# national infrastructure cp—endi 2012—julia

# Affirmative

## Takes too long

#### No short term investment – will take years to write regulation and hire staff

Mallett, Kosar, and Maguire 11—white house specialist (William J. Specialist in Transportation Policy , Kevin R. Analyst in American National Government , Steven Specialist in Public Finance , National Infrastructure Bank: Overview and Current Legislation, December 14, 2011, http://www.fas.org/sgp/crs/misc/R42115.pdf)

Although a national infrastructure bank might help accelerate projects over the long term, it is unlikely to be able to provide financial assistance immediately upon enactment. In several infrastructure bank proposals (e.g., S. 652 and S. 936), officials must be nominated by the President and approved by the Senate. The bank will also need time to hire staff, write regulations, send out requests for financing proposals, and complete the necessary tasks that a new organization must accomplish. This period is likely to be measured in years, not months. The example of the TIFIA program may be instructive. TIFIA was enacted in June 1998. TIFIA regulations were published June 2000, and the first TIFIA loans were made the same month.45 However, according to DOT, it was not until FY2010 that demand for TIFIA assistance exceeded its budgetary authority.46

## Doesn’t solve the economy

#### NIB won’t be competitive or sustainable – interest rate adjustments would make financing through the bank more expensive

Mallett, Kosar, and Maguire 11—white house specialist (William J. Specialist in Transportation Policy , Kevin R. Analyst in American National Government , Steven Specialist in Public Finance , National Infrastructure Bank: Overview and Current Legislation, December 14, 2011, http://www.fas.org/sgp/crs/misc/R42115.pdf)

All pending infrastructure bank proposals have the objective of increasing investment in infrastructure while maintaining financial self-sustainability. These two objectives may not be compatible. Traditional banks are self-sustaining because they borrow from depositors at a low rate (and typically short term) and lend at a higher rate (and typically long term). In addition, they impose fees and charge for a variety of services beyond lending. An infrastructure bank’s selfsustainability, in contrast, would depend almost exclusively on its capacity to lend at a higher rate than its cost of capital. If the infrastructure bank were to rely mainly on private capital (either equity or credit), it would have to provide those investors with a rate of return comparable to that available on investments with a similar risk and time profile to those in the bank’s portfolio. If the federal government bears some of the risk, then investors would not require as much compensation as they would if not for the federal guarantee. Federal budgeting rules, however, would require that the value of the risk shifted from the private sector to the federal government be accounted for in the federal budget.49 The other constraint on sustainability is the need to keep the nonfederal share of projects attractive to investors. Currently, state and local governments can finance infrastructure with relatively low-cost capital by issuing tax-exempt bonds. If the infrastructure bank must compensate investors to attract capital, and no federal tax advantages are conferred upon these investors, it seems unlikely that the bank will be able to match the low interest rates available with tax-exempt bonds. The infrastructure bank proposed in S. 652 and S. 1549 would be allowed to charge fees for loans and loan guarantees, which could move the bank closer to sustainability. However, the additional transaction fees or interest rate adjustments would make financing through the infrastructure bank more expensive. The higher these fees go, the less advantageous it will be for a project sponsor to seek infrastructure bank assistance.50

#### Doesn’t change current investment – only has jurisdiction over new funding

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

Yet an NIB is not a silver bullet for dealing with infrastructure reform, either. It would not overhaul the current federal investment, but be limited only to new projects it funded. More immediately, the OMB and Congress should improve and enforce the current regulations and statutes related to the federal investment process. Also, the debate around the federal capital budget shows that it is essential to have political support from both Congress and the administration. An NIB manages currently to draw more attention from both of them than the capital budget ever did. Indeed, for the first time the budget put forward by the administration has an NIB as a spending item. This is a major milestone and a unique political opportunity to reform federal investment in infrastructure.

## Doesn’t solve jobs

#### Infrastructure bank won't create real jobs- Asia shows trade growth lifts economy more than government projects

Chin 11 U.S. ambassador to the Asian Development Bank from 2007 to 2010 under Presidents Barack [Obama](http://www.lexisnexis.com.libproxy.dixie.edu/lnacui2api/search/XMLCrossLinkSearch.do?bct=A&risb=21_T15075276477&returnToId=20_T15075292770&csi=8176&A=0.6538880087711829&sourceCSI=9369&indexTerm=%23PE000A0BO%23&searchTerm=Obama%20&indexType=P) and George W. Bush (Curtis S, October 18, 2011 Tuesday., The Washington Times)

With U.S. unemployment persistently and unacceptably high, [President Obama](http://www.lexisnexis.com.libproxy.dixie.edu/lnacui2api/search/XMLCrossLinkSearch.do?bct=A&risb=21_T15075276477&returnToId=20_T15075292770&csi=8176&A=0.6538880087711829&sourceCSI=9369&indexTerm=%23PE000A0BO%23&searchTerm=President%20Obama%20&indexType=P) and others from all political persuasions have voiced support once again for establishment of a new government-created institution that would provide loans and guarantees to finance U.S. infrastructure. They note Asia's continued economic growth and cite the region's - and particularly China's - tremendous investments in showcase infrastructure projects as reason enough to support greater government financing of infrastructure and development - and the jobs that come with such spending. Policymakers in Washington would be mistaken, however, if they see short-term job creation as rationale for creation of another federal bureaucracy in the guise of a U.S. national infrastructure bank. The latest proposal, part of Mr. [Obama's](http://www.lexisnexis.com.libproxy.dixie.edu/lnacui2api/search/XMLCrossLinkSearch.do?bct=A&risb=21_T15075276477&returnToId=20_T15075292770&csi=8176&A=0.6538880087711829&sourceCSI=9369&indexTerm=%23PE000A0BO%23&searchTerm=Obama%27s%20&indexType=P) recent Senate-rejected $447 billion jobs bill, envisioned a new $10 billion institution in Washington. That subproposal of the "jobs" bill may well rise again. The benefits, proponents say, will be twofold: rebuilding the United States' crumbling infrastructure and creating jobs. Just as the World Bank helped rebuild Europe after World War II and brings critical investment dollars to the poorest nations, isn't it time, they say, to do the same thing at home in the United States? Yet, like many things too good to be true, caveat emptor - buyer beware. Asia, with its multitude of infrastructure projects, offers a lesson, albeit a counterintuitive one. For all the billions of dollars in projects pushed by the World Bank and other multilateral development banks, what is clear is that such institutions are not the key players when it comes to infrastructure investment and job creation for much of Asia. Much more critical to growth have been trade, a still-evolving but strengthening infrastructure of transparency, governance and the rule of law, and allowing businesspeople the chance to, well, go about doing their business. In that context, the recently passed U.S. Free Trade Agreements with Korea, Panama and Colombia may well do more in the long run to spur economic growth in the United States and those countries than any individual bridge or other single infrastructure project. A further case in point: China borrows a few billion dollars annually from the World Bank and the Asian Development Bank. That being said, for an economy of several trillion dollars, the financial and employment impact of these banks' infrastructure lending to China are minimal, and even questionable on other policy grounds. And therein lies another lesson: A new U.S. national infrastructure bank may capture headlines but any proposal needs to be thoroughly vetted, lest taxpayers find themselves with another government-created institution that made political sense, but delivered very little in the long run beyond employment of the people who work there. Certainly, the infrastructure in the United States could use some serious updating. Recall the bridge collapse in Minnesota and the continued congestion of U.S. roads and skies. Sen. John F. Kerry, Massachusetts Democrat, Sen. Kay Bailey Hutchison, Texas Republican, and others in their own proposed legislation for a national infrastructure bank have rightly and usefully drawn attention to the need for greater investment in our country's dated infrastructure. But, as with proposed "bridges to nowhere," not all infrastructure projects or infrastructure banks are equal. Infrastructure spending is essential but not a panacea for persistent joblessness in the United States or persistent poverty in the developing world, particularly when larger, underlying economic issues are at play. So, what to do? Policymakers around the world need a more balanced approach to infrastructure, one that better embraces civil society and the private sector, including new forms of investment and ownership. We also need to think more seriously about models for better funding operations and maintenance, including public-private partnerships. In brief, this means a new attitude toward infrastructure, driven by a couple basic principles: First, we need to stop thinking of and selling infrastructure investment simply as a direct provider of short-term employment when times are bad. To do so risks not just bridges, but roads, rails and airports to nowhere. It also risks a decline in long-term support for critical infrastructure investment when promised jobs do not materialize. Second, we need to prioritize limited government resources on projects that will have more meaningful and sustainable economic results. We need to weed out what does not work and not be afraid to innovate. And third, we need to ensure the climate improves for private investment in infrastructure and its operations and maintenance. That means also ensuring that a welcoming business climate exists for the private enterprises and entrepreneurs that are the real drivers of job creation in any economy. On a basic economic level, obviously the larger-scale infrastructure development projects tend to contribute more to gross domestic product growth and employment, especially in the short-term. But when it comes to sustained growth, better focused projects of more modest scale can have a longer-term impact than bigger, costlier projects - shovel ready, or not. While putting people back to work must remain a short-term and long-term goal for policymakers in countries suffering chronic unemployment, the last thing needed is any institution, new or existing, pushing more bridges to nowhere, no matter how many short-term jobs might be created in building them. What the world needs more of are jobs for the long-term - jobs that matter and infrastructure that lasts. The two are not mutually exclusive.

## No coordination

#### NIB won’t be efficient – cant coordinate with other programs

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

***Overlap with other federal programs.*** The mandate of an NIB in practice would overlap with the mandates of other existing programs. There are two major issues arising from this problem: how would an NIB use the existing agency expertise and how would other federal agencies relate to this new entity? If the sharing-of-expertise is accomplished through detailing personnel from other agencies, the other federal agencies may have indirect control over NIB.115 The issue of coordination with other agencies is a thornier one. Even current federal agencies do not have a great record at coordinating their programs.

#### **Experts agree that a NIB is not the answer – it will just increase Federal Bureaucracy.**

Mica 11 (Chairman John Mica, October 12, 2011, Chairman of the Transportation and Infrastructure Committee, News – Press Releases, “National Infrastructure Bank Would Create More Red Tape and Federal Bureaucracy.” http://transportation.house.gov/news/PRArticle.aspx?NewsID=1421)

**Washington, DC –** Committee leaders and transportation officials and experts at a Congressional hearing today agreed that the creation of a new N**ational** I**nfrastructure** B**ank,** as proposed by the Obama Administration, would add to the amount of red tape and federal bureaucracy that already slows down and diverts funding away from transportation and infrastructure projects. Members of the Committee and witnesses highlighted existing federal programs and authorities that could be strengthened to finance infrastructure projects more effectively than simply increasing the size of the government. Members and witnesses also agreed that expediting the cumbersome project approval process would facilitate infrastructure improvements. **Chairman Mica’s Statement** “We must use every responsible mechanism possible to move projects and expand our capacity to finance infrastructure maintenance and improvements, but a National Infrastructure Bank is dead on arrival in Congress,” said U.S. Rep. John L. Mica (R-FL), Chairman of the Transportation and Infrastructure Committee. “There are several reasons for this. One is that we do not need to create more federal bureaucracy. In fact, with over 100 separate federal surface transportation programs, we need less bureaucracy. “The federal government also has existing financing programs that serve the same purpose as a National Infrastructure Bank, such as TIFIA, RRIF and others, that we can improve and strengthen. “Another reason a national bank is DOA is because there is already such a bank structure in place at the state level. Thirty-three state infrastructure banks already exist, and we can ensure financing and build upon this foundation without creating a new level of federal bureaucracy. “If the Administration’s goal is to get people to work immediately, a National Infrastructure Bank that will require more than a year to create and $270 million to run is not the answer. That is funding that should be used for infrastructure, but would instead be used to create more red tape. “Unfortunately, the Administration still hasn’t learned that ‘shovel ready’ has become a national joke. Yesterday, the President announced he would expedite 14 infrastructure projects, but this plan only pushes these projects to the front of the line with current red tape and rules, while it pushes back or stalls hundreds of other projects pending federal approval. We must expedite the review process for all projects, not just a handful.” **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.” **Witness Testimony** Today’s witnesses concurred that infrastructure proposals should focus on reducing the size of the federal bureaucracy and streamlining the project approval process. Creating a National Infrastructure Bank would duplicate existing programmatic authority, grow the government and add more federal layers to a process already too bogged down in red tape. Oklahoma Department of Transportation Secretary Gary Ridley testified that, “the concept that a new ‘government corporation’ and Federal Authority will somehow enhance the ability to finance infrastructure seems untimely and entirely unnecessary. Especially when considering that many of the proclaimed new ideas encompassed by the Authority already appear to closely parallel the provisions of other existing federal financing programs. “In addition to recognizing the apparent federal duplications of the proposed National Infrastructure Bank, most States already have or can easily obtain the expertise necessary to facilitate infrastructure banks and other innovative transportation financing methodologies. States can choose to work with the existing federal bureaucracy or seek the assistance of private financial institutions, knowledgeable investors and even other experienced states. “Quite simply, the bureaucracy is already in place to finance public infrastructure projects and an additional federal layer in the form of a new ‘government corporation’ will add no value. “It is much more likely that efficiencies will be gained through regulatory reforms and red tape reductions, rather than through the creation of new government corporations and additional bureaucracy,” said **Ridley**. **Ron Utt, Senior Research Fellow with the Heritage Foundation,** questioned the logic of creating a National Infrastructure Bank. “If current levels of credit availability for existing federal transportation credit programs are deemed to be insufficient by some, why not propose that these existing channels be improved and/or expedited? “If spending is thought to be deficient, why not simply provide more grants through the existing mechanism rather than going through the costly and complicated process of setting up and operating a new federal transportation entity, which President Obama’s budget estimates would cost upwards of $270 million to create and staff? “In this era of fiscal austerity and yawning budget deficits, wouldn’t there be better uses for this money than a redundant bureaucracy?” According to the testimony of **Geoffrey Yarema, who served as a Commissioner on the National Surface Transportation Infrastructure Financing Commission,** “While promoting the concept of a national infrastructure bank, the President has rightly noted that ‘building a world class transportation system is part of what made us an economic superpower.’ I would suggest, however, that building a new bureaucracy to improve that system is an entirely avoidable diversion of limited federal resources. “At a time when federal funding is in scarce supply, we already have the tools to create powerful incentives for state, local and private entities to invest non-federal funds in large-scale transportation infrastructure projects of regional and national significance,” said Yarema.

