

Who Is Included in Rebuilding America's Infrastructure

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"Rebuilding our infrastructure and communities" is a frequently used and highly oversimplified phrase. The need to rebuild, repair, operate and maintain the infrastructure in our country is, and always will be, an ongoing endeavor.

The problem is that minorities, women, veterans and other groups are seldom the contractors or high-wage earners on these infrastructure projects. What's needed is an effective system to develop partnerships that encourage investment, development and employment opportunities for key projects that improve our communities.

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We all pay the federal fuel tax, as well as state gasoline taxes, so all of us should have an equal opportunity to participate in and benefit from the projects these taxes build”

Wendell Stemley is president of (NAMC) and the CEO of Black IPO Inc



Historically, the primary funding source for the U.S. Dept. of Transportation and its infrastructure projects is an 18.4 cents per gallon gasoline tax and a 24.4 cents per gallon tax on diesel fuel that millions of consumers pay at the pump. These taxes account for nearly \$200 billion annually and are allocated for highway, bridge, public transportation and other projects.

In addition to the federal tax, states also collect gasoline taxes that often are much higher than the federal tax, with some state rates adding as much as 57 cents per gallon to a fuel purchase.

Couple these taxes with airport fees, tolls and so on, and we see that much of America's infrastructure is supported mainly

by consumers—people who should have the right to participate in rebuilding it. The inclusion of all Americans must be a top priority for our local, state and federal representatives and the companies awarded these contracts.

As the financial models for these projects become more creative, including the wider use of public-private partnerships (P3s), we need to ensure that funds are being used for their intended purpose—to rebuild infrastructure—and that all Americans benefit from this funding.

The U.S. DOT's Disadvantaged Business Enterprise (DBE) program was designed to include small business groups on federally assisted highway, transit, airport and transportation-safety projects nationwide. The program embraces the concept of engaging women, veterans, minority and small business owners in the transportation industry as contractors and skilled workers.

As such, the program provides a vehicle for increasing the participation of DBEs in state and local procurements as well. The DBE program also ensures that small disadvantaged business enterprises will have access to federally funded transportation projects. Therefore, DBE contracting opportunities must be preserved on P3s in addition to traditionally funded public projects.

States should also do their part in including small businesses by making provisions for emerging minority-, women- and veteran-owned businesses to participate in their P3 and other projects. In 2017, according to U.S. DOT reports, 23 states and two U.S. territories that received federal tax dollars for their projects did not meet annual DBE program goals.

P3s should continue to build successful, quality projects while allowing diversity to be an integral part of the investment, planning and execution of them. Community Benefits Agreements (contracts between the developer and the state or federal agency approving the project to provide specific amenities) should be assessed and utilized in the discussion and planning of projects that affect local communities. Such amenities do not necessarily provide a monetary return to the developer, but represent an investment in people and may also offset any negative quality of life or environmental impacts caused by the project. A federal standard for domestic- and international-funding partners must be established. In addition, the federal government should determine fair levels for tolls on P3 projects and precisely when the P3 return on investments will be satisfied.

Workforce Development

The U.S. DOT had a workforce development program in 2017 that was not reauthorized under the 2018 federal budget, signed into law in February. We must rethink the loss of investment in American workers if we want to continue developing an essential workforce for future transportation projects.

The National Association of Minority Contractors ([NAMC](#)) also is concerned that America is losing a generation of minority youth because of neglect and indifference. African-American males, ages 18-35, are projected to have the highest unemployment rate in America.

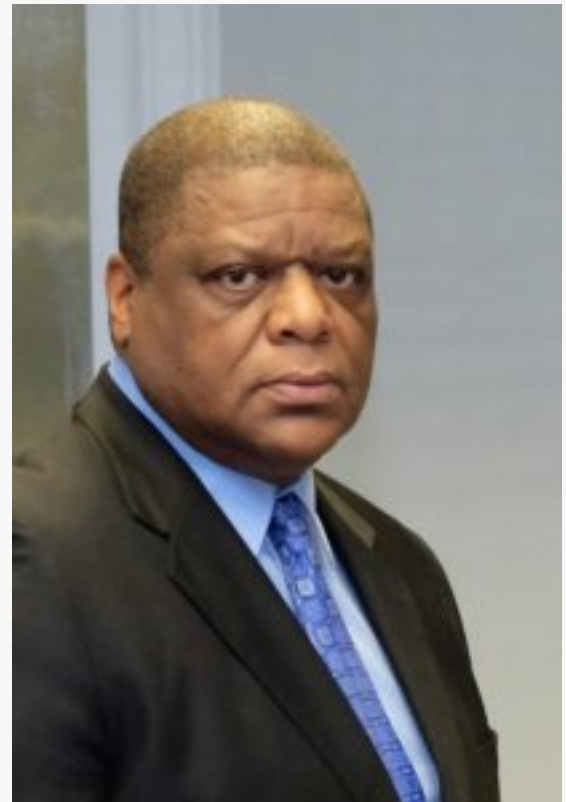
Other minority groups—women, veterans and disabled veterans—also have seen similar disparity and should be included in reestablishing workforce development programs.

The U.S. DOT has estimated that for every \$1 billion in transportation infrastructure investment, 13,000 jobs will be created over the next 10 years. In addition to these jobs, transportation employers will need to hire up to 4.6 million workers, or 1.2 times the current transportation workforce, during the same period. Many of these workers will require skills training to meet job requirements—yet the U.S. DOT workforce development program has been cut.

The number of urban and rural communities being left out of infrastructure rebuilding is daunting. For some state agencies to award billions of dollars of work annually, with certain minority groups receiving less than 1% of those dollars, is unacceptable. Ironically, these groups still pay the 18.4 cents per gallon in federal sales tax to fund infrastructure projects. The FAST Act authorized \$4.5 billion for fiscal years 2016 through 2020, including \$850 million for FY2017—to be awarded by the Secretary of Transportation. These grants from U.S. DOT total nearly



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NAMC President

\$800 million.

President Trump has said he plans to add \$1.5 trillion in public and private infrastructure spending toward the rebuilding of America. Additionally, the nation's roads, dams, airports, water and electrical systems have an immediate need for at least \$2 trillion in additional funding in coming years.

Citizens must get involved with local representatives, such as mayors and city council members, as well as state and [congressional](#) representatives, to ensure that the needs of their communities are included in the infrastructure appropriations. We urge citizens to ask government representatives how the rebuilding of infrastructure will benefit small business, communities, and meet minority-participation requirements.

Please understand: we are talking about taxpayer money. Every time you go to the gas station, you help to fund transportation. We all pay the federal fuel tax, as well as state gasoline taxes, so all of us should have an equal opportunity to participate in and benefit from the projects these taxes build

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