

## Blueprint 2025 Initiative:

10 Point Recommendations for 2022



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"Getting infrastructure right - making national improvements - will require a 'whole of country' transition around three forces: clarity of mission; speed of project development; and the eventual confidence that comes from successfully building on our strengths"

- Norman Anderson, Forbes, Aug. 31, 2021

Norman Anderson founded the Blueprint 2025 Initiative ("BP2025" or "the Initiative") in 2015 as a collaboration among infrastructure professionals, leading infrastructure development companies and public sector project managers, including the managers of state infrastructure banks. The Initiative's objective is to restore the U.S.' position as the nation with the world's best, most technologically advanced and most productive infrastructure. It is clear that our country - and the world - are at a critical point where geopolitical tension is rising, and



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technology and innovation are driving the need for disruptive policy changes at an unprecedented rate, U.S. collaboration and communication between federal, state and local - as well as public and private sectors - must be nimble and efficient to respond to a changing environment, as national security and coping with change go hand in hand. Additionally, it is clear that our country is at a critical moment where digitization and electrification are demanding transformation of our infrastructure and offering the

potential - through American innovation - to make the U.S. the leader of the 4th industrial revolution.

As noted last year, the U.S.' essential drive towards Digitalization and Electrification is transforming the necessary role of its infrastructure, -- from providing a basic foundation to support productivity and quality of life to functioning as both the foundation and brains of the economy. This is the largest industrial shift in 120 years. The Blueprint 2025 Initiative and the non-profit Strategic Infrastructure Performance Institute were created to address these issues. As noted last year, we believe that the recommendations and philosophy developed over the last four plus years contributed to the passing of IIJA, and provide a basis for reasoned, bi-partisan decisions on the path forward for U.S. infrastructure policy.

#### **Recommendations**

There are critical things that we must get right if any infrastructure policy is to succeed: the funding sources, the expedition and efficiency of the process, the projects to be prioritized, the funds that flow to them, and the publicly perceived performance of the assets that are built.

## 1 • Infrastructure Planning Must Be Flexible and Responsive to Changing Conditions

Developments in recent months have made clear that events such as wars and threats of broader global conflict can pose immediate existential threats that demand immediate response and rapid changes in available infrastructure. Our system must be capable of responding to these emergency situations as well as to advances in scientific and technical knowledge. The strength of our supply chain is in adaptability, illustrated in our ability to divert LNG tankers to Europe in the past two months. The U.S. supply chain depends on strong infrastructure that is optimized by innovative technology and clear communication between federal agencies and the



operators on the local levels that manage and operate that infrastructure.

## 2 • Recognize the Role of States, Their Communities and Their Infrastructure Banks, and Make the States and Communities More Equal Partners

States and communities are inherently more nimble than the federal government, so it is important that the federal government empowers the states and local communities to define their state's priority projects and resources needed to deliver those projects. The transition to more modern infrastructure will require decisions based on holistic assessment of the needs of the affected communities. The States and their affected communities are best suited to coordinate among the singly focused federal agencies to arrive at appropriate conclusions.

Infrastructure projects - even traditional roads, streets and bridges - can no longer be single purpose but must serve multiple objectives including communications, robotics and autonomous vehicles, data transmission, analysis and storage—all in addition to transportation. We must realize that. In addition to the good of the nation, the overarching purpose of infrastructure is to benefit the communities and citizens that they directly serve. This means that it is unwise and counterproductive to rely entirely on single purpose federal agencies in deciding which projects should be given priority and how to design, construct, finance and manage them. States and their communities would seem to be in the best position to assess and balance the needs of their citizens in making these key determinations. State Infrastructure Banks, CDFIs and similar state entities are important resources in supporting these functions and identifying and creating pipelines of priority projects and bringing in private funding sources. The federal approach to project funding needs restructuring to take these realities into account.

#### 3 • Empower and Fully Staff the National Infrastructure Office

Establishment of a National Infrastructure Office has always been a BP2025 priority and it was gratified by the President's announcement in November of 2021 that such an office was being established and that former Mayor Mitch Landrieu was appointed as its head. What remains is to fully empower the Office, staff it with experienced infrastructure professionals, and make certain that it has the President's ear. The Initiative will engage

with Governor Landrieu, work to assure that he has broad support from the infrastructure Community and make certain that his office is fully and continuously apprised of the Community's most advanced thinking on infrastructure development and fully supported in order to coordinate and manage agency policies affecting infrastructure development. BP2025 recommends that this White House Infrastructure Office be built to have regional focuses rather than organized by infrastructure sector / vertical. In making the structure regional, complex infrastructure projects like connected corridors that embrace and optimize digitization and electrification to better serve local communities.

## 4 • Transition Planning and Project Prioritization Must Be Based on Science, Analysis and User Demand

Perhaps because the White House Office has yet to be fully empowered, there is no federal Agency charged with the responsibility of holistically reviewing infrastructure transition policies. There has been no life cycle analysis of the transition from fossil fuels to "renewables" such as wind and solar, for utility scale vs distributed wind and solar, for wind and solar vs natural gas transitioning to hydrogen, for Carbon Capture (mechanical or natural) vs shutdown or curtailment of facilities. Project prioritization, occurring through subsidies, or permitting decisions, has - up to this point - been determined largely through intuition and politics. We know that careful analysis very often proves intuition wrong. In today's environment there is clear potential for prioritization policies that are extremely costly in terms of both money and economic impact, but which are less than optimally effective in minimizing carbon emissions and protecting the environment. We need to be sure that these potentials are fully considered.

