

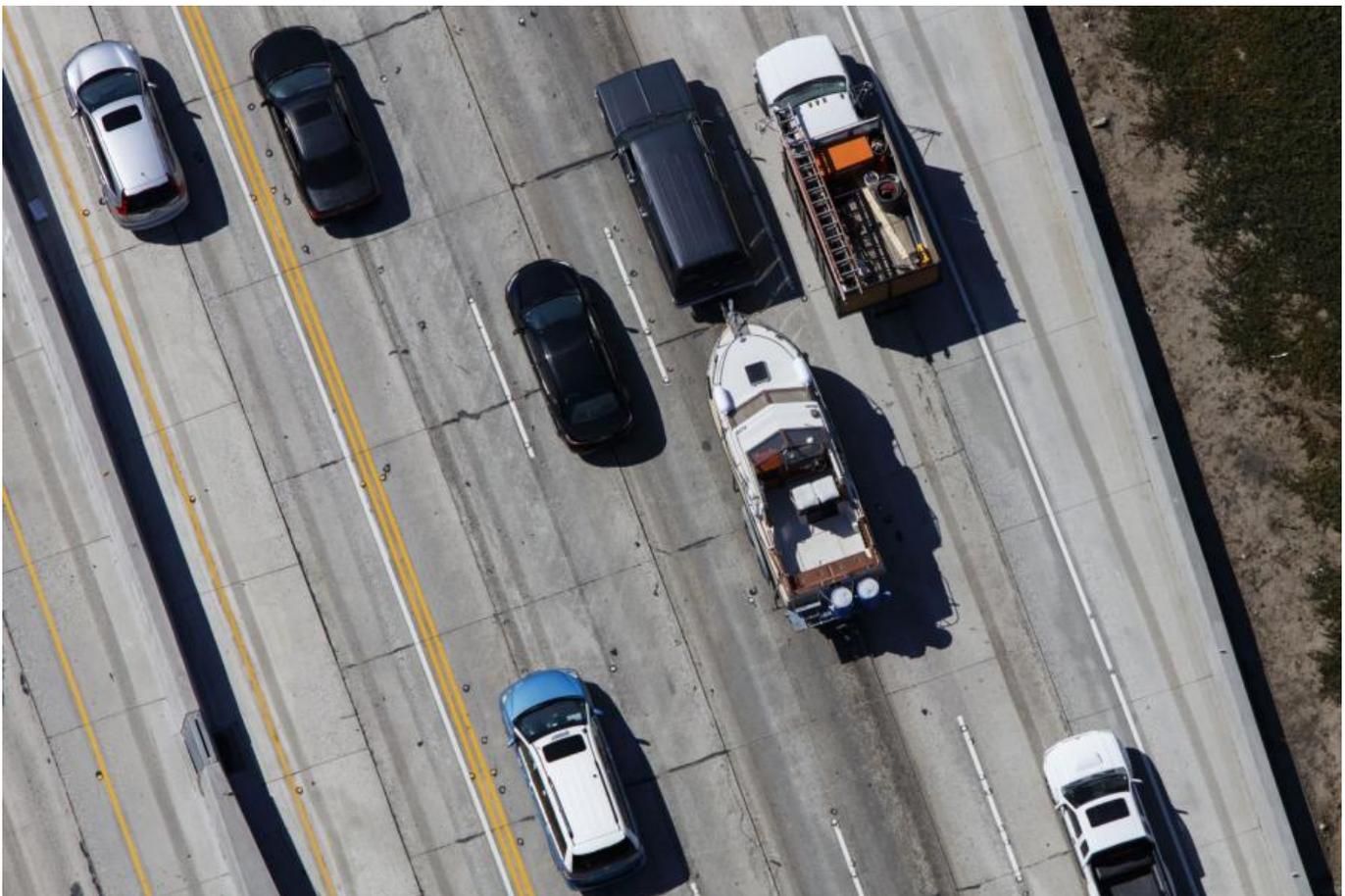


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Here's How the U.S. Chamber Would Rebuild and Modernize America's Infrastructure

U.S. CHAMBER STAFF



 An SUV tows a boat on the freeway in Los Angeles, California. Photo credit. Patrick T. Fallon/Bloomberg.

After decades of inaction, now is the time Washington should move on [rebuilding and modernizing America's infrastructure](#), the head of the U.S. Chamber declared.

