



The Road to U.S. Economic Growth

America's infrastructure—the transportation, telecommunications, energy, and water networks that constitute the physical platform of our economy—is showing its age. Without proper infrastructure investment, our nation's economic stability, potential for job growth, and competitiveness are threatened.

Through the Let's Rebuild America initiative, the U.S. Chamber of Commerce advocates for the need to modernize and expand our nation's infrastructure. This initiative focuses on driving public awareness, expanding research efforts, and building strong political action toward four key goals:

- Establish infrastructure as a core economic issue and a high priority at all levels of government.
- Engage the public to support sound policies and greater public and private infrastructure investment.
- Remove obstacles to private investment in infrastructure capacity and promote policies that streamline project delivery.
- Ensure adequate public sector investment guided by effective policies and programs.

An independent poll commissioned by the Chamber in November 2008 found that there is near universal agreement among voters that the United States should upgrade and modernize its infrastructure. The poll also found that:

- Ninety-five percent of voters feel that it is important for the United States to upgrade and modernize its roads, bridges, energy facilities and telecommunications networks. Sixty-six percent of voters feel that this is a “very important” issue, while 29% say that it is “somewhat important.”
- Nearly nine in ten voters (87%) agree that without proper investment in U.S. infrastructure the nation's “economic health is at risk.”





INFRASTRUCTURE POLICY PRINCIPLES FOR THE 44TH PRESIDENT AND THE 111TH CONGRESS



Transportation

Next year, Congress and the administration will have a full slate of critical, transportation legislation to address, presenting an opportunity to bolster the United States' competitiveness and quality of life by modernizing and expanding the nation's transportation system.

Highways and Transit

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the current highway and public transportation authorizing legislation, expires on September 30, 2009. It has been widely criticized for doing little to identify or address national needs, was heavily earmarked, and essentially overobligated available funding, leaving the Highway Trust Fund broke a year before expiration.

National needs have continued to grow as construction, labor, and land costs rapidly increase, state budgets and credit markets across the country constrict, and federal revenues fall short of projections due to a drop in vehicle miles traveled. To prevent cuts to the federal highways and transit programs, the administration and Congress must swiftly reauthorize SAFETEA-LU while ensuring that the federal role is defined, existing programs are reformed, wasteful spending is curbed, and federal investment in U.S. highways and transit systems is increased.

Aviation

Since September 2007, the Federal Aviation Administration (FAA) has been operating without a congressionally confirmed administrator. A first priority of the administration and Congress must be to appoint and confirm a qualified administrator to oversee all aspects of civil aviation in the United States.

The FAA has been operating under a series of extensions since its authorizing legislation expired in September 2007. Congress must quickly reauthorize the taxes, fees, and programs associated with the daily operations of the FAA on a long-term basis. Congress must also work with the FAA to transform our nation's aviation system through air traffic control modernization to meet the projected growth in passengers and freight.



Ports and Inland Waterways

In November 2007, Congress signaled the importance of investing in the nation's water transportation system when it overrode President Bush's veto of the Water Resources Development Act (WRDA) of 2007. WRDA set a coordinated federal agenda to protect the United States from severe weather and flooding and facilitated commerce at America's ports and inland waterways. This legislation was long overdue.

New federal requirements, on top of a lack of maintenance and modernization, have created congestion, impeding the movement of goods through U.S. ports and inland waterways. Ensuring waterside capacity in Gulf and East Coast ports is vital to the U.S. economy and will prove even more critical with the completion of the Panama Canal expansion in 2014. Next year, the administration and Congress can reinforce the federal government's commitment to investing in the nation's water transportation system by acting expeditiously to reauthorize WRDA.

Freight Railroads

Railroads are critical to freight movement throughout the United States. The railroad industry's investment in infrastructure alone will not be enough to handle the 67% projected increase in freight traffic between 2000 and 2020. The administration and Congress should enact an infrastructure investment tax credit for the rail industry to help accommodate the projected increase.

As the new administration and Congress take steps to improve our transportation infrastructure, the Chamber recommends:

- Supporting a multimodal and intermodal U.S. transportation system to enhance connectivity, increase productivity, and mitigate congestion.
- Identifying transportation assets in the national interests and ensuring that they are modernized and kept in good condition to provide adequate capacity.
- Encouraging research, development, and the application of new technologies to foster better project design, construction, maintenance, financing, and operations.
- Ensuring that public funding is spent efficiently and effectively and is commensurate with national needs.
- Considering all funding and financing options and ensuring that the costs are borne primarily by users of the system.
- Reinvesting transportation taxes, revenues, and other user fees into the system and its services.
- Encouraging project financing and delivery approaches that attract private investment.
- Improving and making consistent the project review and approval process for all modal investments to ensure that the completion of improvements to the U.S. transportation system are finished in a timely and environmentally sound manner.
- Ensuring a comprehensive, results-oriented approach to safety by developing national goals, performance metrics, complementary plans, and incentives for applying best practices.

