### T – investment = expenditure 1nc

#### Investment requires the “capital expenditure” of fund for projects – prefer this definition – the author attempts to set a guide for policy makers

Edward Anderson (Lecturer in Development Studies at the University of East Anglia) March 2006 “The Role of Public Investment in Poverty Reduction: Theories, Evidence and Methods”, Overseas Development Institute Working Paper 263, http://www.odi.org.uk/resources/docs/1786.pdf

This paper will explore the linkages between public investment, growth and poverty reduction, with the aim of providing an overall view of existing theories, evidence and methods, and of looking at possible ways to provide better guidance to policy-makers in the use of available techniques and information to set priorities for public investment. It is addressed to key decision-makers in low- income country governments (e.g. in finance and sector ministries and central banks), and to donor agencies which support public investment projects in developing countries. The paper is not meant as an exhaustive review of all existing material, but simply as a summary of the main contributions and findings. The added value of this paper is in it bringing together much of this diverse material into a single publication, and presenting the information in such a way that it will be accessible to non-specialists. 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).

#### Violation – the affirmative ONLY creates a bank - it does not REQUIRE capital expenditure

#### Limits – having debates about the building projects allows for a predictable research list, while allowing debates about new funding lines prevents it

#### Ground – development is key to disad links and uniqueness, just generating revenues undercuts link uniqueness

### 2nc Interp/definition cards

#### Infrastructure investment requires money to spent on projects

Peter R. Orszag (vice chairman of global banking at Citigroup and an adjunct senior fellow at the Council on Foreign Relations, was President Obama's director of the Office of Management and Budget) July 10 2008 “Investing in Infrastructure”

http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/95xx/doc9534/7-10-infrastructure.pdf

“Infrastructure” is notoriously difficult to define because it can encompass such a wide array of physical assets. Today’s testimony adopts a relatively broad definition; in this testimony, infrastructure includes transportation, utilities, and some other public facilities. The nation currently invests more than $400 billion per year in infrastruc- ture defined this way, and about $60 billion of that amount is funded by the federal government each year, primarily for highways and other transportation networks. The Congress would face several challenges if it sought to enhance the quality of the nation’s infrastructure—among them determining what kinds of projects the nation requires; how those projects should be funded and by whom; and how to provide an environment that fosters private development, where that is an appropriate approach. My testimony draws on past work done by the Congressional Budget Office (CBO) and others, and it sets the stage for more detailed analysis to identify specific econom- ically justifiable infrastructure spending and appropriate funding mechanisms. The testimony makes the following key points: Estimates from the Federal Highway Administration (FHWA) and other sources indicate that additional spending of up to tens of billions of dollars each year on transportation infrastructure projects could be justified. Some of that spending would simply maintain the current performance of existing infrastructure; other projects would improve performance to the extent that the economic benefits exceeded the costs (although some projects would have net benefits that were smaller than those that could be obtained from spending on items besides infra- structure). In general, additional federal spending for nontransportation infrastructure appears more difficult to justify. In some instances, the interaction of private producers and consumers in the marketplace determines an appropriate level of spending on infrastructure. In other instances, the case for a federal role might be strong, but the case for specific additional spending either is not well documented or is difficult to justify from an economic perspective. Although the rationale for some additional spending is probably strong, the eco- nomic returns on specific projects vary widely. Accordingly, even if the Congress were to increase spending, it would be important to identify which projects pro- vided the largest potential benefit from limited budgetary resources. Some of the demand for additional spending on infrastructure could be met by providing incentives to use existing infrastructure more efficiently and by devoting current budgetary resources to their highest valued uses. For example, the Depart- ment of Transportation has reported that the demand for new spending on high- ways could be reduced by as much as $20 billion annually if congestion pricing were implemented to encourage efficient use of existing infrastructure. The question of whether projects are economically justifiable is distinct from deter- mining who should pay for them. There is a strong economic rationale for charg- ing beneficiaries for the costs of infrastructure. For example, it can be more efficient to impose taxes and fees on identifiable groups of users, such as drivers, than to rely on general revenues to fund an infrastructure project. Similarly, for projects whose benefits are mostly local or regional, state or local funding can be more efficient than federal funding. A special-purpose entity, such as a federally chartered infrastructure bank, could provide funding for infrastructure outside of the annual appropriation process but would not be a source of “free money”: Any reduction in the federal shares of project costs (obtained by reducing grant sizes or by shifting from grants to loans or loan guarantees with smaller subsidy costs) would require greater shares to be borne by project users, state or local taxpayers, or both. Current Spending on Infrastructure Under any definition, “infrastructure investment” encompasses spending on a variety of projects. Transportation networks and various utilities promote other economic activities: An adequate road, for example, facilitates the transport of goods from one place to another and thereby promotes economic activity; utilities that provide such services as electricity, telecommunications, and waste disposal are also essential to modern economies. (Appendix A describes spending on research and development and on education. Those categories form the basis for supporting intellectual and human capital, respectively, and can provide benefits that are similar to those generated by infrastructure spending.)

