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TESTIMONY BEFORE U.S. SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFARS REGARDING THE "NATIONAL INFRASTRUCTURE BANK ACT OF 2007"

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Chairman Dodd, Ranking Member Shelby, and members of the Committee: Good morning, and thank you for inviting me to testify today on behalf of the City of Kansas City, Missouri. It's an honor and a pleasure to join Mayor Bloomberg, Mayor Franklin, and Mayor Peyton on this panel to offer a local perspective on the condition of our nation's infrastructure.

I come before you today as the elected representative of the citizens of Kansas City, the largest city in Missouri, with more than 445,000 residents. Given today's topic, however, I'd like to expand my jurisdiction, at least for a moment, to encompass the entire Kansas City region. As you are likely aware, this wider region spans two states, six counties, and more than 100 municipalities, and is home to nearly two million Americans. In the context of today's hearing, I speak in these broader terms because together we form one economy, and we share much of the infrastructure that is vital to our communities' shared health and prosperity.

Just the same, however, the health and prosperity of our nation's metro communities are vital to that of the nation. In today's world, metropolitan areas drive the American economy. Consider the following:

- 83 percent of Americans live and work in metropolitan areas;
- 65 percent live and work in the nation's 100 largest metro areas;
- 74 percent of the country's most educated citizens call metro areas home;
- 84 percent of our most recent immigrants do as well; and,
- Metro areas offer 76 percent of our knowledge economy jobs.

As these figures clearly demonstrate, our nation's metropolitan communities are the incubators of the 21st-century American economy, and will continue to serve as the arena for American innovation and competitiveness globally. In order to provide meaningful support to the national economy, then, we must sustain and improve the quality of life within our metro communities, and provide a sound foundation upon which to continue to produce and innovate. It's a simple fact that cities grow when people want to live in them. And solid, dependable infrastructure is the most fundamental component of cities where folks want to live. Kansas City, in particular, continues its historical role as a vital hub within the nation's commercial and commuter transportation infrastructure. As many of you are certainly aware, the City initiated the nation's first interstate, and has long served as the home to the Kansas City Southern Rail Network and a primary junction between three major commercial rail systems. Yet today, the Kansas City metropolitan area has more miles of limited access highway lanes per capita than any other large metro area in the United States.

In my life prior to becoming Mayor, I was the City auditor, and my office conducted the annual survey of our citizens' satisfaction with City services. Year after year, people in Kansas City tell us that they are most concerned with the condition of the streets, sidewalks, bridges, sewer and storm water drains. Further, when we surveyed business owners within the Kansas City community, we were told the same thing: infrastructure is of paramount importance. This is a refrain I continue to encounter as Mayor within regular town hall meetings throughout the city.

Yet, as municipalities, we simply are unable to meet the infrastructure needs of our region on our own. This is something to which I have devoted a great deal of time studying as auditor and that I now spend more time working on as Mayor. Despite ongoing efforts to leverage existing resources, the scale and cost of a regional highway and road system, along with public transit, water and wastewater services are more than we can shoulder on an already constrained budget. Even if we were to pool our resources with the other municipalities of our region, we wouldn't be able to tackle the daunting challenges now confronting our nation's infrastructure. The expense is far too large, and the challenges too far-reaching to be adequately addressed by local and municipal governments alone. Only the federal government has resources to match the scale of the problems.

In Kansas City, for instance, we have a $6 billion backlog of deferred infrastructure maintenance and enhancement initiatives that continue to overwhelm local resources. In particular, the City has initiated efforts to expand access to the I-435 and I-70 interchange, a major commuter hub that allows travel in all directions in the Kansas City metropolitan area. Much the same, local efforts are underway to determine the feasibility of linking the Downtown "loop" with the urban Crossroads neighborhood to the south by means of a newly constructed Truman Boulevard. It is expected that this enhanced transportation infrastructure will allow for greater and easier access throughout the city, while also creating new development pad sites to increase economic activity throughout Downtown Kansas City. Yet, despite the best efforts of local officials, the scale of these and other proposed enhancements will demand a more robust and assertive federal commitment.

Much the same, our City's outdated sewer system allows over 6 billion gallons of sewage overflow every year into our rivers, streams, and urban lakes – presenting health and environmental concerns not only for our neighbors downstream, but also for our own communities. These troubling circumstances mean that we're under the gun from the federal government, and others locally, to improve existing facilities. But the price tag for this little repair job is over $2.3 billion – a hefty chunk of change for a city with a $1.3 billion annual budget, a median household income of $37,000 and 23,000 households with annual incomes of $10,000 or less. Moreover, the cost of construction for large public works projects is growing at a rate far faster than the rate of revenue in our city and in cities across the country.

While this bare fact is reason enough to support the National Infrastructure Bank Act of 2007, I come before you today to express my support for the renewed federal/local partnership outlined therein. The proposed legislation presents a good concept for how to provide long-term funding for large, regionally significant infrastructure projects. In general, the bill represents a commitment on behalf of the federal government to assist metropolitan areas meet their infrastructure needs and ensure the continued economic vitality and growth of the American economy. On a deeper level, it allows the federal government to make a more realistic assessment of its economy and begin to act strategically to ensure prosperity and global competitiveness far into the future.

With this proposed legislation, the federal government can begin to address infrastructure not as a budgetary cost, but as an investment. Because, it is an investment. Productivity is the result of capital applied to labor. In other words, a man with a spade can't be as productive as a man with a back-hoe. In the same way, our cities can't be as productive, if we don't have infrastructure adequate to meet the demands of a rapidly diversifying and expanding global economy. So long as we fail to invest in these capital resources, we will fall behind other nations in this global economy, nations that understand the value of quality infrastructure and that are making the necessary investments to ensure their competitiveness.

I want to close with this thought: recently Jack L. Schenendorf, Vice Chair of the National Surface Transportation and Revenue Study Commission, spoke in Kansas City about the need for progressive transportation funding and policy. In his words: "If we don't step up to the plate and come up with a solution… our children and grandchildren will have a lesser standard of life than they have today." I think all among us will agree that such an outcome is simply unacceptable. Our national and local leaders must come together to ensure - literally - the proper foundation for the next generation of Americans. Without such intervention, we risk handicapping an entire generation of Americans and our nation's long-term viability.

I am prepared to answer any questions you may have. Thank you.