

November 15, 2019

Dear Member of Congress:

Few issues in this Congress have such wide appeal across the political spectrum as the need to revitalize America's infrastructure. As you consider ways for doing so, we the undersigned free-market organizations ask that the principles of transparency, competition and cost-effectiveness be incorporated into all appropriations or authorization legislation related to infrastructure projects.

Accordingly, we urge you to support H.R. 4687, the bipartisan "Sustainable Municipal Access to Resilient Technology in Infrastructure (SMART Infrastructure) Act. Introduced by Reps. Rouda (D-CA), Babin (R-TX), Napolitano (D-CA) and Norman (R-SC), the bill will create an open, competitive bidding process for working with construction material suppliers on all future infrastructure projects that receive federal dollars from the Federal Highway Administration, Army Corps of Engineers, Environmental Protection Agency, and Department of Agriculture. Importantly, the legislation will also create a task force among these agencies that will identify and recommend remedial measures to remove barriers to competition for infrastructure materials at the state and local level. Over time, H.R. 4687 will help infrastructure procurement processes to better reflect best practices such as life-cycle assessment and resilience.

The SMART Infrastructure Act will not mandate one particular material over another or force engineers to choose any materials that they do not believe is best suited for their project. This legislation is about opening up markets, not propping up mandates or monopolies. Furthermore, the legislation will not retroactively impact any current or previously authorized infrastructure projects. By allowing for an open and competitive bidding process, project managers and engineers will be empowered like never before to evaluate different options and select materials for infrastructure projects which, informed by their professional judgment, will enhance performance, increase durability, and reduce costs to taxpayers.

Many of the federal funds devoted to infrastructure flows to state, county, or local agencies and is applied to projects that are managed locally. Within this flow of funds issues of economic inefficiency arise due to the fact that many states, counties, and localities limit or direct which materials can be used in publicly-funded infrastructure and construction projects.

These government-imposed restrictions on materials in infrastructure and construction projects were often put in place to appease special interests by preventing competition in the bidding process. They were also enacted decades ago, when lawmakers could not anticipate the advancements and innovations in infrastructure materials that have taken place in recent years.

As a result, competition in the bidding process for publicly funded infrastructure and construction projects has been hampered, thus preventing new materials that can prove safer and more efficient from even being considered. In turn, the costs of public infrastructure projects can be artificially inflated, wasting billions in taxpayer dollars.

A 2013 study by the National Taxpayers Union (NTU) found it would cost \$1.32 trillion to replace the nation's entire aging water infrastructure. It is projected that allowing open competition for materials in just water infrastructure projects could save over \$371 billion in taxpayer funds. A separate study conducted by Massachusetts-based BCC Research found removing barriers to competition could save up to 39 percent per mile in pipe costs alone. Furthermore, the concept of open competition is not limited solely to energy and water infrastructure but can be applied to numerous other aspects of publicly-funded projects that have been limited for decades by outdated restrictions on materials.

A modern, strong and efficient infrastructure system that prioritizes market demands over political preferences is essential to a growing economy. While additional policy challenges regarding infrastructure

procurement -- such as prevailing wage laws and “Buy American” provisions -- must also be addressed, we nonetheless believe requiring open competition in infrastructure procurement is a commonsense way for members of Congress to fulfill their obligation to act as responsible stewards of government resources.

Even though they may have considerable differences on particular infrastructure policies, all lawmakers can and should be able to unite around the reforms outlined in H.R. 4687. We hope you will join us in working toward enactment of this bill.

Sincerely,



National Taxpayers Union



60 Plus Association



Americans for Tax Reform



Council for Citizens Against Government Waste



Center for Freedom and Prosperity



R Street Institute



Taxpayers Protection Alliance