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## **BAUCUS LOOKS TO IMPROVE FINANCING FOR JOB-CREATING INFRASTRUCTURE INVESTMENTS AT COMMITTEE HEARING**

*Finance Chairman: Every Billion Invested in Infrastructure Creates Nearly 28,000 Jobs*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) convened a hearing today to chart the road forward on creative solutions to improve financing of an infrastructure for the 21<sup>st</sup> century. At the hearing, Baucus said making investments in infrastructure will create much-needed jobs, decrease business costs, spur economic growth and decrease safety concerns across the country. Baucus also addressed the need to reauthorize the Airport and Airway Trust Fund and the Highway Trust Fund, which expires on September 30.

**“Infrastructure moves our country forward – not just our trains, planes and buses, but also our economy,”** said Baucus. **“Allowing our infrastructure to lapse into disrepair is counterproductive and costly, which hurts our ability to create jobs and our competitiveness in the global economy. Our current methods for financing infrastructure are clearly not sufficient to meet our needs, so we need to think creatively about how to responsibly finance the infrastructure we need to create jobs and grow our economy.”**

Baucus noted that every billion dollars invested in infrastructure creates nearly 28,000 jobs, according to the Federal Highway Association. He added that infrastructure improvements also cut operating costs for businesses and allow them to grow. Baucus discussed infrastructure in the context of global competitiveness, noting that the U.S. spends only two percent of its GDP on infrastructure, while China spends nine percent of its GDP.

Baucus asked the panel about the importance of the Federal government’s role in infrastructure construction, given that many of these projects provide great benefit to the public but do not always draw private interest that could help solve financing problems. He mentioned that deteriorating conditions are becoming a significant issue, and that the current methods of funding repairs have fallen short.

Baucus and the witnesses discussed innovative new ideas about how to fund infrastructure projects, including creating an Infrastructure Authority, using public-private partnerships, or more efficiently incentivizing the bond market.

The American Society of Civil Engineers gave the U.S. an overall grade of “D” on their 2009 Report Card for America’s Infrastructure, citing poor roads, dams, bridges, waterways and transit conditions, among several other issues. Other experts say that poor roadway conditions contribute to more than half of all car crashes.

This year, the Finance Committee will consider reauthorization of the Highway Trust Fund, which contributes to projects that maintain the interstate highway system. The Fund currently relies on fuel excise taxes for almost 90 percent of its revenue, but because higher gas prices are keeping many families off the roads, receipts have dropped. Baucus expressed his interest in hearing new ideas about how best to replenish the trust fund in order to improve its long-term financial health. Without additional funding, the fund will become insolvent by the end of next summer.

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