### States Solvency - NIB

#### States solve better

Lockridge, Editor in-Chief of HT, 2011 (Deborah Lockridge, 9/12/2011, "What will become of Obama's infrastructure bank proposal?", <http://www.truckinginfo.com/all-thats-trucking/news-detail.asp?news_id=74673&news_category_id=132>, HT = Heavy Duty Trucking magazine, she's been writing about transportation infrastructure for 19 years and the card quotes multiple senators, RR)

Is an infrastructure bank a "Fannie and Freddie for roads and bridges," or a silver bullet to fix the nation's crumbling roads and bridges and create jobs? Well, obviously the answer is somewhere in between, but look for rhetoric at both ends of the spectrum in the wake of President Obama's "American Jobs Act" proposal unveiled last week, which includes a $10 billion national infrastructure bank. Thursday night, President Obama outlined his job-creation proposal in an early-evening address to a joint session of Congress. An "infrastructure bank" that would stimulate construction spending was a key factor in his plan, which also featured $50 billion in immediate investments for roads, rails and bridges. Also in the proposal were tax cuts for both employees and employers, a tax credit for business that hire people out of work, and money to prevent layoffs of local teachers and police. The White House put the price tag of Obama's plan at $447 billion, with about $253 billion in tax cuts and $194 billion in federal spending. Yet he didn't go into a lot of details about how it was going to be paid for, other than calling for the newly formed supercommittee crafting a deficit-reduction package to add it to its list. Obama said he plans to send over a detailed proposal to the super committee a week from today. The White House also wouldn't say how many jobs they expect the package to create. Mark Zandi, chief economist for Moody's Analytics and one of the economists the White House asked to evaluate the proposal, said it would add 1.9 million jobs, reduce the unemployment rate by 1 percentage point, and add 2 percentage points to real GDP growth. Of course, that's if it were passed, and that's a big "if." Infrastructure Bank 'Wrong Direction' The Obama administration hopes a national infrastructure bank, at a cost of $10 billion, could attract several times that in private capital. Some Republicans like the idea of an infrastructure bank. Others are suspicious of how the funds would be spent. Transportation and Infrastructure Committee Chairman John L. Mica (R-FL) said a national infrastructure bank is "moving in the wrong direction." "While the president reconfirmed that our highways are clogged and our skies are congested, his well-delivered address provided only one specific recommendation for building our nation's infrastructure," Mica said in a statement. "Unfortunately, a National Infrastructure Bank run by Washington bureaucrats requiring Washington approval and Washington red tape is moving in the wrong direction. A better plan to improve infrastructure is to empower our states, 33 of which already have state infrastructure banks." House Majority Leader Eric Cantor (R-Va.) said while he believes in infrastructure spending, he's wary of an infrastructure bank. "I am one who agrees with the notion that an infrastructure bank is almost like creating a Fanny and Freddie for roads and bridges." (Fannie Mae and Freddie Mac, of course, are the government-sponsored enterprises widely regarded to be part of the reason for the housing bubble whose bursting helped trigger the Great Recession.) Another concern is that an infrastructure bank would not provide much immediate stimulus for the economy. Janet Kavinoky, executive director of transportation and infrastructure for the U.S. Chamber of Commerce, predicts it could take three years. Needed Infrastructure Boost Mica's Democratic counterpart on the House transportation committee, West Virginia's Nick Rahall, called for Republicans on the panel to be receptive to Obama's proposals. "The nation's roads and bridges and water systems are needs that even Americans of vastly different political leanings agree deserve greater Federal investment - not less," Rahall said in a statement. "After all, the jobs created by such investment are not Republican jobs or Democratic jobs - they are American jobs." "Later this month, our nation's surface transportation programs will expire," Rahall said. "We simply cannot afford to allow petty partisan bickering to prevent renewing these programs; that could jeopardize nearly 1 million private-sector jobs over the next year."