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ENERGY

INFRASTRUCTURE POLICY PRINCIPLES FOR THE 44TH PRESIDENT AND THE 111TH CONGRESS



Energy

U.S. economic prosperity is closely tied to the availability of affordable, abundant, and clean energy supplies. Yet our nation's energy infrastructure is overstretched and cannot adequately meet the growing energy demand of consumers and businesses.

Companies tasked with building energy infrastructure are routinely deterred by Not in My Backyard (NIMBY) supporters at local zoning boards, state public utility commissions, federal legislative and regulatory bodies, and the judicial system.

If the United States continues to restrict domestic production and refuses to upgrade and build new energy infrastructure, America will be less competitive. Blackouts, brownouts, service interruptions, and rationing could become commonplace and jobs could be shipped overseas.

As the new administration and Congress take steps to improve our energy infrastructure, the Chamber recommends:

- Increasing generation, transmission, and distribution and increase refinery, pipeline, port, and surface transportation capacity.
- Facilitating capital investment in new energy projects of all types, including fossil and nonfossil energy facilities.
- Fully funding and implementing all existing energy technology laws, as well as all incentives and loan guarantees that encourage the development of new energy technologies.
- Streamlining the permit and appeals process for energy projects to speed up construction time.

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TELECOMMUNICATIONS

INFRASTRUCTURE POLICY PRINCIPLES FOR THE 44TH PRESIDENT AND THE 111TH CONGRESS



Telecommunications

Telecommunications, particularly broadband applications and services, has the power to transform the American economy. The ability to engage in e-commerce is vital to U.S. businesses. Broadband connection allows businesses, regardless of size or location, to sell to customers around the country and the world.

Phone companies, cable operators, wireless carriers, and companies from other sectors are investing hundreds of billions of dollars into broadband infrastructure. Nevertheless, there are still parts of the country where people and businesses do not have access to broadband or its related applications and services. By accelerating broadband use and availability, the United States could bolster its economic competitiveness and improve quality of life by providing all Americans with greater choice of goods and services.

As the new administration and Congress take steps to improve our telecommunications infrastructure, the Chamber recommends:

- Encouraging public-private partnerships to accelerate broadband deployment and adoption across the United States.
- Providing the private sector with incentives, such as tax credits, to encourage infrastructure investment.
- Using auctions—without any restrictions that may deter potential bidders—to allocate wireless spectrum for mobile broadband.
- Continuing to refrain from regulating the broadband marketplace.
- Recognizing that broadband service providers are competing furiously for customers and need regulatory flexibility to respond quickly to market developments.
- Supporting at all levels of government prompt, cost-based, and nondiscriminatory processes and decisions on zoning and rights-of-way, the terms and conditions for which are related solely to management of the right-of-way or site.

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WATER INFRASTRUCTURE

INFRASTRUCTURE POLICY PRINCIPLES FOR THE 44TH PRESIDENT AND THE 111TH CONGRESS



Water Infrastructure

Nearly 1 million miles of water mains (pipes) in the United States provide Americans and businesses with the water that they need every day. Water infrastructure is very capital-intensive. However, few Americans recognize or understand the complex network of water treatment plants, pipes, and other infrastructure required to provide this critical service.

Water infrastructure is very capital-intensive. For a water utility to earn a dollar, nearly \$3.40 must be invested in infrastructure, which is nearly three times that of other utility sectors. Although ground pipes last a long time, much of the pipe installed over the last century is reaching the end of its lifespan and will need to be replaced. Evidence of this need is in the amount of water lost to leaking, old pipes around the nation. Nationwide the volume of water leaked equals the amount of water used by the entire state of California in a year. Accordingly, significant investments in pipes and other water infrastructure will be required in the near future.

As the new administration and Congress take steps to improve our water infrastructure, the Chamber recommends:

- Lifting the cap on private activity bonds for water infrastructure.
- Strengthening the State Revolving Fund system.
- Leveraging local and private investment through federal investments.
- Employing an efficient government model for improving water infrastructure.

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