



American Infrastructure and the Small Business Perspective

Hearing

Wednesday, April 25, 2018

Committee on Small Business

U.S. House of Representatives

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* On behalf of the American Society of Civil Engineers

Ms. Marsia Geldert-Murphey is the Chief Operating Officer for W. James Taylor, Inc. as well as an engineering executive with over 25 years of experience of directing and supervising civil engineering and construction projects related to transportation, utility capital improvements, rail, site development, federal installations, commercial and industrial development. After graduating from college, Ms. Geldert-Murphey started her career at the Illinois Department of Transportation as the assistant resident engineer for a cable-stay bridge construction project over the Mississippi River. In 2006, Ms. Geldert-Murphey founded and built an entrepreneurial venture from start-up to \$8 million in revenue in five years. In 2013, Ms. Geldert-Murphey founded Sequoia Engineering & Environmental, which was acquired by Gonzalez Companies. In 2018, Ms. Geldert-Murphey joined W. James Taylor, Inc. a women-owned industrial and commercial roofing contractor and a small business, as its chief operating officer where she is responsible for development, design and operation of their management systems.

Ms. Geldert-Murphey holds a Bachelor of Science in Civil Engineering from South Dakota State University and a Master of Science in Civil Engineering from Missouri University of Science and Technology. She is also a licensed Professional Engineer in six states.

Ms. Geldert-Murphey has the honor of serving as a member of the Board of Direction of the American Society of Civil Engineers (ASCE). Founded in 1852, ASCE is the nation's oldest national engineering society and represents 150,000 civil engineering professionals who serve as stewards of infrastructure here in the U.S. and around the globe. Over half of ASCE's members work for private engineering firms, a majority of which are small businesses.

ASCE appreciates the opportunity to educate the Small Business Committee on the state of our nation's infrastructure, how the lack of action adversely impacts the business community, and the need to invest in our infrastructure in order to make us competitive in the global marketplace. We know that investing in infrastructure is essential to support healthy, vibrant communities. Infrastructure is also critical for long-term economic growth, increasing U.S. Gross Domestic Product (GDP), employment, household income, and exports. The reverse is also true – without prioritizing our nation's infrastructure needs, deteriorating conditions are a drag on the economy.

For the last 20 years, ASCE has been a leading voice in educating the public and policy makers on the condition of the nation's infrastructure. Every four years since 1998, ASCE has prepared a comprehensive assessment of the nation's 16 major infrastructure categories in its *Infrastructure Report Card* (www.infrastructurereportcard.org). Using a simple, familiar A to F school report card format, the Report Card examines current infrastructure conditions and needs, assigning grades and making policy recommendations to raise the grades.

In ASCE's *2017 Infrastructure Report Card*, our nation's cumulative infrastructure grade was a "D+." Poor grades reflect the underinvestment and underperformance in our infrastructure. Our nation faces an infrastructure investment deficit of \$2 trillion over the next 10 years – and the total investment needed is nearly \$4.6 trillion. The investment gap has led to deficient roads and bridges, water main breaks, inadequate ports and inland waterways, late flights, and so much more. Failing to close this infrastructure investment gap brings **serious economic consequences**.

Businesses of all sizes are directly impacted through this lack of investment in our nation's infrastructure. Increased costs of production are often due to electricity, water/wastewater and surface transportation inefficiencies. This increased cost of production leads to declining exports and declining consumer spending.

Households will feel this impact as fewer jobs are available; resulting in lower disposable income, which directly affects small business. This results in a less productive economy as more money is needed to address problems caused by poor infrastructure. As more income is diverted to transportation, electricity, and water/wastewater, less discretionary income is available for "lifestyle" purposes (entertainment spending and retail—including high-end consumer products).

As ASCE highlighted in its 2016 economic study, *Failure to Act: Closing the Infrastructure Investment Gap for America's Economic Future*, if this investment gap is not addressed throughout the nation's infrastructure sectors by 2025, the economy is expected to lose almost \$4 trillion in GDP, resulting in \$7 trillion in lost business sales and a loss of 2.5 million jobs in 2025. On top of those costs, hardworking American families lose upwards of \$3,400 in disposable income each year—about \$9 each day due to the underperforming infrastructure.

Our nation is at a crossroads. Deteriorating infrastructure impedes our ability to compete in the thriving global economy, and improvements are necessary to ensure our country is built for the future. While we have made some progress, reversing the trajectory after decades of underinvestment in our infrastructure requires transformative action from Congress, states, infrastructure owners, and the American people. However, there are solutions to fixing our national infrastructure deficit.

If the United States is serious about achieving an economy fit for the 21st century, some specific steps must be taken, beginning with increased, long-term, consistent infrastructure investment. To continue to delay such investment only escalates the costs and risks of our economy. To close the \$2 trillion 10-year investment gap and compete against growing economies such as China and Brazil, we must increase investment from all levels of government and the private sector from 2.5 percent to 3.5 percent of GDP by 2025. We must begin with the following steps:

- Protect the competitive procurement of A/E services. In 1972, the Brooks Act established the use of Quality Based Selection (QBS) which bolters small business interests by providing services not solely based on cost but on qualifications, increasing small business' competitive edge, allowing small firms to compete with large firms.

- Fix the Highway Trust Fund by adding 25 cents to the federal motor fuels tax. The current user fee must be raised and tied to inflation to restore its purchasing power. This idea has been led by the U.S. Chamber of Commerce and would provide a much-needed infusion of \$375 billion over ten years and combat the \$1.1 trillion investment gap of surface transportation capital needs.
- Authorize and fund programs to improve specific categories of deficient infrastructure and support that commitment by fully funding them in an expedient, prioritized manner.
- Infrastructure owners and operators must charge, and Americans must be willing to pay, rates and fees that reflect the true cost of using, maintaining, and improving infrastructure.
- Recognize that some elements of transportation policy (e.g., freight corridors and ports) will require a more strategic focus from the federal government.
- Finally, small businesses will benefit from streamlining the project permitting process. ASCE favors the idea of “One Agency, One Decision” removing duplicative permitting efforts among agencies, and working to reduce the time to reach decisions on projects. However, in many cases, the lack of funding is a primary reason a project is delayed. That should not be lost during these conversations.

We must take these steps to ensure all businesses, and especially small businesses can thrive in the competitive global marketplace. When Congress is successful in crafting legislation to increase investment in infrastructure, that increased investment will not only benefit engineering firms, but any small business that relies on infrastructure for its livelihood.

For the U.S. economy to be the most competitive in the world, we need a first-class infrastructure system—transport systems that move people and goods efficiently and at reasonable cost by land, water, and air; power transmission systems that deliver reliable, low-cost power from a sustainable range of energy sources; and water systems that protect public health.

Small business is an engine of economic growth and job creation, that count on a reliable and consistent demand for their products and services. The capacity and resiliency of our infrastructure system, whether it is our electric grid, telecommunications network, water, wastewater, inland waterways, roads, aviation or rail is the fuel that feeds that economic engine.