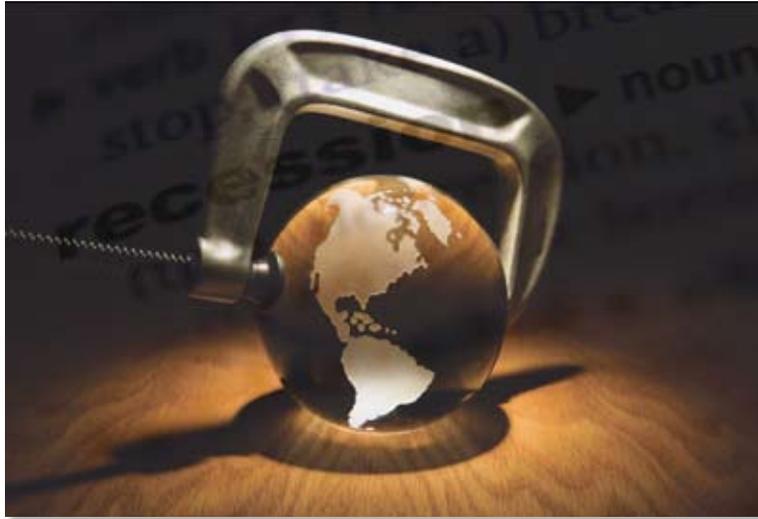


Infrastructure Investment Leading the Way to Economic Recovery



By: Thornton J. Williams, Williams Wilson PA

Rising unemployment, plummeting equity markets, corporate collapses, a disappearing credit market, federal bailouts and talks of recession characterized the 2008 U.S. economy and were common place in water-cooler discussions around the country. The National Bureau of Economic Research's declaration of a nationwide recession beginning in December 2007 will also likely be confirmed by traditional economic principals in early 2009 when the second consecutive decline in the nation's gross domestic product is officially announced. Furthering the dismal outlook is the global prediction that the U.S. and world economy will likely continue to recede throughout 2009 with slight glimmers of recovery anticipated in the latter part of 2009 to early 2010. Notwithstanding the economic similarities to the Great Depression and glum forecast, the President-Elect Barack Obama led political administration, set to take office on January 20, 2009, appears to have a solid stimulus plan for revitalization of the U.S. economy.

The Obama stimulus plan, which parallels in some respects the 1930s "New Deal" that catalyzed the end of the Great Depression, is a long-term macroeconomic plan which focuses on government works spending, infrastructure investment and upgrades,

and environmental technology. Consequently, a significant part of the approximately \$1 trillion dollar stimulus package will be spent either directly or indirectly on infrastructure investment, including, but not limited to, the construction and improvement of the national transportation system, the construction and improvement of public buildings and educational facilities, and development of energy infrastructure. A major component of the infrastructure investment plan is the proposed National Infrastructure Reinvestment Bank, ("NIRB"), which will be independent of the government and tasked with evaluating and financing capacity-building infrastructure projects including, but not limited to, publicly-owned mass transit systems, housing properties, roads, bridges, drinking water systems and wastewater systems, of substantial regional and national significance. The NIRB and its potential impact on the future of infrastructure investment and the U.S. economy is discussed in a recent article entitled *Obama Administration: Renewed Focus on Transportation Infrastructure Investments*, published by this author. The article in its entirety can be found at: <http://www.twalaw.com> in the News section under Publications.

Along with infrastructure investment, Obama's plans to stimulate the economy also centers on revamping

energy and environmental policies. The Administration plans to spend over \$150 billion over 10 years to advance development of fuel infrastructure, cultivation of commercial scale renewable energy, reduction of greenhouse-gas emissions and creation of approximately 5 million jobs in a new "clean energy economy." Florida is likely to be a key recipient of stimulus dollars in this area due its pivotal role in environmental conservation and the appointment of Carol M. Browner, former chief of the Florida Department of Environmental Protection, as environmental czar, overseeing energy, climate and environmental issues, in a newly created position, Assistant to the President for Energy and Climate Change. Additionally, a share of the stimulus package will also be spent on reinvigorating U.S. innovation in the areas of biotechnology and information technology so as to increase the nation's global competitiveness.

The state of Florida, one of the hardest hit by the crippling mortgage crisis, is hoping the Obama economic stimulus plan will provide well needed federal funding to jumpstart some of the approximately \$7 billion of eligible road projects and provide an almost immediate economic boost to the State. Likewise, increased federal funding, along with State legislative approval, will be crucial to the completion of the planned commuter rail line which is

proposed to run between Poinciana and DeLand through the greater Orlando area.

The economic stimulus plan slated to be unveiled in the first quarter of 2009 is projected to create approximately 3 million jobs in two years, a majority of which will be in transportation, construction and related fields. The plan, however, does not revolve around consumer spending and large immediate rebates in taxation. As such, the short-term boost in economic figures usually sparked by consumer spending will likely be absent from this economic recovery and should not deflate confidence in the recovery plan. Admittedly, the Obama Administration has cautiously emphasized that the task is monumental and that the real economic benefits of the stimulus plan will not be immediate and that the economy is likely to decline even further in the short-term.

In conclusion and notwithstanding the current state of the economy, industry participants such as advocates, engineers of various specialties and government bodies, in Florida and nationwide, can all expect an influx of work in 2009 stemming either directly or indirectly from the Obama Administration infrastructure themed economic stimulus plan. ■



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