



A bold voice for transportation workers

PASS THE PRESIDENT'S TRANSPORTATION JOBS PLAN

In September, President Obama renewed his commitment to job creation with the introduction of the American Jobs Act. The transportation and infrastructure provisions in the bill would build on the President's legacy of using investments in transportation as important pillars of his economic policy. At a time of continuing high unemployment this plan would put half a million Americans to work while setting the stage for a new era of rebuilding, expanding and modernizing our transportation system. Transportation labor endorses this transportation jobs bill and urges a bipartisan House and Senate to pass it without delay as a much needed booster shot for an economy that continues to teeter.

The American Jobs Act would direct \$50 billion for U.S. Department of Transportation (DOT) programs and \$10 billion for infrastructure investments through the new American Infrastructure Financing Authority. Despite the negative rhetoric heard on Capitol Hill and among those aspiring to the presidency, this type of spending on our failing transportation system will work to create jobs at a time when Americans need them most and the effects would be realized immediately as the investments would be distributed without delay thanks to the elimination of state matching requirements. Just as essential, most of the federal aid will be paid out through existing formula programs and as a result no new regulatory structures will be needed for execution. Lawmakers who genuinely seek real job creation strategies free of unnecessary government delays should enthusiastically support this jobs plan – that is, if they are serious about helping unemployed Americans.

The worsening state of America's infrastructure poses significant risks to our country's future. A recent World Economic Forum ranked U.S. infrastructure as the 23rd best in the world when compared to our foreign competitors. The quality of railroad infrastructure was 18th, road quality was 19th, port infrastructure was 22nd and air transport infrastructure ranked 32nd. These results are a disgrace for a nation that has always prided itself as the world leader in the safe and efficient movement of people and goods. And they point to a lack of leadership in Washington as too many politicians fail to understand that our economic future and our ability to compete in the global economy depend on reversing decades of neglect and inaction on an issue that should cut across party and ideological lines. Voters should hold accountable those in Washington who block these much needed investments in our economic future.

The \$50 billion in the President's plan would support transportation jobs across all sectors of this critical industry. With construction unemployment at record levels, \$27 billion would be provided to upgrade 150,000 miles of highways and bridges as well as fund passenger and freight rail transportation projects that ease highway congestion. Public transportation would receive \$9 billion in investments to help transit systems weather budget and economic storms, avoid damaging cuts and layoffs, and help to maintain and repair our aging transportation networks. Of this funding, grants totaling \$6 billion would be dedicated to bringing our nation's

transit systems towards a state of good repair. The remaining \$3 billion would fund capital projects to purchase new buses and rehabilitate existing rail and bus systems. The railroad sector would receive \$6 billion, including \$4 billion for intercity passenger rail projects and new high-speed rail corridors. An additional \$2 billion would help Amtrak repair, rehabilitate and upgrade both infrastructure assets and rolling stock. These funds will also boost U.S. manufacturing thanks to the Administration's rigid enforcement of Buy America requirements. Aviation programs would receive \$2 billion in airport improvement grants for safety and modernization improvements. An additional \$1 billion would support the NextGen project to modernize the nation's air traffic control system, improve safety and relieve congestion around the country. TIGER and TIFIA, which are programs that finance large-scale transportation projects, would receive \$5 billion for competitive grants to support construction and manufacturing jobs through highway and public transportation projects, multi-modal infrastructure systems, port improvements and freight rail enhancements. These are exactly the types of investments that will help to revive a still anemic economy.

The President has also proposed \$10 billion for the American Infrastructure Financing Authority, better known as the infrastructure bank. This program would provide federal loans and loan guarantees for projects of regional or national significance. This type of infrastructure financing arrangement is common elsewhere in the world and has been successful in using a relatively small amount of government infrastructure funding to attract significant sums of private capital. Through this infrastructure bank, the federal government would tap the private bond market to create jobs and support our infrastructure.

The President's transportation jobs plan also keeps faith with workers by honoring longstanding protections and commitments to employees in transportation and construction. And it embraces a long overdue vision that says federal transportation investments should be used to put Americans to work by ensuring we create a pipe-line for good manufacturing jobs here in America.

We cannot support revenue raising proposals that single out segments of the aviation sector with unfair tax increases that would threaten jobs. We are opposed to the Administration's proposal to create a \$100 per departure fee that would be tacked on to fuel taxes and other excise fees that are already paid by U.S. airlines. We are also opposed to dramatic increases in per passenger security fees. Securing our aviation system from terrorist attack must be a national priority supported by the federal government and targeting U.S. carriers for further contributions is simply not warranted. Finally, we are opposed to efforts to tax general aviation aircraft at a higher rate than other depreciable transportation assets. There is no policy justification for targeting one sector of our manufacturing base that has already seen the loss of 20,000 jobs since 2008. Surely a nation that already suffers from a tax code that disadvantages the middle-class and coddles millionaires and billionaires can find the resources to invest in jobs creating initiatives without harming industries that actually support good jobs right here in America.

The transportation investments included in the American Jobs Act are essential, but they are only a down payment on the \$2.2 trillion in needs identified by the nation's leading civil engineers and countless transportation experts. Our elected leaders must do whatever it takes to ensure that America remains the world leader in transportation. Reauthorizations of aviation and surface

transportation programs, delayed now for years, have the potential to put millions to work and make great strides in closing the massive investment gap that threatens our safety and competitiveness. Americans are growing weary of Washington's inability to advance well-funded plans that finally modernize and expand a transportation system that is failing America, choking our economy and leaving millions of jobs on the sidelines.

Congress must put aside partisan bickering, pass the President's transportation jobs creating investments and finally complete action on the pending aviation and surface transportation reauthorizations. American workers can't wait another few years for elected leaders to finally rebuild and expand our failing transportation system and put millions of Americans to work. Transportation labor will focus on these issues in the weeks and months ahead and will do its part to inject them into the 2012 debate about our nation's economic future.

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