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**Statement for the Record of**  
**The American Society of Civil Engineers**  
**on**  
**"Examining the Economic Impact of Federal**  
**Infrastructure Investment"**  
**Select Subcommittee on Revenue Measures**  
**Committee on Ways and Means**  
**U.S. House of Representatives**

**February 15, 2022**

## **Introduction**

The American Society of Civil Engineers (ASCE) appreciates the opportunity to submit a statement for the record regarding the House Select Revenue Measures Subcommittee hearing on examining the economic impact of federal infrastructure investment.

While infrastructure is often taken for granted, it forms the foundation of our national economy, global competitiveness, and quality of life. Infrastructure investment and economic strength are closely linked, as projects that aid the nation's highways, ports, waterways, railroads, and airports put people to work and help goods reach their destinations. The Infrastructure Investment and Jobs Act (IIJA), enacted in November 2021, will be instrumental in generating economic growth and narrowing the infrastructure investment gap.

ASCE commends the House Select Revenue Measures Subcommittee for hearing from a panel of transportation officials and industry experts on the significant economic impact of federal infrastructure investment. Leaders in the transportation and infrastructure sectors serve important roles as stewards of infrastructure investment, and ASCE applauds the subcommittee for listening to their perspectives.

## **Failure to Act: Economic Impacts of Status Quo Investment Across Infrastructure Systems**

ASCE's report titled *Failure to Act: Economic Impacts of Status Quo Investment Across Infrastructure Systems*<sup>1</sup> found that inadequate infrastructure significantly hampers economic growth. The report offers a thorough examination of the nation's infrastructure, including airports, bridges, drinking water systems, energy networks, inland waterways, ports, railways, roads, stormwater systems, transit networks, and wastewater systems.

Failure to invest in aging infrastructure negatively impacts numerous aspects of the economy, including GDP, jobs, personal disposable income, and business sales.

ASCE finds that with an increased investment of \$281 billion a year — \$5.48 more per household a day — the U.S. can eliminate this drag on the economy, protecting by 2039:

- \$10 trillion in GDP, nearly half of the annual U.S. GDP in 2019.
- More than \$23 trillion in total output (primarily business sales).
- More than three million jobs in 2039, two times the number of Walmart employees in the U.S.

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<sup>1</sup> <https://infrastructurereportcard.org/the-impact/failure-to-act-report/>

The *Failure to Act* report was released before passage of the Infrastructure Investment and Jobs Act. The IIJA represents an important step in resolving the infrastructure investment gap of \$2.59 trillion over 10 years. Effective implementation of the IIJA and close cooperation between federal, state, and local agencies can help improve deficient infrastructure systems while strengthening the economy. Additionally, the legislation has the potential to improve quality of life for people across the country.

ASCE's *Failure to Act* determined that increased investment in infrastructure can save more than \$3,300 in a family's annual disposable income each year from 2020 to 2039. As the nation continues to recover from the COVID-19 pandemic, infrastructure investments can provide both immediate and long-term boosts to the struggling American economy, and ensure the country remains globally competitive in trade and commerce.

### **ASCE's 2021 Report Card for America's Infrastructure**

Every four years, ASCE publishes its *Report Card for America's Infrastructure*, which grades the nation's major infrastructure categories using an A to F school report card format. The most recent report card<sup>2</sup>, released in March 2021, evaluated 17 categories of infrastructure and reflected an overall C- grade. This grade marks an increase from the D+ recorded in 2017, indicating the country is headed in the right direction. However, a lot of work remains in paying off the nation's overdue infrastructure bill.

In early 2021, ASCE determined the total investment gap had grown from \$2.1 trillion over 10 years to \$2.59 trillion over 10 years. The IIJA will partially close this investment gap, along with continued investment from local, state, and private partners. And although the IIJA is an important positive step, increased dependable revenues are needed to keep up with demand.

### **Infrastructure Investment Actions**

ASCE believes that stakeholders at all levels of government and the private sector should work together to maximize the return on infrastructure investment.

Key actions to address America's infrastructure crisis include:

- Strong leadership between government and private sector representatives in implementing the IIJA and a continued focus on finding ways to invest in infrastructure. Funding and financing options include user fees, public-private partnerships, infrastructure banks, and state and federal loan programs.
- Consideration of sustainability, resiliency, and innovation. Systemwide life-cycle cost analysis should be a part of every new or renewed infrastructure project. Both structural and non-structural design approaches should be considered. Funding should be allocated to explore and develop new and improved methods and materials for meeting society's infrastructure needs.

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<sup>2</sup> <https://infrastructurereportcard.org/>

- Development of plans and implementation strategies to sustain and enhance infrastructure. While infrastructure investment is needed at all levels and across all sectors, it must be prioritized and executed according to well-conceived plans that complement the national vision and focus on systemwide metrics.

### **Long-term Funding for Infrastructure**

While the IIJA is a landmark piece of legislation for infrastructure investment, it is important that the law is not a one-time infusion of funding. ASCE urges Congress to develop a long-term solution to guarantee the revenue needed to maintain infrastructure going forward.

Fixing the federal Highway Trust Fund (HTF) is a key component of long-term plans to sustain and modernize the nation's infrastructure. Supported by the federal fuel tax, the HTF funds many road and bridge projects. Many states have been proactive with raising their own fuel tax rates, yet the federal motor fuel tax has stagnated at 18.3 cents per gallon since 1993, meaning it has teetered on the brink of insolvency for over a decade.

ASCE believes trust fund assets should be used to the maximum practical extent to fund transportation infrastructure improvements. ASCE supports the continued use of the motor fuel tax as a strong revenue source for surface transportation trust funds while other revenue options continue to progress.

### **Conclusion**

ASCE thanks the House Select Revenue Measures Subcommittee for hearing from a group of experts on the economic impact of federal infrastructure investment.

Reliable infrastructure supports economic competitiveness, and the topic explored by the subcommittee is especially timely because of the enactment of the IIJA in November. Effective implementation of the legislation and collaboration with representatives such as the ones scheduled to appear before the subcommittee will be crucial to boosting the economy through infrastructure investment.