



February 4, 2010

The Honorable Barbara Boxer
Chairwoman, U.S. Senate Environment and Public Works
112 Hart Senate Office Building
Washington, DC 20510

Dear Senator Boxer:

On behalf of the members of the Transportation for Illinois Coalition, we want to thank you and recognize your leadership with regard to transportation infrastructure investment. As you know, the economic impact of this type of investment, particularly in these lean and difficult economic times, is dramatic.

As the Senate works again to develop a new jobs bill, TFIC urges that highway and transit funding be a major component of that bill. Specifically, we urge that funding be comparable to that included last year in ARRA (American Recovery and Reinvestment Act of 2009) and in H.R.2847 (Jobs for Main Street Act of 2010), the jobs bill which passed the House in December: \$27.5 billion for highways and \$8.4 billion for transit.

TFIC, which represents both business and labor, supports such funding because the construction industry has been particularly hard hit by this recession; because transportation spending does create significant numbers of private sector jobs; and because there are billions of dollars in needed highway and transit projects which are ready to go.

- **Construction Industry Has Been Hard Hit:** While the national unemployment rate hovers at 10%, unemployment in the construction trades exceeds 18%. In Illinois, the number of construction jobs fell from about 268 thousand in Dec. 2007 to less than 210 thousand in Dec. 2009, a drop of nearly 22%. Because both public and private sector construction has slumped, construction firms have been hit doubly and cannot shift from public to private work, or vice versa, to weather the recession. The jobs loss affects not just firms that do actual construction work, but materials suppliers, heavy equipment manufacturers, engineering firms, and myriad other businesses that are part of the broader construction industry. According to cnnmoney.com reported, 44% of transportation construction companies anticipate they will have to let go of employees this year. In a broader survey of the entire construction sector, the Association of General Contractors found that almost 90% of contractors do not expect to see their businesses grow this year and 27% expect that they will be forced to lay off workers.
- **Transportation Spending Creates Jobs:** Just 6% of economic recovery funds went for transportation in 2009; yet transportation spending so far has accounted for more than 24% of the jobs created. According to the House Transportation and Infrastructure Committee, as of Nov. 30, 2009, highway and transit stimulus projects had created or sustained more than 250,000 **direct on-project** jobs, with payroll expenditures of \$1.3 billion. As of Feb. 2, 2010, Illinois' highway stimulus projects had already created or sustained more than 1.6 million hours of direct on-project work, with payroll expenditures of more than \$60 million. Like the job statistics from the House Transportation & Infrastructure Committee, these numbers do not include the construction-related indirect jobs or the jobs induced as the payroll dollars are spent in the economy. If included, these additional jobs could be expected

to nearly triple the number of overall jobs created or sustained to date by the stimulus funding. According to the Federal Highway Administration (FHWA), every \$1 billion of highway spending supports more than 27,800 direct, indirect and induced jobs. The American Public Transportation Association estimates that every \$1 billion on transit spending supports 36,000 jobs.

- **Transportation Projects Are Ready To Proceed:** According to an updated survey of the states released by AASHTO (American Association of State Highway and Transportation Officials) on Feb. 1, 2010, more than 9,800 transportation projects valued at \$79.41 billion are ready-to-go, that is, can move through the federal approval process within 120 days of enactment of a new jobs bill. The Illinois portion of the AASHTO survey included 310 highway projects, with an estimated cost of \$1.3 billion. IDOT has released a 26-page listing of proposed state highway projects that could move forward if H.R.2487 were adopted. RTA estimates that there are more than \$500 million in ready-to-go transit projects.

Some have suggested that highway funding is ineffective in creating jobs. This is simply not true. In Illinois, the highway portion of ARRA funding can be expected to support more than 26,000 jobs, based on FHWA estimates. And it should be noted that funding for road and bridge projects is geographically wide-spread, providing benefits to all states and to all areas within a state. For example, in Illinois ARRA highway funding has provided jobs throughout the state, with projects in all nine IDOT highway districts. Highway funding has also been allocated to local governments throughout the state, in rural as well as in urban areas. Funding for roads is particularly limited in some Illinois counties. This additional federal funding has not only provided jobs; it has enabled counties to fix bridges that had been posted for lower than legal weight limits, to attend to roads in danger of failure, and to overlay miles of deteriorated roads which otherwise could not be afforded for several years. This investment in Illinois' road and bridge system is an investment in Illinois' economic recovery.

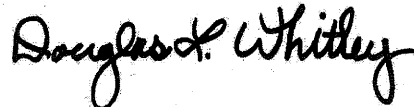
While TFIC is advocating for transportation funding levels comparable to those included in H.R.2487, we are concerned about the tight deadlines contained in that bill--50% of highway and transit funding would have to be under contract (rather than just obligated) within 90 days of apportionment. While the federal funding needs to be put to work as quickly as possible, overly stringent deadline can have the impact of forcing recipients to spend money only on small fix-up projects which provide jobs for only a short period of time. We believe there should be a balance, which would include not just fix-it-fast projects but also projects, which involve lengthier preparation and construction. These more complex projects typically spread jobs over a wider base (engineering firms, materials suppliers, steel fabricators, etc.); provide longer lasting employment; and provide transportation benefits not just for the immediate term but that last for years to come.

In summary, TFIC urges Congress to adopt a jobs bill with highway and transit funding at levels at least similar to that contained in ARRA and H.R.2487: \$27.5 billion for highways and \$8.4 billion for transit. With the ARRA funding, Illinois has already proven its capability to quickly utilize jobs bill apportionments. Swift passage of a new bill will provide much-needed jobs for the men and women who work in Illinois' construction and construction-related industries as well as improving the transportation infrastructure, which underpins the state's economy.

Sincerely,



Michael Kleinik
Director, Chicago Laborers District Council-LMCC
TFIC Co-Chair



Douglas L. Whitley
President, Illinois Chamber of Commerce
TFIC Co-Chair