but in short, the Outline –

- Has four parts –
  - Funding and financing infrastructure improvements;
  - Additional provisions for infrastructure improvements (in transportation, water, veterans affairs and land revitalization);
  - Permitting reform; and
  - Workforce development
- Funding and financing infrastructure improvements
  - Infrastructure incentives program – this is \$100 billion for the much-discussed leveraged spending program, allocated to the Department of Transportation, US Army Corps of Engineers and the Environmental Protection Agency, with each administering grants (as opposed to loans or loan guarantees) of up to 20% of a project's cost, with the rest provided by states, cities and private investors and operators
  - Rural infrastructure program – \$50 billion for capital investments in rural investments, 80% of that to state to governors for further allocation
  - Transformative projects program – \$20 billion, administered by Department of Commerce, both funding and technical assistance for bold and innovative ideas and projects
  - Expansion of existing programs – \$20 billion to expand TIFIA, RRIF, WIFIA, PABs (including importantly allowing tax-exempt financing to stay in place even when control

- of an infrastructure asset is transferred to a private owner or operator), Department of Agriculture Rural Utilities Service lending programs funding
- Public lands infrastructure – Creation of an Interior Maintenance Fund to be overseen by the Treasury Department, funded by receipts from use of Federal lands
  - Disposition of federal property to states, cities and private operators, including potentially among others, Reagan and Dulles airports, George Washington and Baltimore Washington Parkways, TVA transmission assets and Bonneville Power Administration’s transmission assets
  - Federal capital financing fund – Reforms to budget scoring to align more with capital budgeting, as a private business would do
  - Additional provisions for infrastructure improvements (in transportation, water, veterans affairs and land revitalization)
    - Transportation – Provide states flexibility to toll interstates and invest in infrastructure, and numerous other provisions designed to provide financing opportunities
    - Airport Privatization Pilot Program – Reduction of the 65% carrier vote to majority vote and elimination of the cap on the number of airports that can participate; I would like to see a broader definition of what constitutes “on airport” spending, but that is not mentioned
    - Water – Financing reforms for water projects and a number of other reforms
    - Lots more to unpack on veterans affairs and land revitalization
  - Permitting reform
    - One agency, one decision environmental review; reducing inefficiencies in environmental review; and other specific reforms
    - Delegation to states – Expand DOT NEPA delegation to other agencies; allow states to assume FHWA responsibilities for approval of rights of way acquisitions
    - Pilot programs for permitting reform
    - Judicial reform – Limit injunctive relief to exceptional circumstances, revised statute of limitations for Federal infrastructure permits or decisions to 150 days (down from 6 years)
  - Workforce development
    - Expand Pell Grant eligibility to high-quality, short-term programs, reform career and technical education, strengthen ties to Federal Work Study program for apprenticeship and similar training programs, and reform licensing requirements for persons seeking a job on an infrastructure project

We look forward to exploring many of these proposals in greater detail with you.

Chris

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