

July 17, 2014

President Obama Outlines Infrastructure Initiative

Dear Transportation Committee Member:

This afternoon, President Obama traveled to Wilmington, Delaware to [raise awareness](#) on the need for investments in the nation's economy, and particularly, in transportation infrastructure. The President stated that he supported the effort currently in Congress to pass a short-term bill that will prevent the Highway Trust Fund from becoming insolvent in the weeks ahead. He further indicated that the Congress needed to pursue a long-term reauthorization measure instead of a stop-gap funding approach, saying "instead of barely paying our bills in the present, we should be planning and investing in our future."

During his remarks at the foot of a closed highway bridge, the President announced that he was creating a "[Build America Investment Initiative](#)," which is a "government-wide initiative to increase infrastructure investment and economic growth." It would do so by "engaging with state and local governments and private sector investors to encourage collaboration, expand the market for public-private partnerships and put federal credit programs to greater use." The initiative starts with the transportation sector and "will harness the potential of private capital to complement government funding." Upon the conclusion of his remarks, Mr. Obama signed a [Presidential Memorandum](#) which launched the Build America Investment Initiative.

The Presidential Memorandum requires the Department of Transportation to "establish a center of innovating transportation finance" that will help state, local, and private project sponsors "understand, navigate, and use federal transportation infrastructure financing programs" so that they will more readily use "innovative approaches to finance projects, including public-private partnerships." The Department is expected to have a website up and running "as soon as practicable" to serve as the information/assistance access point.

The memorandum also stipulates that the Secretaries of Treasury and Transportation will establish and co-chair an infrastructure finance "working group" consisting of eight other

departments and four federal agencies or offices within the next month. This working group is tasked with four specific functions: assess how public-private partnerships can best be utilized for infrastructure development; analyze what roadblocks exist that prevent public-private partnerships from occurring; identify “best practices” related to infrastructure financing programs at all levels that can be replicated; and share what each federal department, agency, or office has experienced regarding infrastructure finance and development. The working group also is required to consult with a wide range of private and non-federal infrastructure stakeholders. Further, the working group is expected to hold an infrastructure conference in September to which a variety of experts “from the investment and project development community” are to be invited to talk about “challenges and opportunities in infrastructure finance.”

The working group is also required to provide the President with a report just after Veterans Day that contains “recommendations on how to promote awareness and understanding of innovative financing...and increase effective public-private collaboration in infrastructure development.” The report would also require an “action plan” that includes “a timeline and goals” covering a subsequent 2 year period.

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