

Testimony of Congressman John Delaney before the Rules Committee 3/18/13

We all like to envision a future where our transportation systems are improved, where our ability to efficiently move transformative natural gas discoveries is enhanced, where our communication networks are more reliable, where water systems and storm protections are more robust and where school facilities are modernized. We continue to envision this future because we know such a future would make our country more competitive and improve the lives of our children.

Because of legitimate fiscal constraints and economic uncertainty, we continue to lag in our ability to make the investments we need to do to create this future. That shortfall is estimated to be \$2.2 trillion.

Switching gears, to another \$2 trillion number, it is estimated there is \$1.8 trillion of corporate earnings parked overseas. It stays there because we don't have a path to repatriation that makes economic sense for these companies. Americans would be better served if that money was in our country creating jobs.

Our amendment is a statement of principle whereby we believe we should create a path towards tax advantaged repatriation provided some portion of the repatriated dollars are invested in US infrastructure - directly or indirectly.

The language of our amendment creates the road map for creative infrastructure financing approaches that won't burden taxpayers with appropriations. We do this by linking smart and fair paths to repatriation with investment in our national infrastructure. In doing so we create the ultimate public private partnership by encouraging corporations to make investments to build America and to make investments that will truly create jobs like building infrastructure.

Soon I will be introducing legislation that encourages U.S. corporations to provide cheap capital to a large scale municipal bond and infrastructure debt insurance company. The entity will be uniquely capitalized with \$50 billion of non-guaranteed, 50 year, 1% bonds that companies buy. For each dollar of these bonds they buy, they can repatriate approximately \$4 tax free. By organizing the vehicle as an insurance company, we believe \$50 billion can guaranty \$750 billion of projects. Put another way, by allowing corporations to repatriate \$200 billion tax free - only 10% of the amount overseas - the country benefits by having these companies make a \$50 billion that has some economic value but one that they would not make otherwise. That \$50 billion creates up to \$750 billion of projects and thereby handle one-third of our infrastructure needs.

Our amendment simply acknowledges that marrying forms of limited repatriation to infrastructure investment is good policy. This is good policy because it's a taxpayer friendly way of creating jobs, building a stronger revenue producing future economy and improving the lives of every American. Future legislation will craft specific road maps for achieving the stated policy objective.