

September 20, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable John A. Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Senator Reid, Senator McConnell, Madam Speaker and Mr. Boehner,

As members of Building America's Future, we write to urge action by the House and Senate on legislation that will create a National Infrastructure Bank to help our cities and states find additional methods of financing for projects of regional and national significance. President Obama reiterated his support for this idea on September 6, 2010 and we applaud that announcement. As you may know, the U.S. Conference of Mayors recently endorsed this concept for its potential to correct the dire state of disrepair in which we find our nation's infrastructure – our roads, bridges, transit systems, drinking and waste water systems and our broadband network.

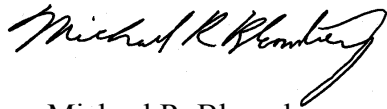
The House Ways and Means Subcommittee on Select Revenue Measures recently held a hearing during which Governor Ed Rendell (D-PA) and Mayor Antonio Villaraigosa (D-Los Angeles) testified about the need for a new entity to focus our nation's investment power around key projects of regional and national significance. Congress has failed to pass a six-year transportation bill and, as a result, there is no national vision as to how we will plan for the next decade and more. The economic challenges we still face are all the more reason for us to look to the future and find new ways to create jobs, rebuild our decaying infrastructure, improve our quality of life, increase safety and keep our nation economically competitive.

In addition to its endorsement of the National Infrastructure Bank, the U.S. Conference of Mayors' report also outlined the economic benefits – including job creation – that high-speed rail will have throughout our country. High-speed rail is an excellent example of a project that would benefit greatly from a National Infrastructure Bank. If local, state and federal governments work together and with the private sector, we can continue to make progress.

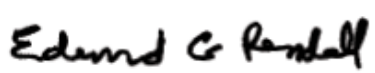
A National Infrastructure Bank is not the singular solution to our infrastructure problems. However, it is an effective model used by countries in Europe and Asia to ensure that projects are chosen on merit rather than politics. We cannot wait for another economic disaster to occur or for the United States' competitive standing in the world to fall further.

We urge your support for this effort to rebuild our nation's infrastructure, which will have a very real impact on the day-to-day lives of our fellow Americans, and stand ready to assist in any way we can.

Sincerely,



Michael R. Bloomberg
Mayor
New York City, New York



Edward G. Rendell
Governor
Pennsylvania



Arnold Schwarzenegger
Governor
California

John Baldacci
Governor
Maine

Jim Doyle
Governor
Wisconsin

Jennifer Granholm
Governor
Michigan

Chris Gregoire
Governor
Washington

Deval Patrick
Governor
Massachusetts

Pat Quinn
Governor
Illinois

Bill Ritter
Governor
Colorado

Jerry Abramson
Mayor
Louisville, Kentucky

Sam Adams
Mayor
Portland, Oregon

Kirk Caldwell
Acting Mayor
Honolulu, Hawaii

Heidi Davison
Mayor
Athens, Georgia

Buddy Dyer
Mayor
Orlando, Florida

Ron Loveridge
Mayor
Riverside, California

Thomas Menino
Mayor
Boston, Massachusetts

Jim Newberry
Mayor
Lexington, Kentucky

Michael Nutter
Mayor
Philadelphia, Pennsylvania

Miguel Pulido
Mayor
Santa Ana, California

Chuck Reed
Mayor
San Jose, California

Kasim Reed
Mayor
Atlanta, Georgia

Joseph Riley
Mayor
Charleston, South Carolina

R.T. Rybak
Mayor
Minneapolis, Minnesota

Scott Smith
Mayor
Mesa, Arizona

Mary Verner
Mayor
Spokane, Washington

Antonio Villaraigosa
Mayor
Los Angeles, California

Bob Wasserman
Mayor
Fremont, California

John Cloutier
State Representative
New Hampshire

David McCluskey
State Representative
Connecticut

Stephen Liehr
County Commissioner
Kankakee County, Illinois

Kevin O'Malley
County Commissioner
Clear Creek County, Colorado

Bill Green
City Councilman
Philadelphia, Pennsylvania

Michael Lamb
City Controller
Pittsburgh, Pennsylvania

Tim Scott
Borough Councilman
Carlisle, Pennsylvania

Scott Waguespack
City Alderman
Chicago, Illinois

National Infrastructure Bank

The Highway Trust Fund is an effective tool for providing states and cities with basic funding to repair and, to some extent, complete major road and transit projects. As Congress considers the reauthorization of SAFETEA-LU, it must find a way to significantly increase its investment level to better meet the roughly \$200 billion in annual transportation needs necessary to keep our nation competitive and grow our economy. In addition, the American Society for Civil Engineers has identified over \$2.2 trillion in outstanding infrastructure needs that must be completed in order to improve the state-of-repair of our transportation, water and wastewater systems, levees, dams, airports, and other sectors.

Beyond providing investment allocations for states and cities, transportation and infrastructure projects of regional and national significance should be undertaken within a new model that:

- Provides incentives to undertake multi-state efforts to address major transportation needs.
- Enables merit-based selection of projects so that the most critical and feasible projects proceed.
- Ensures federal assistance at a significant enough scale to make these major projects financially viable.
- Creates a method for private capital to be included in these projects so that federal/state/city dollars are maximized.

In large measure due to BAF's efforts, the President proposed a National Infrastructure Bank to accomplish most, if not all, of these critical improvements. The Bank would have the authority to employ a range of finance and funding tools including: grants, credit assistance, low interest loans and tax incentives. In this way, the Bank would not just be another financing program, as project sponsors would be encouraged to identify new revenue streams to leverage costs, promote more efficient governance and spur further innovation.

Ideally a National Infrastructure Bank (NIB) would not be limited to transportation projects but would also include the authority to support ports, rail (freight and passenger), drinking and waste water needs, electrical grid, broadband and schools.

The Bank could initially be funded through the General Fund as proposed by the Obama Administration with other potential sources of funding that could include:

- ♦ All or some of the interest that has been collected from repayments of TARP funding (an estimated \$9 billion in interest accumulated to date).
- ♦ Reallocation of unused ARRA funding.
- ♦ A percentage of revenue collected from a carbon cap and trade program.
- ♦ A six-year, reformed transportation bill.

BAF does not have an official position on individual funding sources.