

JOBS COUNCIL



PRESIDENT'S COUNCIL
ON JOBS AND COMPETITIVENESS

JOBS COUNCIL RECOMMENDATIONS

Invest Aggressively and Efficiently in Cutting-Edge Infrastructure

THE CHALLENGE

The U.S. Needs to Make Significant Investments in Infrastructure to Stay Competitive with the Rest of the World

- U.S. infrastructure has plummeted from eighth to 16th place in the World Economic Forum's 2005 economic competitiveness ranking.
- China now boasts six of the world's top 10 ports. The U.S. can't even claim one of the remaining four. Worse, the Shanghai port moves more container traffic a year than the top seven U.S. ports *combined*.
- The U.S. has the world's worst air traffic congestion—a quarter of flights in the U.S. arrive more than 15 minutes late, and our national average for all delayed flights (about 56 minutes) is twice as long as Europe's average.
- Several recent bi-partisan reports indicate that the annual gap in transportation infrastructure alone could be \$200 billion. Current government revenues dedicated to infrastructure cover less than ½ of this amount.
- The nation's complex federal, state and local permitting system can lead to unnecessary delays. Moreover, there is little incentive or structure in the political process to assure that the nation's most pressing infrastructure priorities will be chosen for funding on a rational basis, and then pursued cost-effectively.

JOBS COUNCIL RECOMMENDATION

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The Jobs Council believes it is time to stop studying this problem and time instead to get to work. The stakes for jobs are substantial. Studies indicate that each additional \$1 billion of government infrastructure spending creates between 4,000 and 18,000 direct jobs. The efficiency and competitiveness gains from investing in infrastructure are equally vital. The Jobs Council recommends the following actions to encourage more and better investment in the nation's transportation and broadband infrastructure.

Reauthorize the Main Surface Transportation Programs; Focus on Performance and Accountability. Specifically, there should be a formal, programmatic requirement in these programs for cost effectiveness using objective cost-benefit criteria for project selection and funding. A significant increase in transportation infrastructure investment must be coupled with broad-based reforms to select projects wisely and to provide incentives for efficient program and project delivery.

Leverage and Expand Existing Public-Private Financing Mechanisms to Increase Private Capital for Infrastructure Investment. The Jobs Council recommends pursuing a number of methods for leveraging public-private financing to fund U.S. infrastructure investment. For instance, \$14 billion of DOT's Private Activity Bonds (PAB) currently approved for surface transportation projects are yet to be allocated. Project sponsors, investors, and government officials should work together to ensure that demand is sufficient and that this tool is leveraged to catalyze private investment.

Create a New National Infrastructure Financing Organization that Complements Existing Programs and Attracts Private Capital to Infrastructure Projects. With the exception of broadband networks and energy infrastructure, there is currently little direct private investment in infrastructure projects in the U.S. compared to many other countries, and the U.S. has done little to facilitate public-private partnerships. The Jobs Council recommends that Congress explore the creation of a National Infrastructure Bank to increase the amount of private funding for infrastructure projects.

Protect and Preserve the User-Based Funding of the Highway Trust Fund. Exploring the use of more user-generated funding that would ease statutory prohibitions to allow states to toll or price highways eligible for federal aid would both help to rectify the Highway Trust Fund deficits and open the door to additional public-private infrastructure projects.

Speed Implementation of the Next Generation Air Traffic Control System. Faster implementation of a NextGen air traffic control system would not only dramatically smooth the daily flow of travelers and goods, it would also reduce energy consumption and add greater capacity to U.S. airspace.

Promote Construction of Broadband Networks and New Technologies to Reach all Americans. We should modernize the Universal Service Fund to allow broadband services. In addition, underutilized and unlicensed spectrum should be made available to promote the deployment of wireless and satellite-based technologies.

Streamline Permitting and Approval Processes for Jobs Rich Infrastructure Projects. The permitting systems for infrastructure projects must be streamlined to eliminate duplication and unnecessary delays. The President's recent Memorandum directing departments and agencies to identify high-impact, jobs-rich infrastructure projects that can be expedited through outstanding review and permitting processes is an important first step.

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A New Era for Energy

THE CHALLENGE

The U.S. Needs to Adapt to New Methods of Producing, Distributing, and Consuming Energy

- While private investment in key energy projects could support or preserve thousands of jobs in the next few years, environmental and safety concerns regarding these development have sparked controversy.
- The majority of today's electricity transmission infrastructure is more than 25 years old and has failed to keep up with rapid industry changes.
- Even though the U.S. has a lead in many advanced energy technologies, there is an insufficient flow of capital to commercialize new advanced clean energy facilities in the U.S.

JOBS COUNCIL RECOMMENDATION

Adopt an "All-In" National Position on Energy

As a nation, America needs to be "all-in" on energy, open to a balanced portfolio of innovative solutions for our energy needs. The Jobs Council recommends the following immediate actions to maintain America's low-cost energy advantage.

Make Extraordinary Efforts to Strike a Balance on Energy Investments.

Environmental and safety concerns have sparked controversy over specific energy developments, including a pipeline that would transport heavy oil from northern Alberta in Canada to Oklahoma and the Gulf Coast, the resumption of deepwater drilling in the Gulf of Mexico, and horizontal drilling and hydrofracturing of shale gas supplies. Estimates suggest that these three streams of private investment, could together support or preserve hundreds of thousands of jobs in the next few years. The Jobs Council urges all stakeholders to make extraordinary efforts to strike an intelligent balance that protects people, safety, the environment, and our nation's water supplies, while also allowing the economic benefits of these innovations to be realized.

Modernize and Expand the Electric Grid through Transmission

Siting Reform. The current process for siting (i.e., locating and permitting) a transmission line was established in 1935. Now, successfully working through the permitting process can literally take years. Additionally, the United States has among the best clean energy resources in the world, but there is a lack of transmission capacity to fully take advantage of these resources. The Jobs Council believes there are opportunities to reform and accelerate the transmission siting process under existing federal law.

Mobilize Private Sector Financing for Advanced Energy

Technologies. Without bold action, the U.S. risks falling behind its international competitors in the clean energy industry and thus losing its leadership position in one of the largest growth industries of the 21st century. The Jobs Council believes the country should establish an independent, full faith and credit-backed government financing institution to mobilize the private sector in accelerating advanced energy technologies in support of U.S. national security, environmental, and competitiveness objectives.