## Links to politics—unpopular

#### **NIB has little support – repeatedly rejected.**

Feinberg 12 (Rob Feinberg, May 7, 2012, Contributor to Tampa Bay Times, Sources: Interview with Robert Puentes, senior fellow at the Brookings Institute. And Interview with Richard Little, Director of the Keston Institute for Public Finance and Infrastructure Policy at the University of Southern California, PolitiFact, “Road Bank didn’t get much Traction.”, http://www.politifact.com/truth-o-meter/promises/obameter/promise/31/create-a-60-billion-bank-to-fund-roads-and-bridge/)

During his 2008 presidential campaign, President Barack Obama promised to create a "National Infrastructure Bank to expand and enhance, not supplant, existing federal transportation investments.” Obama promised to provide $60 billion to the fund over the next 10 years for transportation projects across the nation, saying the fund would create up to two million jobs and "stimulate approximately $35 billion per year in new economic activity.” Obama made infrastructure a priority with the 2009 stimulus act, which allocated almost $100 billion towards transportation and infrastructure projects. However, the way an infrastructure bank works is very different from how the administration"s grant-based stimulus functioned. "The stimulus money was essentially grants to local and state governments to do projects. And none of that’s “going back” to the federal government, said Richard Little, director of the Keston Institute for Public Finance and Infrastructure Policy at the University of Southern California. But, Little said, an infrastructure bank instead makes loans with the expectation that the projects will bring in revenue to pay back the government. "The idea behind an infrastructure bank is that it’s a financing authority, not really a funding source,” Little said. Obama has repeatedly tried to create a national infrastructure bank, though he’s found little success so far. The president has asked for the creation of a national infrastructure bank with initial funding of up to $30 billion in each of his budget proposals from fiscal years 2010 to 2013. However, each of those proposals was rejected in Congress, and a national infrastructure bank has yet to be included in a budget deal. Obama also proposed a $10 billion infrastructure bank as part of the proposed American Jobs Act in 2011, a bill which ultimately was rejected in the Senate. Sen. John Kerry also proposed an infrastructure bank as part of his BUILD Act, a bill that initially received bipartisan support but has yet to be acted on. Given that track record, Robert Puentes, a senior fellow at the Brookings Institute"s Metropolitan Policy Program, said that he doesn’t think a national infrastructure bank will be created by the end of Obama’s term. Absent action on a national infrastructure bank, Congress has attempted to expand infrastructure loan programs already in place. One example is the work done with the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, a federal effort started in 1998 that has provided $122 million in loans annually for infrastructure projects across the country, and the Railroad Rehabilitation & Improvement Financing Program. Puentes said that although funding hasn’t increased for these programs, the administration has been innovative in linking them together to fund large projects, one example being a $300 million project funded by loans from the TIFIA and RRIF programs to restore and improve transit at the Denver Union Station in Colorado. When it comes to the promise, though, although the administration has repeatedly attempted to create a national infrastructure bank, it appears unlikely to happen by the end of Obama’s first term. For now, we rate this a Promise Broken.

#### Obama no longer supports a NIB.

Orski 11 (Ken Orski, August 30, 2011, Contributor to NewGeography, “Infrastructure Bank: Losing Favor with the White House.” http://www.newgeography.com/content/002408-infrastructure-bank-losing-favor-with-white-house)

|  |
| --- |
| Eighteen months ago, on January 20, 2010, a group of influential politicians, accompanied by a large coterie of representatives of the Washington transportation community, gathered at the Capitol to urge Congress and the Obama Administration to create a "National Infrastructure Bank" to help finance infrastructure investments. The speakers included all the well-known advocates of the Bank: Pennsylvania’s Governor Ed Rendell, Senator Chris Dodd (D-CT), Rep. Rosa DeLauro (D-CT), author of an Infrastructure Bank bill (H.R. 2521), former House Majority Leader Dick Gephardt (D-MO) and Felix Rohatyn, the spiritual godfather of the movement. Standing beside them, in a gesture of support and solidarity, was a large group of executives representing the transportation industry, labor unions and advocacy groups. For a while, it seemed like their plea would be answered. A proposal for a $30 billion infrastructure bank focused on transportation-related investments was included in the President’s FY 2011 budget proposal unveiled last September. As recently as last month, Mr. Obama was mentioning the Infrastructure Bank as part of his job stimulus plan to be unveiled after Labor Day. But today, the idea is on life support. Neither the Senate nor the House have seen fit to include the Bank in their proposed transportation bills. Congressional Democrats and Republicans alike are in agreement that decision-making control over major federal investments should not be ceded to a group of "unelected bureaucrats." Rather than creating a new federal bureaucracy, they think the focus should be placed on expanding federal credit assistance tools already in place, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation & Improvement Financing Program (RRIF). There are other reasons for congressional skepticism. House Republicans are suspicious that the Obama-proposed Bank is nothing more than a vehicle for more stimulus spending, disguised as "capital investment." They want the Administration to be more specific about its proposal: how the Bank would be funded, what kind of investments it would fund and how the $30 billion capital would be repaid. "If this is more of the same stimulus spending, we won’t support it," Kevin Smith, spokesman for House Speaker John Boehner (R-OH) has been quoted as saying. House Transportation and Infrastructure Committee chairman John Mica (R-FL) thinks state-level infrastructure banks would be a more appropriate means of financing major transportation projects at the state and local level. Decentralized infrastructure financing would "keep the federal financing bureaucracy at a minimum and maximize states’ financial capabilities," according to the House transportation reauthorization proposal. Senate Democrats, while not necessarily opposed to another fiscal stimulus, want quick results. They fear that a centralized Infrastructure Bank, with its complex governance structure and layers of bureaucratic conditions, requirements and approvals would be far too slow and cumbersome to be an effective job generator. One or two years could pass before large-scale projects appropriate for Bank financing would get evaluated, selected, approved and under construction, one Senate aide told us. What is more, there is a lack of agreement on how the proposed Infrastructure Bank should function. The Administration wants a mechanism that would serve several different purposes. In the words of Undersecretary for Transportation Policy Roy Kienitz who testified at a September 21, 2010 hearing of the Senate Banking Committee, "We need a financing institution that can provide a range of financing options— grants for projects that by their nature cannot generate revenue, and loans and loan guarantees for projects that can pay for their construction costs out of a revenue stream. In short, we need the Infrastructure Bank that the President has proposed." But, "banks don’t give out grants, they give out loans. There is already a mechanism for giving out federal transportation grants — it’s called the highway bill," countered Sen. James Inhofe (R-OK), ranking member of the Senate Environment and Public Works (EPW) Committee. If the proposed entity is to be a true bank – as proposed in a recent bill sponsored by Senators John Kerry (D-MA) and Kay Bailey Hutchison (R-TX) and endorsed by the AFL-CIO and the U.S. Chamber of Commerce– its scope would be confined to projects that can repay interest and principal on their loans with a dedicated stream of revenue — in other words, the Bank could finance only income-generating facilities such as toll roads and bridges. By all estimates, such projects will constitute only a small fraction of the overall inventory of transportation improvements needed to be financed in the years ahead, the bulk of which will be reconstruction of existing toll-free Interstate highways. Hence, a true Infrastructure Bank would be of limited help in creating jobs and reviving the economy, critics argue. "A national infrastructure bank must garner broad bipartisan support to move forward," says Michael Likosky, Director of NYU's Center on Law & Public Finance and author of a recent book, Obama's Bank: Financing a Durable New Deal. "This means no grants, a multi-sector reach and a realistic idea of what projects will benefit straight away." President Obama was expected to include the infrastructure bank among his recommended stimulus measures when he lays out his new job-creation plan before the congressional deficit reduction committee in early September. But lately, he seems to have put the idea on the back burner and turned his attention to more traditional "shovel-ready" highway investments using existing financing programs. His advisers may have concluded that the Bank will do little to stimulate immediate job creation--- and that the proposal will find little support among congressional Democrats and Republicans alike. If so, check off the Infrastructure Bank as an idea whose time had come and gone.  |

#### Keeps same selection process – will be under the influence of congress

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

NIB is not a silver bullet for the problems of the federal investment. An entity that is not self-sufficient over time and relies on Congress appropriations, by definition, will be under Congress’ influence. In this case, it will be hard to entirely remove the political criterion from the selection process. If NIB is a shareholder-owned corporation, its cost of borrowing would be higher and the entity might experience similar problems to those of Fannie Mae and Freddie Mac. Lack of a clear federal role, performance based selection criteria, and a lack of emphasis on loan repayment, may render an NIB into another federal earmarks program. These issues are discussed below.***Political interference in the selection process.*** An NIB, as envisaged by recent proposals, would be under congressional influence. It would receive annual appropriations from Congress and the board would have to submit a report to the president and the Congress at the end of each fiscal year. Evidence from the federal transportation program shows that congressional directives sometimes choose projects which are not a priority and that would not have been chosen in a competitive selection process.111 Talking about changing the U.S. transportation policy into performance driven decisionmaking, former U.S. Department of Transportation official Tyler Duvall articulated the problem: “The objective of depoliticizing transportation decisions by using the political process is a tough challenge.”112

#### HSR and NIB do not have political support.

Kincaid 12 (John Kincaid, Professor of Government and Public Service and Director of the Meyner Center for the Study of State and Local Government, Lafayette College, Easton, Pennsylvania. He is former editor of Publius: The Journal of Federalism; former executive director of the U.S. Advisory Commission on Intergovernmental Relations; co-editor of Constitutional Origins, Structure, and Change in Federal Countries (2005) and editor of Federalism (4 vols., 2011), “State-Federal Relations: Revolt Against Coercive Federalism?” page 46, http://knowledgecenter.csg.org/drupal/system/files/john\_kincaid\_2012.pdf)

Reauthorization of surface transportation is another partisan bone of contention; hence, Congress enacted only a short-term extension in March 2012. A key structural problem is the decline in motor fuel tax revenue, which has necessitated appropriations of general revenues for highways and mass transit. Congress spent $35 billion of general revenues bailing out the Highway Trust Fund in 2008, 2009 and 2010. This stalemate has led to a revival of calls for Congress to turn back transportation to the states.The governors of Florida, Ohio and Wisconsin rejected federal funds for high-speed rail, arguing that such rail service is not cost effective. In turn, Congress rejected Obama’s funding proposals for high-speed rail and a national infrastructure bank.

## Links to spending

#### The plan might by financed by debt- links to deficit –debt financing only way of balancing federal capital budget

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

***The budget deficit and borrowing.*** One of the suggestions of the proponents of a federal capital budget is to take into account only the consumption expenditures for the calculation of the federal budget deficit, given that capital expenditures are intended for long-term growth. Because there is no agreed upon definition of federal investment and federally financed capital, this would leave at the discretion of each administration what type of expenditures is considered investment in this scenario. In addition, this federal capital budget proposal would make it more difficult for the federal budget to help the federal government to fulfill its functions. The federal budget treats consumption and capital outlays together, because the federal government focuses on the output it delivers and less on the mix on inputs that it uses. Capital is only one of the factors used by the federal government to deliver services to the public. In addition, it restricts the flexibility of the federal budget and impedes the federal government’s provision of automatic stabilizers in times of economic recession (i.e. unemployment aid, food stamps). Another suggestion is to finance capital expenditures only by debt. Taking the states’ capital budgets as a model, this might be argued in the case of a balanced operating budget. Otherwise, if it is financed through borrowing, a capital budget will result in higher debt, on top of an unbalanced operating budget. In addition, the higher federal debt would be fueled by the virtually unlimited debt raising power of the federal government. While states and the private sector often finance their capital expenditures through borrowing, the financial markets penalize them with higher interest rates and lower ratings in case of unbalanced debt loads. Moreover, most state and local governments have legal debt limits by constitution or by statute.95

#### links to spending and budget – isn’t isolated from political influence

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

Debt and cost of borrowing. The NIB would add to the federal debt and budget deficit if it were to use debt to finance its activities and if there were not cuts in federal spending taken elsewhere. There is also a trade-off between independence from political influence and cost of borrowing. If an NIB is a federal agency, it may draw upon Treasury’s low interest rates to finance its activities. If it is a shareholder–owned entity, it would incur higher costs of borrowing than Treasury, so the loans going to recipients would have to be at higher interest rates.113

# Negative

## 1nc—nib cp (advantage cp)

#### Text: The United States federal government should establish a national infrastructure bank to substantially increase its transportation infrastructure investment through loans and loan guarantees.

#### NIB would speed up the infrastructure through leadership and lack of political interests.

Marshall 11 (Will Marshall president of the Progessive Policy Institute; March 25, 2011; “The Case For The Kerry-Hutchison Infrastructure Bank” <http://progressivepolicy.org/the-case-for-the-kerry-hutchison-infrastructure-bank>; Kiyoshi)

You could almost see the eyes rolling last week as Senators John Kerry and Kay Bailey Hutchison introduced the latest version of a bill to create a National Infrastructure Bank. After all, President Barack Obama calls for an infrastructure bank in every budget, and bills have been in play every session since 2007. Today we live in an age of austerity. How does yet another government institution fit into this picture? As a small business owner who helps people think through infrastructure issues, I’m struck by the extraordinary opportunity here. We’re all aware of the need: A national infrastructure bank that uses federal borrowing authority to leverage private investment for roads, bridges, water systems and power grids is the only way for the U.S. to increase infrastructure investments in tight fiscal times. And the technical opportunity is irrefutable. Why not raise money for infrastructure at a time of historically low borrowing costs? What’s more, every major economy in the world has an infrastructure bank, so we should have one, too. Need is not the issue. Opportunity is. We need a model for smart government. Forget the weirdly inefficient, old-style European model. Re-engineering an old public sector is nearly impossible, and no one has the patience for it anyway. Think about a national infrastructure bank as an exercise in creating smart government, in an area that is strategically important for the future of our country. Doubling Annual Investment A high-functioning infrastructure bank would have three characteristics, shaping its overall role of doubling our annual investment in infrastructure, from $150 billion a year to $300 billion. First, the role of the infrastructure bank is catalytic rather than managerial. Rather than creating a large bureaucracy, the bank would assemble a corps of focused professionals: engineers, financiers, economists and what I term strategic leaders — people who get things done, driven by a vision to make this country more competitive. Their job will be to set projects in motion, then to make sure that those projects meet or exceed guidelines. Monitor, not manage; act strategically, not operationally. Move fast, don’t get bogged down, get the job done. The result will be an elite, rapid, infinitely smaller and infinitely more qualified leadership team than what we have today, an instructive model for other infrastructure related agencies at every level of government. Energize Private Sector Second, the function of the infrastructure bank is to guide and energize the private sector. An infrastructure bank goes into the guts of the process — project selection — and gets at the frightening issue of cost. Our costs are often twice that of our European brothers for urban mass transit projects, 10 times those of China. The bank’s day-to-day business will be to invest in ventures and networks of ventures that serve for 20, 30, 40 even 50 years, providing a competitive return throughout that period. In this sense the bank will be a welcome, violent change agent, smashing open three areas in the infrastructure project-creation process that are costing this country a fortune: – It takes more than 10 years on average for a project to move through the approval process, a period that would need to be reduced to three years for projects to be bankable. – At least 50 percent of large U.S. projects suffer cost overruns in the 30 percent-or-greater range. This would be eliminated through bank leadership. – The selection of projects tends to be willy-nilly, based on political interests. A bank ideally would be a model of focus, restricting its attention to projects that generate competitiveness. Results Oriented Lastly, the infrastructure bank will be results oriented and transparent: your bank, investing in your public assets. The bank will be a great experiment in the Facebook Age, bringing in funds from all over the world to build our strategic infrastructure. The very nature of the smart-government model is to set goals and report performance. This new institution will go beyond that, creating knowledge, developing metrics and pioneering ways of communicating: from project approvals, to performance reporting to championing new technology. Maybe the Kerry/Hutchison proposal is the opening salvo in a bipartisan effort to build smart government. Thinking about an American infrastructure bank in this way makes an attractive experiment that we have to explore. Creating a model in an area critical to our economic future is a strategic option we can’t ignore. Recognizing that the bank would double our infrastructure investment and increase the efficiency of each dollar spent is a good deal for every citizen.

