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## United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

BETTINA POIRIER, STAFF DIRECTOR  
ANDREW WHEELER, MINORITY STAFF DIRECTOR

January 23, 2009

The Honorable Daniel K. Inouye  
Chairman  
Committee on Appropriations  
S-131, The Capitol  
Washington, DC 20510

The Honorable Thad Cochran  
Ranking Member  
Committee on Appropriations  
S-146A, The Capitol  
Washington, DC 20510

Dear Senators Inouye and Cochran:

We are writing to express our concern over the funding level for the Federal-Aid Highways program included in the House Appropriations Committee stimulus bill released on January 15<sup>th</sup>. \$30 billion for highways is inadequate.

Transportation infrastructure is one of the best forms of stimulus spending that the government has at its disposal. The economic benefits from transportation investment include both the immediate job creation from construction in addition to the long term economic benefits associated with the completed project. According to economists, every \$1 billion spent on infrastructure adds \$3.4 billion to the gross domestic product. There is obviously an economic need for a stimulus and infrastructure investment can clearly deliver the needed results.

The latest jobless numbers show that 899,000 construction workers have lost their jobs over the last 27 months. The Associated General Contractors recently estimated that without significant infrastructure funding in the stimulus, there would be an additional 30 percent job loss in non-residential construction.

The Department of Transportation recently estimated that for every \$1 billion invested in highways and bridges at the Federal level, which is also matched by state funding, 34,800 jobs are created or maintained. We believe that the appropriate level of highway funding in the stimulus should create or maintain at least 2 million American jobs.

There is also sufficient need and States have enough projects that could begin construction immediately—shovel ready as some call them. The American Association of State Highway and Transportation Officials, who represent state DOTs, conducted a survey of ready to go projects and found \$64 billion worth of projects that are ready to go. This combined with surveys of ready to go projects done by the National Conference of Mayors and the National Association of Counties brings the total to over \$100 billion in projects that could begin construction almost immediately.

This \$100 billion represents projects that are considered ready to go today. Another \$50-\$70 billion over the traditional level of federal highway funding could begin construction next year.

This is because according to the US Department of Transportation, the backlog of needed projects to simply maintain the current highway and bridge network is \$495 billion. This includes projects that are ready to go as well as those that are not as far along in the process. The most important thing to note is that this \$495 billion does not include any major improvements to the system. It is simply deferred maintenance on existing infrastructure.

Given the large number of ready to go highway projects and the economic benefits of highway investment, we believe the level of highway investment should be at least 10 percent of the total stimulus package. This percentage would be consistent with earlier versions of stimulus legislation considered in the House and Senate.

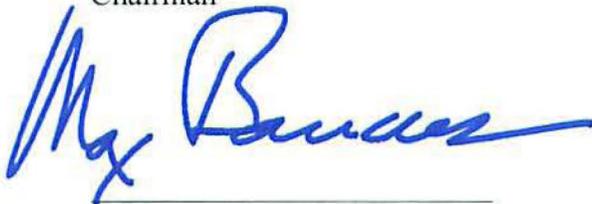
Sincerely,



Barbara Boxer  
Chairman



James M. Inhofe  
Ranking Member



Max Baucus  
U.S. Senator



George V. Voinovich  
U.S. Senator