

Takeaways

Revitalizing America

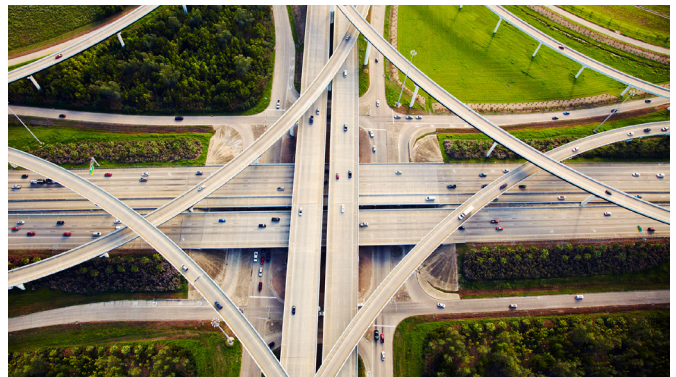
Engaging civic capital for US infrastructure

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In the latest *Revitalizing America* report, UBS Wealth Management Americas takes stock of the current infrastructure system in the United States and considers policies for effectively addressing the challenges of modernization. Below we summarize the key points and takeaways from the [full report](#).

Takeaways

- We envision a multi-pronged approach for harvesting the growing base of capital in sustainable investments, environmental finance, impact investing, and other investment communities around the globe.
- To effectively engage civic capital, an infrastructure program will need clearly defined goals, concrete deliverables, effective measures of success, and tangible payoffs for investors.
- Government spending should prioritize areas where social benefits far outweigh the available return on investment and review current programs for opportunities to engage complementary private capital on existing projects.
- In order to maximize the resources available to fund our nation's civic capital, it will be important to identify opportunities to tailor projects to account for these investors' objectives and hurdles.
- It will also be essential to consider mechanisms for applying leverage (through government guarantees, tax preferences, or matched spending) to expand the impact of each dollar invested.



Defining the mandate

Policymakers must develop a set of priorities and principles to ensure that resources are used efficiently to achieve the highest impact. Any infrastructure plan must address the following questions:

- How will various infrastructure needs be prioritized?
- Which projects are best funded through traditional public channels?
- Which projects lend themselves best to the leveraging of private capital?
- How can we most effectively engage and utilize private sources of capital?
- Which criteria should be avoided to allow for private capital to be efficiently deployed?
- What outcome is being optimized through each of these projects and initiatives?

Policy prescriptions

In order to effectively engage civic capital and address inefficiencies, policymakers should consider strategies for improving coordination across the full breadth of infrastructure projects.



Cut the red tape

Mandate an accelerated review process for projects of national significance. Identify one lead agency for each project with responsibility for coordinating all permitting among federal agencies. Eliminate sequential permitting requirement.



Ease obstacles to private sector investment

Increase the maximum size of bank qualified bonds issued for new money infrastructure investments. Raise the volume caps for private activity bonds. Allow proceeds from privatization to be used on other infrastructure projects with tangential benefits to project operations.



Improve Federal-State coordination

A partnership between the FCC and states, through the Federal-State Joint Boards, is vital to ensuring that minimum standards (service availability, affordability, reliability, quality, public safety, and privacy) are being adopted and defined on a federal level, but with states' input.



Remove unnecessary conditions

Remove conditions that intend to promote some other type of perceived utility, but otherwise detract from core focus of the project.



Foster community-driven solutions

Encourage the use of public benefit corporations to sponsor the repair and restoration of public spaces.



Coordinate infrastructure projects

Encourage cost synergies by identifying grants and programs where fiber optic cable can be installed alongside road construction and repair, or in conjunction with other infrastructure projects such as water and electrical grid installation.



Engage private wealth

Establish a national infrastructure fund for a limited number of projects of "national significance" that would offer tax advantages to individuals who make investments.



Broaden private engagement in mass transit

Promote public bidding for private sector operation of municipal bus routes and construction of light rail lines on public rights-of-way.



Revisit Build America Bonds

Allow state and local governments to issue taxable bonds and receive an annual federal subsidy toward the payment of debt service. Protect the subsidy from future sequestration. Promote the bonds to overseas investors.

To read the full report (Revitalizing America: Engaging civic capital), [click here](#).

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