



U.S. House of Representatives
Committee on Transportation and Infrastructure

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Washington, DC 20515

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Dear Colleague:

On Labor Day, President Obama continued his efforts to restore jobs and rebuild the foundation of the nation's economy by announcing a proposal to invest \$50 billion in transportation infrastructure, to improve and expand our nation's roads, bridges, transit systems, railways and runways. This proposal recognizes the important link between investing in infrastructure and the nation's long-term economic growth and competitiveness.

The Committee on Transportation and Infrastructure has been working to transform our nation's transportation programs, and the President's proposal shares the Committee's objectives of restoring our surface and air transportation systems to a state of good repair, increasing energy efficiency, and relieving the road and rail congestion that is crippling our economy.

By providing this down payment now, during a slow economy, we will reap the added benefit of getting more bang for our buck. Bids for surface transportation projects are currently coming in about 15 to 30 percent lower than before the recession. By acting now, we will be able to repair and build more roads, bridges, transit systems, freight facilities, and runways with the \$50 billion investment than if we wait until the economy improves. And yes, the jobs created by this investment will help to ensure that the economic recovery strengthens in the months and years ahead.

Unfortunately, critics of the President's plan are intentionally trying to confuse it with the short-term job creating investments contained in the Recovery Act, which they declared a failure even before the first funding was distributed. Not only does this criticism misrepresent the objective of the President's proposal, it is also factually disingenuous at best.

The Committee on Transportation and Infrastructure has undertaken an unprecedented effort to ensure accountability and transparency in tracking the use of the transportation investments made through the Recovery Act. Through direct reporting from grant recipients, we know that the \$34 billion in highway and transit formula investment contained in Recovery Act created or sustained nearly 320,000 direct, on-project jobs during its first year of implementation, and provided total employment, which includes direct, indirect, and induced jobs, of nearly 1.1 million jobs. Across the nation, work has begun or is completed on 15,882 highway and transit projects totaling \$29.5 billion, or 87 percent of the available formula funds.

Direct job creation from these highway and transit projects has resulted in payroll expenditures of \$3.2 billion. Using this data, the Committee calculates that \$521 million in

unemployment checks have been avoided as a result of this direct job creation. Furthermore, these direct jobs have caused nearly \$663 million to be paid in Federal taxes. To say the transportation investments of the Recovery Act have not been a success completely ignores these projects and the workers who owe their jobs and livelihood to these investments.

The Recovery Act investments are also improving our nation's transportation infrastructure. The Federal Highway Administration reports that highway and bridge investments will result in 35,399 miles of road improvement and 1,264 bridge improvements. The Federal Transit Authority reports that transit investments will result in the purchase or rehabilitation of 12,234 buses, rail cars, and paratransit vans.

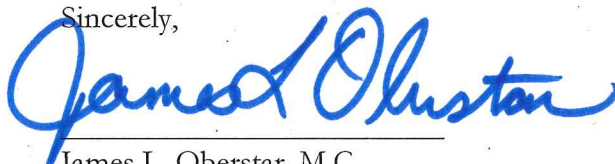
Beyond these infrastructure investments of the Recovery Act, the non-partisan Congressional Budget Office (CBO) estimates that the Recovery Act as a whole had even more far-reaching effects. During the second quarter of calendar year 2010, the most recent quarter for which data are available, CBO estimates that the Recovery Act in its entirety lowered the unemployment rate by between 0.7 percentage points and 1.8 percentage points. CBO further explains that the Recovery Act increased the number of people employed by between 1.4 million and 3.3 million, and increased the number of full-time-equivalent jobs by two million to 4.8 million compared with what would have occurred had Congress not passed the Recovery Act. CBO also makes clear that the Recovery Act raised real (inflation-adjusted) gross domestic product (GDP) by 1.7 percent to 4.5 percent.

If anyone thinks that the country would be better off today had it not been for the estimated two million to 4.8 million more jobs than would have occurred had Congress not passed the Recovery Act, I would like to hear what alternative approaches they offer beyond the same failed policies that brought the U.S. to the brink of another Great Depression.

The President's call for moving a long-term surface transportation authorization will ensure that when the nation fully emerges from the devastating Bush recession, we will have the policies in place to build the 21st Century surface transportation network that unites goods with markets, workers with their places of employment and homes, and connects consumers to the goods and services that improve their quality of life.

Achieving this new foundation will require the bold vision and long-term approach to planning and investing in the nation's infrastructure that the President has laid out in his proposal. I look forward to working with the President and my colleagues in Congress to deliver a 21st Century transportation network that will improve mobility and access and foster decades of economic prosperity across the nation. This is not a time for finger pointing, it is a time for leadership and new ideas that will put Americans back to work building the infrastructure of tomorrow.

Sincerely,



James L. Oberstar, M.C.

Chairman

Committee on Transportation and Infrastructure