

April 22, 2019

The Honorable Peter Defazio
Chairman
House Committee on Transportation
and Infrastructure
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
House Committee on Transportation
and Infrastructure
Washington, DC 20515

Dear Chairman DeFazio and Ranking Member Graves:

On behalf of the Bipartisan Policy Center's infrastructure project, I urge you to quickly draft and vote on bipartisan, comprehensive infrastructure legislation that includes the water and transportation sectors.

As you know, America faces \$3 trillion in infrastructure needs, necessitating the need to use all possible tools, including leveraging private investment. To address this growing need, BPC's [Executive Council on Infrastructure](#) offers the following five areas for inclusion in federal infrastructure legislation.

- **Target federal dollars toward high-priority infrastructure projects.** As part of required certifications for federal infrastructure funding or financing, applicants should demonstrate that they are using best practices in asset management, life-cycle accounting, and project selection.
- **Authorize a new direct-payment infrastructure bond.** Direct-payment bonds offer a new product—a taxable bond for which the issuer receives a direct payment from the federal government, or the buyer receives a federal tax credit, providing a borrowing discount to tax-exempt bonds. Unlike traditional municipal debt however, direct payment bonds are attractive to investors who do not have federal tax liability, such as pension funds.
- **Deliver projects faster through additional permitting reform.** The environmental review and permitting process can be improved by expanding use of the permitting dashboard, requiring simultaneous agency reviews, and requiring agencies to track and report their progress.

- **Encourage public-private partnerships to engage private capital and transfer risk.** Applicants for federal funding or financing should be required to demonstrate that they have evaluated all delivery options, including P3s, to determine which would provide the best value for taxpayers over the lifecycle of the project.
- **Address need for technical support with a capacity-building fund.** Lack of capacity at the state and local levels is one of the primary barriers to adopting emerging best practices and advancing alternative methods of developing and delivering infrastructure projects. To assist applicants for federal funding and financing in meeting regulatory requirements, Congress should enact a capacity building fund of \$20 million annually.

Finally, in addition to the work of the Council, BPC's [Great American Rebuild Initiative](#) is developing recommendations to address the long-term solvency of the Highway Trust Fund. Led by former Reps. Bill Shuster and Joe Crowley, the initiative is examining various alternatives to the gas tax and conducting polling to test the political efficacy of each alternative. I anticipate the findings of the project to be released in time for the committee's consideration of comprehensive infrastructure legislation and would welcome the opportunity to brief you and your Members on the findings.

Thank you for your time. I look forward to working with you as you craft your legislation.

Sincerely,

Michele Nellenbach
Director