**States solve—they limit federal mistakes and are more successful in raising funding**

**Edwards, Director of Tax Policy studies at the Cato Institute, 11** (Chris Edwards, Cato Institute, October 21 2011, “Infrastructure Projects to Fix the Economy? Don't Bank on It.”, The Washington Times, http://www.cato.org/publications/commentary/infrastructure-projects-fix-economy-dont-bank-it, NP)

When the federal government is paying for infrastructure, state officials and members of Congress fight for their shares of the funding, without worrying too much about efficiency, environmental issues or other longer-term factors. The solution is to **move as much infrastructure funding as we can to the state, local and private levels.** That would limit the misallocation of projects by Congress, while encouraging states to experiment with lower-cost solutions. It's true that the states make infrastructure mistakes as well, as California appears to be doing by subsidizing high-speed rail. But at least state-level mistakes aren't automatically repeated across the country. The states should be the laboratories for infrastructure. We should further encourage their experiments by **bringing in private-sector financing**. If we need more highway investment, we should take notes from Virginia, which raised a significant amount of private money to widen the Beltway. If we need to upgrade our air-traffic-control system, we should copy the Canadian approach and privatize it so that upgrades are paid for by fees on aviation users. If Amtrak were privatized, it would focus its investment where it is most needed — the densely populated Northeast. As for Reclamation and the Corps, many of their infrastructure projects would be better managed if they were handed over to the states. Reclamation's massive Central Valley irrigation project, for example, should be transferred to the state of California, which is better positioned to make cost and environmental trade-offs regarding contentious state water issues. Other activities of these two agencies could be privatized, such as hydropower generation and the dredging of seaports. The recent infrastructure debate has focused on job creation, and whether projects are "shovel ready." The more important question is who is holding the shovel. When it's the federal government, we've found that it digs in the wrong places and leaves taxpayers with big holes in their pockets. So let's give the shovels to state governments and private companies. They will create just as many jobs while providing more innovative and less costly infrastructure to the public. They're ready.

#### States solve better—no bureaucracy, better loan system

**TIC**, Transportation and Infrastructure Committee, **2011**(Transportation and Infrastructure Committee,October 12, 2011,”NATIONAL INFRASTRUCTURE BANK WOULD CREATE MORE RED TAPE & FEDERAL BUREAUCRACY”,http://transportation.house.gov/news/PRArticle.aspx?NewsID=1421, HM)

chairman Duncan’s Statement “I, for one, do not support setting up a new bureaucracy in Washington where political appointees would decide which transportation projects are the most worthy to receive a Federal loan,” said U.S. Rep. John J. Duncan, Jr. (R-TN), Chairman of the Highways and Transit Subcommittee. “That is why Congress already established the State Infrastructure Bank program. Current law allows a state to use their Federal-aid funding to capitalize a State Infrastructure Bank and provide loans and loan guarantees to appropriate transportation projects that the state deems most important. “The Transportation Infrastructure Finance and Innovation Act program, or TIFIA, was established in 1998 to provide loans and loan guarantees to surface transportation projects. In fact, the TIFIA program is so popular it received 14 times the amount of project funding requests in FY11 than the program has available to distribute. “Why not give these established programs more funding in order for them to reach their full potential? “This proposal is simply just another distraction as Congress pushes for a long-term surface transportation reauthorization bill. The Administration should be focused on helping Congress pass this much overdue legislation and give the states some long-term funding certainty that a National Infrastructure Bank would most certainly not accomplish.”

States solve best—fast implementation, job creation, better loans

Giglio, Professor of Strategic Management at NE University's College of Business, 2011 (Joseph M Giglio, Dec 05 2011, <http://www.patriotledger.com/topstories/x1178219699/COMMENTARY-Infrastructure-bank-provides-invaluable-resources?zc\_p=0>, "Infrastructure bank provides invaluable resources", RR)

