President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

We would like to express our appreciation for your leadership for the Build America strategy. Your commitment to renew U.S. infrastructure, be it highways, pipelines, water and wastewater systems or power generation facilities, is a critical strategic priority for our economy. We are writing to urge you to accelerate plans to improve U.S. infrastructure.

Infrastructure in the United States, while world class when originally constructed, is now aging and lacks the capacity in many regions to handle the emerging demands of growing manufacturing and robust exports. In 1980, U.S. annual infrastructure investment was roughly 4 percent of GDP; in recent years, that figure has fallen by one-third, with most of our spending allocated to operations and maintenance and not investments in upgraded capacity.

Our relative under-investment stands in contrast to other countries, such as Japan and China, where average annual infrastructure investment is 5 percent and 8 percent of GDP, respectively. Over time, our lagging investment in modern infrastructure could reduce our competitive advantage in the global market. Furthermore, spending on infrastructure has a significant and direct economic multiplier. Projects often involve thousands of small and medium size enterprises (SMEs) that in turn create thousands of jobs in the U.S. economy.

Due to significant lead-times and trillions of dollars of capital investment, infrastructure revitalization requires a long-term vision and commitment that transcends business and election cycles. Renewed infrastructure also necessitates a cross-sector approach to achieve progress in diverse industries, from energy to transportation to water. The President’s Export Council is encouraged by the initial steps of the Build America Interagency Working Group with its focus on greater involvement of the private sector in infrastructure investment and modernization and sees more potential from these types of efforts in the future.

One area to accelerate U.S. infrastructure projects would be to modernize the public-private partnership (P3) business models. The private sector could be engaged to share risk and improve productivity through a variety of contract structures, such as Build-Operate-Transfer agreements. We urge additional efforts to standardize contracting and financing structures that could be utilized across county and state lines to help mobilize the private sector. This would contribute significantly to developing a high performing P3 environment.

An equally important area that would accelerate infrastructure projects is to standardize federal regulatory approval processes. Infrastructure projects in the United States face a large and often confusing set of regulatory checkpoints and on average take more than 9.5 years from conception to shovel in the ground. We need to develop a better process to provide permits while protecting
a high level of environmental, safety, and zoning standards. We urge your support of bipartisan legislation to facilitate the coordination of permitting across the multitude of agencies involved in approving infrastructure projects.

Finally we would ask for your support to lead the Administration to harmonize the definition of small and medium-sized businesses across infrastructure-related agencies. Currently, leading infrastructure agencies have varying definitions for SMEs, which often impede the involvement of thousands of smaller SMEs who are otherwise ready to engage and generate new jobs and build our country.

Thank you again for your leadership on the Build America Strategy. We look forward to working with you to accelerate the pace of infrastructure renewal in the United States.¹

Sincerely,

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC