

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Richard Anderson, President, The New York Building Congress**

*The New York Building Congress, a broad based membership association celebrating its 89th year, is committed to promoting the growth and success of the construction industry in New York City and its environs.*

**Conversation with Steve Anderson, Managing Director, InfrastructureUSA**

**Richard Anderson:**

### **Infra isn't just spending; it's an investment**

Unfortunately, politics is intruding on the nation's infrastructure programs much more than previously, and this is having a deleterious affect on ongoing programs. Witness the cancellation by New Jersey Governor Chris Christie of the proposed new rail tunnel under the Hudson River, and other cancellations elsewhere in the country of major infrastructure initiatives. The biggest unfortunate result is that infrastructure, which is really an investment in the future, is being grouped in many people's minds with overall government spending; and so it's been given the image of pork-barrel spending or unnecessary government spending, and those that are against the government in any way, shape, or form, doing anything are now including infrastructure. And this is a very unfortunate result because infrastructure should be in a different category. It should be looked upon as an investment in the future that yields economic results, not just immediate jobs.

### **Infra needs more of our resources**

There's not a natural constituency for infrastructure. This is something that is more elusive in the public's mind, and in the past it was a leadership kind of responsibility. People in the upper echelons of government and the business community said, "This is what needs to be done," but what's happened over time is much, much less of our national resources goes into hard infrastructure projects, and we're spending money on social transfer programs and things like that, and this is just a different allocation of national resources. Unless we change that, we're going to fall behind the countries in the global economy that are investing a much larger portion of their resources in infrastructure, and China first among them.

### **NYC: Infra Successes**

Companies have to make a decision on how much of their resources go to capital investment versus operations. I mean any organization has that, and governments at all levels have to make decisions. How much goes into bricks and mortar versus operations? One of the best positive results we have in the US is NYC, where the mayor and the city council have maintained strong capital programs over the last ten years despite very major pressures on the operating budget and this is to the credit of – especially – Mayor Bloomberg. He believes in building, he believes in a future-oriented administration, and this is going to pay results for the city of NY for decades to come.

### **Infra investment is driven by crises**

What we're up against is a crisis-driven situation and what's going to galvanize the American public is crisis and, unfortunately, the Minnesota example and things like that where bridges fall down are going to happen more frequently if we don't change our way of doing business. But you can't invest 1% of your gross domestic product in infrastructure and expect to be able to maintain all of your bridges and highways and transportation systems, and other public facilities in a state of good repair. It's too low an investment rate, and it's going to lead to crisis and it will shock us into action, and I think that's really unfortunate that that's the way things go, but that's the way we're headed.