Under the 2005 Federal Highway Authorization bill, known as SAFETEA-LU, all states were given the authority to establish state and even regional infrastructure banks. This followed a period during the 1990s when at different times anywhere from 10 to 39 states were allowed to experiment with these banks under a series of federal pilot programs. A state infrastructure bank (SIB) offers several major benefits. First, it allows a state to leverage existing scarce resources. States can build more projects with fewer dollars and accelerate construction, especially for projects whose economic benefits can be identified and captured. This approach ameliorates the impact of inflation on construction costs and allows benefits like job creation, private sector income and tax revenue to be realized sooner than they would be using traditional infrastructure investment. Second, by offering an array of financing tools such as low-interest loans, refinancing and construction financing, an SIB can increase flexibility by tailoring financing packages to meet specific project needs. Closely related, infrastructure banks can facilitate projects that are financially tenuous by providing lines of credit or insurance. Equally important, the availability of a menu of financing tools coupled with the ability to have other debt paid before the infrastructure bank loan is paid back can attract private capital and local government funding, further enhancing a state’s ability to husband scarce infrastructure funding resources. A third benefit to creating an SIB is the opportunity for states to develop a self-renewable, insulated source of future capital. Simply put, an SIB recycles resources by re-loaning funds as they are repaid. The repaid funds effectively become state resources. In addition to increased leverage and additional flexibility, this allows states to develop and control their own source of capital. Finally, for states that can work past their deep and abiding distrust of bankers, a SIB can gain greater leverage and make even more funds available for infrastructure investment by issuing debt against its own equity capital. This accelerates the recycling of loan repayments, increases the magnitude of available infrastructure resources and provides for a larger financial canvas with which to work. The same concept President Obama is proposing on the federal level can be used to provide capital funds to support the improvement of a state and region’s infrastructure network. Given the commonwealth’s pressing needs, we should look seriously at creating a state infrastructure bank to help fill the infrastructure financing gap.

#### State banks solve best—prevent expansion of the national deficit

**Freemark**, Yonah Freemark writes on cities and transportation at The Transport Politic, **2012** (Yonah Freemark,JAN 02, 2012,”THE BIG FIX How to Pay for America's Infrastructure”,http://www.theatlanticcities.com/politics/2012/01/solution-americas-infrastructure-woes/845/, HM)

The idea is to get more transportation projects under construction without significantly expanding the national deficit. And the idea is not particularly new: Infrastructure banks have been on the radar since 1995, when state banks were initially authorized to receive federal funds. Now, more than thirty states have them in operation. But most operate on a small scale, and are unprepared to fund large-scale projects. They are also strongly tilted toward highway infrastructure, not multimodal needs.Yet recent proposals have been much more ambitious. President Obama has made the case strongly throughout his first term that a national bank run by the U.S. Department of Transportation would be most effective, since it would be staffed by experts and backed by the federal government. A proposal announced by the White House earlier this year would put $10 billion in the coffers of such an agency.

#### States solve infrastructure

Mica, Chairman for Transportation and Infrastructure Committee, 2011 (John Mioa, July 21 2011, "Mica: States Will Have More Flexibility Without a National Infrastructure Bank" <http://www.rollcall.com/features/Transportation-2011_Policy-Briefing/policy_briefings/John-Mica-National-Infrastructure-Bank-207562-1.html> , RR)

