



Legislation Text

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Res. No. 1493

Resolution calling upon Congress to pass and the President to sign into law H.R. 3896, the National Infrastructure Development Act, to help to finance the estimated \$1.6 trillion annual shortfall in funds required to modernize and repair deteriorating and aging infrastructure in the United States.

By Council Member Garodnick, James, Brewer, Comrie, Dickens, Fidler, Gonzalez, Koppell, Liu, Mealy, Palma, Recchia Jr., Reyna and Seabrook

Whereas, The underground steam pipe explosion in New York City on July 18, 2007 and the Interstate Route 35W bridge collapse in Minneapolis, Minnesota, on August 1, 2007, are both indicative of major shortcomings in the national infrastructure; and

Whereas, According to the United States Department of Transportation, there are 153,000 bridges in the United States that are functionally obsolete or structurally deficient and 162,000 miles of federal highways composed of pavement rated as “unacceptable”; and

Whereas, In 2005, the American Society of Civil Engineers has assigned a cumulative grade of “D” in its assessment of America’s drinking water, sewage treatment, navigable waterways, dams, energy grid, parks and schools, and estimated that there is a shortfall of \$1.6 trillion in investment needed to bring conditions to acceptable levels; and

Whereas, According to recent estimates by the United States Environmental Protection Agency, as much as \$390 billion will be needed over the next two decades to rebuild, repair, and upgrade the nation’s wastewater treatment plants; and

Whereas, According to New York City Mayor Michael Bloomberg’s PLANYC, in New York City alone, 60% of New York City Transit’s subway stations fall below a state of good repair, and overall the Metropolitan Transportation Authority will require \$14.6 billion to bring the City’s subway system to a state of good repair;

and

Whereas, As expressed in Executive Order No. 12893 of January 26, 1994, which sets out guiding principles for federal infrastructure investments, a well functioning infrastructure is vital to sustained economic growth, to the quality of life of our communities, and to the protection of our environment and natural resources; and

Whereas, It has been conservatively estimated that each \$1 billion in infrastructure investment creates \$6.2 billion in economic activity and 47,500 new jobs -- 26,500 direct jobs for construction workers, engineers, contractors and other on-site employees, and 21,000 indirect jobs resulting from the spending associated with the investment -- while contributing to the reduction of local property taxes; and

Whereas, While grant programs of the federal government must continue to play a central role in financing the infrastructure needs of the nation, current and foreseeable demands on existing federal, state and local funding for infrastructure expansion and replacement exceed the resources to support these programs by margins wide enough to prompt serious concerns about the nation's ability to sustain long-term economic development, productivity, and international competitiveness; and

Whereas, The private capital markets, including the trillions in capital held by institutional investors (such as pension funds), have a growing interest in public-private infrastructure investment opportunities that can produce competitive risk-adjusted rates of return; and

Whereas, H.R. 3896, the National Infrastructure Development Act, will supplement traditional methods of financing domestic infrastructure development by creating two quasi-governmental corporations - the National Infrastructure Development Corporation and the National Infrastructure Insurance Corporation-- to make loans and finance infrastructure projects and to insure such projects to reduce public and private investment risk; and

Whereas, H.R. 3896 authorizes \$30 million in start-up costs and \$3 billion a year for three years for loans and financings which will inject \$72 billion into the economy; and

Whereas, H.R. 3896 provides for the appointment of boards of directors for the two public corporations with expertise in infrastructure, finance, credit enhancement and insurance; and

Whereas, H.R. 3896 requires that for all contracts funded by the National Infrastructure Development Corporation, wages paid to all laborers and mechanics employed to fulfill the contracts must be no less than the wages prevailing in the project locality; and

Whereas, Ultimately, the National Infrastructure Development Corporation and the National Infrastructure Insurance Corporation would become self-sustaining, privately-controlled corporate financing mechanisms, comparable in structure to Fannie Mae and Ginnie Mae; and

Whereas, The two public corporations created by the Act would be permitted to exercise their powers only in agreements with American-incorporated entities; now therefore, be it

Resolved, The Council of the City of New York calls upon Congress to pass and the President to sign into law H.R. 3896, the National Infrastructure Development Act, to help to finance the estimated \$1.6 trillion annual shortfall in funds required to modernize and repair deteriorating and aging infrastructure in the United States.

AS
4/28/08