



## Construction Industry Round Table

# CIRT Legislative News

A force for positive change in the design / construction industry

### 01/19/2018 – Kick-Off to Make 2018 Year for Infrastructure, Big Success

On Thursday, January 18<sup>th</sup>, the U.S. Chamber of Commerce convened a Summit on “*Modernizing America’s Infrastructure*” which attracted 350 attendees as well as a large webcast audience to focus attention and momentum on the importance of moving forward with a national initiative to improve and expand the nation’s infrastructure. CIRT, some of its members, along with other design and construction associations both participated and were in attendance for the day long program. The goal of the summit was to bring together not just the providers of infrastructure services (such as the A/E/C industry), but more importantly the end users: such as private sector firms in manufacturing, industry, commerce, and IT services, as well as unions and public officials. The show of support and enthusiasm to move this issue forward was aimed at both ends of Pennsylvania Avenue (the President and Congress) reflecting the urgency to address our infrastructure needs for the creation of jobs, competitiveness, security, safety, productivity, and quality of life in the U.S.

The Chamber centered the summit around four major themes or elements (these track closely with CIRT’s recently adopted *Strategic-Vision Statement on Infrastructure* that was shared with the Chamber at an officer meeting on January 4, 2018).

#### **(1) Funding (Surface Transportation/Transit portion)**

To rebuild and expand our roads, bridges, and transit systems, it is time for a modest increase in the federal motor vehicle fuel user fee. The user fee was last raised in 1993. Since then, inflation has eroded nearly 40% of the value of the user fee. In addition, vehicles are significantly more fuel efficient than they were 25 years ago. As a result, motorists spend less on fuel to drive the same number of miles, but there is significantly less revenue to maintain the roads they drive on. Because of Washington’s failure to adjust the user fee, the highway trust fund faces a shortfall of \$138 billion over the next decade. And that is just to continue today’s insufficient levels of investment. Absent a long-term dedicated funding stream, the federal government does not have the resources to maintain or expand these core transportation infrastructure systems. Since 1993, 39 states have raised their own state motor fuel user fees. It is past-time for the federal government to do the same. Specifically, the Chamber called on Congress to raise the user fee by 5 cents a year for five years for a total of 25 cents and adjust the fee to inflation thereafter.

#### **(2) Alternative Funding Methods (Other Critical Infrastructure Needs)**

Rebuilding and modernizing our airports, ports, waterways, water systems, dams, rail systems, utilities, and other core infrastructure requires a multi-faceted financial approach that includes leveraging private-sector resources. We can meet today’s infrastructure needs and build for the future by financing the costs over the long-term. Specifically, Congress should:

- Expand and improve existing federal loan programs covering transportation, water, and rail;
- Create a new loan program to finance a broad array of infrastructure projects with loans to be repaid through dedicated public or private funding streams;
- Remove statutory and regulatory barriers to public-private partnerships;
- Create a discretionary grant program to stimulate competition and leverage state, local, and private sector funds for projects of national significance; and
- Expand private activity bonds.

A small federal investment now would leverage significant additional funding infrastructure projects. This would allow the nation to embark on the rebuilding that we need now without breaking the bank.

### **(3) Permit/Regulatory Red-Tape Streamlining**

The permitting process for major infrastructure projects is broken. It can take longer to get government permits than it takes to construct a project. It takes on average approximately five years to complete an environmental impact statement, a federal requirement for many large projects. And depending on the type of project, permitting can involve state and local approvals in addition to a myriad of federal permits. Congress and the administration in recent years have taken steps to improve the federal permitting process, but more must be done. It should never take more than two years to complete all federal permits required for an infrastructure project. In addition, projects that benefit from federal funding or financing should be subject to a similar requirement with respect to state and local permits: the process should never take more than two years and should run concurrently with the federal permitting process. In addition, to setting firm deadlines, it is time for Congress to merge sequential and duplicative reviews, codify the “one federal decision” doctrine, so there is a single agency responsible for shepherding a project through the approval process, and ensure that post-approval lawsuits do not needlessly delay projects.

### **(4) The Workforce/Talent Necessary to Rebuild Our Infrastructure**

Rebuilding America’s infrastructure will require skilled workers ready and able to take on new projects. Yet today – before any major new investment in our infrastructure, 78% of construction firms report that they are having a hard time finding qualified workers. If we do not expand the workforce, it will be impossible to move ahead with the projects that need to be undertaken. Congress and the administration must take key steps to help address the worker shortage. To increase the number of skilled workers, policymakers should expand apprenticeship programs and the network of sector-based construction partnerships under federal workforce programs. Policymakers should also reform and increase support for federal career and technical education programs. It is also important that we keep the skilled workers currently in the workforce thanks to programs like DACA and TPS. Ultimately, Congress needs to enact immigration reform so that we can attract and admit the skilled workers our nation needs.

As was pointed out, all elements of society are stakeholders in this endeavor. The time is now to invest in a 21<sup>st</sup> century infrastructure, given there is no alternative for delay.