Let's Hold the Federal Government Accountable to Health and Equity When Investing in Infrastructure

This resource, produced by Public Health Awakened, is intended to help public health professionals take action to protect health and equity as these proposals move forward.

In here, you will find:

- An introduction: the need for infrastructure improvements and proposed plans
- Action steps for public health professionals
- An overview of consequences from the proposed move to privatize infrastructure
- An explanation of how infrastructure has been funded in the past and tradeoffs of privatization

Why the outcry — doesn't our aging infrastructure need support?

There are bipartisan calls to fix the nation's roads, drinking water, energy, hazardous waste sites, railways, transit, airports, broadband, levees, and more that unquestionably shape health (see the American Society of Civil Engineers 2017 report card). For example, an estimated 56,000 bridges are structurally deficient, nearly one-third of the nation's roads are in poor condition, and our aging water system, while of high quality overall, still has alarming cases like lead poisoning in Flint, MI and loses 1.7 trillion gallons of treated drinking water each year to leakage (Environmental Protection Agency, 2016). However, the combination of minimal federal contribution, greater local and state financial responsibility, and privatization of infrastructure development means that such progress may not come efficiently, or fairly.

The aforementioned executive order weakens environmental standards that required recipients of federal funds to account for climate change and sea-level rise impacts in building infrastructure. This is the latest effort to undo President Obama's climate change agenda, and risks infrastructure projects not being built to endure flooding, only adding to the pressure we face with our aging infrastructure (Washington Post, 2017; New York Times, 2017).

From what we know so far, the infrastructure proposal likely *does not* guarantee federal investment in modernizing public school buildings, critical infrastructure to help communities withstand natural disasters, investments in public and tribal lands, and broadband, as proposed in a $1 trillion infrastructure blueprint released by Democrats in February 2017. And, it may not include housing, or private prisons and jails as has been speculated (Huffington Post, 2017; The Hill, 2017). Although many of the details of this proposal, including the role of local, state agencies and private companies remain to be announced, history tells us that a lack of federal investment in infrastructure and environmental health standards is hazardous to communities.

Actions to Ensure Infrastructure Investments Don't Harm Health

Once a solidified infrastructure proposal is released, we will call on public health professionals to get activated to make sure harms to health and equity are prevented as much as possible. Here are the kinds of things we will need to do:

Provide a public health frame.

Locate community organizing groups in your area focused on infrastructure efforts and provide them with data, examples, and stories about the potential impacts to health and equity of reduced regulation and of privatization. Partner with an activist to write an op-ed about how proper government regulation protects health and equity when it comes to infrastructure — as we have recently seen, poor infrastructure planning mixed with the effects of climate change ends up affecting people of color and low-income families the most.

Use regulatory power and authority to ensure health and safety in implementing infrastructure projects.

The regulatory authority of state, local, and tribal health agencies varies by place; however, inherent to that authority is a professional commitment to protect and promote public health (Mitchell Hamline School of Law, 2015). Health agency staff can remind colleagues of this authority and commitment when encouraging action around infrastructure. Public health professionals at external organizations can work with staff at government departments or agencies to find ways to support them in exercising this authority.

Reach out to elected officials — repeatedly and often.

Write a joint statement from a number of organizations if the Administration releases an infrastructure plan that favors private investors; call and visit the offices of elected officials at the Congressional and local levels; or attend public events such as Town Halls. Speak as a constituent and an expert. Inform your elected officials about how pending decisions would impact health and equity. You can use the content in this brief as a starting point and add local examples of what could happen and who would be impacted.

Ask elected officials hard questions if they are talking about privatization or a public-private partnership.

See In the Public Interest, 2017 pages 6-10 for questions to demand elected officials answer about how an infrastructure project was chosen, will be funded, what it means for the government budget and workforce, costs to the public, and potential conflicts of interest. Also demand monitoring and accountability, especially if regulations are being pared back in privatization agreements.

Find research and organizing partners.

Contact organizations that research or organize around healthier infrastructure, and offer to contribute your skills or knowledge. For example, the nonpartisan research institute the Center on Budget and Policy Priorities is writing about how the President's plan will fail to create projects in places that need them most. Reach out to organizing groups like the Center for Community Change about targeting key legislators to call for an infrastructure plan that protects health and equity. Join the Union of Concerned Scientists' Science Network watchdogging efforts for attempts to dismantle evidence-based decision making, and how to use your expertise to defend public health and safety protections.

Evidence for Why Public Health Should Take Action

Below is what could happen to health and equity if private investors are unchecked or if public services are largely privatized, and how certain communities may be inequitably impacted.

