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Why The Future Of American Infrastructure Is Private



Joel Moser Contributor
Energy



Commuters walk from the G train line to the E and M lines at the Court Square subway station in the Queens borough of New York, U.S., on Wednesday, Dec. 20, 2017. New York's Metropolitan Transportation Authority decided to close the L line entirely to work on extensive repairs full time, instead of a one-track-at-a-time closing that would take three years. The tunnel, which carries passengers under the East River from Brooklyn to Manhattan, will close for 15 months in April 2019. Photographer: Victor J. Blue/Bloomberg

The Deputy Attorney General may get fired this Thursday, the same day that the Senate Judiciary Committee will hold a hearing on one or more sexual assault claims against a Supreme Court nominee. It must be Infrastructure Week again in America!

All one needs to do is to read the headlines this week, or last week, or the week before that, to understand why there is never a sustained national focus on planning and funding these costly long lead-time undertakings. Like a family in crisis which has no time to think about replacing the roof of the house, America hasn't had the time or energy to stay focused upon infrastructure since President Eisenhower built the interstate highway system—a half century ago. Yet we have plenty of time to fret about the effects of this neglect, from slow commutes and streets with pot holes to impure water and power transmission system that sit unprotected from terrorist threats.

Will Americans manage to stay focused on these long-term challenges and collectively decide to tax or toll themselves to pay for the cost of their repair and improvement? Unlikely. So while China undertakes in Belt and Road plan, not without its own challenges, America is likely to struggle on, fighting culture wars at home and cold wars, old and new, abroad.

Some things will get repaired—after they collapse—and some things will get built, here and there. But it is highly improbable that the United States will undertake any sort of building effort of the sort that the challenge demands. And to be clear, the challenge is real. Not just the deferred maintenance issues that are obvious, but the long-term planning and building challenges of population growth and increased urbanization, reduced reliance upon fossil fuels and climate change resiliency.

Nothing beats top down planning and funding for these kinds of national issues, but in the absence of focused government attention, the private sector will increasingly identify business opportunities. These are not likely to be full-blown “PPP” transactions that require major government involvement but, rather, private sector investments into assets that are associated with revenue generation such as power transmission and storage, rail transportation and port facilities as well as “smart city” urban investments in ride share, distributed power generation and continued improvements in telecom.

It would be nice if elected officials were to act responsibly and lead these critical undertakings, but in the absence of that kind of initiative, it's worth remembering that the New York City subway system was originally developed in segments by private developers. It's beleaguered riders today may wish that private businesses were still in charge.

Joel Moser is Founder and CEO of Aquamarine Investment Partners, an Adjunct Professor at Columbia University (International and Public Affairs) and a member of the Council on Foreign Relations.



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I am Founder and Chief Executive Officer Aquamarine Investment Partners, a real asset fund focusing on energy, infrastructure and core real estate, www.aquamarinecapital.com. I am an Adjunct Professor at Columbia University School of International and Public Affairs where m...

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