#### 5 • Establish a National Infrastructure Bank

BP2025 supported provisions in the IIJA which would have established a National Infrastructure Bank. We continue to support the several pending proposals designed to achieve that objective and encourage congress to approve a chartered national infrastructure bank that will turn the spigot on private investment into US infrastructure, while not contributing to the \$30 trillion in national debt. The best way to achieve this is

through a bank that is privately owned, managed and funded, similar to the Federal Home Loan Bank. Since such a bank would not depend on federal funds, it would be an important engine to sustained infrastructure investment, both for channeling and leveraging Pension Fund and other private monies and for providing a source of standards of fairness and financial expertise that will put states and communities on more equal footing in negotiating with project developers and financiers. This, alone, is an important objective that fully justifies the establishment of a Bank. Such a bank will also strengthen and reinvigorate state infrastructure banks by lending to the state infrastructure banks and by supporting project funding for projects that cross state lines.

#### **6 • Mobilize Private Capital and Financial Resources**

Recent studies make clear that even though the IIJA has very substantially increased federal funding available to renew and upgrade critical public infrastructure, the total funding is still far short of what is needed. At the same time, it seems clear that there are very substantial pension funds, private equity resources, and other non-governmental sources of funding that could add to the IIJA funding. Legislation to streamline the process by which States can issue bonds to tap these sources and expanded authority to issue private activity bonds from these same sources should be considered.

#### 7 • Recognize the Importance of Basic Research, and Improve Communications between States, Communities and the R&D Agencies

With increased emphasis on transition to 21st century infrastructure, there needs to be a better way of matching emerging technologies with the specific needs of the States and Communities that are the ultimate deciders on technology selection. There needs to be a regularized process for informing states and cities of emerging technology options and taking their views into account in awarding grants for research, feasibility studies, demonstration projects and project selection

It is undeniable that federal research initiatives such as US DOT ARPA-I; US DOE - ARPA-E; US DOD - ARPA-X have had enormous positive impacts on the lives of Americans and the U.S.' leadership position. Unfortunately, it is also undeniable that in recent years, our

global competitors have given greater emphasis and stronger support and direction to basic research than have we. BP2025 fully supports the American Innovation and Competition and America Competes Acts and urges their finalization and prompt passage.

#### 8 • Modernize the Process for Permitting, Procurement and Project Management

As noted last year, the process of constructing infrastructure in the United States is the world's most expensive and time consuming. It is difficult to see how critical national objectives, including the need to respond to the current global conflict will be achieved if ten years or more continues to elapse between conception of a project and its completion and if cost overruns in the multiple teen percentages or beyond continue to be the norm. Though these issues were addressed in the IIJA there is much to be done in working with the States to make these beneficial amendments effective. Furthermore, the problem is not just the issues around delays in the environmental review process. The procurement process is slow, antiquated and imprecise, as is the construction and project management technology which is now generally in use. Fortunately, as we pointed out last year, many of these problems are amenable to solution or at least mitigation through the application of modern digital technologies – which can ensure, not only that potential impacts can be expeditiously and efficiently considered, but also that the procurement and construction processes and operation will be as intended. We cannot expect to efficiently modernize infrastructure with last century's regulatory and management processes. We strongly support the inclusion of requirements for development and required uses of modern technologies and regulatory approaches in the Innovation and Competition legislation now pending before the Congress.

## 9 • Prioritize Energy Impacted and Environmentally Disadvantaged Communities and Promote Intelligent Infrastructure in these Communities.

As we noted last year, commitment to new infrastructure offers the opportunity to reverse the policies of the past and concentrate on making the new jobs and entrepreneurial opportunities to be created by 21st century infrastructure, particularly

available to sectors and groups that are adversely impacted by energy transitions or historically have been environmentally disadvantaged. The policies that the Administration has announced recognize this potential. If we implement those policies effectively, we can create opportunities, in energy impacted communities, opportunity zones and other underserved areas, for new data analytics businesses, new call centers, new trading hubs, new clean industries etc. The remaining question is whether the policies can be effectively implemented. The States should be called upon to fully participate in this effort.

Intelligent Infrastructure can advance vision zero, eliminate the digital divide, support telemedicine, provide safety services, stimulate economic expansion, national security, and job growth Done right, Intelligent Infrastructure can create unified communities, particularly for sectors and groups that are adversely impacted by energy transitions or historically have been environmentally disadvantaged.

### 10 • The U.S. and its Allies Must Reassert Leadership in Helping Countries Build a Better and More Resilient World.

As recently observed by Norman Anderson and Joaquim V. Levy in an insightful note to the Administration, "There is a unique opportunity for U.S. global leadership in helping countries create a better, more resilient world .... This is a historic opportunity: to...strengthen democracy; [and] to address the challenges presented by global warming, particularly in countries of immediate risk ...." This is even more true now than it was then—with the Ukraine crisis dictating a critical need to rebuild war-destroyed infrastructure and with Europe facing a similar need to reorient and upgrade energy infrastructure. U.S. Infrastructure technology is in many respects the world's best and is recognized as such. We need to more robustly support U.S. firms in the global infrastructure marketplace. The Build Act, which the Congress enacted in 2019 provides excellent tools to do this, without major expenditures of federal dollars, (though its scope needs to be expanded and OMB scoring policies need to be corrected) and the B3W initiative President Biden and the G7 leaders announced last June can greatly magnify the force of these efforts. Blueprint 2025 supports and encourages these efforts to provide an alternative to China's Belt and Road Initiative and enable U.S. business to again play a leading role in global infrastructure development.

#### **Acknowledgements**

These recommendations represent a broad consensus among the many members of the infrastructure community that support the *Blueprint 2025 Initiative*. We believe that the majority of these recommendations will have appeal to the public in general and on both sides of the Congressional aisle. We sincerely hope that this is the case, and that we can continue to work together to promote



responsible infrastructure policy that serves the communities for which it is built. For more information on how to join Blueprint 2025 Initiative, or to submit comments to these recommendations, please reach out.

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