Climate change effects on health will be exacerbated.

- Climate change is a major public health threat, and people in poor communities are disproportionately affected by extreme weather, such as hurricanes, severe flooding, heat waves, and tornadoes (Center for American Progress, 2015). On March 28, President Trump rescinded President Obama's Climate Action Plan, which included infrastructure projects that would better prepare communities for the impacts of climate change (The White House Press Office, 2017).

- Infrastructure has the power to "work for us" in adapting to climate change, but only if it is designed to do so. President Trump's recent executive order to roll back the Federal Flood Risk Management Standard does exactly the opposite of what we need to protect health and equity: it exacerbates the risks associated with extreme weather events and flooding — which climate scientists say are much more likely to occur in the future. It also saddles the federal government with the burden of paying for flood damage, rather than requiring private developers to mitigate those risks up front (Washington Post, 2017; New York Times, 2017). Consider the health and financial costs of recent hurricanes - Harvey and Irma - and how much lower those costs might be if, for example, highways were built above flood levels.

- Infrastructure projects offer an opportunity to rebuild systems to protect worker and community health, to improve our collective long-term future by reducing threats to the climate, and to build a more resilient system for the future (BlueGreen Alliance, 2017). The public sector—more than the private—is incentivized to accomplish long-term, mission-oriented change (Mazzucato, 2015). Private firms will look for short-term profits, at the expense of long-term projects such as vital shifts toward green infrastructure that may be key to reducing threats to the climate.

Health risks will be greater if agencies and regulations that enforce current health and safety protections are weakened.

The Trump Administration has released a long list of environmental and health-protecting regulations it wants to review, revise, rescind, or delay. The list includes historic laws such as the Clean Power Plan, Clean Water Rule, and rules around oil and gas drilling (Earthjustice, 2017). Some bills Congress is specifically considering include:

- HR 861: eliminates the US Environmental Protection Agency (EPA) — the agency in charge of ensuring that states maintain the quality of water and air, for example.

- REINS Act (HR 26): dismantles the regulatory system by expanding Congressional oversight and require Congressional approval of agency level decision making.

- Regulatory Accountability Act (HR 5): requires agencies to base a rule on minimizing costs to industry rather than scientific evidence of effectiveness or impact on public health.

If these changes go into effect, the agencies responsible for oversight of what is likely to be included in an infrastructure proposal will be weakened. It is hard to imagine how these agencies will be able to hold private investors accountable for the safety of the infrastructure they build, maintain, or manage.

Critical projects impacting health may not be funded.

Public infrastructure includes more than highways, bridges, water systems, and energy — all of which could generate money for private investors. Public infrastructure also includes school buildings, Veterans Affairs and tribal hospitals, local transit, public housing, and resiliency programs that help communities better withstand extreme weather and other disasters. By overlooking or underfunding these critical projects, the Trump Administration and Congress will imperil the health and safety of millions of Americans. Consider this:

- Children in poor communities, such as Philadelphia, PA; Maxton, NC; and Akron, OH, are more likely to attend public schools in need of repair than their wealthier peers. These children may be exposed to poor indoor air quality, hazardous materials, leaky roofs, and inadequate heating and cooling systems. Local taxpayers bear the greatest burden for improving school facilities; the federal government has historically contributed little to school facility capital construction projects (State of Our Schools: America's K–12 Facilities).

- Projects that yield a profit for private firms will drive decisions about which projects to build, rather than need driving those decisions. Plans described so far by the President have no requirements that private investors prioritize projects in communities that have faced disinvestment and crumbling infrastructure, so places with the greatest need may be ignored (See New Republic, 2016; Center on Budget and Policy Priorities, 2016).

Communities where people already struggle to make ends meet will likely pay more money to meet basic needs.

Privatization can lead to individuals and families paying higher rates for services. Higher monthly bills mean less money for other areas of life that sustain health — like food, childcare, or healthcare — and can lead to people losing their homes. For example:

- Residents of Apple Valley, CA; Rialto, CA; and Bayonne, NJ saw sudden increases in water rates, by as much as 28%, when their water systems changed from public to private hands. Households experienced early steps toward foreclosure when they were unable to pay the higher water bills.

- A recent report found that private utilities charge 59% more than local government for drinking water (Food & Water Watch, 2016).

- Even in partnerships between public and private investors, private sources typically recover their costs through fees to people who use the infrastructure (The Brookings Institution, 2016).

The income inequality gap will grow larger.

