

May 17, 2017



Open Letter to Congress: Support “Open Competition” in Infrastructure Projects



To Members of the U.S. Congress:



As the 115th Congress considers ways to support revitalization of America’s infrastructure, we ask that the free market principles of transparency, competition and cost effectiveness be incorporated into all appropriations or authorization legislation related to infrastructure projects. **Specifically, legislation should include language that clearly requires an open, competitive bidding process for materials that will be used in infrastructure projects.**



There is bi-partisan agreement in Congress that the country’s transportation energy and water infrastructure is insufficient, outdated, or in need of repair or replacement. By allowing for an open and competitive bidding process, project managers and engineers will be better able to evaluate different options and select materials for infrastructure projects that enhance performance, durability, and reduce costs to taxpayers.



Much of the federal funds devoted to infrastructure flows from the federal level to state, county, or local agencies and is applied to projects that are managed locally. Within this flow of funds issues of economic inefficiency arise due to the fact that many states, counties, and localities limit or direct which materials can be used in publicly funded infrastructure and construction projects.



These government imposed restrictions on materials in infrastructure and construction projects were often put in place to appease special interests by preventing competition in the bidding process. Alternatively, such restrictions were enacted decades ago when lawmakers could not fathom the advancements and innovations in infrastructure materials that have taken place in recent years.



These restrictions on competition in the bidding process for publicly funded infrastructure and construction projects prevent new and innovative materials that can prove safer and more efficient from even being considered. In turn the costs of public infrastructure projects can be artificially inflated by outdated materials, wasting billions in taxpayer dollars.



A recent study released by the National Taxpayers Union (NTU) found it would cost \$1.32 trillion to replace the nation’s entire aging water infrastructure. **It is projected that allowing open competition for materials in just water infrastructure projects could save over \$371 billion in taxpayer funds.** A separate study conducted by Massachusetts-based BCC Research found removing barriers to competition could save up to 39 percent per mile in pipe costs alone.



Furthermore, the concept of open competition is not limited solely to energy and water infrastructure, but can be applied to numerous other aspects of publicly funded infrastructure projects that have been limited for decades by protectionist and outdated restrictions on materials.





A modern, strong and efficient infrastructure system is essential to a growing economy. While maintaining and updating infrastructure is both complex and expensive, requiring open competition in infrastructure procurement is a common sense way for members of Congress to fulfill their obligation to act as responsible stewards of taxpayers' dollars.



We urge you to support requiring open, competitive bidding procedures for all materials in government funded infrastructure grant programs and procurement processes in future appropriations and infrastructure legislation.



Sincerely,



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Americans for Tax Reform

Marc Scribner
Competitive Enterprise Institute

David Williams
Taxpayers Protection Alliance

Tom Schatz
Council for Citizens Against Government Waste



James L. Martin
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