

March 1, 2017

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Gary Cohn  
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THROUGH: Reince Priebus  
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SUBJECT: Presidential Infrastructure Initiative

The purpose of this memo is to highlight the policy process the White House National Economic Council (NEC) is going to use to structure the President's infrastructure initiative.

Background

America's infrastructure is a linchpin of economic growth, and yet a lack of investment and a byzantine permitting system have left us with crumbling, under-performing infrastructure assets. Repairing and overcoming decades of neglect will require a sustained, government-wide effort focused on: (1) identifying projects worthy of additional funding; (2) listing projects that can be expedited and developing a strategy to do so; (3) making policy changes to facilitate the development and delivery of projects generally; (4) determining which regulations need to be amended or repealed because they needlessly hamper project development and delivery; (5) expanding funding and financing options for infrastructure and (6) pulling together legislation to modernize our nation's approach to project development, finance, delivery, and maintenance.

High Priority Projects

As part of the President's infrastructure plan, we will be using federal funds to help advance projects of national importance. To ensure we are being good stewards of taxpayer dollars and that our investments are appropriately targeted, every agency needs to identify projects that would be of significant benefit to job creation and economic growth. The agency lists will then be compiled into a master list, which will be analyzed and ranked based upon the economic and social return on investment. The goal is to have an initial list of top priority projects developed quickly to help focus attention on the most significant gaps in our nation's infrastructure. These projects need not be "shovel ready" and can still be in the planning stage.

### Expediting Projects

We will be assembling a list of major projects currently in development that can be expedited through focused Executive action, with a particular focus on projects with either a high value in terms of the monetary cost of delivery and/or a high value in terms of economic impact. Once we have obtained the lists, we will engage in an economic impact analysis, similar to that used for high priority projects, and rank the projects accordingly. We will establish a dashboard system to monitor projects and appoint individuals from the agency responsible for the project to our Project Delivery Team. The Team will be comprised of representatives from agencies responsible for developing and advancing projects and agencies who oversee the permitting and approval of projects. We will require from you a list of projects to be expedited and a contact person to serve on the Team.

### Policy Changes

Across every asset class, the development and permitting of projects takes too long, costs too much, and diminishes the public's interest in investing in infrastructure because the government is far too often incapable of providing critical infrastructure in a timely, cost-effective manner. This problem is exacerbated by the fact that the delivery of infrastructure is spread across multiple layers of government, with the federal government producing many of the restrictions but actually owning just a small percentage of the infrastructure.

To address this challenge, we are asking you to work with your policy and legal teams to develop a list of policy changes that would help expedite and streamline the delivery of infrastructure. Layers of conservatism and practice frequently build up around statutes and regulations which unnecessarily limit the flexibility of those trying to deliver projects. As a result, we are launching a government-wide effort to seek out flexibility and efficiency within the existing statutory and regulatory structure. We will require from you a contact person responsible for leading this policy effort within your agency.

### Regulatory Changes

Unnecessary regulations are a hidden tax on every American -- they limit innovation, slow projects, add costs, and frustrate project developers. Notwithstanding the general sentiment that our nation's regulatory structure has grown beyond reason, regulations are complicated and difficult to revise. It takes years to rewrite regulations, and so we need to immediately start identifying those regulations that need to be rewritten to reinvigorate efforts to improve our nation's infrastructure. We will require from you a list of regulations to be revised or repealed, the benefit of such changes, and a contact person who will lead this effort within your agency.

### Funding and Financing Infrastructure

The status of much of our public infrastructure is a result of market failures creating perverse incentives to the efficient funding and financing of infrastructure. We will be working with the Department of Treasury, Department of Transportation, OMB, CEA and other stakeholders to develop a list of changes to better incentivize the funding of infrastructure and to explore new ways to improve its financing, including the utilization of public-private partnerships.

Statutory Changes

Frequently our mission to improve infrastructure will require a change in statute because the United States Code ties your hands in your ability to allocate funds, organize your agency, expedite projects, or take appropriate ownership of project delivery. Changing demographics, technological advances, and cultural changes have left us with an outdated statutory structure and one that is more focused on regulating infrastructure than delivering it. We will require from you a list of statutory changes and a contact person who will lead this effort within your agency.

Thank you in advance for your help with this effort. I will be scheduling a meeting to discuss these issues in the near term. In the interim, if you have any questions about these initiatives, please contact DJ Gribbin, Special Assistant to the President for Infrastructure, at david.j.gribbin@who.eop.gov or (202) 456-3535.

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