#### Prefer our evidence – it is on the context of infrastructure investment – not just, what transportation is

Quadrant (Investors Diversified Reality) 2009 “Global Diversified Infrastructure Fund of Funds”, http://www.quadrantrealestateadvisors.com/investments/public/uploads/documents%5CGlobal%20Diversified%20Infrastructure%20Fund%20of%20Funds.pdf

The expectation most have is that infrastructure assets primarily involve government regulated monopolies and governmentally maintained assets. Unfortunately, classification is not that simple. When defining infrastructure investments, the common definition accepted in the institutional investment management community is “the physical assets that are needed to provide essential services to society,” which has lead managers to have highly different interpretations of the definition of “essential.”

#### \*\*fixed assets that require updates

Ryan J. Orr (executive director at the Collaboratory for Research on Global Projects and teaches Global Project Finance to engineering, law school and MBA students) and Gregory Keever (California admitted attorney in private practice. He has experience in private revenue bonds, foreign infrastructure planning with governmental participation in managed economies, and extensive corporate and joint venture experience, including joint ventures between foreign governmental agencies and private firms) January 2008 “Enabling User-Fee Backed Transportation Finance in California”, Working Paper #41 http://crgp.stanford.edu/publications/working\_papers/Orr\_Keever\_Enabling\_User\_Fee\_Backed\_Transportation\_Finance\_wp0041.pdf

Here transportation infrastructure is defined as “any fixed physical asset designed for transporting people and goods including highways, arterial streets, bridges, tunnels, and mass transportation systems.”1 An often overlooked aspect of transportation infrastructure, even of the most well constructed type, is that it is a consumable asset: it has a finite life, wears out with use, and needs periodic replacement.

#### money spent on a physical asset

DOE (Department of Education) November 2 2009 “U.S. Department of Education American Recovery and Reinvestment Act Report: Summary of Programs and State-by-State Data”

<http://www.recovery.gov/news/featured/documents/education%20dept.%20arra%20programs%20and%20jobs.pdf>

Infrastructure Expenditure: For grants under which Infrastructure is an allowable use of funds, recipients are to identify these expenditures. Infrastructure investment is defined as “financial support for a physical asset or structure needed for the operation of a larger enterprise.” In reviewing ARRA financial data, the award or obligation should be considered the "point of economic activity" when job creation/retention can occur. Once the award has been made, State educational agencies can set school district allocations, and the districts in turn can begin to plan against their budgets. Schools can now begin to hire/retain teachers, develop programs, order supplies, etc., so spending may begin shortly after an award is made.

#### Investment - in infrastructure is all types of government spending in that sector

Jimenez 95 (Immanuel, Appointed Director of Public Sector Evaluations – Independent Evaluation Group of the World Bank Group, “Human and Physical Infrastructure: Public Investment and Pricing Policies in Developing Countries”, Handbook of Development Economics, Vol. III, Ed. Behrman and Srinivasan, p. 2774)

1. Introduction and overview

Almost by definition, infrastructure is the basis for development. 1 For an economy, it is the foundation on which the factors of production interact in order to produce output. This has been long recognized by development analysts, and infrastructure, often termed "social overhead capital," is considered to include: •.. those services without which primary, secondary and tertiary production activities cannot function. In its wider sense it includes all public services from law and order through education and public health to transportation, communications, power and water supply, as well as such agricultural overhead capital as irrigation and drainage systems [Hirschman (1958) p. 83]. These seemingly diverse services share some common traits that are important in economic analysis. They are generally not tradeable. Although they may affect final consumption directly, their role in enhancing output and household welfare can also be indirect - in facilitating market transactions or in making other economic inputs more productive. Finally, and perhaps most importantly, the many infrastructure services share characteristics, such as scale economies in production, consumption externalities and non-exclusivity, that have been used to justify a large role for public policy in their provision and financing. This chapter will focus not only on what has traditionally been considered the "core" infrastructure sectors, which enhance the productivity of physical capital and land (mainly transportation and power). It will also include human infrastructure- or those services that raise the productivity of labor (health, education, nutrition). This is a broadening of the definition that was given great prominence by Schultz (1963) and Becker (1964) and that has since been widely accepted by both scholars and practitioners. Public investment will be defined broadly to include all government spending in these sectors, rather than just capital expenditures as traditionally defined in official statistics. This is to ensure that the economic issues regarding recurrent as well as capital spending are covered, since both have been the focus of the recent iiterature. Moreover, the chapter will emphasize recent policy debates, but will not present in detail the basic theoretical concepts underlying them.

#### Transportation investment is fixed assets – prefer this evd it is from the dept of transportation

Patricia Hu (Director Bureau of Transportation Statistics Research and Innovative Technology Administration United States Department of Transportation) February 9 2012 “Measuring Transportation Investment: Challenges and Opportunities”,

“Transportation investment is defined as additions to transportation fixed assets. Transportation fixed assets refer to: structures, motor vehicles, and other machinery and equipment that are used in the provision of transportation services for more than one year.” Although it is a definition used by OECD, U.S. Bureau of Economic Analysis and U.S. Bureau of Transportation Statistics... Is it comprehensive enough to understand the impact of transport investment on the economy?