



PRESS RELEASE

For immediate release

Rural infrastructure focus of analyses released by Farm Foundation

OAK BROOK, IL Sept. 4, 2018: Farm Foundation today announced the release of six papers commissioned to examine specific issues critical to rural infrastructure development. The papers address such varied topics as public-sector investments in infrastructure, quality-of-life benefits of rural infrastructure investments, and factors impacting infrastructure investment decision-making at the state and local level.

“As the nation addresses rural infrastructure needs, it is vital that public and private decision makers have the best information possible on the economic and social returns of their investments,” says Farm Foundation President Constance Cullman. “These papers begin to fill that need by examining some of the diverse issues in measuring returns of rural infrastructure investments.”

Highlights of the papers were presented at the April 2018 workshop, *Economic Returns to Rural Infrastructure Investment*, that was organized by Farm Foundation and USDA’s Economic Research Service. The full papers, as well as summaries of each presented as part of Farm Foundation’s *Issue Report* series, are available on the Foundation’s website, <https://farmfoundation.org>. The papers address varied topics:

Economically Efficient Composition of Rural Infrastructure Investment: Mark Burton, Ph.D., of the University of Tennessee and Wesley W. Wilson, Ph.D., of the University of Oregon, provide an economic explanation for why public-sector infrastructure investments are economically-efficient public policy. The authors also describe why many necessary investments must be sited in and/or available to rural communities.

Infrastructure Project Prioritization in Theory and Practice: With the 2011 ban on earmarks for infrastructure projects, the responsibility for prioritizing federal infrastructure investments was transferred to the Executive Branch and increased the importance of how the federal government evaluates and selects infrastructure projects to receive federal funding. This paper, authored by Michael Bennon and Rajiv Sharma, Ph.D., both with the Global Projects Center at Stanford University, examines the use of benefit-cost analysis as a tool to evaluate and prioritize infrastructure projects.

Productivity and Quality-of-Life Benefits to Rural Infrastructure: Researchers David Albouy, Ph.D., of the University of Illinois, Arash Farahani, Ph.D., of the Independent Budget Office of New York City, and Heejin Kim of the University of Illinois, examine

how each \$1 of investment in infrastructure correlates to productivity and quality-of-life benefits in rural and urban counties.

A Local Perspective on the Rank and Selection of Infrastructure Projects: A team of researchers at the University of Georgia, led by Kent Wolfe, Ph.D., and David Tanner, interviewed state and local officials to identify factors that influence their decision-making when investing in rural infrastructure projects. One factor is the importance of maintaining roads in rural counties, in part because the importance of those roads to supports local economic activities. In one rural county with a population of 14,000 residents, the researchers estimated the wear and tear on the county’s roads due to heavy equipment and loads from agriculture and industries was roughly equivalent to 722 million passenger car trips a year.

Impacts of the USDA Broadband Loan and Grant Programs: Researchers Ivan Kandilov, Ph.D., and Mitch Renkow, Ph.D., both of North Carolina State University, used zip code-level data to evaluate the impact of USDA broadband loan and grant programs on the average payroll per worker.

Economic Impacts, Costs and Benefits of Infrastructure Investment: This paper reviews literature on the impacts, costs and benefits of infrastructure in the United States and developing countries, focusing on studies published since the early 1990s. The review, completed by John Pender, Ph.D., of USDA’s Economic Research Service, and Maximo Torero, Ph.D., of the World Bank, helped to identify areas where additional research is needed.

The six commissioned papers were supported in part by a grant from BNSF Railway Co. A seventh paper, which was written prior to the April workshop, was included in the workshop discussions and is posted on the Farm Foundation site, because of its relevance to the topic. Authored by Anthony Homan, Ph.D., of the U.S. Federal Maritime Commission, the paper examines benefit-cost analyses prepared as part of applications for the U.S. Department of Transportation’s Transportation Investment Generating Economic Recovery (TIGER) grant program for surface transportation infrastructure projects.

Release of the papers is part of Farm Foundation’s continuing strategic priority to build capacity within the food and agriculture sector and rural America. In addition to this paper series, Farm Foundation is partnering with stakeholders to conduct four listening sessions focused on identifying options for improving broadband service in rural America. The final session will be Sept. 20 in Denver, CO. Previous sessions were in Alabama, Minnesota and Washington, D.C.

“Rural infrastructure—from roads and bridges to waterways, ports, railways, broadband and utility services—impacts every citizen,” Cullman notes. “We don’t have answers to all the challenges but given the importance of infrastructure to our competitiveness and quality of life, it is critical that the nation develop a strategy based on objective, quality analysis. That’s Farm Foundation’s intent with this work.”

Farm Foundation is an agricultural policy institute cultivating dynamic non-partisan collaboration to meet society’s need for food, fiber, feed and energy. Since 1933, it has connected leaders in

farming, business, academia, organizations and government through proactive, rigorous debate and objective issue analysis.

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