#### A National Infrastructure bank would encourage a more green and economically competitive America

Mallett Kosar Maguire 11 white house specialist (William J. Specialist in Transportation Policy , Kevin R. Analyst in American National Government , Steven Specialist in Public Finance , National Infrastructure Bank: Overview and Current Legislation, December 14, 2011, http://www.fas.org/sgp/crs/misc/R42115.pdf)

An eligible project would be “comprised of activities included in a regional, State, or national plan” and “transportation related.” In addition to loans and loan guarantees, the legislation would also establish a competitive investment grant program for a wide swath of transportation-related projects (see **Table B-1**). As proposed, this “National Infrastructure Investment Grant (NIIG)” program would (1) leverage federal investment by encouraging nonfederal contributions to the project, including contributions from public-private partnerships; (2) improve the mobility of people, goods, and commodities; (3) incorporate new and innovative technologies, including intelligent transportation systems; (4) improve energy efficiency or reduce greenhouse gas emissions; (5) help maintain or protect the environment, including reducing air and water pollution; (6) reduce congestion; (7) improve the condition of transportation infrastructure, including bringing it into a state of good repair; (8) improve safety, including reducing transportation accidents, injuries, and fatalities; (9) demonstrate that the proposed project cannot be readily and efficiently realized without federal support and participation; and (10) enhance national or regional economic development, growth, and competitiveness. A grant for the federal share of the NIIG project could not exceed 80% of the net project cost. Sub-national governments and government-sponsored corporations would be eligible for this program. Appropriations of $600 million in each of 2012 and 2013 would be made available to carry out the NIIG program.

## 1nc—nib cp (do the aff version HSR)

#### Text: The United States federal government should establish a national infrastructure bank to substantially increase its transportation infrastructure investment through loans and loan guarantees. The initial focus should be on completing a national high speed rail.

#### NIB solves for HSR better and avoids the link to elections.

Anand 11 (Anika Anand; 7/6/2011; msnbc.com contributor; “Bank plan would help build bridges, boost jobs”; <http://today.msnbc.msn.com/id/43606379/ns/today-today_news/t/bank-plan-would-help-build-bridges-boost-jobs/>; Kiyoshi)

High-speed rail High-speed rail has become something of a lightning rod issue. President Barack Obama has proposed spending $53 billion over six years to build high-speed rail lines in busy corridors across the country, an idea endorsed as recently as two weeks ago by the United States Conference of Mayors. House Republicans have criticized the plan, saying private investment, not government spending, should be used to build the rail systems, Reuters reported. America is one of the last industrialized countries in the world without high-speed rail and will only get it built through public-private partnerships such as those encouraged by a national infrastructure bank, said Andy Kunz, the president of the US High-Speed Rail Association. The group has been pushing for a 17,000-mile national high-speed rail network run on electricity to be completed by 2030. “Nearly every country in the world has come to us and said they have money to invest in our high-speed rail system in the U.S.,” he said. Kunz said a national infrastructure bank would simplify the process of building a rail network because it would simplify the steps and the number of people needed to approve it. "The bank would focus on the project as the number one issue, rather than constituents and politics as the number one focus," he said. Opponents of the BUILD Act question this supposed political neutrality. One skeptic is Rep. John Mica, R-Fla., chairman of the House Transportation and Infrastructure Committee, whose support of the bill is considered critical. “The Senate proposal empowers Washington decision-making and administrative earmarks,” he wrote in an e-mail. “We plan to give states more authority and take approval out of federal hands by empowering state infrastructure banks.” There are currently a handful of state infrastructure banks, although it’s more difficult for them to cross state borders and bring municipalities together to fund national-scale projects. Opponents also point to public-private infrastructure projects that have drawn public criticism, such as the $3.8 billion Indiana Toll Road, which was leased to foreign private investors. “The issues with public-private partnerships and infrastructure banks is that these are just simply another way to collect revenue,” said Todd Spencer, executive vice president of the Owner-Operator Independent Drivers Association, who is critical of the Indiana Toll Road. “The American public, or me for example, have no real faith in the integrity of how those monies would be used.” Manuel Lazerov, founder of private investment firm American Infrastructure Investors, opposes a national bank for different reasons. He insists private equity firms have plenty of money to invest in infrastructure projects without federal help. He doesn't trust the government to get involved and is concerned that the bank will turn into a mess like mortgage giants Freddie Mac and Fannie Mae, which had to be bailed out by the federal government to the tune of $160 billion. “There was the implicit understanding that these were quasi-government institutions, but in no way were those obligations part of the U.S. government,” Lazerov said. “If there was a loss, there was a loss. But the taxpayer wouldn’t be on the hook for that money. As you can see that’s the way it ended up.” Jason Delisle of the progressive New American Foundation, said the Fannie-Freddie comparison is a red herring. “Fannie and Freddie were never on government books,” he said. “They were private companies, and they were never on the budget. But this bank would be on the government books to begin with.” Voters, facing ever-growing commutes on crumbling roads and bridges, clearly want rancor over the issue to end. A Rockefeller Foundation poll in February found 71 percent of those surveyed wanted legislatures to come to a consensus on transportation — more than any other issue. And 60 percent said they would support an unspecified national infrastructure bank. The debate surrounding the national infrastructure bank boils down to the age-old battle between government control versus private investment. Given the bailouts of government-chartered Freddie and Fannie and the bailouts of the privately-funded Wall Street, lawmakers will have to decide whether voters trust the government or the private sector, or if these two can actually work together to rebuild America's infrastructure.

## 1nc—nib cp (do the aff generic)

#### Text: The United States federal government should establish a national infrastructure bank to substantially increase its transportation infrastructure investment through loans and loan guarantees. The initial focus should be on <insert the mandates of the plan>.

#### NIB would speed up the infrastructure through leadership and lack of political interests.

Marshall 11 (Will Marshall president of the Progessive Policy Institute; March 25, 2011; “The Case For The Kerry-Hutchison Infrastructure Bank” <http://progressivepolicy.org/the-case-for-the-kerry-hutchison-infrastructure-bank>; Kiyoshi)

You could almost see the eyes rolling last week as Senators John Kerry and Kay Bailey Hutchison introduced the latest version of a bill to create a National Infrastructure Bank. After all, President Barack Obama calls for an infrastructure bank in every budget, and bills have been in play every session since 2007. Today we live in an age of austerity. How does yet another government institution fit into this picture? As a small business owner who helps people think through infrastructure issues, I’m struck by the extraordinary opportunity here. We’re all aware of the need: A national infrastructure bank that uses federal borrowing authority to leverage private investment for roads, bridges, water systems and power grids is the only way for the U.S. to increase infrastructure investments in tight fiscal times. And the technical opportunity is irrefutable. Why not raise money for infrastructure at a time of historically low borrowing costs? What’s more, every major economy in the world has an infrastructure bank, so we should have one, too. Need is not the issue. Opportunity is. We need a model for smart government. Forget the weirdly inefficient, old-style European model. Re-engineering an old public sector is nearly impossible, and no one has the patience for it anyway. Think about a national infrastructure bank as an exercise in creating smart government, in an area that is strategically important for the future of our country. Doubling Annual Investment A high-functioning infrastructure bank would have three characteristics, shaping its overall role of doubling our annual investment in infrastructure, from $150 billion a year to $300 billion. First, the role of the infrastructure bank is catalytic rather than managerial. Rather than creating a large bureaucracy, the bank would assemble a corps of focused professionals: engineers, financiers, economists and what I term strategic leaders — people who get things done, driven by a vision to make this country more competitive. Their job will be to set projects in motion, then to make sure that those projects meet or exceed guidelines. Monitor, not manage; act strategically, not operationally. Move fast, don’t get bogged down, get the job done. The result will be an elite, rapid, infinitely smaller and infinitely more qualified leadership team than what we have today, an instructive model for other infrastructure related agencies at every level of government. Energize Private Sector Second, the function of the infrastructure bank is to guide and energize the private sector. An infrastructure bank goes into the guts of the process — project selection — and gets at the frightening issue of cost. Our costs are often twice that of our European brothers for urban mass transit projects, 10 times those of China. The bank’s day-to-day business will be to invest in ventures and networks of ventures that serve for 20, 30, 40 even 50 years, providing a competitive return throughout that period. In this sense the bank will be a welcome, violent change agent, smashing open three areas in the infrastructure project-creation process that are costing this country a fortune: – It takes more than 10 years on average for a project to move through the approval process, a period that would need to be reduced to three years for projects to be bankable. – At least 50 percent of large U.S. projects suffer cost overruns in the 30 percent-or-greater range. This would be eliminated through bank leadership. – The selection of projects tends to be willy-nilly, based on political interests. A bank ideally would be a model of focus, restricting its attention to projects that generate competitiveness. Results Oriented Lastly, the infrastructure bank will be results oriented and transparent: your bank, investing in your public assets. The bank will be a great experiment in the Facebook Age, bringing in funds from all over the world to build our strategic infrastructure. The very nature of the smart-government model is to set goals and report performance. This new institution will go beyond that, creating knowledge, developing metrics and pioneering ways of communicating: from project approvals, to performance reporting to championing new technology. Maybe the Kerry/Hutchison proposal is the opening salvo in a bipartisan effort to build smart government. Thinking about an American infrastructure bank in this way makes an attractive experiment that we have to explore. Creating a model in an area critical to our economic future is a strategic option we can’t ignore. Recognizing that the bank would double our infrastructure investment and increase the efficiency of each dollar spent is a good deal for every citizen.

## 2NC—selection process

#### Creates a better selection process – allow different infrastructure sectors to get funding—NIB picks the best project—solves back any advantage

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

A more competitive U.S. economy needs a better infrastructure system. In a time of limited resources, improving the federal investment process should be prioritized over finding ways to merely increase the amount of funding for infrastructure. Among other ideas, a federal capital budget and a national infrastructure bank have been proposed as solutions to the reform of the federal investment process. While a federal capital budget is an ambitious and comprehensive change to federal budget, it would provide little improvement to the federal investment process. A federal capital budget promises a better management of capital projects, but it comes with intractable accounting and budgeting problems. The use of depreciation would leave federal agencies asking Congress for money annually for projects already obligated. In terms of funding, the introduction of a federal capital budget would not provide significant additional revenues or protection for federal investment in infrastructure. If designed and implemented appropriately, a national infrastructure bank would be a targeted mechanism to deal with new federal infrastructure spending. An NIB would provide a better project selection process for neglected federal investment in infrastructure, such as capital projects across jurisdictions and state borders, but also there would be more rigorous evaluation of projects across different types of infrastructure.

#### Allows for a whole new category of new projects

NEC 11 (National Economic Council, Council of Economic Advisers, and Office of Science and Technology Policy , Securing Our Economic Growth and Prosperity A STRATEGY FOR AMERICAN INNOVATION, FEB 11, http://www.whitehouse.gov/sites/default/files/uploads/InnovationStrategy.pdf)

Create a National Infrastructure Bank The President has proposed the creation of a National Infrastructure Bank, which will provide a new way to leverage investments in the nation’s highest priority infrastructure projects, supplementing reformed formula-grant transportation programs. The proposal marks an important complement to traditional federal investment in infrastructure, as the Bank will base its investment decisions on clear analytical measures, selecting those projects with the greatest return for American taxpayers and leveraging private, state, and local dollars to complete projects as efficiently as possible. The Bank will also promote multi-modal projects, which currently face significant obstacles and bureaucratic delays due to the narrow focus of existing programs that fund specific infrastructure modes.

## 2NC—spurs private sector

#### NIB would increase the efficiency of infrastructure building encouraging the private sector to take bigger risks—solves the aff better

Mallett Kosar Maguire 11 white house specialist (William J. Specialist in Transportation Policy , Kevin R. Analyst in American National Government , Steven Specialist in Public Finance , National Infrastructure Bank: Overview and Current Legislation, December 14, 2011, http://www.fas.org/sgp/crs/misc/R42115.pdf)

The central policy objective of a national infrastructure bank is to increase investment in infrastructure. Greater investment is desired because high-quality, well maintained infrastructure is believed to increase private-sector productivity and improve public health and welfare. The magnitude of the increased productivity, however, is not settled, as empirical analysis does not always support the conjecture that greater infrastructure investment uniformly generates productivity gains.1 The type of infrastructure and the type of investment are critical elements in such an assessment. National infrastructure bank proposals would support infrastructure development by providing relatively low-interest loans and other types of credit assistance in such a way as to stimulate investment by state and local governments and private funding sources. A national infrastructure bank, moreover, could be complementary to direct federal investment in infrastructure. Although no consensus definition exists, infrastructure is generally conceived of as the capital intensive assets needed for the delivery of basic services.2 Both public and private entities own and operate infrastructure. Some infrastructure is provided by public-private partnerships which mix, in a myriad of different ways, public and private rights and responsibilities. Funding for these expensive and long-lived assets most often comes from money borrowed on the capital markets. In some cases, however, capital asset purchases are financed with current revenues, government grants, loans, and private equity. For debt-financed assets, investors seek a rate of return commensurate with the associated risk. Debt incurred on wholly owned government projects may be repaid with taxes, user fees, or a combination of the two. For privately owned infrastructure, user fees are the main option, although debt may be repaid in other ways such as property rents. Although the idea for a national infrastructure bank is not new, legislative proposals for creating a bank have drawn increased attention in the past few years. Proponents argue that an infrastructure bank offers three main advantages over traditional methods of federal support for infrastructure: A federal infrastructure bank could increase the total amount of investment in infrastructure by leveraging state, local, and private resources. It could accelerate construction of projects that may be slowed by the current need to await annual allocations of federal funds. It could promote the distribution of federal spending on the basis of anticipated returns to investment, rather than according to traditional allocation methods such as formulas, discretionary programs, and earmarking.

