

THE BOND BUYER

Paying for infrastructure requires bipartisan approach

By

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More and more Democrats will be talking about financing projects through P3's, said former Rep. Joe Crowley, D-NY. Bloomberg News

Partisanship is preventing successful congressional action to create a sustainable multi-year infrastructure plan, something that lawmakers for decades achieved with little controversy.

During a United for Infrastructure webinar Tuesday afternoon, Janet Kavinsky, vice president of external affairs and corporate communications at Vulcan Materials Company, a construction company said partisanship has

blocked progress and that a return to the old bipartisan discussion is necessary to end the roadblock.

“There are some real, serious disagreements about what the role of the federal government is, the states, the locals and the private sector,” Kavinoky said.

“We need to get back to a bipartisan approach on infrastructure,” she said. “It’s a great tagline that there are no Republican roads or Democrat roads, but the reality is that today we’ve gone in a partisan direction at least in one side of Congress on this.”

“Regardless of what happens in this next election, we’ve got to go back to what works which is a bipartisan, consensus-driven compromised approach to infrastructure,” Kavinoky later said.

Both the House and Senate attempted to advance separate surface transportation reauthorization bills, with the Senate Environment and Public Works Committee unanimously passing the America’s Transportation Infrastructure Act last summer.

The Democrat-controlled House passed its more partisan Moving Forward Act in July. That bill would restore tax-exempt advance refunding, raise the bank-qualified bond cap to \$30 million from \$10 million, and create a new category of direct-pay bond.

Public-private partnerships, or P3s, could be a bipartisan way to pay for infrastructure projects.

Democrats need to get comfortable with the idea of P3’s, said former Rep. Joe Crowley, a New York Democrat, and former chairman of the House Democratic Caucus from 2017 to 2019.

“Democrats need to look at more nuanced ways of financing outside of bonds and government support,” Crowley said.

P3s have been controversial in some places, and some Democrats have been reluctant to embrace the arrangements which frequently feature large multi-national corporations profiting from public infrastructure. In most P3s, the public entity maintains ownership of the infrastructure but allows a private company to operate it under a lease agreement.

More and more Democrats will be talking about financing projects through P3s in the future, Crowley said.

P3s could be a bipartisan proposition to pay for infrastructure, said Robert Poole, director of transportation policy at the right-leaning Reason Foundation. He referenced a report produced during former President Barack Obama's administration which supported that conclusion.

Infrastructure needs to ride into larger national priorities such as climate change or the pandemic, said Robert Puentes, president and CEO of the Eno Center for Transportation.

"If you're going to break through, it has to be part of a bigger conversation," Puentes said.

Initiatives surrounding COVID-19 should lead to innovation in broadband or more cars on the road could lead to more tolling, Puentes said.

"Having infrastructure ride in those larger conversations and not leading is probably a better place for it to be," Puentes said.

In August, the Democratic Party released its 2020 platform — a set of goals and statement of principles backed by a political party which sets the agenda for the next four years.

In the 2020 platform, Democrats vow to increase investment in broadband, ports, freight, clean water, wastewater, light rail, buses, and transit systems. They also plan to install 500,000 public charging stations for electric vehicles and create a national infrastructure bank.

President Donald Trump is rumored to be coming out with a \$1 trillion infrastructure plan, according to the [Cato Institute](#).

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