After years of deficit spending, the United States finds itself in dire economic straits. One need look no further than the current debate over the nation’s budget and debt limit. When the economy was stronger, it was easier for the government to spend money it did not have on programs it could not afford. But as the economy continues to struggle, unemployment remains high, and Americans across the country tighten their belts more every day. Congress must act responsibly to get our fiscal house in order. A framework released by Transportation and Infrastructure Committee Republicans in July to reauthorize federal surface transportation programs is a fiscally responsible proposal to increase the value and effect of our limited infrastructure resources while holding to spending levels that are supported by the amount of transportation user fees actually collected. This proposal is the only initiative offered that protects the Highway Trust Fund and ensures its future solvency. This trust fund is maintained by user fees — gas taxes paid by motorists at the pump — dedicated specifically for transportation improvements. The trust fund provides guaranteed long-term funding to states for critical infrastructure planning and projects. However, in recent years the government has been overspending from the trust fund. Last year, we spent about $50 billion from the trust fund but collected only $35 billion in revenue. Consistent overspending has necessitated the transfer of $35 billion from the general fund into the trust fund over the past three years. The Republican proposal restores accountability to federal transportation spending and puts the “trust” back in the trust fund by aligning spending with revenues. Other proposals would either continue the current practice of deficit spending for transportation, which would bankrupt the Highway Trust Fund in less than two years; rely on a gas tax increase that will never pass through an increasingly conservative Congress; or create a national infrastructure bank to fund projects. Our initiative protects the trust fund. Ensuring the viability of this reliable source of funding will allow states to plan major multiyear projects. Significant reforms and improvements for transportation programs will increase the investment value of available infrastructure resources. By leveraging limited funds more effectively, the level of infrastructure investment is increased. But a national infrastructure bank is not the best way to achieve this leverage. The Federal Highway Administration estimates that for every federal dollar invested in state infrastructure banks, $9.45 in loans for transportation projects can be issued. To encourage states to better utilize SIBs, the Republican proposal increases the percentage of federal highway funding that a state can dedicate to a SIB from 10 percent to 15 percent, and states will receive a specific amount of funding that can be used only to fund SIBs. Many states currently have infrastructure banks. The proposal builds upon this existing SIB structure rather than increasing the size of the bloated federal bureaucracy, as some advocate, by creating a national infrastructure bank. States will have more flexibility to make project decisions. The proposal also expands the successful Transportation Infrastructure Finance and Innovation Act program. By dedicating $6 billion to TIFIA, $60 billion in low-interest loans to fund at least $120 billion in transportation projects will be generated. Additional TIFIA funding will help meet demand for credit assistance for projects, enabling increased leveraging of Highway Trust Fund dollars with state, local and private-sector investment. The new fiscally responsible initiative streamlines the federal bureaucracy in other ways as well. There are more than 100 federal surface transportation programs, many of which are duplicative or do not serve a national interest. An unprecedented consolidation and elimination of about 70 of these programs under this proposal will decrease the size of the federal bureaucracy, freeing up funds that can be invested in infrastructure instead of siphoned off to maintain unnecessary programs. States are provided more authority and flexibility to address their most critical infrastructure needs. However, new performance measures and transparency requirements will hold states accountable for their spending decisions. As this responsible Republican proposal moves forward, we welcome suggestions and ideas for a final bill that protects the Highway Trust Fund, reforms programs, downsizes the bureaucracy, cuts red tape and more effectively leverages our limited resources.

### AT: Federal Government is Key

**Empirics prove the Federal Government has failed in the infrastructure business by exaggerating studies and repeating mistakes—states and private sector solve best**

**Edwards, Director of Tax Policy studies at the Cato Institute, 11** (Chris Edwards, Cato Institute, October 21 2011, “Infrastructure Projects to Fix the Economy? Don't Bank on It.”, The Washington Times, http://www.cato.org/publications/commentary/infrastructure-projects-fix-economy-dont-bank-it, NP)