## solvency—generic transportation

#### NIB helps put us back on top – will produce same modernization as Europe- High Speed Rail, better ports, a new air traffic control

Hale, 11—Former director of Intergovernmental Affairs @ White House (Marcia L., Managing Director for McKenna, Long and Aldridge, an international law firm in Washington, DC.  Prior, Ms. Hale advised several organizations including the Public Broadcasting Service (PBS) and the Bill and Melinda Gates Foundation.  During the Clinton administration, Ms. Hale served as Assistant to the President and Director of Intergovernmental Affairs at the White House. October 12, 2011,

<http://www.bafuture.org/news/press-release/bipartisan-infrastructure-coalition-urges-creation-national-infrastructure-bank>)

Bipartisan Infrastructure Coalition Urges Creation of National Infrastructure Bank WASHINGTON, DC – Led by U.S. Rep. John L. Mica (R-FL), Chairman of the House Transportation and Infrastructure Committee, the U.S. House of Representatives' Subcommittee on Highways and Transit held a hearing today on creating a National Infrastructure Bank. In response, Marcia Hale, President of Building America's Future issued the following: "We agree that State Infrastructure Banks are valuable entities to finance local infrastructure projects. However, we strongly urge Congress to create and support a National Infrastructure Bank. It's the most effective way to leverage billions of private-sector dollars for infrastructure projects of national significance, including those that span state boundaries or encompass multiple modes of transportation. The National Infrastructure Bank should be established as an independent entity with strict guidelines to ensure that the process is streamlined, transparent and based on merit. The European Investment Bank, a similar institution in operation since 1957, has enabled European countries to build high-speed rail and modernize their ports and motorways." Building America's Future Educational Fund recently released a new report – "Falling Apart and Falling Behind" – comparing the transportation infrastructure investments in the U.S. with those being made by our economic competitors: U.S. infrastructure has fallen from first place in the World Economic Forum's 2005 economic competitiveness ranking to number 15 today. China now boasts six of the world's top ten ports – and none of the top ten are located in the U.S. U.S. air traffic control is managed by the same ground based system developed in the 1950's. The U.S. is one of the only leading nations without a national plan for public-private partnerships for infrastructure projects or a National Infrastructure Bank to finance large-scale projects and leverage private capital.

#### NIB makes sure that infrastructure investment is the most profitable.

Marshall 10 (Will Marshall president of the Progessive Policy Institute; October 12th, 2010; “The President’s New Gamble” <http://progressivepolicy.org/tag/national-infrastructure-bank>; Kiyoshi)

President Obama’s call yesterday for $50 billion in new transportation spending is politically risky, given public worries about government spending and debt. But if linked to a strategic and sustained strategy for modernizing the nation’s infrastructure, it could signal the start of America’s economic comeback. Even more important than the money, however, is an Obama initiative that didn’t get as much media play: a proposed National Infrastructure Bank. It is the key not only to leveraging business capital – U.S. companies are sitting on $2 trillion in potential “private stimulus” money – but also to making sure we invest that money wisely. The president said he would ask the lame-duck Congress next month to approve the $50 billion measure, which would front-load money that otherwise would be spread over the life of a six-year surface transportation bill. He left little doubt his immediate goal is to goose the pace of the agonizingly slow economic recovery. “Nearly one in five construction workers is still unemployed and needs a job. And that makes absolutely no sense when so much of America needs rebuilding,” Obama told reporters at the White House on Memorial Day. Attempting to preempt Republican objections that infrastructure spending is simply stimulus is drag, Obama noted that “Investing in infrastructure is something members of both parties have always supported.” Maybe so, but it’s worth noting that the word “infrastructure” appears nowhere in the GOP’s 48-page Pledge to America. What’s more, Republicans are likely to over-interpret likely midterm gains as vindication of their attacks on Obama as a big spender, so good luck getting them to vote for infrastructure in the lame duck. That’s a shame, because spending on infrastructure is both stimulus and investment. It could get more Americans working now, but it is also essential to building our country’s long-term capacity to compete in fast growing global markets for high speed rail, civilian nuclear energy, clean cars, intelligent transport systems and renewable fuels. The federal government, of course, is constrained by enormous deficits and a growing national debt. That’s why we need a National Infrastructure Bank, which would structure public-private deals to fund big capital projects that can generate real economic returns. As noted by an economic analysis the White House released yesterday: “There is currently very little direct private investment in our nation’s highway and transit systems due to the current method of funding infrastructure, which lacks effective mechanism to attract and repay direct private investment in specific infrastructure projects. … A National Infrastructure Bank would also perform a rigorous analysis that would result in support for projects that yield the greatest returns to society and are most likely to deliver long-run economic benefits that justify the up-front investments.” An infrastructure bank, along with new public seed capital and a third element of the Obama infrastructure initiative – merging the many stovepiped “modal” transportation funding streams so public dollars can be used strategically – begin at last to push the economic debate in a constructive direction. The two great challenges America faces now are reviving our economic dynamism and shrinking a massive overhang of public debt. To meet them, the Obama administration needs to fashion an ambitious, “cut and invest” strategy aimed at slowing health care and entitlement spending generally, and using public dollars to leverage massive private investment in productivity-enhancing infrastructure. That’s why President Obama should press ahead with his infrastructure plan, despite the political fallout from the midterm election. If Republicans want to frame the economic debate as a choice between more tax cuts and rebuilding the common foundations of American prosperity, so much the better. That’s one progressives can win.

#### NIB solves for bridges, roads, rail, ports, and NextGen.

DeBord 11 (Matthew DeBord an Economy Reporter; August 22, 2011; “Infrastructure bank: Good for Los Angeles – and the USA?”; <http://www.scpr.org/blogs/economy/2011/08/22/3295/infrastructure-bank-good-los-angeles-and-usa/>; Kiyoshi)

We won’t know until he actually gives the speech, but there’s been speculation that when President Obama lays out his jobs plan in September, he may resurrect the idea of establishing a national infrastructure bank. What, you may ask, is an infrastructure bank? Well, it’s what it says it is: a public bank that invests in infrastructure, such as bridges, roads, rail lines, ports, and even energy projects and things like broadband capacity. Here’s how the White House presented the idea: The Administration’s six year plan would invest $30 billion to found a National Infrastructure Bank (I-Bank). The I-Bank would leverage this Federal investment by providing loans and grants to support individual projects and broader activities of significance to our Nation’s economic competitiveness. For example, the Bank could support improvements in road and rail access to a West Coast port that benefit farmers in the Midwest, or a national effort to guarantee private loans made to help airlines purchase equipment in support of the next generation air traffic control system (NextGen). A cornerstone of the I-Bank’s approach will be a rigorous project comparison method that transparently measures which projects offer the biggest “bang for the buck” to taxpayers and our economy. This marks a substantial departure from the practice of funding projects based on more narrow considerations.

#### Breaks down current barriers and access their Keynesian spending arguments – projects have an estimated multiplier

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

A properly designed NIB is an attractive alternative for a new type of federal investment policy. In theory, an independent entity, insulated from congressional influence, would be able to select infrastructure projects on a merit basis. The federal investment through this entity would be distributed through criteria-based competition. It would be able to focus on projects neglected in the current system, such as multi-jurisdictional projects of regional or national significance. An NIB may introduce a federal investment process that requires and rewards performance, with clear accountability from both recipients and the federal government. These advantages are described below. Better selection process*.* At its heart, an NIB is about better selection of infrastructure projects. The bank would lend or grant money on a project basis, after some type of a BCA. In addition, the projects would be of national or regional significance, transcending state and local boundaries. The bank would consider different types of infrastructure projects, breaking down the modal barriers. This would be a giant step from the current federal funding for infrastructure, most of which is disbursed as federal aid transportation grants to states in a siloed manner. Multi-jurisdictional projects are neglected in the current federal investment process in surface transportation, due to the insufficient institutional coordination among state and local governments that are the main decisionmakers in transportation.102 The NIB would provide a mechanism to catalyze local and state government cooperation and could result in higher rates of return compared to the localized infrastructure projects. An NIB would need to articulate a clear set of metropolitan and national impact criteria for project selection. Impact may be assessed based on estimated metropolitan multipliers of the project. This criterion would allow the bank to focus on the outcomes of the projects and not get entangled in sector specific standards. Clear evaluation criteria would go a long way, forcing the applicants, be it states, metros or other entities, to have a baseline of performance. This change, by itself, would be a major improvement for the federal investment process, given that a major share of the federal infrastructure money goes to the states on a formula basis, without performance criteria. *Keeping the recipients accountable.* An NIB would have more control over the selection and execution of projects than the current transportation grants within broad program structures. It would be able to enforce its selection criteria, make sure that the projects are more in line with its objectives and have oversight of the outcomes of the projects. The new infrastructure entity should require repayment of principal and interest from applicants. This would bring more fiscal discipline and commitment from the recipients to the outcomes of the project. The extensive use of loans by an NIB contributes to the distinction between a bank and another federal agency. The interest rates charged to the state and local recipients of NIB loans might be set to repay slowly the initial injections of federal capital, while still maintaining a sufficient capital base.103 Some experts argue that an NIB would be able to be sustainable and effective only if it is truly a “bank”.104

#### **NIB is the core of America’s economic future – “it’s a win-win for everyone.”**

BAF 12 (Building America’s Future, January 20, 2012, BAF is a bipartisan and national organization dedicated to bringing about a new era of U.S. investment in infrastructure that enhances our nation's prosperity and quality of life. Comprised of state and locally elected officials from around the nation, Building America's Future seeks to advance a new national vision for infrastructure investment that focuses on economic growth and global competitiveness, job creation, and environmental sustainability., “Coalition Urges Congress and Obama Administration to Create National Infrastructure Bank NIB Effective Vehicle for Needed Reforms, Job Creation and Infrastructure Investment.”, Page 1 – 4, http://www.smartgridnews.com/artman/uploads/1/NIB.pdf)

Today, at a news conference on Capitol Hill, a broad coalition of members of Congress, experts and stakeholders called on Congress and the Obama Administration to create a National Infrastructure Bank (NIB) to help generate the investment needed for infrastructure projects of regional and national importance. "America needs a variety of methods -- action by the government and private sector, current and new revenues, and federal leadership and local innovation -- to repair and modernize our nation's infrastructure," said Governor Ed Rendell (PA), Co-chair, Building America's Future. "A National Infrastructure Bank should play a role as a funding and financing vehicle for projects that have major national or regional impact. This is an important reform that is urgently needed to address our nation's infrastructure funding shortfalls." A National Infrastructure Bank would help improve the nation's roads and highways, bridges, ports, rail (freight and passenger), drinking and waste water treatment plants, smart grid, broadband, and schools. "Too many of our cities have structurally deficient bridges and outdated water and sewer pipes still made of wood," said Governor Arnold Schwarzenegger (CA), Co-chair, Building America's Future. "Faced with shrinking revenues and budget deficits, the National Infrastructure Bank could help finance projects that will allow cities and states to provide the high quality of life and safety our citizens deserve." A National Infrastructure Bank could also serve as an effective vehicle to ensure that long-term funding was maximized and allocated to projects based on merit, rather than politics. "Funding infrastructure projects that are in the pipeline and can be started in the next year is one of the most effective ways Congress can support job creation and economic growth," said Mayor Michael Bloomberg (NYC), Co-chair, Building America's Future. "But we have to go further, with long-term reform of how projects get built in this country. One way to do that is through creation of an independent, nonpartisan entity -- a National Infrastructure Bank -- that would fund our most vital needs based on merit, not politics." "Any strategy for long-term job creation and economic growth must be centered on moving from a consumption economy to an economy that puts people to work building things again," said Representative Rosa DeLauro (DCT). "That is why I introduced the National Infrastructure Development Bank Act, to establish an independent entity that can objectively leverage significant investment into the transportation, environmental, energy and telecommunications infrastructure systems critical to rebuilding America and keeping us competitive in the 21st century. The coalition assembled today demonstrates the broad support behind moving forward with the establishment of a National Infrastructure Bank as part of a bold, forward-looking and transformative U.S. infrastructure policy." "With a National Infrastructure Bank, Los Angeles and other cities could jump start sustainable transit and infrastructure projects and energize the economic recovery," said Los Angeles Mayor Antonio Villaraigosa (D). "It's a win-win for everyone -- for jobs, the environment, public health, and the economy." "A national infrastructure that facilitates America's competitive position in the 21st century will be essential for our future," said former Senator Chuck Hagel (R-NE). "New and creative thinking and institutions, like a National Infrastructure Bank, will be required to finance this critical infrastructure." "Establishing a National Infrastructure Bank is a solution that both sides of the aisle can readily embrace for the simple fact that it is sure-fire economic policy," stated former House Democratic Leader Dick Gephardt (D-MO), President and CEO, Gephardt Government Affairs. "The urgency for jobs felt by individuals on Main Street is more acute than ever. A National Infrastructure Bank will fuel economic opportunities at the local, state and national levels. We need the smartest policies in place now to ensure that the federal government does what it can to improve our nation's infrastructure while at the same time improving our economy." "An independent, adequately capitalized National Infrastructure Bank could leverage significant private investment to rebuild America, strengthening our global competitiveness and creating jobs on a large scale," said Ambassador Felix Rohatyn, President, FGR Associates LLC. "Whether we're talking about billions of dollars lost as a result of traffic each year or billion gallons of water lost through leaky pipes, failing infrastructure has a negative impact on the checkbook and quality of life of each and every American. Despite this, we have continued to woefully under-invest," said Andrew W. Herrmann, P.E., F.ASCE, Chair of the American Society of Civil Engineers' 2009 Report Card for America's Infrastructure Advisory Council. "Creating an Infrastructure Bank, however, will provide a dedicated source of finance and funding tools we can use to support projects of regional and national significance. We're all familiar with that concept from the work we've done to maintain our own homes or cars, so it shouldn't be surprising that it's going to take the same kind of long-term, sustained investment to improve the nation's infrastructure." "It will continue to be difficult, if not impossible, to build the kind of complex, multi-year infrastructure projects we need to remain globally competitive without having a viable National Infrastructure Bank," said Stephen E. Sandherr, CEO, Associated General Contractors of America (AGC). "We need a comprehensive approach to tackling our infrastructure that includes robust multi-year funding, significant regulatory reforms and a National Infrastructure Bank." "While a National Infrastructure Bank is no silver bullet, if appropriately designed and with sufficient political autonomy, it could improve both the efficiency and effectiveness of future federal infrastructure projects of national significance," said Robert Puentes, Senior Fellow, Brookings Institution's Metropolitan Policy Program. "As the nation struggles to address its growing transportation infrastructure needs, policymakers need to consider all current and new opportunities to support investments in these areas," said Pete Ruane, President and CEO, American Road & Transportation Builders Association (ARTBA). "A National Infrastructure Bank must be included in that evaluation." "In this era of constrained finances and mounting needs on a national scale, the Infrastructure Bank would spur innovation in funding large-scale transportation projects critical to job creation and to our future economy," said James Corless, Director, Transportation for America. "Because projects would compete based on merit, it would help to select the investments that do the most to advance our national goals, whatever the mode: rail, highway, ports or public transportation." "Sound water and wastewater infrastructure is necessary to public health, a successful economy, and our way of life," said Tom Curtis, Deputy Executive Director, American Water Works Association (AWWA). "A National Infrastructure Bank would provide America's water and sewer systems with low-cost capital to increase investment in this vital sector." "Investing in infrastructure creates jobs in the short term and economic growth in the long term," said Robert L. Borosage, Co-Director, Campaign for America's Future. "A National Infrastructure Bank is a vital step to rebuilding our economy and keeping us competitive in the global marketplace." "Working people across the country are anxious to see what their elected representatives will do to address the crisis in American manufacturing," said United Steelworkers International President Leo W. Gerard. "Creating a National Infrastructure Bank and passing the jobs bill are two ways the current Congress can demonstrate their commitment to workers and their families." "History has shown that when our nation invests in its core infrastructure needs, economic progress inevitably follows," said Mark H. Ayers, President, Building and Construction Trades Department (AFL-CIO). "This is important to remember as we grapple to address the twin problems of economic growth and job creation. Infrastructure development was the key driver that fueled our nation's industrial dominance in the 20th century, and it can be poised to do so again in the 21st century. To meet our long-term infrastructure needs we need the establishment of a National Infrastructure Bank, whereby federal resources will be allocated more efficiently and effectively. When the National Infrastructure Bank is operational, America's Building Trades Unions and our members will be ready to build the infrastructure that our 21st century economy so desperately needs." "CMAA strongly supports creation of a National Infrastructure Bank because it would depoliticize infrastructure investment and create major new opportunities to fund vitally important projects," said Bruce D'Agostino, President and CEO, Construction Management Association of America (CMAA). "We simply must make it a national priority to repair, modernize, and expand our transportation and other resources. We need a sound long-term strategy that devotes adequate and consistent funding to these tasks. They cannot be dealt with successfully through any series of quick fixes. We also need to assure that this major funding is spent with accountability, transparency, and maximum application of recognized Construction Management Standards of Practice." "America's infrastructure faces critical needs that unfortunately go well beyond the capacity of the traditional funding mechanisms currently in existence," said David A. Raymond, President, American Council of Engineering Companies (ACEC), the business association of America's engineering industry, representing more than 5, 500 engineering companies and more than half a million engineers and related professional services employees nationwide. "We need to expand those core funding programs, but it's absolutely essential that we go further and employ new financing tools like the National Infrastructure Bank to meet urgent and critical infrastructure needs." "If we're going to maintain the ability to move people, goods, and ideas that allowed America to become the most prosperous nation in the world, we need to make significant investments in a 21st century infrastructure," said Jim Kessler, Vice President for Policy, Third Way. "A National Infrastructure Bank would make a critical contribution by supporting projects on merit and harnessing public and private capital to bridge the infrastructure gap." "Europe, China and Japan have all used infrastructure banks to fund major, cross-border projects of long lasting significance," said Maureen L. McAvey, Executive Vice President, Initiatives Group, Urban Land Institute. "An American Infrastructure Bank should operate as a bank, independently underwriting loans to important projects. In the case of major airports, transportation, water and other projects, repayment plans could be developed over the life of the project often 40-50 years. This would bring billions of new money, private and public, to invest in sorely needed modernization and new construction. As population continues to expand and metropolitan areas grow, this is essential." "A properly structured Infrastructure Bank could help prioritize and accelerate much needed infrastructure projects nationwide," said Dr. Adrian Moore, Vice President, Reason Foundation. "Reason Foundation supports moving forward on designing an Infrastructure Bank that will supplement current funding mechanism and provide greater leverage of user fee revenues and private capital investments." "The janitors, nurses, building security, public employee, hospitality and other hardworking members of SEIU know that investing in safe bridges is an investment for both the safety of our families and jobs for our community," said Anna Burger, Secretary-Treasurer, SEIU. "We know that investments in building efficiency are investments in both the environment and good paying jobs that can support a family and cannot be outsourced. And we know that investing in telecommunications is an investment in delivering the educational edge our children need for tomorrow's economy and jobs throughout the country for today's workers who stand ready to do them. A National Infrastructure Bank is an important investment in a stronger economic future for generations of Americans to come." "According to the EPA, America's urban drinking water systems need $116.3 billion worth of infrastructure investment over the next twenty years just to maintain current service levels," said Dan Hartnett, Director of Legislative Affairs, Association of Metropolitan Water Agencies. "This figure does not include additional costs related to global climate change adaptation -- which could reach nearly $700 billion by 2050. Clearly, new federal investment will be necessary to help drinking water utilities confront these challenges. A National Infrastructure Bank with a strong water component should be among the options considered by Congress and the Administration to meet this need. To be most effective, the Bank should target assistance to large water projects of regional or national significance -- thus giving urban water utilities a fair chance at competing for funds. The Association of Metropolitan Water Agencies looks forward to working with Building America's Future and other stakeholders as their proposal for a National Infrastructure Bank takes shape." "There is also a national security benefit to be derived from reversing the corrosive condition of U.S. critical infrastructure," said Stephen E. Flynn, Ph.D., President, Center for National Policy. "Acts of terrorism will have substantial political and military value for our adversaries as long as these operations promise to generate large costs or produce political changes that advance their interests. It follows that the more fragile U.S. vital systems are, the more likely it is that terrorists will assume they can cause the kind of fallout that makes these attacks worth pursuing."

