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U.S. Infrastructure Renewal: Who Should Pay the Bill?

In recent years, pessimism about the U.S. infrastructure has been growing, notes Wharton real estate professor Gilles Duranton, a specialist in urban and regional development, transportation and local public finance. “More and more, it is said that the overall infrastructure is old and decaying, that bridges collapse and roads are full of potholes. Water poisons residents in some places like Flint, Michigan; electricity is not always reliable; airports and seaports are under strain; cellphone coverage is piecemeal.”

How accurate is that picture? Although that image is sometimes exaggerated, “there is some truth to this,” Duranton asserts.

From left-wing progressives to right-wing libertarians, nearly every faction in the American political spectrum agrees that the infrastructure in the U.S. desperately needs a rapid upgrade — not just as a mechanism to generate job growth but as a tool to improve the country’s competitiveness. Yet when the Trump administration laid out its promised vision for a \$1 trillion, multi-year national infrastructure plan on May 23, the plan sparked controversy about what kind of infrastructure deserved top priority, and how to finance it.

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