Increased infrastructure spending has bipartisan support in Washington these days. President Obama wants a new federal infrastructure bank, and members of both parties want to pass big highway and air-traffic-control funding bills. The politicians think these bills will create desperately needed jobs, but the cost of that perceived benefit is too high: Federal infrastructure spending has a long and painful history of pork-barrel politics and **bureaucratic bungling**, with money often going to wasteful and environmentally damaging projects. When the federal government 'thinks big,' it often makes big mistakes. For plenty of examples of the downside of federal infrastructure, look at the two oldest infrastructure agencies — the Army Corps of Engineers and the Bureau of Reclamation. Their histories show that the **federal government shouldn't be in the infrastructure business**. Rather, **state governments and the private sector are best** equipped to provide it. The Corps of Engineers has been building levees, canals and other civilian water infrastructure for more than 200 years — and it has made missteps the entire time. In the post-Civil War era, for example, there were widespread complaints about the Corps' wastefulness and mismanagement. A 1971 book by Arthur Morgan, a distinguished engineer and former chairman of the Tennessee Valley Authority, concluded: "There have been over the past 100 years consistent and disastrous failures by the Corps in public works areas ... resulting in enormous and unnecessary costs to ecology [and] the taxpayer." Some of the highest-profile failures include the Great Mississippi Flood of 1927. That disaster dramatically proved the shortcomings of the Corps' approach to flood control, which it had stubbornly defended despite outside criticism. **Hurricane Katrina in 2005 was like a dreadful repeat**. The flooding was in large part a man-made disaster stemming from poor engineering by the Corps and misdirected funding by Congress. Meanwhile, the Bureau of Reclamation has been building economically dubious and environmentally harmful dams since 1902. Right from the start, "every Senator ... wanted a project in his state; every Congressman wanted one in his district; they didn't care whether they made economic sense or not," concluded Marc Reisner in his classic history of the agency, Cadillac Desert. The dam-building pork barrel went on for decades, until the agency ran out of rivers into which it could pour concrete. Looking at the Corps and Reclamation, the first lesson about federal infrastructure projects is that you can't trust the cost-benefit analyses. Both agencies have a **history of fudging their studies** to make proposed projects look better, **understating the costs and overstating the benefits**. And we've known it, too. In the 1950s, Sen. Paul Douglas (D-Ill.), lambasted the distorted analyses of the Corps and Reclamation. According to Reisner, Reclamation's chief analyst admitted that in the 1960s he had to "jerk around" the numbers to make one major project look sound and that others were "pure trash" from an economics perspective. In the 1970s, Jimmy Carter ripped into the "computational manipulation" of the Corps. And in 2006, the Government Accountability Office found that the Corps' analyses were "fraught with errors, mistakes, and miscalculations, and used invalid assumptions and outdated data." Even if federal agencies calculate the numbers properly, members of **Congress often push ahead with "trash" projects anyway**. Then-senator Christopher Bond of Missouri vowed to make sure that the Corps' projects in his state were funded, **no matter what the economic studies concluded**, according to extensive Washington Post reporting on the Corps in 2000. And the onetime head of the Senate committee overseeing the Corps, George Voinovich of Ohio, blurted out at a hearing: "**We don't care what the Corps cost-benefit is**. We're going to build it anyhow because **Congress says it's going to be built**." As Morgan noted in his 1971 book, these big projects have often damaged both taxpayers and ecology. The Corps, Reisner argues, has "ruined more wetlands than anyone in history" with its infrastructure. Meanwhile, Reclamation killed wetlands and salmon fisheries as it built dams to provide high-cost irrigation water to farmers in the West — so they could grow crops that often compete with more efficiently grown crops in the East. **Taxpayers are double losers** from all this infrastructure. They paid to build it, and now they are paying to clean up the environmental damage. In Florida, for example, the Corps' projects, along with federal sugar subsidies, have damaged the Everglades. So the government is helping to fund a multibillion-dollar restoration plan. In the West, federal irrigation has increased salinity levels in rivers, necessitating desalination efforts such as a $245 millionplant in Yuma, Ariz. And in a large area of California's San Joaquin Valley, federal irrigation has created such toxic runoff that the government is considering spending up to $2 billion to fix the damage, according to some estimates. When the federal government "thinks big," it often makes big mistakes. And when Washington follows bad policies, such as destroying wetlands or overbuilding dams, **it replicates the mistakes across the nation.** Today, for instance, Reclamation's huge underpricing of irrigation water is contributing to a water crisis across much of the West. Similar distortions occur in other areas of infrastructure, such as transportation. The federal government subsidizes the construction of urban light-rail systems, for example, which has caused these systems to spring up across the country. But urban rail systems are generally less efficient and flexible than bus systems, and they saddle cities with higher operating and maintenance costs down the road. Similar misallocation of investment occurs with Amtrak; lawmakers make demands for their districts, and funding is sprinkled across the country, even to rural areas where passenger rail makes no economic sense because of low population densities.