## solvency—econ

#### The NIB will create jobs and support competitiveness

Kessler 11 PHD @ Harvard (Ryan is Deputy Director of the Third Way Economic Program . Jim Master’s degree in Public Policy from Harvard University’s John F. Kennedy School of Government and his Bachelor’s degree in Political Science at Boston University, A National Infrastructure Bank, January 2011, <http://www.bernardlschwartz.com/political-initiatives/Third_Way_Idea_Brief_-_A_National_Infrastructure_Bank-1.pdf>)

By providing a new and innovative mechanism for project financing, the NIB could help provide funding for projects stalled by monetary constraints. This is particularly true for large scale projects that may be too complicated or costly for traditional means of financing. In the short-term, providing resources for infrastructure investment would have clear, positive impacts for recovery and growth. It has been estimated that every $1 billion in highway investment supports 30,000 jobs,37 and that every dollar invested in infrastructure increases GDP by $1.59.38 It has also been projected that an investment of $10 billion into both broadband and smart grid infrastructure would create 737,000 jobs.39 In the longer-term, infrastructure investments supported by the NIB will allow the U.S. to meet future demand, reduce the waste currently built into the system, and keep pace with competition from global rivals.

#### NIB key to long term economic stability - Creates 35,000 jobs per every billion dollars

Greene 11 (Brian , Is Obama's National Infrastructure Bank the Answer on Jobs? Feature of Obama employment bill has backers in business, Congress but could get lost in politicking October 6, 2011, http://www.usnews.com/news/articles/2011/10/06/is-obamas-national-infrastructure-bank-the-answer-on-jobs)

The call for a National Infrastructure Bank in the United States is directly linked with the sluggish pace of job creation. According to the U.S. Department of Transportation, every $1 billion invested in infrastructure supports nearly 35,000 American jobs. With a languid economy and unemployment stuck at 9.1 percent, proponents of an infrastructure bank view investment in building projects as an immediately necessary step toward long-term financial stability. Director of the National Economic Council Gene Sperling voiced his support for the National Infrastructure Bank, saying, "There is nothing fiscally disciplined about deferred maintenance." Sperling explained that investing in infrastructure is not a quick fix for America's economic woes but the start of a continuing strategy to create jobs while improving the country and enticing new businesses to invest in America.

#### A national infrastructure bank would return a trillion dollars in the first 10 years while creating jobs and eliminating wasteful public spending

Rohatyn 11 [investment banker](http://en.wikipedia.org/wiki/Investment_bank) who prevented the bankruptcy of [New York City](http://en.wikipedia.org/wiki/New_York_City) in the 1970s *(Felix G.,* who also served as [United States Ambassador to France](http://en.wikipedia.org/wiki/United_States_Ambassador_to_France) - a member of the [Council on Foreign Relations](http://en.wikipedia.org/wiki/Council_on_Foreign_Relations), [American Academy of Arts and Sciences](http://en.wikipedia.org/wiki/American_Academy_of_Arts_and_Sciences), and a Trustee for the [Center for Strategic and International Studies](http://en.wikipedia.org/wiki/Center_for_Strategic_and_International_Studies), July 12, 2011 09:30, Time for a U.S. infrastructure bank, http://dyn.politico.com/printstory.cfm?uuid=6BE822D5-CF87-4FF7-973C-50DACE25B188)

President Barack [Obama talked](http://www.politico.com/news/stories/0711/58688.html) at his news conference Monday about creating a national infrastructure bank that could help rebuild and repair America’s roads, bridges and ports and also address our serious unemployment problem. He cited the bank as one crucial way to stimulate the economy. I would urge the president to move forward on this so we can begin to restore America’s infrastructure and strengthen our economy for the long term. Even as Congress debates fiscal strategies, our country’s competitors and partners around the globe make massive investments in public infrastructure. Meanwhile, our nation’s roads and bridges, schools and hospitals, airports and railways, ports and dams, waterlines and air-control systems are rapidly and dangerously deteriorating. We should view infrastructure financing as an [investment rather than an expense](http://voices.washingtonpost.com/ezra-klein/2010/10/infrastructure_the_best_deal_i.html) and should establish a national, capital [budget for infrastructure](http://www.nytimes.com/2011/03/12/opinion/12herbert.html?_r=1). This idea is not new. Five years ago, former Sen. Warren Rudman and I co-chaired a commission on public infrastructure at the Center for Strategic and International Studies — a bipartisan group of congressional and business leaders, governors and bankers that unanimously recommended an infrastructure bank and called for a capital budget. Yet these proposals were — and perhaps still are — unable to gain political traction. China, India and European nations are spending the equivalent of hundreds of billions of dollars on efficient public transportation, energy and water systems. Here in the United States, a five-year investment of $2.2 trillion is needed simply to make U.S. infrastructure dependable and safe, according to the American Society of Civil Engineers. The obvious, negative effect of this situation on our global competitiveness, quality of life and ability to create American jobs is a problem we no longer can ignore. This national [infrastructure bank](http://globalpublicsquare.blogs.cnn.com/2011/06/13/zakaria-u-s-needs-an-infrastructure-bank/) should be owned by the federal government but not operated by it. In this, it would be similar to the World Bank and European Investment Bank. Funded with a capital base of $50 billion to $60 billion, the infrastructure bank would have the power to insure bonds of state and local governments, provide targeted and precise subsidies and issue its own 30-to-50-year bonds to finance itself with conservative 3:1 gearing. Such a bank could easily leverage $250 billion of new capital in its first few years and as much as $1 trillion over a decade. Run by an independent board nominated by the president and confirmed by the Senate, the bank would finance projects of regional and national significance, directing funds to their most important uses. It would also provide a valuable guidance-system for the $73 billion that the federal government spends annually on infrastructure and avoid wasteful “earmark” appropriations. The money would come from funds now dedicated to existing federal programs. Legislation already has [been proposed](http://www.nytimes.com/2011/03/16/us/politics/16infrastructure.html) that would create such an infrastructure bank. Rep. Rosa DeLauro (D-Conn.) has introduced a House bill and Sens. John Kerry (D-Mass.) and Kay Bailey Hutchison (R-Texas) have introduced similar legislation in the Senate. The Senate bill, with $10 billion of initial funding, is a modest proposal — but passing it would give us a strong start. It is difficult to understand why an infrastructure bank is not already in place — with [so many in Congress](http://www.politico.com/politico44/perm/0311/banking_on_bank_b47de358-f285-4cf2-ad8b-25ed5da4493b.html) calling for more efficient federal spending and public investment that can pay for itself. Part of the problem may be the belief among some legislators that government action is always a bad thing. Yet throughout U.S. history, competent public investments have been an essential complement to private investments — from the Louisiana Purchase, to land-grant colleges, to the Interstate Highway System, to the Internet. From a federal budgeting standpoint, creating an infrastructure bank would be the [wisest thing to do](http://www.washingtonpost.com/opinions/rebuild-american-infrastructure-companies-offshore-profits-can-help/2011/06/15/AGlYAqXH_story.html). We can [leverage private capital](http://www.tnr.com/blog/william-galston/76731/high-unemployment-william-galston-paul-krugman), both at home and overseas, to modernize our transportation systems, deal safely and effectively with wastewater and hazardous materials, renew ports and inland waterways. With a national bank for infrastructure, we could begin to do all these things and more.

## solvency—HSR

#### **NIB could help states work together on HSR.**

Stringer 11 (Spring 2011, Scott M. Stringer, Manhattan Borough President, “Banking on the Future: A New Paradigm For Rebuilding Our Nation’s Infrastructure.” Page 4)

Obama has proposed a program to renew and expand America’s infrastructure. Central to the president’s plan is the creation of a permanent, national infrastructure bank that could leverage private capital for projects of regional and national significance. Hopefully members of Congress will make jobs and the economy their priority and support its establishment. A national infrastructure bank could begin to reverse federal policies that treat infrastructure as a way to give states and localities resources for projects that meet local political objectives rather than national economic ones. The bank would evaluate prospective infrastructure projects on consistent terms. It would be able to negotiate with state or local sponsors of a project what their cost shares should be. The bank also could help groups of states come together for regional projects such as high-speed rail and better freight management. Such consolidation would improve project selection. The bank also could ensure that states and localities consider all other options—from wetlands preservation to implementing tolls—before structural options are funded. It would create an avenue for private investors to put risk capital into new projects and bless their involvement with the bank’s own participation. In short, it would treat infrastructure like a long-term investment, not an expense.

## solvency—maintenance

#### Improves the efficiency of maintenance investment – better debt loaning system and help improve investor credit

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

***Correcting the maintenance bias.*** The mere establishment of an NIB would not correct for the problem of deferred maintenance.105 However, through the selection process, the bank could address the current maintenance bias in the federal investment process. For example, the bank could impose maintenance requirements to recipients including adequately funded maintenance reserve accounts and periodic inspections of asset integrity. ***Better delivery of infrastructure projects.*** An NIB could require that projects be delivered with the delivery mechanism offering best-value to the taxpayer and end user. The design-bid-build public finance model has been the most commonly used project delivery method in the transportation sector in the United States.106 Until very recently, there has been little experimentation with other delivery contracting types. Evidence from other federal states, such as Australia, shows that private delivery saves money on infrastructure projects.107 ***Filling the capital structure of infrastructure projects.*** Although the United States has the deepest capital markets in the world, they are not always providing the full array of investment capital needed —especially for large infrastructure projects with certain credit profiles.108This has been even more obvious during the current recession, with the disruptions in the capital markets. An NIB could help by providing more flexible subordinate debt for big infrastructure projects. Generally bonds get investment-grade ratings, and have ready market access, only if they are senior obligations with secure repayment sources. For more complicated project financings that go beyond senior debt, there is a need for additional capital, such as equity capital or subordinated debt. However, this market gap is relatively small relatively to federal investment.109 An NIB would build upon the current Transportation Infrastructure Finance and Innovation Act (TIFIA) by providing subordinated debt to public or private entities in leveraging private co-investment.110

## solvency—jobs

#### **NIB will increase jobs and is necessary to solve infrastructure problems.**

Stringer 11 (Spring 2011, Scott M. Stringer, Manhattan Borough President, “Banking on the Future: A New Paradigm For Rebuilding Our Nation’s Infrastructure.” Page 7)

Job creation is one of the obvious benefits of infrastructure spending. The President’s Economic Recovery Advisory Board (PERAB) has noted that “$1 of infrastructure spending boosts gross domestic product by $1.59.”28 Additionally, President Obama highlighted the impact that infrastructure investment has on job creation in his most recent State of the Union speech, saying: “We’ll put more Americans to work repairing crumbling roads and bridges. We’ll make sure this is fully paid for, attract private investment, and pick projects based [on] what’s best for the economy....”29 Treasury Secretary Timothy Geithner has been making similar pronouncements. According to Geithner, “80% of jobs created by investing in infrastructure will likely be created in three occupations – construction, manufacturing, and retail trade – which are among the hardest hit from the recession. Nine out of 10 jobs created in these three sectors pay middle-class wages.”30 Lingering issues surrounding jobs and infrastructure banks include: What are the immediate economic impacts that sustained infrastructure investment will have on the construction and building trades industries? How many cents of every infrastructure dollar go back into these construction and building trade industries? What are the residual economic impacts for other industries not directly affected by infrastructure construction? What would be the short-term fate of the construction and building trade industries if we do not immediately begin to invest in infrastructure? Conclusion It is clear that the United States must begin a period of sustained infrastructure investment in order to kick start the national economy, maintain global competitiveness and keep existing infrastructure in good working order. National, regional and state infrastructure banks can afford the opportunity to achieve this goal in cooperation with private sector partners. By leveraging the private sector with public funds, infrastructure banks will allow for the greatest possible growth and shared responsibility across private and public spheres. Profitability is also a critical factor that can be successfully realized. This is a concept whose time has come and which deserves serious consideration. Completed applications of the concept in other regions of the country is further proof to consider. At stake is the vitality of the nation, the region, the state and the city.