Privatization will benefit very wealthy investors rather than the middle income workers who actually build and operate critical infrastructure. For example:

- Corporate investors are often assured an amount of revenue as part of investment deals. Meanwhile, there is no guarantee that people who work on infrastructure projects will earn a living wage, that local employees will be hired, or that workers will be hired in industries such as coal that increasingly lean toward automation (The New York Times, 2017).

- The private sector is less likely to employ unionized workers, even as public health research points to better health outcomes in states without right-to-work laws that limit union power (Health Affairs, 2016). Worker rights nominally protected under the Occupational Safety and Health Administration (OSHA) might also be jeopardized.

- In Ohio and Missouri, workers saw wage cuts after private companies took over bus line maintenance and operations (In the Public Interest, 2014; Center for Community Change, 2017).
- In Pittsburgh, PA a private company that took over managing daily operations of a water utility fired nearly two dozen people after public promises they would not (Mother Jones, 2016).

Government will pay more money in the long term.

Public money is likely to be used to set up complex legal agreements for public-private partnership or privatization that ultimately costs more money. This is especially true of long-term agreements, given future uncertainties and the risks of bad deals growing exponentially over time (U.S. PIRG Education Fund, 2009).

- Hiring financial and legal advisors that ensure a fair agreement can be expensive, and there is no clear understanding of what these agreements mean for public sector costs in the long term, and whether governments will get back more than they are giving up (Government Accountability Office, 2008).
- A summary of 17 studies found that privatized water services do not bring cost savings (Warner, 2011).
- An investigation into private companies running federal prison facilities found that any cost savings are outstripped by the additional costs of monitoring the companies, dealing with management problems, and lawsuits. Moreover, private prisons have been plagued by stories of inadequate care where people die prematurely (The Nation, 2016).

Resident and worker health will be sacrificed for investor wealth.

Private companies motivated by short-term profit do not have to guarantee that they'll build, maintain, and operate safe and high quality infrastructure. This can mean disasters that cost far more in money and human health in the long term. For example:

- In Pittsburgh, PA 17% of homes had high levels of lead in tap water after a private company took over daily operations of water (Pittsburgh Post-Gazette, 2016).
- In Plymouth, MA millions of gallons of raw sewage spilled onto land after the same private company took control of operations (Attorney General Maura Healey, 2016).

Considerations for Public vs. Private Investment

Historically, public funding fueled most infrastructure development in the US, particularly for road and water projects. However, the private sector was involved in funding electricity, phone and broadband, and especially rail networks (US Department of the Treasury, 2014, Government Accountability Office, 2008). When private investors funded infrastructure, it was often with oversight from public regulators.

Recently, the government has encouraged more private funding of infrastructure. For example, under the Obama administration, the US Environmental Protection Agency encouraged communities unable to maintain their water systems to partner with private entities (US Environmental Protection Agency, 2015).

While we await a proposal, a Trump advisor's 2016 report offers a glimpse of what's to come, suggesting the President's approach will rely heavily on generous tax credits to attract private investment. Nothing said so far requires investors to put resources towards projects that they wouldn't otherwise have funded. In other words, it's possible these tax credits will subsidize profitable projects that private companies are already planning to build. (Center on Budget and Policy Priorities, 2016).

An important question is how private involvement affects whether the people who use water systems or roadways can afford them, and how places in great need get infrastructure investments even if it's not profitable to investors (In the Public Interest, 2017). Often, investors are assured revenues as an incentive to invest in a project — whether or not the project is profitable — which can come at the expense of residents, workers, local governments, and health (The New York Times, 2016).

What are the tradeoffs of privatization?

Beyond investing capital, the private sector can manage day-to-say operations and maintenance of public infrastructure. Proponents of large private sector involvement in infrastructure projects argue that it brings advantages to local government. Opponents say tradeoffs outweigh benefits, particularly if agreements are poorly designed (Government Accountability Office, 2013; Government Accountability Office, 2008; Center on Budget and Policy Priorities, 2016; The Brookings Institution, 2016).

Possible advantages are:	Possible disadvantages are:
• Faster building of facilities or upgrades • Access to alternative, non-government financing sources • More efficient cost, operation, and management • Access to expertise and technology • Up-front payments to municipalities • Space for local governments to focus on their other functions	• Public and political opposition - for example, after water rate hikes or higher tolls • Lost municipal control over a project • Higher financial costs - for example, for projects that borrow with private financing, for projects that have difficult contracting, or for projects that have legal issues • Logistical challenges in combining public and private financing • Lack of experience with public-private partnerships • Investors get paid even if a project is not profitable • Lost opportunities for systemic innovations oriented toward equity and sustainability, which depend on long-term, public incentives • Lost consumer protections if regulations are simultaneously rolled back

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