### AT: Perm

#### Permutation still links to the solvency turns, PTX, and federalism NB's-

Puentes, Senior fellow at the Brookings Institution, 20**11** (Robert Puentes, February 2011, <http://www.bafuture.com/sites/default/files/State%20Transpo%20Reform%20Brookings%202.11.pdf>, "State Transportation Reform: Cut to Invest in Transportation to Deliver the Next Economy", RR)

Governors and legislators should also recognize that the fiscal crisis creates the opportunity to talk about new sources of transportation revenues – including sources that were previously considered politically infeasible. States should consider adopting market mechanisms like congestion pricing to maximize metropolitan road networks, as well as the expansion of user fees. And even voter-approved tax increases (which are evidence of willingness to pay for services) should be part of the discussion. Residents in metropolitan Phoenix, for example, recently approved a half-cent sales tax for regional transportation that is expected to generate $11 billion. Los Angeles county voters approved a half-cent increase that is projected to raise $40 billion for transportation improvements. Notably, that vote came in November 2008, right it the middle of the economic downturn. 23 Governors should encourage this kind of self help. Create new public/private institutions. To finance the kind of major investments necessary to support the Next Economy, such as high-functioning global ports and gateways, or infrastructure that supports electric vehicles or clean technologies, states should establish a state infrastructure bank (SIB) or enhance it if one is already in place. Beginning in 1998, when the federal government provided $150 million in seed funding for initial capitalization, SIBs have become an attractive financing tool for states. Since then, 33 states have established SIBs to finance transportation projects. Most of this support comes in the form of belowmarket revolving loans and loan guarantees. States are able to capitalize their accounts with federal transportation dollars but are then subject to federal regulations over how the funds are spent. Others, including Kansas, Ohio, Georgia, and Florida, capitalize their accounts with a variety of state funds and are not bound by the federal oversight which they feel helps accelerate project delivery. Other states—such as Virginia, Texas, and New York—are also examining ways to recapitalize their SIBs with state funds. 24 But rather than bringing a tough, merit-based approach to funding, many SIBs are simply used to pay for the projects selected from the state’s wish list of transportation improvements, without filtering projects through a competitive application process. A better approach would be for states to use their infrastructure banks more strategically, focusing on those transportation projects that will facilitate the flow of exports or connect workers to jobs. The projects should be evaluated according to strict return on investment criteria, not selected with an eye towards spreading funding evenly across the state. (Such an approach is analogous for how the federal government should establish a national infrastructure bank.) States should also think beyond just transportation and create true infrastructure and economic development banks to finance not just roads and rails, but also energy and water infrastructure, perhaps even school and manufacturing development. California’s Infrastructure and Economic Development Bank (“I-Bank”) provides a compelling model. After its initial capitalization of $181 million in 1999, the I-Bank has funded itself on interest earnings, loan repayments, and other fees, and has supported over $400 million in loans. 25 Then, either as part of the augmented SIB or separate, states should help broker the often complex infrastructure partnerships between the public and private sectors. A poll by the financial advisory firm Lazard shows strong willingness for states to consider private investments rather than increasing taxes, cutting budgets, or taking on more debt. 26 However, the private sector is now seeking more legislative certainty prior to bidding on projects and has little appetite for negotiating transactions that are subject to legislative or other major political approvals. While half of the states have enacted enabling statutes for public/private partnerships (PPPs), the wide differences between them makes it 6 BROOKINGS-ROCKEFELLER | PROJECT ON STATE AND METROPOLITAN INNOVATION | February 2011 time consuming and costly for private partners wishing to engage in PPPs in multiple states to handle the different procurement and management processes. 27 States should therefore move to enact comprehensive PPP legislation that is accountable, transparent, and permanent. They should also push the federal government to play a helpful role with its state and metropolitan partners by creating standards and providing technical advice to be considered in PPPs. The GAO recently noted that the federal government has done much to promote the benefits of PPPs but it needs to do more to assist states and metro areas in this way.

