



March 24, 2021

The Honorable Joseph Biden
President of the United States
Washington, DC 20500

The Honorable Kamala Harris
Vice President of the United States
Washington, DC 20500

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear President Biden, Vice President Harris, Speaker Pelosi, and Leaders Schumer, McConnell, and McCarthy:

It is encouraging to see Democratic and Republican leaders and the Biden administration working to develop bold infrastructure legislation. The opportunity to strengthen our economy and our democracy by seizing on this genuine—and rare—bipartisan opportunity must not be squandered. Research has shown that for every dollar in infrastructure investment, three dollars is added to the nation’s GDP. In addition to creating a surge in employment and global competitiveness, modernizing our nation’s infrastructure is a prerequisite for decarbonizing our economy.

There are significant differences between and within the parties over the scope of federal investment that is required to get our country back on track. Some argue that infrastructure legislation should focus narrowly on roads and bridges, while others would seek to define many other priorities as “infrastructure.”

The Bipartisan Policy Center believes broad bipartisan support can be secured for a package focused on:

- Surface transportation;
- Water infrastructure (municipal and Corps);
- Broadband; and
- Clean energy

We urge Congress and the Biden administration to work together through the traditional legislative process to develop, debate, and adopt a package of transformational investments that

will incentivize economic growth, get people back to work, address racial inequities, and anchor our response to climate change.

First and foremost, Congress must reauthorize federal transportation programs, including a permanent reauthorization of FAST-41, which created the Federal Permitting Improvement Steering Council, and codifying “One Federal Decision,” which enables a single lead agency to shepherd projects through the cumbersome multiagency environmental review and permitting process.

Further, leaders of the EPW Committee introduced bipartisan legislation to update the Clean Water and Drinking Water State Revolving Loan Funds. Across the country, water and sewer infrastructure continues to age and crumble while communities struggle with how much they can increase rates on low-income families. The staggering vulnerability of these essential systems can be seen around the country—including [Jackson, Mississippi’s](#) water system, which was knocked out by recent winter storms. To assist Jackson and the growing list of communities impacted by aging and noncompliant drinking water systems, Congress must recommit itself to the SRFs, a vital demonstration of an effective state-federal partnership.

Since the beginning of the pandemic, Congress has appropriated more than \$50 billion to expand broadband access, telemedicine, and remote learning, but much more may be needed to address the growing digital divide. While so much attention has been rightly focused on building out communications infrastructure to rural areas, accessible, affordable broadband is also lacking in many [urban](#) areas. Millions of Americans in both rural and urban communities are being left behind as the ability to participate in the economy becomes increasingly dependent on internet access. Further, digital technology enables precision farming and forestry and advanced energy efficiency, all of which will be critical elements of addressing climate change.

Finally, we need to accelerate construction of systems to produce, transmit, and store net-zero carbon energy. Success at scale requires expanding public funding and incentives for private investment for commercialization of advanced renewable and nuclear facilities, energy storage and transmission, electric vehicle charging, pipelines for hydrogen and captured CO₂, direct air capture, and a variety of other promising solutions.

In addition, the urgency and scale of required investments necessitates consideration of more comprehensive reforms including pre-approval of sites and corridors, proactive community engagement strategies, and enhanced federal authority for multi-state clean energy infrastructure. Absent broader reform, we are unlikely to build a low-carbon economy in time to avoid the worst effects of climate change.

Over the last year, Congress has enacted more than \$5 trillion in spending to boost the economy during COVID-19. Under any realistic scenario, funding the federal government in the coming decades will require more revenue than is projected under current law. While it is unrealistic to expect that all expenditures will be offset in the pending infrastructure package, it is irresponsible to simply pass the buck and burden future taxpayers with all these liabilities. Lawmakers must engage in honest, difficult conversations about changes in the tax code, as well as sustained user fees, so the beneficiaries of these critical investments pay for at least a portion of them. Obviously, reductions in other federal spending must also play a role.

The per-gallon fuel taxes that currently flow into the federal Highway Trust Fund can no longer support the necessary level of investment, due primarily to increasing fuel efficiency and the rising costs of infrastructure construction and maintenance. The nation needs a new revenue model that can keep up with future funding needs while maintaining the user-pay, user-benefit principle that underlies the Trust Fund concept. The federal government must enact one last increase in fuel taxes to address near-term funding needs and lay the groundwork for the transition to a vehicle miles traveled fee. The VMT is the only mechanism that will capture all highway users, including electric vehicles.

There are numerous other ideas being explored as possible revenue streams for additional infrastructure investments in broadband, water, clean energy, and other critical community assets. Importantly, public-private partnerships, or P3s, can be a key tool for addressing our infrastructure needs. Private sector partners can assume project risks while bringing necessary capital and expertise. P3s are not the right model for every project, but under the right conditions, a P3 can deliver a cost-effective and better performing project. Public-private partnerships can also help advance climate-related goals. Contracts can include incentives and enforceable benchmarks for a private partner, including reduced emissions. Applicants for federal funding or financing should be required to demonstrate that they have evaluated all delivery options, including P3s, to determine which would provide the best value for taxpayers over the lifecycle of a project. Bringing more certainty and efficiency to the permitting process will unleash substantial private capital in the energy sector.

While essential and ambitious, these proposed investments in transportation, water, broadband, and clean energy do not begin to address all the challenges we face. The pandemic has revealed and amplified a wide array of dire needs facing communities and families across the country. BPC believes there are meaningful opportunities to advance bipartisan solutions through investments in child care, housing, health, and education. We anticipate a variety of intense legislative efforts in the coming months that may intersect with bipartisan infrastructure legislation.

The nation has an opportunity to strengthen our economy, support disadvantaged communities, confront climate change, and strengthen our democracy by moving forward with a bipartisan effort to modernize critical infrastructure. The expiration at the end of the year for surface transportation programs provides a key moment to initiate this effort through a bipartisan, committee-focused process.

We urge you to seize this opportunity.

Sincerely,

A handwritten signature in black ink that reads "Jason Grumet". The signature is written in a cursive style with a large, stylized initial "J".

Jason Grumet
President
Bipartisan Policy Center