

# **Bond Case Briefs**

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## **The New Center Offers Bipartisan Solutions To Combat The Widening Infrastructure Funding Gap.**

WASHINGTON, Aug. 12, 2019 /PRNewswire/ — The New Center - an organization focused on creating the space for a political center in America - today released a new policy paper entitled, “The Infrastructure Funding Gap.” With Washington’s continuing impasse over how to fund critically needed infrastructure investment, this paper highlights ways in which leaders on both sides could come together to fill the funding gap.

“The Infrastructure Funding Gap” is the second in The New Center’s two-part series examining the causal factors behind America’s decrepit infrastructure. A previous paper, “Infrastructure: A Tangle of Red Tape,” explored how excessive regulations and inefficient bureaucratic procedures impede our ability to build new infrastructure.

In this New Center paper, we try to break the logjam where Democrats have been demanding new taxes to invest new public money, while Republicans have pushed more involvement for private sector investors. A grand infrastructure bargain that brings both parties to the center could include:

1. Requiring states to evaluate all potential funding options, including public-private partnerships, to become eligible for federal funding
2. In the short term: Increasing the federal fuel tax for the first time since 1993 and indexing it to inflation, but in the long-term: transitioning from a fuel tax in the short term to a vehicle miles traveled fee in the long term to account for the increasing prevalence of hybrid and electric vehicles
3. Implement an overland freight tax on heavy-duty trucks and rail cars to account for the extra wear these large vehicles impose on our infrastructure
4. Implementing a capital budgeting system for federal infrastructure projects to account for spending that delivers economic return and operating expenses separately
5. Reviving the Obama Administration’s Build America Bonds program to stimulate the purchase of municipal bonds and generate extra funding for public infrastructure projects
6. Lifting burdensome regulations on Private Activity Bonds, which are valuable financing tools for projects that benefit private entities while serving a public purpose

“The Infrastructure Funding Gap” is available for download at [www.newcenter.org](http://www.newcenter.org) along with several other recent policy proposals.