### Net Benefit – Politics

#### SIB popular—key republicans on board

Ichniowski, Washington Bureau Chief and B.A. history, 2011 ( Tom Ichniowski, 10/12/2011, "

Mica Shoots Down National Infrastructure Bank Idea,",< http://www.smartcontractor.com/In-The-News/Mica-Shoots-Down-National-Infrastructure-Bank-Idea.html#ixzz1yeXTBPHE >, RR)

House Transportation and Infrastructure Committee Chairman John Mica (R-Fla.) has called President Obama's proposed national infrastructure bank "dead on arrival in the House of Representatives." Mica's comments came near the start of an Oct. 12 hearing of his committee's highway and transit subcommittee on the proposed public-works financing entity. Mica opposes the national bank because, he contends, it would be another bureaucratic organization and would take too long to become operational to have a quick impact on jobs. To be sure, the Florida lawmaker has been looking for way to stretch existing federal dollars as he drafts a six-year surface transportation authorization bill, which has yet to be introduced. Instead of a federal infrastructure bank, Mica wants to give a boost to state infrastructure banks, which exist in 33 states, he says. He also wants to expand the 13-year old Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which provides federal loans and loan guarantees to major highway, transit and other projects. Obama proposed a "National Infrastructure Bank" in his fiscal 2012 budget request, in February. As then envisioned, the bank would be launched with $30 billion over six years and be housed at the Dept. of Transportation. In early September, the president included an infrastructure bank in his proposed American Jobs Act, a legislative package of spending increases and tax breaks. This time the bank's up-front funding was to be $10 billion. But his jobs bill suffered a setback on Oct. 11, when the Senate fell short of the 60 votes needed to overcome a filibuster--effectively blocking the package. There is speculation, however, that some of the jobs measure's tax provisions may face a better fate in Congress. Read More:

#### SIB popular—Mica

Laing, Staff Writer for The Hill, covering Transportation, 2011 (Keith Laing, 09/08/11, "Mica opposes Obama’s call for national infrastructure bank", <http://thehill.com/blogs/transportation-report/highways-bridges-and-roads/180481-gop-chairman-opposes-obamas-call-for-national-infrastructure-bank>, RR)

The Republican chairman of the House Transportation and Infrastructure Committee said Thursday evening that he is opposed to the call for a national infrastructure bank President Obama made in his speech to a joint session of Congress. Rep. John Mica (Fla.) said he thought Congress should encourage individual states to create their own infrastructure banks, arguing as he has in the past that it would give them more flexibility to design transportation projects that fit their own needs. “While the President reconfirmed that our highways are clogged and our skies are congested, his well delivered address provided only one specific recommendation for building our nation’s infrastructure,” Mica said in a news release. “Unfortunately, a National Infrastructure Bank run by Washington bureaucrats requiring Washington approval and Washington red tape is moving in the wrong direction. A better plan to improve infrastructure is to empower our states, 33 of which already have state infrastructure banks.” Obama called Thursday for Congress to approve a proposal for a federal infrastructure bank that has been pushed for by Sens. John Kerry (D-Mass.) and Kay Bailey Hutchison (R-Texas).

### NB – Federalism

#### Infrastructure banks controlled by the federal government kill state authority of infrastructure

**Mallet a Ph.D. in City and Regional Planning and is an specialist in Transportation Policy at the CRS, et al** 12/14/**11** (William J. Mallet, Steven Maguire a specialist in Public Finance, Kevin R. Kosar is an analyst in American Government for the CRS, December 14 2011, Congressional Research Service, “National Infrastructure Bank: Overview and Current Legislation”, http://www.fas.org/sgp/crs/misc/R42115.pdf, NP)

A fourth possible disadvantage is that a national infrastructure bank may shift some decision making from the state and local level to the federal level. Although the initiation of projects will come from state and local decision-makers, a national infrastructure bank will make the final determination about financing. Some argue that this will reduce state and local flexibility and give too much authority to centralized decision-makers divorced from local conditions.54