



A bold voice for transportation workers

SEQUESTRATION RISKS OUR ECONOMY AND TRANSPORTATION SYSTEM

As our economy remains on a slow path to recovery, obstructionists in Congress are poised to force sequestration – indiscriminate and reckless cuts in federal spending – that would take effect on March 1 in the absence of a congressional deal.

The politicians are saying America needs a full economic recovery led by middle class job creation. Rhetoric alone will not rebuild the economy – robust investments in job-creating programs will. Of course, adopting across-the-board cuts imposed by sequestration will decimate already under-funded programs that support our economy and, in particular, our depleted transportation system.

But unless Congress acts to avoid this ill-advised course, public and private sector workers across the country will lose their jobs and critical programs will be idled including those that make our transportation system safe and efficient.

When politicians went to work on plans to reduce federal spending, Congress eventually enacted legislation that set the level of discretionary spending so low that its share of gross domestic product (GDP) is on track to be lower than any year for which we have a record. In other words, funding that supports transportation programs and other valuable investments in our nation will fall below the lowest level of support in 45 years, even without factoring in the reckless sequestration cuts set for March 1.

Such dramatic underfunding has serious consequences. According to the Bureau of Economic Analysis, reduced government spending was a main contributing factor in the economic contraction in the fourth quarter of 2012. And the Congressional Budget Office projects that for 2013, GDP will grow slowly, by just 1.4 percent, in part due to sequestration, causing unemployment to hover around 8 percent. Yet, some in Congress believe the best solution to fixing the deficit is to slice another \$85 billion from federal spending in Fiscal Year 2013. If these cuts take effect, critical transportation programs will be cut by 9 percent.

These cuts will harm a transportation system that is already sorely underfunded and burdened by heavy usage across all modes. In particular, the cuts would require the furlough of air traffic controllers, aviation safety inspectors, aviation systems specialists and Transportation Security Administration Transportation Security Officers (TSOs). These vital government employees keep our aviation system and our nation safe. Additionally, the Maritime Security Program,

which ensures naval support during times of war and national emergencies, would be impacted when cuts are levied at rates even higher than those imposed on non-defense discretionary programs. Rail transportation stands to take a hit as well, likely resulting in the postponement of Amtrak capital investment projects at a time when demand for Amtrak is at an all-time high. And although highway and transit programs supported by the Highway Trust Fund would be largely spared the sequestration knife, discretionary funding that provides grants for new or expanding transit systems under the Federal Transit Administration (FTA) New Starts program would be sequestered.

Further, sequestration would cut emergency relief for super storm Sandy. These funds finally reached Americans on the East Coast nearly three months after they were directly hit by the second costliest storm in history. The East Coast would lose an estimated \$1.9 billion of the much needed and long overdue relief funding, limiting its ability to rebuild and fortify the homes, businesses, transportation and other infrastructure that were destroyed by the disaster. In other words, victims of Sandy had to wait months for government relief while House extremists played political games with peoples' lives and livelihoods. These same victims of a natural disaster will see their assistance cut, again due to brinkmanship by House extremists who want to make fiscal cliff politics the new normal in Washington. We condemn this strategy and call on Congress to fulfill its duties without wrecking the national economy and vital programs.

There is no question that federal departments and agencies would have to trim or furlough essential staff to meet the demands of sequestration. These federal workers, who have dedicated their careers to public service and come to work every day to fulfill their commitment, should not be made scapegoats just for doing their jobs. Hundreds of thousands of federal employees could be furloughed, including many of those whose positions are integral to the safe operations of our transportation system. In fact, Office of Management and Budget (OMB) federal controller Danny Werfel stated that sequestration would cause the FAA "to cut resources in a way that's going to impact the air traffic controller workforce." In addition, federal maritime workers who serve essential defense functions, such as those at the Military Sealift Command, would be impacted.

Proponents of this reckless strategy of careening from one fiscal cliff to the next claim that their strategy is about averting risks to the economy. The real threat is their risky austerity plan, complete with cuts to vital programs that undermine the safety and efficiency of our transportation system while threatening good jobs and our public health and retirement programs. We cannot cut our way to a recovery, nor can we pretend that reducing the federal workforce will resolve our deficit.

The solution for leaders on Capitol Hill should be tax fairness, such as closing tax loopholes for wealthy corporations and making sure everyone, including billionaires, pays their fair share. We should not be cutting Social Security, Medicare or Medicaid benefits while simultaneously clinging to a tax code that favors the wealthiest in America.

Americans don't need cuts, they need jobs. We should be investing several hundred billion dollars in transportation programs, our infrastructure and other initiatives that create middle class jobs and retool and modernize our economy. Every dollar that is invested in infrastructure results in GDP growth of \$1.59, and for every \$1 billion of federal transportation investment, an estimated 30,000 people go to work.

Transportation spending is the kind of investment we need to strengthen our future, grow the economy and tackle our deficit. We urge Congress to stand up for American workers and the American economy, and reject the ravages of sequestration.

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