

# AFSCME

## Legislative Fact Sheet

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## Infrastructure Banks

### Background

President Obama and members of Congress have recommended the creation of a new national infrastructure bank. The bank would provide loans, loan guarantees and issue bonds to finance new projects. While the President's proposal is focused on transportation, similar congressional proposals are broader and include public housing, drinking water and waste water systems. As presented, the bank is intended to supplement but not replace other federal support for infrastructure with a focus on projects of national or regional importance, especially those which can attract new private investment.

### AFSCME's Position

AFSCME strongly supports federal investment in improving our nation's critical infrastructure to strengthen our competitiveness, expand our economy, improve our communities and create good jobs. While we have not taken a position on specific infrastructure bank proposals, such a bank should focus on improving and developing publicly owned and operated infrastructure with an explicit prohibition on the direct or indirect financing of projects that will result in the privatization of publicly owned facilities. Projects that are associated with existing publicly owned infrastructure should continue to be publicly owned and operated.

As a union representing public workers who maintain and operate the types of infrastructure targeted for improvement with the support of bank financing, we are concerned that existing workers not be inadvertently displaced or otherwise harmed through a change in operations or management as a result of a project. We believe the bank enabling legislation must include protections similar to those offered to transit workers when federal funds support their agencies.

We share President Obama's view that when public funds are involved it is inappropriate for private contractors to oversee the work of other private contractors. Thus the legislation should provide for project oversight and inspection to be undertaken by public agency staff, whose sole allegiance is to the public interest.

Finally, the selection of projects by the bank should be an open process that provides the public with adequate time and sufficient information to carefully review the proposed financing and to comment on the merits of the project prior to any commitment of funding.

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