# AT: Aff Args

## at: perm do the cp (with second type of cp)

1. The permutation is severance—there is no guarantee that private investors would decide to do the aff

**a) Means the plan is not topical**- Resolved means “having a fixed purpose, resolute”

Websters Dictionary 96

**b) Also, means they aren’t topical-** should implies immediate action

Justice **Summer**, Oklahoma Supreme Court, “Kelsey v. Dollarsaver Food Warehouse of Durant”, **1994**, <http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn14>

4 The legal question to be resolved by the court is whether the word "**should**"[13](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn13) in the May 18 order **connotes** futurity or may be deemed a ruling ***in praesenti****.*[14](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn14) The answer to this query is *not* to be divined from rules of grammar;[15](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn15) it must be governed by the age-old practice culture of legal professionals and its immemorial language usage. To determine if the omission (from the critical May 18 entry) of the turgid phrase, "and the same hereby is", (1) makes it an *in futuro* ruling - i.e., an expression of what the judge *will* or *would* do at a later stage - or (2) constitutes an in *in praesenti* resolution of a disputed law issue, the trial judge's intent must be garnered from the four corners of the *entire* record.[16](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn16)  ¶5 Nisi prius orders should be so construed as to give effect to *every words and every part of the text*, with a view to carrying out the evident intent of the judge's direction.[17](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn17) The order's language ought not to be considered abstractly. The actual meaning intended by the document's signatory should be derived from the context in which the phrase to be interpreted is used.[18](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn18) When applied to the May 18 memorial, these told canons impel my conclusion that the **judge doubtless intended** his ruling as an ***in praesenti* resolution** of Dollarsaver's quest for judgment n.o.v. Approval of all counsel plainly appears on the face of the critical May 18 entry which is [885 P.2d 1358] signed by the judge.[19](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn19) True minutes[20](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker3fn20) of a court neither call for nor bear the approval of the parties' counsel nor the judge's signature. To reject out of hand the view that in this context "should" is *impliedly followed* by the customary, "and the same hereby is", makes the court once again revert to medieval notions of ritualistic formalism now so thoroughly condemned in national jurisprudence and long abandoned by the statutory policy of this State. [Continues – To Footnote][14](http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=20287#marker2fn14) ***In praesenti*** means literally "at the present time." BLACK'S LAW DICTIONARY 792 (6th Ed. 1990). In legal parlance the phrase **denotes t**hat which in law is presently or **immediately effective, as opposed to something that will** or would **become effective in the future** [in futurol]. See Van Wyck v. Knevals, [106 U.S. 360](http://www.oscn.net/applications/oscn/deliverdocument.asp?box1=106&box2=U.S.&box3=360), 365, 1 S.Ct. 336, 337, 27 L.Ed. 201 (1882).

**c) Certainty**- Counterplan can result in alterations to the plan based on localities implementation process, means perm do the cp severs resolute nature of action

Severance is a voter- kills stable neg ground - the aff could sever out of any reason why the aff is bad AND discourages clash in debate.

2. **Increase excludes create—the aff has to contribute to existing funding mechanisms—it cannot develop a new funding procedure**

**Hart ’16** (J., Judge, Third Appellate District – CA Court of Appeals, B. F. GWYNN, Petitioner, v. C. D. McKINLEY, as Auditor, etc., Respondent, 30 Cal. App. 381; 158 P. 1059; 1916 Cal. App. LEXIS 29, L/N)

The constitutional provision in question is founded in good sense and justice, but it cannot justly be so construed as to prevent the legislature from supplying a manifest ellipsis in the law--to correct an obvious inadvertence whose result, if permitted to remain uncorrected, must be to hamper in no inconsiderable degree the proper administration of public affairs under a system established by the people themselves through their constitution. HN6Go to this Headnote in the case.There is nothing in the constitution implying that persons performing public services shall not be compensated and adequately compensated therefor. On the contrary, that instrument contemplates that all public servants shall be justly compensated for their public services. The very provision in question so implies, as reasonably may it even be said of the provision which forbids the payment of judicial officers for their services as such in the form of fees required by the law to be paid to them for certain official acts. The constitution has, save in an exceptional [\*\*\*16] instance or two, committed to the legislature the duty of making provision for such compensation, and where [\*\*1063] that body fails wholly to do its duty in that regard, it must be assumed that the omission has been due entirely to an oversight or inadvertence. To hold it to be true, then, that in such a case an act whose purpose is merely to correct the inadvertence and so provide for compensation--provide for something which theretofore had not existed--amounts to an "increase" of compensation within the import of the constitutional provision in question, would be to give to that provision a most unreasonable construction or a construction from which most unjust consequences would follow, where the legislature had failed to do its duty in that regard. But the provision referred to cannot in reason be given such a construction. Indeed, such a construction would amount to a palpable solecism in logic. It would give to the word "increase" a signification opposed to what it naturally implies, for the act of "increasing" anything necessarily presupposes the existence in some measure, or to some extent, of something which may be enlarged. In other words, to effect an increase is to [\*\*\*17] add something to or enlarge something already in existence; or, as Webster's Dictionary defines the word "increase," it is [\*390] "that which is added to the original stock by augmentation or growth--to extend or enlarge in size, extent, quantity, number, intensity, value, substance," etc. It would be no less absurd to attempt to conceive a process by which something may be added to nothing than it would be to attempt to conceive the subtraction of something from nothing. If a person owning no money or other kind of property suddenly becomes the owner of property or money, his wealth has not thereby been "increased" within the lexicology or signification of that word. He has simply acquired something which previously he did not have.

#### 3. NIB would be entirely private equity funding

 Plumer 11 (Brad Plumer, September 19, 2011, reporter at the Washington Post writing about domestic policy, particularly energy and environmental issues, Washington Post, “How Obama’s plan for infrastructure bank would work.”, http://www.washingtonpost.com/business/economy/how-obamas-plan-for-infrastructure-bank-would-work/2011/09/19/gIQAfDgUgK\_story.html)

One of the key aspects of [President Obama’s jobs plan](http://www.washingtonpost.com/business/economy/obama-lays-out-447-billion-plan-to-boost-nations-economy/2011/09/08/gIQAk3ELDK_story.html) is an idea that’s been knocking around Washington for some time: a national infrastructure bank that would leverage private investment to fund new roads, bridges, mass transit and other public-works endeavors. Here’s how it would work. The proposal, modeled after a bipartisan bill in the Senate, would take $10 billion in start-up money and identify transportation, water or energy projects that lack funding. Eligible projects would need to be worth at least $100 million and provide “a clear public benefit.” The bank would then work with private investors to finance the project through cheap long-term loans or loan guarantees, with the government picking up no more than half the tab — ideally, much less — for any given project. Critics have deemed the idea risky for taxpayers, and those voices will no doubt get louder after the collapse of Solyndra, a California-based solar manufacturer that received a $535 million [loan guarantee from the Energy Department](http://www.washingtonpost.com/politics/obama-green-tech-program-that-backed-solyndra-struggles-to-create-jobs/2011/09/07/gIQA9Zs3SK_story.html) only to go bankrupt in August. Administration officials have, in turn, tried to allay fears about taxpayer losses by noting that the loans would only go toward projects that have “a dedicated revenue stream,” such as toll roads, to repay the loans. The bank would be managed by an independent seven-member board, with no more than four members from either party. The logic behind the bank isn’t hard to grasp. In recent years, reams of white papers have come out describing how much of the nation’s transportation, water and energy infrastructure is in shambles. A 2010 Government Accountability Office report, for one, found that a quarter of the country’s 600,000 bridges are either “structurally deficient” or inadequate to today’s traffic needs. Most U.S. infrastructure is funded through either federal outlays or state and local municipal bonds. The country lacks a central source of low-cost financing for big construction projects, akin to the European Investment Bank. The private sector chips in just 6 percent of infrastructure funding, although supporters of the bank say that number could be higher. Last year, Robert Wolf, chairman and chief executive of UBS Americas, told the Senate Banking Committee that there was more than $180 billion of private-equity and pension-fund capital available for infrastructure investments. The White House estimates that its infrastructure bank could ultimately backstop about $100 billion to $200 billion in construction. That would, in theory, boost the overall size and impact of its jobs bill, which nominally costs $447 billion. But that depends on how quickly the money flows. Sen. John F. Kerry (D-Mass.), who has backed a bank bill in the Senate, has said “We have projects all across America that are ready to go tomorrow.” Yet other supporters, including the Chamber of Commerce, sound more cautious, saying it could take a few years for the pipeline of projects to get going.

**Permutation means youre not T—**

**a) “Investment” requires capital expenditure**

Anderson 6 (Edward, Lecturer in Development Studies – University of East Anglia, et al., “The Role of Public Investment in Poverty Reduction: Theories, Evidence and Methods”, Overseas Development Institute Working Paper 263, March, <http://www.odi.org.uk/resources/docs/1786.pdf>)

1.3 Definitions

We define (net) public investment as public expenditure that adds to the public physical capital stock. This would include the building of roads, ports, schools, hospitals etc. This corresponds to the definition of public investment in national accounts data, namely, capital expenditure. It is not within the scope of this paper to include public expenditure on health and education, despite the fact that many regard such expenditure as investment. Methods for assessing the poverty impact of public expenditure on social sectors such as health and education have been well covered elsewhere in recent years (see for example, van de Walle and Nead, 1995; Sahn and Younger, 2000; and World Bank, 2002).

#### B) The counterplan removes capital expenditure from the government

**McMillan**, Senior Lecturer in politics at the University of Sheffield, **No Date Given** (Alistair, “Public-Private Partnership,” About.com Political Dictionary, <http://www.answers.com/topic/public-private-partnership>)

PPP Agreement between government and the private sector regarding the provision of public services or infrastructure. Purportedly a means of bringing together social priorities with the managerial skills of the private sector, **relieving government of the burden of large capital expenditure**, and transferring the risk of cost overruns to the private sector. Rather than completely transferring public assets to the private sector, as with privatization, government and business work together to provide services. The British Government has used PPPs to finance the building of schools, hospitals, for defence contracts, and specific capital projects such as the Channel Tunnel Rail Link, the National Air Traffic Services, and improvements to the London Underground. The system has been criticized for blurring the lines between public and private provision, leading to a lack of accountability with regard to funding, risk exposure, and performance (see also Private Finance Initiative).

## ext. tax incentive not t

#### Tax Incentives aren’t government spending

**Marron**, Director of the Tax Policy Center, **11** (Donald, “Any difference between tax breaks and spending programs?”, Christian Science Monitor, <http://www.csmonitor.com/Business/Donald-Marron/2011/0411/Any-difference-between-tax-breaks-and-spending-programs>, AM)

In a 5-4 decision, the Court ruled that the challenged tax credit was not government spending and therefore the claimants lacked the standing to sue allowed in Flast. Unlike spending, the majority argued, tax expenditures do not necessarily affect the tax bills of others; that is, the government won’t necessarily raise taxes to cover the revenue cost of a tax credit. In fact, the opinion claimed, “the purpose of many governmental … tax benefits is ‘to spur economic activity, which in turn increases government revenues.’” And further, private school tuition assistance might induce some students to switch from public to private schools, thus reducing government costs. Since tax

#### PPPs not T

**Scotland 5** (Government of Scotland, “Infrastructure Investment Plan: Investing in the Future of Scotland”, February, <http://www.scotland.gov.uk/Publications/2005/02/20756/53558>)

Appendix A: Technical Definitions of Infrastructure InvestmentThe public expenditure system uses different definitions of capital for budgeting purposes than for accounting purposes - both of which exclude elements of infrastructure investment in the wider sense used elsewhere in this publication.For accounting purposes, capital spending is those resources used to create a fixed asset which goes on a Government Department's balance sheet. Assets are classified as fixed if they are owned by an organisation and have an ongoing benefit (generally over more than one year). If spending is not classified as being on fixed assets then it is treated as revenue expenditure.For budgeting purposes, what scores within Capital Delegated Expenditure Limits (capital DEL) is everything that scores as capital for accounting purposes, as well as capital grants to and supported borrowing by local authorities and spending by Non-Departmental Public Bodies that will be included as capital in their accounts. For public corporations such as Scottish Water, capital DEL is the net lending to the relevant public corporation by the department and not the public corporation's own self-financed capital spending.Net Investment - The Scottish Executive's definition of net investment for purposes such as the net investment rule incorporates spending within capital DEL as well as grants made to support capital spending (asset creation or enhancement) by private sector organisations such as Higher and Further Education Institutions. It does not include the capital element of PPP deals.

## ext. cp=ppp

#### A NIB would be PPP.

Kerry and Hutchinson 11 (Sen. John Kerry, fifth-term Democratic senator from Massachusetts, Sen. Kay Bailey Hutchison, fourth-term Republican from Texas, October 31, 2011, “A national infrastructure bank would tap the private sector, protect taxpayers.”, http://www.kerry.senate.gov/press/speeches/speech/?id=ba3ef7bc-5056-a032-52a4-6963932be596)

WASHINGTON -- We disagree about President Barack Obama's job proposal, and we have very different views about why America continues to be mired in economic doldrums, and what it will take for the nation to recover. Nevertheless, we were both pleased when the president recently embraced an idea that, as he said, "came from a bill written by a Texas Republican and a Massachusetts Democrat ... the kind of proposal that's been supported in the past by Democrats and Republicans alike." That legislation is "The Building and Upgrading Infrastructure for Long-term Development Act" (BUILD Act), which we introduced this spring, along with senators [Mark Warner,](http://topics.sacbee.com/Mark%2BWarner/) D-Va., and [Lindsey Graham,](http://topics.sacbee.com/Lindsey%2BGraham/) R-S.C. Our legislation, which is supported by the [U.S. Chamber of Commerce,](http://topics.sacbee.com/U.S.%2BChamber%2Bof%2BCommerce/) creates a national infrastructure bank - a concept also supported by the AFL-CIO. This approach is an innovative way to leverage private-public partnerships and maximize public funding to address our urgent national and regional water, transportation and energy infrastructure needs - while protecting the taxpayer from wasteful spending. We believe a properly structured infrastructure bank might gain the bipartisan support needed for our bill to become law this year. Our bill is straightforward: A one-time, $10 billion expenditure, which we both have agreed to offset, establishes the bank. The bank's goal is to become self-sufficient over time and not rely on ongoing conditional appropriations. Strictly underwritten loans and loan guarantees from the bank would be matched by private-sector investment and local governments. Federal grants would not be allowed as a match. Furthermore, our legislation requires that our applicants not only have a strong financial base, but that the projects are able to repay the loans through dedicated [revenue streams.](http://topics.sacbee.com/revenue%2Bstreams/) We want and expect these loans to get paid back. The safeguards in the bill are essential to protect taxpayers from being left holding the bill for politically inspired projects that don't make good business sense. Our infrastructure bank approach could leverage up to $640 billion in new [infrastructure investment](http://topics.sacbee.com/infrastructure%2Binvestment/) over the next 10 years, from capital now sitting on the sidelines. The projects this infrastructure bank could support would strengthen our competitiveness, be good for businesses, and could help lower our staggering 9.1 percent [unemployment](http://topics.sacbee.com/unemployment/) rate. For too long we've underbuilt and underinvested, and too much of what we have done has been uninformed by any long-term strategic plan. Inadequate infrastructure undermines the productivity and efficiency of American workers and businesses. For example, the [U.S. economy](http://topics.sacbee.com/U.S.%2Beconomy/) loses $80 billion dollars a year due to energy blackouts because of outdated transmission and grid infrastructure. In 2008, it was estimated that we had to make an annual investment of $225 billion for the next 50 years to legitimately meet our transportation needs. Right now, we aren't even close to that - and Washington's budget mess means we must find creative ways to do more with less. A national infrastructure bank is a perfect example of how we can do this - by helping put private investment to work. There are a few significant differences between our legislation and the president's proposal - and, not surprisingly, as a Democrat and a Republican, we disagree about some of these issues on the basis of long-held principles. We're committed to solving these differences because we're focused on the big picture: A well-designed, bipartisan infrastructure bank that will spur energy, water, roads and rail development, create millions of American jobs in the next decade, and make our country more competitive globally.

#### NIB needs private investment - Managing director of Carlyle Infrastructure Partners states.

AASHTO 11 (American Association of State Highway and Transportation Officials, July 22, 2011, The Weekly Transportation Report, AASHTO Journal, “Senators Examine Need for National Infrastructure Bank, http://www.aashtojournal.org/Pages/072211scstc.aspx)

The Senate Commerce, Science, and Transportation Committee held a hearing Wednesday on building American transportation infrastructure through innovative funding. The committee examined the means by which federal funds can be used to leverage and partner with private-sector capital to supplement existing transportation funding and increase overall investment. Witnesses stressed to the committee the importance of creating a national infrastructure bank during Wednesday's hearing on "Building American Transportation Infrastructure Through Innovative Funding." The Obama administration has asked Congress to create a bank as part of its budget requests. "The infrastructure bank -- which would provide grants, loans, loan guarantees or a combination thereof to the full range of passenger and freight transportation projects in urban, suburban, and rural areas -- marks an important departure from the federal government's traditional way of spending on infrastructure through mode-specific grants and loans," said Polly Trottenberg, assistant secretary for transportation policy at the U.S. Department of Transportation, according to testimony excerpts released by the committee. "By using a competitive, merit-based selection process and coordinating or consolidating many of DOT's existing infrastructure finance programs, the infrastructure bank would have the ability to spur economic growth and job creation for years to come." Committee Chairman Jay Rockefeller, D-West Virginia, said there are more than 90,000 miles of highways in need of rehabilitation nationwide and more than 70,000 structurally deficient bridges. "We must rebuild and invest in the infrastructure that so many Americans depend on," Rockefeller said. "This is why I introduced legislation to create a transportation infrastructure investment fund that would leverage federal dollars and encourage private investment into our transportation network. It's an investment that can create much-needed construction jobs, manufacturing jobs, and engineering and design jobs for out-of-work Americans and, at the same time, support our nation's competitiveness." Witnesses from the finance sector stressed the need for the government to attract private capital into the financing of infrastructure improvements. "The need for investment in our nation's infrastructure is significantly larger than any one revenue source, and there is a need to design policies to access different revenue sources while being good stewards of the nation's infrastructure and meeting the challenges its current condition presents," said Robert Dove, managing director of Carlyle Infrastructure Partners. "A national infrastructure bank is one method by which private investment can serve as one of those revenue sources. Coupled with genuine reform, the bank could provide needed funding for our national infrastructure." Perry Offutt, managing director at Morgan Stanley, said the United States is behind other countries when it comes to supporting a national infrastructure bank. "While states and local governments are pursuing initiatives to address the U.S. infrastructure crisis such as implementing [public/private partnership] legislation, the federal government should develop a long-term plan for development and maintenance of the country's infrastructure as has been done successfully by other countries. A national infrastructure bank would be a key part of such a plan." Other witnesses at Wednesday's hearing were Steve Bruno, vice president of the Brotherhood of Locomotive Engineers and Trainmen; and Pete Ruane, president and CEO of the American Road & Transportation Builders' Association.

## at: too expensive

#### NIB is more economically efficient than in action – solves spending inefficiencies

Kessler 11 PHD @ Harvard (Ryan is Deputy Director of the Third Way Economic Program . Jim Master’s degree in Public Policy from Harvard University’s John F. Kennedy School of Government and his Bachelor’s degree in Political Science at Boston University, A National Infrastructure Bank, January 2011, <http://www.bernardlschwartz.com/political-initiatives/Third_Way_Idea_Brief_-_A_National_Infrastructure_Bank-1.pdf>)

Financing the infrastructure upgrades needed to support America’s economy and meet its new challenges won’t be cheap, but there are billions in efficiencies that can be wrung out of the system with real structural changes, and the economic costs of inaction will be higher. By leveraging private resources, the NIB will ensure that future spending on infrastructure will get the utmost bang for the taxpayer buck. It will also cut down on waste by supporting only projects that serve demonstrated regional or national needs and satisfy goal-based criteria.

## at: creates bad investment

#### NIB has a failsafe system ensure sustainability– a system to assess repayment prospect – Europe proves it works

Kessler 11 PHD @ Harvard (Ryan is Deputy Director of the Third Way Economic Program . Jim Master’s degree in Public Policy from Harvard University’s John F. Kennedy School of Government and his Bachelor’s degree in Political Science at Boston University, A National Infrastructure Bank, January 2011, <http://www.bernardlschwartz.com/political-initiatives/Third_Way_Idea_Brief_-_A_National_Infrastructure_Bank-1.pdf>)

No, loans and !nuancing issued by the NIB could be repaid by recipients. The existing European Investment Bank raises capital in the private markets and lends it at a higher interest rate in order to achieve profit and maintain sustainability.44 Repayments on infrastructure assets are often derived from tolls and user fees, but can be provided through other means such as availability payments and gross revenues.45 As part of its project evaluation criteria, the NIB would be required to assess repayment prospects and to ensure that it remains a viable entity.

## at: kills existing programs

#### NIB won’t replace other federal plans it will just make it more efficiency

Kessler 11 PHD @ Harvard (Ryan is Deputy Director of the Third Way Economic Program . Jim Master’s degree in Public Policy from Harvard University’s John F. Kennedy School of Government and his Bachelor’s degree in Political Science at Boston University, A National Infrastructure Bank, January 2011, <http://www.bernardlschwartz.com/political-initiatives/Third_Way_Idea_Brief_-_A_National_Infrastructure_Bank-1.pdf>)

The NIB would be an additional tool to support infrastructure investment by leveraging private capital and by improving the project selection process. By doing so, the NIB would make a significant contribution to meeting America’s infrastructure needs, but the scope of demand is too great for any one program to address completely. The reforms embodied by the NIB can help to shape improvements in other programs, but the NIB is not intended to and would not be capable of completely replacing existing federal infrastructure programs. The NIB would be capitalized separately from other streams of program funding, and would assess and fund projects independently.

## at: recovery act solves

#### The American recovery act isn’t a long term solution to gap private capital investment with federal – doesn’t solve private capital

Kessler 11 PHD @ Harvard (Ryan is Deputy Director of the Third Way Economic Program . Jim Master’s degree in Public Policy from Harvard University’s John F. Kennedy School of Government and his Bachelor’s degree in Political Science at Boston University, A National Infrastructure Bank, January 2011, <http://www.bernardlschwartz.com/political-initiatives/Third_Way_Idea_Brief_-_A_National_Infrastructure_Bank-1.pdf>)

The American Recovery and Reinvestment Act included over $70 billion to begin to address America’s infrastructure de!cit.46 While that figure represents an important down payment on America’s infrastructure needs, it does not approach the funding levels necessary to close the infrastructure gap or to reform the investment system. America still needs a long-term financing solution that reforms the process and harnesses private capital to fully bridge the infrastructure gap.

## at: other federal funding solves

#### Federal Capital budget won’t help – Bureaucratic issues and lack of empirics

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

Political and bureaucratic issues. Despite the attention given to a capital budget over the years, there is little discussion about the implementation problems that federal agencies and Congress would face in case of its adoption.99 For example, for each capital budget model proposed over the years, it is unclear how the appropriation process would function if the proposal is enacted.100 Further, the ensuing power play among federal agencies and different Congress committees on the decisions upon the accounting and budgeting issues might consume more effort and time than necessary. In sum it appears that a federal capital budget provides little improvement for the current federal investment process. Most of the provisions for the upgrading of the planning process are already in place, but they are not implemented in full—and a federal capital budget would not necessarily guarantee any better implementation of these rules. In addition, it opens the possibility of maneuvering the capital expenses, manipulating the size of the budget deficit, increasing the public debt, and long battles over the establishment of new accounting rules and procedures.101

### at: obama nib

#### Obama Highway Bill sucks – John Kerry NIB is better means tax payer dollars aren’t at stake

LIKOSKY 11 a senior fellow at the Institute for Public Knowledge, New York University (MICHAEL B., Banking on the Future, July 13, 2011, The New York Times)

A recent survey by the Rockefeller Foundation found that Americans overwhelmingly supported greater private investment in infrastructure. Even so, there is understandable skepticism about public-private partnerships; Wall Street has not re-earned the trust of citizens who saw hard-earned dollars vacuumed out of their retirement accounts and homes. An infrastructure bank would not endanger taxpayer money, because under the Federal Credit Reform Act of 1990, passed after the savings and loan scandal, it would have to meet accounting and reporting requirements and limit government liability. The proposed authority would not and could not become a Fannie Mae or Freddie Mac. It would be owned by and operated for America, not shareholders. The World Bank, the Inter-American Development Bank, the Asian Development Bank and similar institutions helped debt-burdened developing countries to grow through infrastructure investments and laid the foundations for the global high-tech economy. For instance, they literally laid the infrastructure of the Web through a fiber-optic link around the globe. Infrastructure banks retrofitted ports to receive and process shipping containers, which made it profitable to manufacture goods overseas. Similar investments anchored energy-intensive microchip fabrication. President Obama has proposed a $30 billion infrastructure bank that, unlike the Senate proposal, would not necessarily sustain itself over time. His proposal is tied to the reauthorization of federal highway transportation money and is not, in my view, as far-reaching or well designed as the Senate proposal.

## at: current infrastructure invest fine

#### Current laws are bias against maintenance projects – there is a maintenance clause that doesn’t let the gov spend tax exempt dollars

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

1. Bias against maintenance. While federal investment allows maintenance funding, most of the investment is geared towards new capital assets. To the extent federal investment supports maintenance, state and local grantees use their transportation grants to cover major maintenance, such as major rehabilitation and repair of capital assets. However, without the funding of appropriate preventive maintenance, the useful service life of infrastructure assets is shortened unnecessarily. Analyzing data provided by the Federal Highway Administration (FHWA), the Congressional Budget Office (CBO) found that maintenance of existing road infrastructure has higher net benefit than new construction, beyond a certain point.44 Efficient resurfacing projects had an average benefit-cost ratio double that of new lane projects.45 Through the federal capital process, federal agencies are required to conduct asset inventories that would assess the capital assets’ condition and need of maintenance. In addition, Federal Financial Accounting Standards require the agencies to report deferred maintenance.46 The federal agencies vary in the implementation of these conditions.47 Federal transportation grants to states for new capital assets do not have adequate maintenance clauses. Given that the grant programs allow for the inclusion of major repair and rehabilitation projects, states do not have a strong incentive to spend on preventive maintenance but rather let assets degenerate until they can qualify for more federal money.48 This result has been reinforced by the fact that state and local governments cannot use the money resulting from a tax exempt bond issue to cover maintenance.49 However, deferred maintenance should affect the creditworthiness of state and local governments due to its impact on the condition of the borrowers’ assets.50

#### Current selection process has no uniformity and picks bad projects- The BCA doesn’t enforce fically responsible projects and cant select good one

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

2. Flawed selection process. In general, government investment is justified if the targeted capital asset is associated with a market failure and produces a net welfare benefit to society. While the market failure is usually easily identifiable, the costs and benefits of federal government financing for a project are harder to estimate. Many have called for investment in a capital asset to be justified based on economic analysis, such as a BCA or wider BCA that would intertwine quantitative and qualitative factors. While there are legal requirements for BCA based approaches, there is no uniform implementation or estimation for a wide range of projects. The Federal Capital Investment Program Information Act of 1984 requires the federal budget to include projections of public civilian capital spending and recent assessments of public civilian physical capital needs.51 Also, an Executive Order from 1994 clearly specifies the requirements of BCA for federal investment in infrastructure, in all federally-financed assets.52 It refers to the estimation of market and nonmarket costs and benefits over the full life cycle of a project. Further, it directly addresses the issues of demand management, implementation of better management practices to improve the return of current projects, and involvement of states, as recipients of federal grants. Federal agencies are supposed to use these principles to justify major infrastructure investment and grant programs, those in excess of $50 million annually. With all the legal requirements in place, BCA is not done consistently by federal agencies.53 The states themselves often do not use formal BCA in deciding among alternative projects and regular evaluations of outcomes are typically not conducted.54

#### Current funding system is short sighted and crowds out long term planning – there is no political accountability for a lack of long term spending

