

# THE BOND BUYER

## The economy needs an infrastructure bill

By

**Sarah Wynn**

Published

February 17, 2021, 2:47 p.m. EST

U.S. businesses say the economy badly needs a climate-focused infrastructure bill by the end of this year or sooner, as warnings about the cost of inaction grow more dire.

On Wednesday, the U.S. Chamber of Commerce sent a letter to Congress pushing for bipartisan legislation by July 4 that will address climate change, promote fiscally and environmentally responsible policies and create middle-class jobs.

“As a nation, we must be able to build big things quickly to accelerate the economic recovery and build the resilient low-carbon economy of the future,” the Chamber wrote. “We need a durable commitment and clear strategy.”



*Sen. Tom Carper, D-Del, and chair of the Senate Environment and Public Works committee plans to be more aggressive on climate change when drafting a surface transportation bill. **Bloomberg News***

This follows a January report from the American Society of Civil Engineers warning of an investment gap of \$5.6 trillion by 2039 based on the 2019 national economy. The report had not yet accounted for COVID-19 impacts.

“Overall, if the investment gap is not addressed throughout the nation’s infrastructure sectors, by 2039 the economy is expected to lose more than \$10.3 trillion in GDP,” ASCE wrote.

ASCE comes out with an infrastructure report card every four years, with the next slated to be released in early March. The most recent report card, which provides a look at America’s infrastructure problems, gave infrastructure a D+.

Last week, the House Transportation and Infrastructure Committee approved \$42.5 billion for transportation as part of President Biden’s \$1.9 trillion stimulus plan. However, transportation advocates speaking during a United for Infrastructure webinar on Wednesday said a longer term solution is needed.

“Longer-term in terms of economic stimulus we would want to see a real focus on infrastructure as we look towards rebuilding our economy out of this,” said Greg Regan, secretary-treasurer, at the Transportation Trades Department, at The American Federation of Labor and Congress of Industrial Organizations. “We think that it is an excellent economic multiplier when it comes to how we are going to maximize our public resources to see real economic improvement coming out of this economic crisis.”

Surface transportation reauthorization would help with that, he added. Past legislation providing surface transportation funding was extended for one more year but is approaching a Sept. 30 deadline.

Paying for an infrastructure bill is a challenge.

The federal gas tax has not been increased in decades. Raising that tax does not have to be a partisan issue, said Ed Mortimer, vice president of transportation and infrastructure at the U.S. Chamber of Commerce.

While the federal gas tax has been unchanged since 1993, forty states have adjusted their fuel tax over the last five years, Mortimer said.

“They (lawmakers) don’t lose their seats because of it,” Mortimer said. “It’s usually business and labor, locally, that are supporting these local officials to get it done.”

That also goes for vehicle miles traveled, Mortimer said, as more cars go electric and necessitate a transition away from gas taxes. Thirty states charge a fee for electric vehicles, Mortimer said.

“So states are doing that, so why can’t we do that at the federal level?,” Mortimer said.

Municipal bond provisions have also garnered bipartisan support, meaning that both Republicans and Democrats are willing to support various ways to pay for infrastructure, Mortimer added.

Last week, President Biden and Vice President Harris met with a bipartisan group of senators and Transportation Secretary Pete Buttigieg to discuss infrastructure along with climate change.

In a statement following the meeting, Sen. Tom Carper, D-Del, and chair of the Senate Environment and Public Works committee said the meeting showed Biden’s commitment to transportation as a top priority.

“The American people desperately want us to bring our roads, trains and bridges out of the last century and into the future,” Carper said. “And President Biden and I know that we need to do that in a way that builds back better, putting our transportation sector on a path to zero emissions and creating millions of good-paying jobs in the process.”

“Reauthorizing our surface transportation programs is how we make this happen,” Carper said. “A surface transportation reauthorization bill can reduce greenhouse gas emissions, create jobs to strengthen our economy and move us to a cleaner, safer future. I’m currently putting together a bipartisan bill that does just that, and I’m glad it’s at the top of the administration’s agenda.”

Carper plans to work on a surface transportation bill with a self-imposed deadline of Sept. 30. His committee, chaired then by Sen. John Barrasso, R-Wyo., in 2019, passed unanimously a surface transportation bill that never became law. Carper plans to be more aggressive on climate change initiatives than that previous bill as he goes back to the drawing board in a now Democratic-controlled Senate.

Notably, that 2019 bill did not have a finance package.

[Sarah Wynn](#)

Reporter

- [Twitter](#)