10 things you need to know about:
Private Investment in Infrastructure

BIPARTISAN POLICY CENTER

The Executive Council on Infrastructure has released *Bridging the Gap Together: A New Model to Modernize U.S. Infrastructure*, making a series of recommendations for increasing private investment in infrastructure. Here are the key takeaways.

1 **Despite the $1 trillion funding gap for U.S. infrastructure, billions of dollars of private capital are left on the table each year** that could be used to fix crumbling roads, bridges, water and wastewater systems, ports, airports and civic buildings.

2 **State laws are an essential building block to expanding private investment in infrastructure,** yet 17 states lack laws allowing partnerships with the private sector. Even fewer states allow the full range of partnerships. BPC's Executive Council calls on states to pass new and improve existing laws enabling public-private partnerships or P3s.

3 **The true extent of our nation's infrastructure needs is unknown.** BPC's Executive Council calls on public agencies to inventory assets in an effort to create a publicly available project pipeline. Such inventories empower communities to make informed decisions and tackle their infrastructure needs through strategic investments and partnerships with the private sector.

4 **Public agencies face deteriorating infrastructure assets, but a lack of data and information on the state of those existing assets skews their decision-making about what to do.** More often than not, risks are revealed only after infrastructure fails, a danger to the health, safety, and security of communities.

5 **Degraded infrastructure in the need of repair and new investment, coupled with other necessary competing pressures on public budgets creates a perfect storm**. With limited resources, public officials have often focused on immediate maintenance needs. However, in discounting the life cycle costs inherent in any project and the mounting risks of unsafe infrastructure, new investments fail to be made.

6 **Infrastructure projects are long-term investments.** Partnerships between the public and private sectors can incentivize long-term thinking about design, construction, finance, operations, and maintenance. But too few projects are put forward today that incorporate long-term thinking, are attractive to private investors, and are tied to a clear public benefit.

7 **A clear understanding of the public value of an investment is a founding principle in public-private partnerships**, since the private sector is only paid when it provides the level of service expected by the public.

8 **A transparent process for public outreach and engagement, with ongoing opportunities for stakeholder feedback, is essential to the success of public-private collaboration**. In fact, it is essential to overcoming risks associated with competing stakeholder interests and NIMBY-type opposition.

9 **To increase private investment in our nation's infrastructure, we must simplify project development and permitting**. Too often, lengthy, uncoordinated permitting and review make projects costly and unattractive to private capital.

10 **By partnering, public and private sector stakeholders can reduce the fiscal burden** on public sector balance sheets, transfer risks, and enable government agencies to exercise their most important responsibility—ensuring community health and safety.