

**STATEMENT OF  
THE HONORABLE JAMES L. OBERSTAR  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
HEARING ON “INVESTING IN INFRASTRUCTURE: THE ROAD TO RECOVERY”  
OCTOBER 29, 2008**

Today’s hearing will highlight the role of infrastructure investment as a critical factor in restoring the nation’s economic health by creating jobs - real jobs. Nearly a million construction workers are on the bench; the construction industry is suffering the highest unemployment rate (9.9 percent) of any industrial sector; and construction firms are operating on the margin or worse. Three stark, compelling reasons for decisive action: to invest in America, rebuild our economy, and put Americans back to work.

From the Works Progress Administration of the Great Depression, to the Accelerated Public Works Act of 1962 and the Local Public Works Capital Development and Investment Act of 1976, investment in public infrastructure has created and sustained jobs in difficult economic times, and it can do so again today.

In September, the House of Representatives overwhelmingly passed H.R. 7110, the “Job Creation and Unemployment Relief Act of 2008”. The bill provided \$61 billion to help restore the economy, including \$30 billion for highway, bridge, public transit, Amtrak, airport, wastewater, and Corps of Engineers infrastructure investment

within the jurisdiction of the Committee on Transportation and Infrastructure. These funds were to be distributed by existing statutory formulas or administrative competitive selection processes; the bill included no earmarks. Regrettably, the White House threatened to veto the bill and Senate Republicans killed it prior to the September adjournment. Had the White House not opposed that bill, construction workers would have been looking forward to jobs in December.

The need for REAL jobs has grown more acute. This Congress will not lament from the sidelines; the House and Senate will consider a new economic recovery and job creation initiative two weeks after the November 4 election. We in this Committee know that infrastructure investment creates family-wage construction jobs, and spin-off benefits that ripple throughout the economy.

These construction jobs will not be outsourced to another country; the work will be done in the United States because roads, bridges, transit and rail systems, airports, waterways, and wastewater treatment facilities are here, in our towns and cities. In addition to the on-site construction jobs, other construction and manufacturing jobs will be created at home producing the steel, aggregates, asphalt, cement, and construction equipment used in these projects.

Funding for transit agencies and Amtrak to buy rolling stock will generate U.S. jobs as well. Example: Virginia Railway Express (“VRE”) says that if more funding were available, it could immediately exercise options under a contract with MotivePower, Inc. to buy 15 commuter rail locomotives, which will help VRE meet its crushing ridership demand by running longer trains (eight- and ten-car trains). This scenario doesn’t just help Northern Virginia; it also helps the economy of Boise, Idaho, where MotivePower manufactures these locomotives. The Muncie, Indiana Transit System reports that, if additional funding were available, it could exercise options under a contract with Gillig Corporation to buy four replacement hybrid electric buses, which are manufactured in Hayward, California.

Infrastructure investments will put construction workers back on their jobs, and improve our deteriorating infrastructure. At current levels of investment, this country is falling further and further behind on our physical infrastructure needs, and that has devastating impacts on our economic growth, our quality of life, and our safety.

Various economists over many years have said that it takes too long for infrastructure programs to stimulate the economy. Some projects do require years of engineering and environmental analysis, but these projects -- such as maintenance and

repair of existing facilities – can move very quickly, with work beginning within 90-120 days, or less.

In January 2008, a survey of State Departments of Transportation by the American Association of State Highway and Transportation Officials (“AASHTO”) identified 3,071 ready-to-go highway and bridge projects with a total cost of \$17.9 billion that could be under construction within 90-120 days.

Similarly, an October 2008 survey of public transportation agencies by the American Public Transportation Association identified 559 ready-to-go transit projects at a total cost of \$8.03 billion.

And a recent survey by the Council of Infrastructure Financing Authorities and the Association of State and Interstate Water Pollution Control Administrators identified \$9.12 billion in ready-to-go Clean Water State Revolving Fund projects in 25 states that cannot be funded within existing appropriation levels.

Clearly, there is a huge backlog of infrastructure projects that are ready-to-go, as soon as additional funds are made available.

For today's hearing, we have assembled a broad range of witnesses, representing all areas of the country and all types of infrastructure. We will hear from State and local officials, construction contractors and suppliers, and representatives of the Building Trades, from New Jersey to California, and from Georgia to Ohio, Indiana, and Kentucky.

We will address several issues, including:

- the state, regional, and local perspectives on infrastructure investment needs;
- the current state of the economy, particularly the construction industry;
- the effect that increased infrastructure investment would have on our economy;
- the ability of state and local governments to immediately invest these funds in ready-to-go projects; and
- the ability of construction workers and industry to meet the challenge and quickly ramp up operations.

The economic news just keeps getting more dismal each week, growing worse each day; we have to act. It is time to invest in America, rebuild our economy, and put America back to work.