

## Infrastructure Plan Released to Mixed Reviews

The long-awaited infrastructure plan has been released by the White House. The more than 50-page document highlights six basic principles in four parts to rebuild America's infrastructure. Building associations have praised the outline from the president and his administration, but there are some who are not yet sold on the plan and how it will improve roads and bridges, among other transportation and infrastructure projects.

The administration believes \$200 billion in federal dollars will "spur" \$1.5 trillion or more in infrastructure investments at the state and local level as well as from private parties. Additional investments will be tagged for rural America, and the country's workforce will be supported with education programs and other ventures to ensure there are workers and jobs to meet industry needs. In addition, regulatory barriers will be removed if deemed needless, and project permitting will be streamlined.

While still reviewing the new infrastructure plan, Donna Foy, CCE, ICCE, credit manager, with Advanced Drainage Systems said it should be business as usual. The credit department will continue to work with the sales team on accounts. It is also important to remember where the project is located and follow the rules and regulations of that particular state.

The National Association of Home Builders (NAHB), Associated Builders and Contractors (ABC), Associated General Contractors of America (AGC) and Construction Employers of America (CEA) have all praised the infrastructure plan since it was released Feb. 12. However, an outspoken Democratic senator and a credit rating agency are still skeptical.

The plan is designed to be a catalyst for the housing industry with economic and job growth, said NAHB Chairman Randy Noel in a release. The outline will likely improve the labor shortage that has hit residential construction. ABC President and CEO Michael D. Bellaman said in a statement that the streamlined permitting process will lower costs and increase the speed at which the project is approved and completed. Bellaman also noted this will help construction's worker shortage.

AGC CEO Stephen E. Sandherr stated this proposal will be a key process for both parties to work together. He called the plan "needed and thought-provoking" in a statement. Meanwhile, CEA said the infrastructure plan was a "good starting point," yet they are concerned how the total investment will grow to more than a trillion dollars with only \$200 billion coming from the federal government. Closing the worker shortfall isn't enough, the workforce also has to have quality, noted the association.

Senate Finance Committee Ranking Member Ron Wyden, D-OR., didn't hold back in a statement about the infrastructure plan. "Robust federal investment combined with innovative financing tools is a formula that improves transit, creates jobs and drives our economy forward. What's on offer is yet another giveaway to the politically powerful that will send our roads, bridges and highways into further disrepair."

Fitch Ratings reported states and local governments will be challenged to find the funding from tax revenues since many have recently raised revenues for infrastructure investments. The Highway Trust Fund received little notice to combat the inevitable insolvency of the federal infrastructure's primary funding source. According to Fitch, the Congressional Budget Office estimated the Highway Trust Fund

will become insolvent by 2020 under current law. The infrastructure plan is part of the 2019 budget request, but it “faces an uncertain path through Congress,” concluded Fitch.

-Michael Miller, associate editor