Common Good Updates the Cost of US Infrastructure Delays

Costs Have Risen $200 Billion Over Five Years to Nearly $3.9 Trillion

May 2018 — In 2015, Common Good published a report, “Two Years, Not Ten Years,” which concluded that delays associated with infrastructure permitting in the United States impose costs that are comparable to those required to upgrade the nation’s infrastructure. As the United States struggles to determine how best to pay for infrastructure improvements, Common Good has updated our report, revealing that the costs have grown still further – an increase of nearly $200 billion in five years, or $40 billion per year.

The calculations in the 2015 report drew heavily on data provided by the 2012 “Infrastructure Report Card” of the American Society of Civil Engineers (ASCE). Since then, the ASCE has released a 2017 edition of the Report Card, with new cost estimates across most of the categories of infrastructure addressed in “Two Years, Not Ten Years.” Common Good has, therefore, rerun many of our previous calculations to incorporate those more recent figures.

Though several categories have remained unchanged, in part because the ASCE did not produce newer numbers, others have shifted since 2012. Energy costs, for instance, which now reflect a combination of Transmission and Generation figures, have declined somewhat. The decline is due in large part to the burst of renewables development toward the end of the Obama administration.

However, costs for Roads and Bridges and for Water infrastructure have both increased since 2012, reflecting another half-decade in which decay outpaced investment. These increases more than matched the drop in Energy costs, leading us to conclude that, since the publication of our previous report, the cost of delay has risen from about $3.7 trillion to nearly $3.9 trillion. That’s an increase of nearly $200 billion between 2012 and 2017. This overall total includes direct costs associated with construction delays plus economic and environmental costs of failing to upgrade America’s dilapidated infrastructure. The total approaches in magnitude the entire US infrastructure backlog of $4.6 trillion.

It’s important to note, in this regard, that the figures represented here do not take into account additional improvements required to prepare each category of infrastructure for the effects of climate change. As weather becomes increasingly erratic, for instance, power transmission and wastewater systems will be under increasing stress, as last year’s hurricane season demonstrated. Each category of infrastructure will require substantial unique investment to prepare for these effects. While Common Good is not aware of any comprehensive cost estimates for climate change preparation, permitting delays will affect those costs, too, with commensurate consequences.

Though the figures have changed, the conclusion remains the same: permitting delays associated with infrastructure investment impose major costs, both financial and environmental, and make fixing US infrastructure increasingly challenging. Common Good has proposed a three-page legislative fix to streamline permitting by giving officials the authority and the responsibility to move projects forward and by returning the review to its original public-focused intent. Learn more at www.commongood.org.