SENATE RESOLUTION No. 109

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JANUARY 26, 2023

Sponsored by:
Senator GORDON M. JOHNSON
District 37 (Bergen)

SYNOPSIS

Urges Congress to establish national infrastructure bank.

CURRENT VERSION OF TEXT

As introduced.

A SENATE RESOLUTION urging Congress to pass legislation establishing a national infrastructure bank.

WHEREAS, The development and maintenance of physical infrastructure including ports, transit, levees, energy, telecommunications, utilities, and broadband contribute significantly to the economy of the United States since an efficient and reliable supply chain and other economic activity are dependent upon that infrastructure; and

WHEREAS, In addition to the overall positive impact on the nation's economy and America's economic competitiveness and influence, infrastructure modernization also benefits the national security of the United States, and Americans' quality of life; and

WHEREAS, The American Society of Civil Engineers (ASCE) estimates a need of nearly $6 trillion over a ten year period for infrastructure improvements and development in order for the United States to meet its infrastructure needs; and

WHEREAS, The National Academies of Sciences, Engineering and Medicine assert that a significant portion of American transportation infrastructure is at the end of its useful life and is further strained by the increasing frequency of extreme weather events; and

WHEREAS, In New Jersey, the replacement or repair of aging infrastructure is particularly important because the State is a major thoroughfare for national and international trade but, in some instances is reliant on century old infrastructure to move millions of people and goods, particularly along the northeast corridor which serves as a significant bottleneck for rail-based commerce; and

WHEREAS, The most recent ASCE report card for New Jersey indicates that only 29 percent of roads in the State are in good condition, only 27 percent of bridges in the State are in good condition; and that there are 229 high-hazard dams; and

WHEREAS, Current funding mechanisms for large scale, long-term, innovative infrastructure projects are limited as project-based federal grants and siloed transportation banks have proven to be insufficient to fill the gaps of our expanding definition of infrastructure; and

WHEREAS, Legislation currently pending in Congress as House Resolution 3339 (H.R.3339) would charter a government-owned national bank that will create capital by trading U.S. Treasury Bonds from private investors for preferred stock with a guaranteed rate of return higher than the U.S. Treasury rate; and

WHEREAS, The new bank would otherwise work in the same manner as a commercial bank, generating wealth from interest on loan repayment by state and local governments and interstate authorities; and

WHEREAS, A government sponsored infrastructure bank is currently the primary funding apparatus for many nations, including our direct economic competitors; and

WHEREAS, The United States has previously relied on national banks at times of great need to spur intrepid production, including the first and second national banks, President Lincoln's national banking system, and the Reconstruction Finance Corporation established during the "New Deal" era by President Franklin Roosevelt, and it must do so again to remain competitive in the global economy; and

WHEREAS, Failure to establish a dedicated, regenerative, nonpartisan funding mechanism for grand infrastructure endeavors would stifle economic growth, public safety, and American quality of life and would limit the ability of New Jersey and other states to move forward on vital infrastructure projects; now, therefore,

BE IT RESOLVED *by the Senate of the State of New Jersey:*

1. This House urges the United States Congress to pass H.R.3339, establishing a national infrastructure bank.

2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Secretary of the Senate to the Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leaders of the United States House of Representatives, and every member of Congress elected from New Jersey.

STATEMENT

This resolution respectfully urges Congress to pass H.R.3339, establishing a national infrastructure bank.

American infrastructure is in dire need of investment, as outlined by the American Society of Civil Engineers and the National Academies of Sciences, Engineering, and Medicine. Increasing frequency of extreme weather events further strains infrastructure approaching the end of its useful life. In New Jersey alone, less than 30 percent of the roads and bridges are in good condition. As host to a large portion of the northeast corridor, New Jersey moves national and international trade, and millions of people each day along deteriorating structures.

Nationally, broadband access, modernization of the energy grid, and remediation of the water supply systems are of paramount importance. Economic vitality, national security, public safety and quality of life, are dependent on sound infrastructure. Current funding mechanisms do not address the scope of the need. Direct competitors of the United States rely on an infrastructure funding method invented and previously used by America.

H.R.3339 addresses funding shortfalls for large, innovative infrastructure projects by establishing a national infrastructure bank, perpetually generating funds in a manner similar to a commercial bank. A dedicated, regenerative, nonpartisan funding mechanism is required to remedy inadequacies in our energy grid, transportation and other systems, in addition to preparing us for a future of increasing extreme weather conditions.