

**Testimony of Raymond J. Poupore
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**Environment and Public Works Committee
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Thank you, Chairman Boxer, Ranking Member Inhofe, and distinguished members of the Committee.

On behalf of the National Construction Alliance II, a partnership between two of the nation's leading construction unions, the International Union of Operating Engineers and the United Brotherhood of Carpenters, I want to express our appreciation for the opportunity to join you today. The two unions of the Alliance together represent nearly one-million workers – the same workers who build the nation's highways, bridges, transit systems, and much more.

The NCA II believes that the Environment and Public Works Committee can and should play a key role in American economic competitiveness by undertaking two equally important but separate steps in the area of transportation policy and investment. The Committee should adopt both a short-term and a long-term strategy to aid the ailing national economy through transportation investments. First, the Environment and Public Works Committee should continue to provide its leadership in developing an immediate investment in jobs legislation, which should include the full array of infrastructure in the committee's jurisdiction: wastewater, drinking water, locks and dams, with highway transportation playing a lead role. Second, in coordination with the other committees of jurisdiction, the EPW Committee should immediately begin the work of authorizing a multi-year transportation bill and enacting it into law as quickly as possible. The NCA II believes that this two-pronged strategy is precisely what the national economy needs, both in terms of a short-range injection of federal spending to boost the construction industry and lower unemployment and in terms of a long-range investment into the nation's infrastructure foundation upon which American businesses compete in the global economy.

First, let me touch on the first prong of the strategy – the necessary immediate investment in transportation to create jobs in the short term. And let me thank you, Chairman Boxer, on your work with Senators Durbin and Dorgan to develop another infrastructure investment package before this construction season. The bipartisan effort by certain Committee members to support transportation funding on the HIRE Act last week was

also much appreciated. That was a key step, but we hope only the first one. That investment merely stabilizes the inadequate SAFETEA-LU funding level. The nation needs another investment in good transportation-related jobs now.

The American construction sector is currently in its worst condition since World War II, over sixty years ago. The January unemployment rate in construction was 24.7%. About 2-million construction workers have lost their jobs since the recession started in late 2007. New monthly data will come out on Friday from the Bureau of Labor Statistics on the February labor market situation; the numbers are likely to get even worse. Last year's peak unemployment rate in construction reached 21% in February. Joblessness among construction workers is higher than in any other industry sector. The only bright spot in the construction economy in 2009 was in the public market, which saw an uptick in spending driven by passage of the American Recovery and Reinvestment Act. That legislation was a critical lifeline to the construction industry. But more must be done – as soon as possible.

If an expeditious, targeted investment in infrastructure is made by the Senate now, which includes serious accountability standards on the states to not only obligate funds but actually let contracts for projects, federal, state, and local officials will still be able to deploy virtually all of these resources in 2010. That was the experience of the American Recovery Reinvestment Act (ARRA). By the end of 2009, nearly eighty-percent of highway and transit projects funded under ARRA had been put out to bid. Nearly 300,000 direct jobs, just on transportation projects, were created with ARRA funds in all fifty states. Many of those workers were members of the Carpenters and Operating Engineers. Frankly, we don't have to look at the labor market data to see the effect of the Recovery Act. We see the difference everyday in the faces of our members employed by these Recovery Act investments. These investments brought the construction economy – and the families of construction workers – back from the precipice, but, as the unemployment numbers tell us, more must be done.

The need for the investments is clear; the speed with which state and local officials can manage these investments has been proven. In December, the American Association of State Highway and Transportation Officials (AASHTO) identified nearly \$50-billion in highway projects that are ready-to-go. The American Public Transportation Association (APTA) identified billions and billions of ready-to-go investments in December. Similarly, the Environmental Council of the States (ECOS) has identified billions of dollars in water investments that could be managed effectively, employing workers in 2010 when virtually all economic forecasts predict continued high unemployment – a certainty in the construction industry.

A key consideration for the short-term infusion of infrastructure spending is this: every dollar invested in construction generates another \$1.59 that flows through the rest of the economy. This multiplier effect is higher for infrastructure investments than for any

policy under consideration, except for direct transfer payments. Slightly restated, investments in infrastructure have a broader effect and a bigger benefit to the economy than, for example, tax cuts – or virtually any form of tax relief. Investing in infrastructure is, literally, the best short-term job creation move that the Congress can make.

Members of the Carpenters and Operating Engineers need paychecks. And the rest of the economy will benefit, not only in terms of directly attacking high unemployment in construction but also by making an essential down payment in the competitiveness of the nation. And the work these men and women could be doing is critical to our country, making our transportation and other infrastructure more productive and more competitive in the global economy. That point brings me to the second, longer-range recommendation of the National Construction Alliance II: enacting a multi-year transportation authorization.

The stability of a multi-year transportation bill is a critical underpinning of these necessary capital investments in transportation. Senate action is needed as quickly as possible. We thank the Environment and Public Works Committee for conducting this hearing in what we hope and understand will be a series of sessions to develop the policy that will guide the nation through a key phase of its economic progress. The NCA II is particularly appreciative of Senator Voinovich's efforts to have the Majority Leader commit to scheduling a floor vote on a multi-year transportation authorization in 2010.

Few public investments play such an important role in national economic performance and local economic development as transportation. