

April 1, 2020

President Donald Trump
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

The Honorable Nancy Pelosi
The Speaker of the House of Representatives
United State Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United State Senate
Washington, DC 20510

Dear Mr. President, Speaker Pelosi, and Majority Leader McConnell:

As the COVID-19 pandemic continues to have sweeping economic consequences across all sectors in the United States, many American families and businesses are looking to Congress to provide both short-term relief and long-term economic recovery. While recent Congressional action has addressed some of the immediate economic impacts of the pandemic, many economists believe additional action is needed to ensure the health of the American economy. As Congress develops additional legislation, the American Society of Civil Engineers (ASCE) urges policymakers to prioritize our nation's infrastructure and get people back to work, using the economic slowdown to make strategic and sorely-needed investments to strengthen the networks that are the foundation of our economy.

It is no secret that our nation's infrastructure has suffered from decades of underinvestment and the bill has come due. ASCE's *2017 Infrastructure Report Card*¹ rated the overall condition of the nation's infrastructure a cumulative grade of "D+," with an investment gap of \$2 trillion. As our infrastructure continues to age, and investments do not keep pace with needs, the gap between identified investments and the public commitments to meet those needs widens every year. Failing to close that gap risks rising costs, falling business productivity, plummeting GDP, lost jobs, and ultimately, reduced disposable income for every American family to the tune of \$9. For these reasons alone, now is the time to invest in our nation's infrastructure. Compounded by

¹ <https://www.infrastructurereportcard.org/>

the current crisis, infrastructure investments can provide both an immediate and long-term boost to the struggling American economy, and ensure we remain globally competitive in trade and commerce.

More specifically, ASCE recommends the inclusion of key investments to maintain and modernize our nation's infrastructure, create jobs, support economic growth, and increase the resilience of our systems. The National Institute of Building Science (NIBS) has found that every \$1 spent through government-funded mitigation grants saves the county \$6 in future disaster-related and recovery costs. Incentivizing lifecycle costs and long-term maintenance also returns dividends; NIBS also reports that every \$1 spent on upfront construction costs and long-term maintenance to bring buildings up to contemporary codes and standards returns \$11 to building owners in the event of a disaster. Making targeted investments in the right manner, using the best available data and industry standards, innovative materials and technologies, and taking into account lifecycle costs, will create benefits for years to come. ASCE therefore urges Congress to include the following in any further legislation to boost the nation's economy:

- **Reauthorize Surface Transportation Programs and increase funding to address our project backlogs:** ASCE urges Congress to include a multi-year surface transportation reauthorization that addresses the long-term solvency of the Highway Trust Fund and modernizes our roads, bridges, and transit systems. While one-time infusions into our nation's surface transportation program have had varying degrees of success, investment in a multi-year surface transportation program is a guaranteed way to provide both short-term and long-term economic benefits. Currently, our nation's road and bridges are significantly underfunded, resulting in a \$836 billion backlog of highway and bridge capital needs. The bulk of the backlog (\$420 billion) is in repairing existing highways, while \$123 billion is needed for bridge repair, \$167 billion for system expansion, and \$126 billion for system enhancement. Additionally, despite increasing demand, transit systems have been chronically underfunded resulting in a \$90 billion rehabilitation backlog.
- **Reauthorize the Water Resources Development Act:** The biennial passage of a WRDA bill is a critical tool to maintain and modernize our nation's water resources infrastructure. Any legislation should make investments in our nation's water resources infrastructure. It is currently estimated that \$80 billion is needed over the next 10 years to improve the nation's levees, while the Association of State Dam Safety Officials estimates the cost of rehabilitating the nation's dams to exceed \$70 billion.
- **Address our Water Systems as a National Priority:** By 2025, the investment gap for drinking water and wastewater infrastructure systems is estimated to be \$105 billion, while the American Water Works Association estimate that \$1 trillion will be needed to maintain and expand drinking water service demands over the next 25 years. ASCE supports an increase in the state revolving funds that provide critical support to drinking water and wastewater systems across the country. In addition, water shut-off suspensions and the decrease in industrial and business water usage have left many already-struggling water utilities facing a large loss in revenue. ASCE supports federal assistance to cover costs associated with moratoriums on water service disconnections, grants or low interest

loans to support utility operations, and the inclusion of strong funding through established water programs like the state revolving loan funds, as well as WIFIA, USDA Rural Development, and other water infrastructure grant programs. Additionally, ASCE supports the Water Quality Protection and Job Creation Act, which would authorize \$14 billion in new federal funding for the Clean Water State Revolving Fund.

- **Unlock Vital Infrastructure Financing Tools:** State and local governments rely on access to the capital market and issuance of tax-exempt municipal bonds to provide for the nation's infrastructure. ASCE supports the tax-exempt status of municipal bonds and reinstating advance refunding as financing tools in any infrastructure investment legislation. Additionally, ASCE supports increasing the cap from \$15 billion to \$20 billion on tax-exempt private activity bonds, which allow state and local governments to issue tax-exempt debt, with approval from the U.S. Department of Transportation, for qualified highway or surface freight transfer facilities.
- **Eliminate or increase the cap on the Passenger Facility Charge:** The associated infrastructure of U.S. airports and air traffic control systems is not keeping up with the more than two million passengers they traditionally serve each day. Because of an outdated, federally mandated cap on how much airports can charge passengers for facility expansion and renovation, airports struggle to keep up with investment needs, creating a \$42 billion 10-year funding gap. Raising or eliminating the cap on the Passenger Facility Charge (PFC) will allow airports a much-needed revenue boost and the ability for long-term planning and modernizing of our aviation system.
- **Support the National Institute of Standards and Technology (NIST):** ASCE urges Congress include the reauthorization of NIST and expand NIST's authority and funding in order to the agency to continue its critical research on mitigating the impacts of man-made and natural hazards. NIST is the premier, and in most cases, the only federal institution conducting resilience research focused on the impact of multiple hazards on buildings and communities. As we rebuild and modernize our infrastructure, now is a critical time to ensure that NIST research continues to inform industry codes and standards. Such codes include *ASCE 7, Minimum Design Loads and Associated Criteria for Buildings and Other Structures*.
- **Consider Tax Equity Between Private Companies and Public Employers:** Currently private sector employers can receive a tax credit to offset the costs of providing paid sick leave to employee, but public sector employers, including water utilities are ineligible for the same credit. ASCE urges Congress to ensure public sector employers can receive this same tax credit.

Across the nation, our future recovery depends on reliable, modern infrastructure to provide a good quality of life for Americans and to support economic growth. There is a unique opportunity during these challenging times, while traffic is minimal and people stay home, to maintain and modernize these critical assets and jump-start job growth. ASCE looks forward to working with Members of Congress as you develop further legislation to stimulate our economy and ensure the health and safety of American citizens.

Sincerely,

A handwritten signature in black ink that reads "K.N. Gunalan". The signature is written in a cursive style with a horizontal line underneath the name.

K.N. Gunalan, Ph.D, P.E., D.GE, F.ASCE

ASCE President 2020