



DELIVER 21st CENTURY INFRASTRUCTURE

The Need for Investment

America's physical infrastructure has been a catalyst in making our economy the largest and most vibrant in the world. However, decades after building-out the core of our infrastructure, much of it is in urgent need of repair, expansion, and modernization. The World Economic Forum ranked America's overall infrastructure 9th in the world, and the quality of its roads 11th. Without continued investment and maintenance, America's infrastructure will continue to age, deteriorate in quality and performance, and gradually contribute less to American economic output.

For example, a National Academies' committee recently observed that many of our interstate highways are operating well beyond their design life, handling larger traffic volumes than anticipated, and poorly positioned to accommodate even modest traffic growth. The committee estimates that renewing and modernizing the interstates will require doubling or tripling the amount of current spending on interstates. Without a renewed commitment to addressing the needs of our interstates, the system will become even more congested, more expensive to repair, and less safe – hindering our economic competitiveness and quality of life.

In addition, while this Administration has made major progress toward streamlining our permitting system, we must continue to focus on making it more efficient, predictable, and effective. Critical infrastructure projects that can significantly improve our quality of life, safety, environmental quality and economic competitiveness cannot languish for years in bureaucratic red tape.

The Administration's Plan: Invest at Least \$1 Trillion in Infrastructure

The President has called upon the Congress to pass legislation that generates at least \$1 trillion in infrastructure investment. The 2020 Budget supports achieving this goal by:

- **Seeking a long-term surface transportation reauthorization.** The Budget commits to working with the Congress on a long-term surface transportation reauthorization bill. The current authorization, the Fixing America's Surface Transportation (FAST) Act of 2015, expires at the end of 2020. We must provide our State, local and private partners – who build, own and operate the vast majority of the Nation's surface transportation infrastructure – the long-term funding certainty they need to effectively plan and deliver projects. Such reauthorization must, at a minimum, address the long-term solvency of the Highway Trust Fund in a fiscally responsible manner, focus on nationally and regionally significant projects (emphasizing projects on the Interstate Highway System and other nationally-strategic freight networks), support emerging technologies and innovation, encourage the revenue mechanisms of the future, and promote more efficient and effective permitting.

Providing \$200 billion for other infrastructure priorities. In addition to a long-term surface transportation reauthorization, the Administration believes it is important to provide additional investments in infrastructure, across a range of sectors, including water infrastructure. The Administration looks forward to working with the Congress to develop a package that will significantly improve the Nation's infrastructure, and the Budget includes \$200 billion towards this effort. Within that amount, \$10 billion is allocated to establish a Federal Capital Revolving Fund to support more cost-effective Federal investment in buildings and other property. The Administration will work with the Congress on allocating the remaining amount toward sectors and projects that address the most

important needs and confer the largest benefits to the American people. The Administration does believe that a portion of this funding should promote visionary projects and technologies that can strengthen our economic competitiveness, including 5G wireless communications, rural broadband, advanced manufacturing, and artificial intelligence.

Makes Targeted Discretionary Investments

The 2020 Budget also makes several targeted investments in competitive programs within the Department of Transportation and U.S. Army Corps of Engineers that address critical infrastructure needs:

- **\$2 billion for the Infrastructure for Rebuilding America (INFRA) grant program.** The INFRA program makes awards to large projects that relieve congestion and mitigate bottlenecks on the Nation's strategic freight networks, including interstates, freight rail, and ports. INFRA has been successful in leveraging Federal dollars to spur additional investment by our State and local partners. This level is a \$1 billion increase from the FAST Act-authorized level.
- **\$1 billion for the Better Utilizing Investment to Leverage Development (BUILD) grant program.** BUILD grants award important surface transportation projects in urban and rural communities across the country.
- **\$300 million for a competitive highway bridge program.** This program will incentivize States to rehabilitate or replace rural bridges that are in poor condition using contract bundling, a more efficient way to deliver projects.
- **\$300 million for two innovative approaches to fund water infrastructure investments.** This funding will facilitate more local control over authorized Army Corps of Engineers projects and promote novel financing partnerships with non-Federal partners.