

REMARKS OF THE HON. ROSA L. DELAURO
TESTIMONY ON NIDA
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
TUESDAY, JUNE 10, 2008

Thank you. I want to thank Chairman Oberstar for having this important hearing and for giving me the opportunity to testify today. I am proud to be here with you and our colleagues, Mr. Blumenauer, Mr. Ellison, and Mr. Calvert as we examine these critical issues.

As you know, when both the Congressional Budget Office, testified before this committee last month they indicated that as a share of gross domestic product (GDP), public spending on capital infrastructure has been relatively constant for the past several decades. Yet, the CBO's review suggests that tens of billions of dollars of additional spending on infrastructure each year would make good economic sense.

Indeed, with our national economy struggling, the smartest national investments are the ones that create jobs today and continue to pay off for years down the road and whose benefits reach our entire community. The National Surface Transportation Policy and Revenue Study Commission January report recommended an annual \$225 billion investment to maintain and improve our transportation system, approximately \$140 billion more than is currently invested.

The GAO says our national water infrastructure will need from \$485 billion to nearly \$1.2 trillion over the next 20 years. And according to the American Society of Civil Engineers, the number of unsafe dams in America has risen by more than 33 percent since 1998, to more than 3,500 in 2005.

It is clear, we need a bold national infrastructure policy. Of course, we need leadership on this issue at the very top from the

White House – but Congress has a critical role to play as well, to provide both a vision and a way to realize it.

That is why I have introduced the National Infrastructure Development Act, to create an objective process for evaluating our infrastructure needs and leverage private dollars to help rebuild our nation's infrastructure, such as highways, roads, bridges, pipelines, and public buildings.

This legislation would create a National Infrastructure Development Corporation and a subsidiary National Infrastructure Insurance Corporation initially as federal entities. The Corporation would make senior and subordinated loans and purchase senior and subordinated debt securities and equity securities, the proceeds of which are to be used to finance infrastructure projects. The Insurance Corporation would provide insurance and further reduce the costs for the infrastructure projects.

The Development Corporation would include a Board of Directors consisting of 12 members -- 9 appointed by the president -- with demonstrated expertise in the field of infrastructure project development, finance or related disciplines.

And the Board would determine which projects to fund based on how they meet national critical infrastructure needs and the degree to which private sector financing is being leveraged. It would also consider whether providing funds will help expedite the project in question.

And we would fund the Corporation with \$9 billion in appropriations over 3 years. After 5 years, it would develop a plan to transition into a Government Sponsored Enterprise -- entirely self-financed through user fees and the sale of public stock.

We face a critical moment and this proposal represents a powerful opportunity to accomplish two important objectives. First to establish an entity that can carefully look at projects and fund those which are most critical to our nation's continued growth.

Second, this proposal leverages private sector investment to the largest degree possible. This could not be more important during tight financial times in which federal and state governments simply cannot finance these projects alone.

SAFETEA-LU is expiring and we face funding constraints on our aviation, water, and school building systems, among others. We need a new funding mechanism to supplement what we are doing. This legislation can fill that gap and meet our responsibilities. It is endorsed by the Associated General Contractors of America, American Society of Civil Engineers, Building and Construction Trades Department: AFL-CIO, and the U.S. Chamber of Commerce among many others

Mr. Chairman, I believe my proposal, as well as the proposals of my colleagues here today, offer innovative and effective ways to take our national infrastructure policy in a positive and strong direction.

By ensuring our nation can continue investing in its infrastructure, we can rebuild America and keep our nation highly competitive throughout the 21st century.