

August 9, 2018

Open Letter to Congress: Support “Open Competition” for Infrastructure Projects

Dear Member of Congress: As you consider ways to support revitalization of America’s infrastructure, 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 support H.R. 5310, the “*Municipal Infrastructure Savings and Transparency Act*” introduced by Rep. Brian Babin (R-Texas), which will allow the Federal Highway Administration, Army Corps of Engineers, Environmental Protection Agency, and Department of Agriculture to use an open, competitive bidding process for working with construction material suppliers on all future infrastructure projects that receive federal dollars. Passing this sensible legislation will permit engineers at the local level to exercise their professional judgment in choosing materials they deem most appropriate and cost-effective for their projects.

Importantly, Rep. Babin’s bill **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 better able to evaluate different options and select materials for infrastructure projects that enhance performance, durability, and reduce costs to taxpayers.

Many of the federal funds devoted to infrastructure flows from the federal level 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 fathom the advancements and innovations in infrastructure materials that have taken place in recent years.

These restrictions on competition in the bidding process for publicly funded infrastructure and construction projects prevent new and innovative materials that can prove safer and more efficient from even being considered. In turn, the costs of public infrastructure projects can be artificially inflated by outdated materials, wasting billions in taxpayer dollars.

A recent study released 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 infrastructure projects that have been limited for decades by protectionist and outdated restrictions on materials.



A modern, strong and efficient infrastructure system is essential to a growing economy. While maintaining and updating infrastructure is both complex and expensive, 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.

H.R. 5310 will give engineers more options for fixing our nation's infrastructure and help save taxpayers more of their hard-earned money. We hope you will join us in working toward enactment of this bill.

Sincerely,

Pete Sepp, President
National Taxpayers Union

Eli Lehrer, President
R Street Institute

Grover Norquist, President
Americans for Tax Reform

Adam Brandon, President
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Heather R. Higgins, CEO
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