Istrate & Puentes 9 professor @ Georgetown University's Public Policy Institute. (Emilia Istrate is a Ph.D. candidate in Public Policy, with specializations in Regional Economic Development and Transportation, at George Mason University in Fairfax, Virginia. and Robert, Robert Puentes is a senior fellow with the Brookings Institution’s Metropolitan Policy Program, Investing for Success Examining a Federal Capital Budget and a National Infrastructure Bank, **http://www.brookings.edu/~/media/research/files/reports/2009/12/10%20infrastructure%20puentes/1210\_infrastructure\_puentes.pdf)**

Insufficient long-term planning. A major complaint is the “short sightedness” of the federal investment process. The federal budget is released and updated annually, but there is little attention to long-term plans, and there are no mechanisms to hold policymakers accountable for the long-run effects of annual budgetary implementation. Overall, federal agencies lack comprehensive long-term capital plans.55 While not providing a unified view at the federal government level, a federal agency’s long-term capital plan would show an agency-wide perspective to inform congressional appropriations committees.56 Some congressional staff responsible for resource allocation and oversight of federal agencies expressed interest in receiving this type of information.57 The federal transportation grants have contract authority that allows states to do multiyear planning and contracting. The federal surface transportation program provides an 80 percent matching grant to states to conduct statewide planning and to develop long-range statewide plans. These plans “should include capital, operations and management strategies, investments, procedures, and other measures to ensure the preservation and most efficient use of the existing transportation system.”58 While both the federal agencies and the grantees have to develop long-term capital plans, there is no comprehensive long-term strategic view for the capital assets financed by the federal government. There is no incentive for decision makers to push for better long-range planning, because there is no accountability mechanism to assess the long-term results of federal investment. The federal investment process does not appropriately allocate resources either through federal agencies or state and local recipients. Bias against maintenance, a flawed selection method and insufficient long-term planning plague the federal investment process. Overall, these problems result from both the incentives provided by the legal or regulatory framework and their implementation. For example, while operating leases score lower in the federal budget, they also lead to underinvestment in federal capital.59 Besides the shortages of the OMB capital guide and the existing statutes, the administrative discretion of the federal agencies and the grantees contribute to the deficiencies in the federal investment process. The federal agencies do it because of inability to follow a multitude of regulations and executive orders, in the context of ever changing policy objectives. This issue is complicated in the case of the U.S. Department of Transportation that mostly assists state-run transportation programs.60 The local and state grantees drive the capital planning and management of the transportation assets funded by the federal government. A clear and direct link between investment decisions and outcomes would help both federal agencies and grantees in managing the federal investment process.

# Net Benefits

## politics link—popular

#### **A NIB has political support – Obama capitalized it with $30 billion in initial funding.**

Stringer 11 (Spring 2011, Scott M. Stringer, Manhattan Borough President, “Banking on the Future: A New Paradigm For Rebuilding Our Nation’s Infrastructure.” Page 2)

Of all the challenges facing New York and the nation, few are as pressing as the dire condition of our roads, bridges and other transportation infrastructure. The tally of unmet needs locally is long and getting longer – deteriorating roads from Buffalo to Long Island; a New York City energy grid that teeters on the brink during heat waves; a slow-speed rail system that is failing to keep pace with the rest of the world; and vital bridges like the Tappan Zee that are in desperate need of repair. And yet, as former Lieutenant Governor Richard Ravitch pointed out in a November 17, 2010 report, New York State “has no credible strategy for meeting future needs” when it comes to repairing and upgrading its public infrastructure. The stakes, Ravitch added, could not be higher: “Avoiding this obligation means surrendering any plausible chance for a prosperous future for New York.” One promising solution to address these looming infrastructure needs – and to assure a more prosperous future -- is the establishment of a national, regional or state infrastructure bank. Infrastructure banks use government dollars in the form of loans, tax credits, insurance, guarantees, bonds or direct subsidies to leverage much larger sums of private capital to invest in public works. The results are carefully structured public private partnerships (P3’s) that harness a combination of private lending and public financing to produce public goods that are national or regional priorities. The infrastructure bank model offers several key advantages. In particular, it enables a merit-based system of project selection. Projects are judged based on their ability to do the greatest good for the greatest number of people, regardless of geographical or political boundaries. A national, regional or state infrastructure bank would supplement the current system of Congressional funding streams for infrastructure mega-projects, not replace it. But by insulating certain projects from the ebb and flow of politics, an infrastructure bank could provide a stable investment environment for the private sector and guard against fluctuations in funding due to political factors. The decision by New Jersey Governor Chris Christie to cancel the proposed ARC tunnel under the Hudson River – and forgo more than $3 billion in federal transportation funding – is a recent example of a major infrastructure project that was undone by a change in administrations. This approach to infrastructure – using small amounts of government money to leverage substantial sums of private sector money to achieve important social objectives – has worked successfully internationally for decades. But the idea has never gained any real traction in the White House – until now. In a December 4, 2009, memo by the President’s Economic Recovery Advisory Board (PERAB), the Obama Administration outlined a broad vision for a national infrastructure bank, noting that “the goal of the Bank is not to displace existing infrastructure spending. It is to help garner additional funding for worthy projects that would not otherwise be undertaken.” More recently, President Obama has followed through on this vision, proposing the creation of a National Infrastructure Bank capitalized with $30 billion in initial funding over a six year period in his Fiscal Year 2012 Budget.

**NIB is popular—bipartisan support and backing from unions and business**

**Cooper 11**

(Cooper, Michael, “Group Wants New Bank to Finance Infrastructure”, New York Times, March 15, 2011, <http://www.nytimes.com/2011/03/16/us/politics/16infrastructure.html>)

 Amid growing concerns that the nation’s infrastructure is deteriorating, a group of Democrats, Republicans, and labor and business leaders called Tuesday for the creation of a national infrastructure bank to help finance the construction of things like roads, bridges, water systems and power grids.

The proposal — sponsored by Senator John Kerry, Democrat of Massachusetts, and Senator Kay Bailey Hutchison, Republican of Texas — would establish an independent bank to provide loans and loan guarantees for projects of regional or national significance. The idea is to attract more infrastructure investment from the private sector: by creating an infrastructure bank with $10 billion now, they say, they could spur up to $640 billion worth of infrastructure spending over the next decade.

 “We have a choice,” Mr. Kerry said at a news conference in Washington. “We can either build, and compete, and create jobs for our people, or we can fold up, and let everybody else win. I don’t think that’s America. I don’t believe anybody wants to do that.”

To underscore the need for better infrastructure, two frequent rivals were on hand at the news conference: Richard Trumka, the president of the A.F.L.-C.I.O., and Thomas J. Donohue, the president of the U.S. Chamber of Commerce, the main business lobby. With a nod to the strange-bedfellows experience of having a labor leader as an ally, Mr. Donohue said, “He and I are going to take our show on the road as the new ‘Odd Couple.’ ”

## litigation nb (read on case)

#### Direct funding result in litigation issues—slows down, distorts and adds to the expenses of projects – environmental protection groups destroy solvency for the aff (NIB solves this because 1. Bank picks projects with the least environmental impact—They need to be environmentally friendly to be sponsored 2. Card says a panel of people with no political influence is key – NIB does this on every project)

ENVIRONMENTAL LAW & POLICY JOURNAL 12 (UNIVERSITY OF CALIFORNIA, DAVIS SCHOOL OF LAW, Stopping the Runaway Train of CEQA Litigation: Proposals for Non-Judicial Substantive Review, 5/18/2012, VOLUME 35 SPRING 2012 NUMBER 2, <http://environs.law.ucdavis.edu/issues/35/2/bilir.pdf>, 145)

On the other hand, any provision for additional regulation or analysis is likely to introduce new costs to the CEQA process. Use of a public review panel, for instance, is likely to significantly extend the duration of environmental analysis, and may slow important projects. Particularly for private projects as opposed to state actions, the proponents are likely to pursue legal challenges of any referral to a panel.115 Thus, there may not be any savings in court time or state litigation expenses over the current situation in which dissatisfied persons or interest groups are almost certain to challenge the adequacy of EIRs. Furthermore, because there is no direct equivalent in California to Canada’s Minister for the Environment, adopting a similar approach might require delegating the task of assembling such panels of persons without conflicts of interest to an existing government official, or creating a new position. Moreover, providing the review after the agency’s EIR process means that the information, methods, and conclusions likely will remain framed by the project proponents, rather than considered independently as they might be if the review process occurred earlier in the environmental analysis.

##  link—hsr

#### Environmental review panels solve HSR litigation that cause costly delays – California proves

ENVIRONMENTAL LAW & POLICY JOURNAL 12 (UNIVERSITY OF CALIFORNIA, DAVIS SCHOOL OF LAW, Stopping the Runaway Train of CEQA Litigation: Proposals for Non-Judicial Substantive Review, 5/18/2012, VOLUME 35 SPRING 2012 NUMBER 2, <http://environs.law.ucdavis.edu/issues/35/2/bilir.pdf>, 145)

Since the early 1970s, U.S. federal and state laws have sought to guide government actions to balance new developments against the expected environmental impacts, while emphasizing goals of public participation and information. Increasingly, however, such impacts are measured and predicted using complex technical methods, making it difficult for the lay public to understand the scope or adequacy of environmental assessments. Furthermore, modern environmental issues are less likely to be characterized as black and white tradeoffs between urbanization and preserving the environment, but rather as contests between divergent “green” interests. Recent environmental battles have arisen over proposed clean energy and transportation infrastructure developments that necessarily impact the environment, such as wind farms or solar power plants.1 Similarly, high-speed rail development in the U.S. has gained new prominence recently as a potential means to reduce national greenhouse gas emissions from vehicle travel; yet, as with the expansion of the Federal highway system in the 1950s, the infrastructure development required to build new high-speed rail projects will require extensive environmental harm and potentially significant community disruption well before the long-term environmental impacts may be realized.2 As a result, residents in dense urban areas may support the concept of additional travel options, but want assurance that the government has carefully considered the best implementation plans. Yet, U.S. laws mandating environmental review currently lack any method for verifying the accuracy of scientific analyses that inform decision makers. Rather, agencies are free to make “reasonable” decisions based on any available information or data as long as their reasoning is made available to the public. Citizens seeking additional review or assurances therefore turn to litigation, which can cause expensive delays in projects and often fails to resolve the underlying concerns due to limits on judicial review.3 This paper argues that it is time to provide options for meaningful substantive review of environmental analyses, not merely procedural assurances. Using California’s high-speed rail project as an illustrative example, I contend that the current absence of any regular process for obtaining independent scientific or technical verification of agencies’ substantive assumptions is an important factor contributing to citizen litigations challenging large infrastructure projects. Part II provides a background of the National Environmental Policy Act (“NEPA”) and the California Environmental Quality Act (“CEQA”) as the statutes mandating environmental analysis of government actions. Part III provides a brief overview of high-speed rail development in California, and discusses a recent city-led lawsuit challenging one of the high-speed rail agency’s environmental impact reports. Part IV proposes ways to build substantive review into the environmental impact assessment process itself, prior to a legal challenge. Providing meaningful substantive review within the environmental assessment process would enhance the consistency and credibility of agency decisions, and thus potentially avoid costly lawsuits.

#### Environmental litigation stall HSR for years – lack of neutral environmental reviews

Williams 12 Master @ Brown (Lance, California Watch - He graduated from Brown University and UC Berkeley – Fast tracking of major projects worries high-speed rail critics, Jan. 10, 20, <http://www.fresnobee.com/2012/01/09/v-print/2676894/fast-tracking-of-major-construction.html>)

In both cases, project boosters said the promise of creating thousands of construction jobs in a weak economy justified sidestepping some protections of the California Environmental Quality Act, the state's landmark green law. Now, opponents of the biggest-ticket construction job of all -- California's controversial $98 billion bullet train -- say they worry that a similar effort might be contemplated to ease the project past a gauntlet of environmental lawsuits. A measure introduced last week by Assembly Member Mike Feuer, D-West Hollywood, to provide expedited environmental review for "public rail transit projects" caused concern among groups worried about the financial and environmental effects of the massive high-speed rail project. Although Feuer's staff said the bill is not intended to fast-track the bullet train, the issue is an "ongoing concern," said lawyer Stuart Flashman, who represented Bay Area groups in two environmental lawsuits concerning the project. Proponents of the high-speed rail plan "would definitely love to exempt this whole thing from CEQA," he said, using the acronym for the California Environmental Quality Act. Otherwise, lawsuits could "stall things for years," he said. The law requires developers to write comprehensive reports describing the pluses and minuses of big construction projects and outlining strategies for blunting their effect on smog, traffic, noise and urban sprawl. If critics believe a report doesn't accurately describe a project or address its problems, they can sue, and the legal process can be prolonged. If developers lose -- as the state High-Speed Rail Authority has, twice, in the Bay Area lawsuits -- they can be required to redo the report, which takes still more time. Development interests and construction unions long have complained about the process.

#### Farmers repercussions - Lack of appropriate litigation panels makes politicians sidestep environmental reviews to prevent litigation

Williams 12 Master @ Brown (Lance, California Watch - He graduated from Brown University and UC Berkeley – Fast tracking of major projects worries high-speed rail critics, Jan. 10, 20, <http://www.fresnobee.com/2012/01/09/v-print/2676894/fast-tracking-of-major-construction.html>)

At the time, Flashman represented Berkeley and Oakland groups that had sued the state over traffic and smog from the $400 million expansion of the Caldecott Tunnel, the freeway link between the Bay Area and Contra Costa suburbs. The case was "days away from a ruling," he recalled. Then, he said, Senate President Pro Tem Darrell Steinberg called and said, "the governor is going to exempt this project, and I can't stop him, so you guys better settle." "We ended up negotiating with a gun to our head," Flashman said. In the case of the proposed Farmers Field football stadium in Los Angeles, lawmakers created an expedited review process. Developers still must prepare an environmental report, and critics still can go to court, but lawsuits are heard not by a trial judge, but by an appellate panel, which presumably would spend far less time on the litigation. "Projects like Farmers Field can create thousands of jobs during a tough economic time," Gov. Jerry Brown said last year, "so it's imperative for the state to cut the red tape that could delay projects like this for years." That's the process Feuer's bill would apply for proposed "new public rail transit projects" selected by the governor. Feuer is a mass-transit booster, and he means the bill to apply to "intracity, not intercity" transit, said chief of staff Rebecca Marcus. He hasn't zeroed in on specific projects, she said, but high-speed rail isn't among them. Arianna Smith, Feuer's spokeswoman, said the lawmaker is ambivalent about the bullet train itself: He's interested in the possibilities but has "a lot of questions." The governor's office and rail authority didn't respond to emails asking whether they would favor exempting the bullet train from environmental review. High-speed rail faces a flurry of litigation, all concerning the bullet train's route. In addition to the Bay Area suits, lawsuits challenging the project have been filed in Kings County and in Los Angeles. And another one is threatened, as agricultural interests fear that the proposed line between Fresno and Merced will wreck prime farmland. Richard Tolmach, president of the California Rail Foundation and a critic of the project, said an attempt to exempt the bullet train from environmental review would cause an outcry, especially in the Central Valley. "That could cause major repercussions, if the Valley farmers thought they were getting their environmental protection taken away," he said.