

Analysis: Pete Buttigieg, transport revolutionary?

Could the Transportation Secretary nominee be the man to transform America's infrastructure?

After weeks of speculation, President-elect Joe Biden decided to nominate Pete Buttigieg to be his Transportation Secretary.

A number of candidates had been rumored to be in the running, including former Chicago Mayor Rahm Emanuel, who had a strong track record of working with the private sector to transform that city's infrastructure.

However, it was another former mayor – in this case of South Bend – who eventually emerged as Biden's pick, thanks not only to his work during his time as mayor, but also the strong showing he made during the Democratic primaries earlier in the year.

"He put forward a comprehensive and thoughtful plan during his presidential run to make major improvements to highways, roads, bridges and public transit systems, and address the Highway Trust Fund's solvency challenges," says Dave Butler, president and chief executive of the American Road & Transportation Builders Association (ARTBA).

"His understanding of the issue will allow him to hit the ground running once confirmed as secretary."

This view was supported by others, and many in the P3 industry believe his appointment could be just what the transportation sector needs.

"There will be a real need for Congress and the Biden administration to grapple with changes in the funding of transportation," says Joe Seliga, partner at law firm Mayer Brown. "When he was a candidate, Mayor Buttigieg was promoting the idea of converting to a 'vehicle miles travelled' model of funding. He has indicated he is not afraid to take on these issues."

Squire Patton Boggs partner, Rodney Slater – himself a former Transportation Secretary – agreed during an online event that Buttigieg's performance during his candidacy played an important role in his promotion, pointing out that he had developed a strong relationship with Biden.



However, Joe Crowley, a senior policy advisor at Squire Patton Boggs and former US Congressman and former Chairman of the House Democratic Caucus, added a note of caution when reading into Buttigieg's run for the presidency, pointing out that he will be delivering Biden's policy, not his own.

Nonetheless, Seliga believes that his enthusiasm for the detail of transportation funding bodes well for the P3 industry. "Even in the nomination announcement, President-elect Biden described him as a 'policy wonk' and there is something to be said for that: those in P3 are aware of how much the industry is driven by the development of transportation infrastructure policy.

"Policies around P3s – whether Tifia, RRIF or PABs – are areas with some degree of complexity. Mayor Buttigieg is attuned to that and will take interest in these areas and think creatively and innovatively about them."

Congressman Bill Shuster, former Chairman of the House Transportation and Infrastructure Committee and now a senior policy advisor at Squire Patton Boggs, suggested that lots of new policy is not needed – it is implementing the existing policies that will be important.

"The trillion dollar question is where do we get the trillion dollars from to spend on infrastructure?" he asked. "P3s have been used; I don't think they've been used enough."

He also pointed to asset recycling as a potential opportunity for developing new infrastructure and suggested that there is a significant amount of money around the world that is willing to be invested in US infrastructure.

It was noticeable in the nomination announcement that the first bullet point about Buttigieg referred to his success in securing \$200m in private investment for South Bend's transportation infrastructure. This appears to underline the incoming administration's focus on crowding in private finance to help build the country's infrastructure of the future.

However, it is also true to say that the incoming Transportation Secretary is not the most experienced compared to some of the names circulating prior to his appointment. Nonetheless, those in the industry believe that bringing in someone steeped in local politics could be vital in making the changes that are needed at a federal level.

"As a former mayor, Pete Buttigieg has seen first-hand how transportation improvements can improve the economy and quality of life in communities," says Butler.

"We've had a number of mayors to serve as Secretary of Transportation," added Slater, pointing to Anthony Foxx during President Obama's administration and Federico Peña under President Clinton. "Clearly a mayor can do this job and do it well."

He argued that mayors don't have time to simply make bold statements, but by the nature of their job, they are required to get projects running – all the time working with different agencies and the private sector to make that happen.

Slater also suggested that Buttigieg's experience will make him a strong voice for areas beyond traditional transportation infrastructure, potentially into areas such as broadband.

"[Mayor Buttigieg's appointment] is a signal that the new administration is going to place an emphasis on infrastructure and to do that, it will need individuals that have bold ideas but also people who can relate well

with state and local government officials,” adds Seliga. “Mayor Buttigieg has that.”

The new man will certainly have plenty filling up his in-tray on arrival. Top of that pile will be finding a sustainable way to fund transportation infrastructure across the US over the coming years – something that has so far eluded his predecessors as reliance on the dwindling gas tax continues to be the fallback position. As electric vehicles begin to flourish, new methods will be desperately needed.

Perhaps, then, it is best to see what the man himself has to say. Speaking following his nomination, Buttigieg said: “Now comes a historic opportunity. This administration can deliver policies and resources in transportation that will create jobs, rise to the climate challenge, and equitably serve all Americans — all while continuing to ensure the safety of travelers and workers alike.

“America has given President-elect Biden a mandate to build back better, and step one in building back better, literally, is to build.”

Working out how that building is funded will be the incoming Transportation Secretary’s challenge.