**Statement of Chairman Christopher J. Dodd**
**United States Senate Committee on Banking, Housing, and Urban Affairs**
**Hearing: "Investing in Infrastructure: Creating Jobs and Growing the Economy"**
September 21, 2010

I call the Committee to order. Today, we are here to discuss how investing in our public infrastructure can help to strengthen our economic recovery and create well-paying jobs for American workers.

In 1955, President Dwight Eisenhower sent a message to Congress. In it, he called on Congress to meet the challenge presented by a national economy that was rapidly outgrowing its capacity to transport people and goods. The result of that message was a monumental federal investment in our national infrastructure--our Interstate Highway System.

Eisenhower's initiative was broad in scope, and bold in conception. It built upon over a century of investments in our railroads, ports, water and sewer systems, and other infrastructure. These investments helped build the world's strongest economy.

Now other nations are catching up and focusing a greater share of resources on infrastructure investment than the United States.  China puts 9 percent of its GDP towards infrastructure projects and India contributes 5 percent.

These countries are focused on providing their citizens with fast, reliable transit options.  They are lowering their reliance on fossil fuels.

They are making investments on the scale that our nation made early in the 20th century—but they are focusing on the needs of a 21st century economy.

We can’t settle for second place.

We need to do better.  This includes passing a long-term surface transportation bill which will remain the backbone of our transportation policy.  Only a long-term bill can give our state and local governments the certainty they need to ramp up investments in our road, transit, and rail infrastructure.  While these investments are vital to the health of our transportation systems, we also need a new approach to infrastructure finance.

A National Infrastructure Bank will build on our nation's legacy of bold, innovative investments in public infrastructure.  It would complement our current infrastructure financing programs in a manner that delivers taxpayers the best bang for their buck.

First, an infrastructure bank would create a competitive, merit-based process to distribute money.  Projects would be subject to cost-benefit analysis to determine their national and regional economic impact.

Second, a well-designed National Infrastructure Bank would leverage state, local, and private funds to support these investments.  With the current system of formula grants, states often simply substitute federal funding for state funding.  The Infrastructure Bank's competitive selection process can reward those projects that best leverage new public or private funding to expand the pie, not just rearrange the slices.

Lastly, it would allow us to shift our focus from the near-term to the long-term.  This will provide opportunities to fund large projects of national and regional significance, projects that require vision and patience. Investments like these will fuel our economy and create jobs over the long-term.

With my former colleague Senator Chuck Hagel, I originally proposed legislation that would have established such a bank on August 1st, 2007. Our announcement received little notice or fanfare—until a few hours later when the tragic I-35 bridge collapse happened in Minnesota. I'd like to applaud President Obama—who cosponsored my 2007 legislation—for his continued support of this important idea.

This is our opportunity to embrace the legacy of big-picture thinking that led to investments on the scale of the Interstate Highway System. By establishing a National Infrastructure Bank, we're affirming our commitment to building a prosperous 21st century economy.

I look forward to today's testimony, and I'd like to turn it over to Senator Shelby for his remarks.