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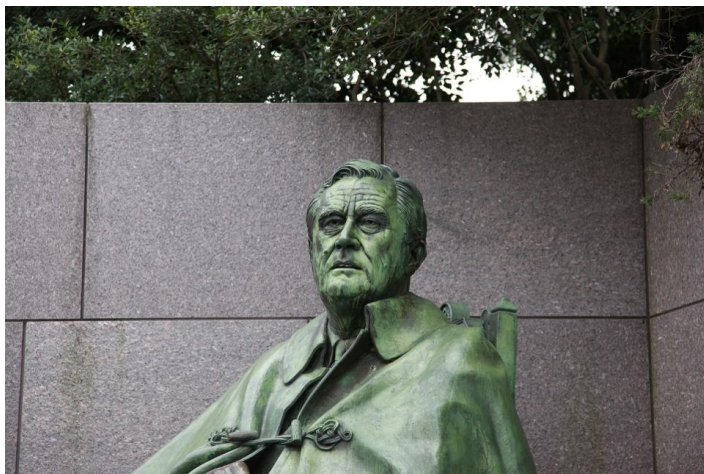
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## An American Infrastructure Fantasy: Why The Choices Shape The Future Of The Nation

Let's just assume for a moment that there was bi-partisan agreement on a national infrastructure initiative. That's a big assumption, but just go with it for a moment. Let's further assume that the plan provided vast funding, not just tax breaks but also a major helping of federal dollars in the form of direct spending as well the kind of loans and revenue guaranties that supporters of a national infrastructure bank seek.

In this fantasy, assume that repair and maintenance of our existing infrastructure is a given. No more Flints and no more collapsing bridges. That in a proper infrastructure plan, bringing the existing inventory up to standards would just be ante. And finally assume that all those pesky regulations that slow projects, like onerous environmental studies and expensive work rules, could be sufficiently rolled back such that we could actually do something the way we did, say, in the day of Franklin Roosevelt's Works Progress Administration, the last major multi-pronged national infrastructure building campaign.



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This is the dream of the administration's plan. A dream in which we actually "build things" in America. Like a trillion dollars worth of stuff. I have two questions: what would we build and who would make that decision?

Let's look at this by separating out two major asset classes within infrastructure, because infrastructure is many different things, including transportation, energy, water, public safety, telecommunications, social infrastructure such as health and education, and parks and recreation, among other things. But let's just focus on transportation and energy.

Let's first talk about the what. In transportation, will we build roads or rail? Or more specifically, will we enable more cars or encourage mass transit? In rail, are we building more commuter trains or inner-city systems? Basically, are we facilitating more urban lifestyles or suburban communities? Do we care about tailpipe emissions? Which begs the question of whether we accept the science that humans are a cause of climate change. Or do we believe that we are fast approaching an electric car future charged by renewable power?



*An electric Tesla car is on display ahead of the start of the first edition of the e-Rallye Monte-Carlo outside of the Fontainebleau castle in Fontainebleau. The eRallye Monte Carlo is taking place from October 12 to 16, 2016. / AFP / BERTRAND GUAY (Photo credit should read BERTRAND GUAY/AFP/Getty Images)*

Let's not dwell on these minor questions, but push on. In longer haul domestic transport, are we building high-speed rail or more runways for regional flights? Sorry we're back to climate change, unless we're confident about bio jet fuel or solar powered aircraft. What about hyper-loops instead?



*The Delft Hyperloop vehicle team from the Netherlands load up their pod during the SpaceX Hyperloop competition in Hawthorne, California on January 29, 2017. Students from 30 colleges and universities from the US and around the world are taking part in testing their pods on a 1.25 kilometer-long Hyperloop track at the SpaceX headquarters. / AFP / Gene Blevins (Photo credit should read GENE BLEVINS/AFP/Getty Images)*

*Looking at energy, it's hard to avoid climate change as a central concept. Are we building gas pipelines or smart grids that facilitate distributed solar generation? Are we building utility scale solar or nuclear power or basic infrastructure in and around shale gas formations?*



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That's enough for now about the what. Now for the who. Are we letting the private sector make these decisions, say about pipelines and distributed solar, encouraged by outcome neutral tax abatements or are we betting on favorites? Are decisions about commuter rail being made in Washington, state capitals or city hall?

Are we trying to get the Federal government out of the way of private entrepreneurs and returning decision making to the states, or is there a recognition that regional master planning is required for transportation patterns and power grids that cross state lines.

I'll take a position on all this. There is no one size fits all answer to these questions. Each asset class and indeed each region is distinct in its needs and its history and the United States is not China where a relatively clean slate and strong central government facilitate massive undertakings on a systematic basis.