“It’s time to approach this as a national imperative for long-term growth and competitiveness — not an exercise in parochial politics,” [said president and CEO Tom Donohue](#) at [America's](#)

[Infrastructure Summit.](#)

The four-part plan would give the country a 21st century infrastructure system for a 21st century economy.

Let's break it down.

1. A modest increase in the federal fuel fee.

“We need to increase the federal fuel user fee, which hasn't been raised in 25 years,” Donohue explained. “Why? It's the simplest, fairest, and most effective way to raise the money we need for roads, bridges, and transit.

The user fee was last raised in 1993. Since then, inflation and vehicle fuel economy have eroded its value. As a result, the federal highway and transit trust fund faces a shortfall of \$138 billion over the next decade.

The Chamber plan proposes a five-cent increase over five years. “Increasing the fee by a total of \$.25 cents, indexed for inflation and improving fuel economy, would raise \$394 billion over the next 10 years,” said Donohue.

From a cost-benefit perspective, this makes a lot of sense. The fee increase “would cost the average motorist about \$9 a month,” Donohue said. But “our badly deteriorating roads are causing approximately \$40 a month in increased maintenance and operating costs.”

With that additional revenue, we can get better and safer roads, something the public supports. “By a 22-point margin — 50 to 28 — voters support implementing a federal fuel user fee, provided the money will go toward modernizing our infrastructure,” said Donohue.

2. Expand financing options, like public/private partnerships, for local communities.

Besides fixing crumbling roads and bridges, we need a way to fund other projects like airports, seaports, waterways, electrical grids, broadband, and more. The Chamber proposes implementing a toolkit of options for supplemental funding and financing, including for the public to partner with the private sector.

“When it comes to private funding, there is huge potential. Between 2005 and 2015, infrastructure equity bonds raised about \$350 billion,” said Donohue. “Since equity is about 25% of a typical public-private partnership, that \$350 billion could support projects worth \$1.4 trillion.”

The Chamber plan would strengthen and expand federal loan programs to facilitate public-private partnerships. Also state and local governments should leverage public dollars with federally-backed loans.

“Innovative financing mechanisms will allow us to meet today’s infrastructure needs and build for the future while financing the costs over the long-term,” said Donohue.

3. Streamline the permitting process to get projects off the ground.

But finding the money is only half the battle.

One important barrier keeping us from modernizing America’s infrastructure is reforming the permitting process. “Without permitting reform, all the funding the financing you could dream of won’t get the job done,” Donohue implored. “Projects become seriously delayed or even canceled and their budgets skyrocket due to an uncertain and seemingly endless permitting process.”

Instead of long, drawn-out permitting delays, the Chamber proposes permit streamlining, Donohue explains:

All federal infrastructure approvals should be completed within 2 years. State and local projects benefiting from federal funding or financing should also adhere to a two-year timeline, which should run concurrent to the federal process. And to help streamline permitting and eliminate duplicative reviews, a single lead agency should shepherd a project through the process from start to finish.

4. Develop a skilled workforce to build these projects.

Even if the funding is in place, and the approval process is smooth and certain, infrastructure projects won’t be built if there aren’t skilled workers available to do it.

“Nearly 80% of construction firms report that they are having a hard time finding qualified workers,” said Donohue. “At the same time, by some estimates, every \$1 million in additional infrastructure spending, means an additional six to seven construction jobs. Who is going to fill those positions?”

To get more skilled workers, we need more apprenticeship programs, allowing workers to learn on the job. Also, “policymakers should expand the network of sector-based construction partnerships under federal workforce programs. They should also reform and boost support for federal career and technical education programs, like the Perkins Act,” Donohue advised.

One thing that must be done is “keep—not kick out—the skilled immigrants who have been legally contributing to our economy for years thanks to programs like DACA and TPS.”

This four-part plan is intended to start the discussion. The U.S. Chamber will work with anyone, Donohue said — any party, industry, labor, local and state leaders.

Infrastructure has been an issue neglected for too long. But 2018 can be the year that changes. “This is the next great opportunity to do something significant, something long-lasting, and something long-overdue, for our nation’s future. And it will benefit all of us,” concluded Donohue.

The *Roadmap to Rebuilding America’s Infrastructure* can be found at letsrebuildamerica.com.

About the Author

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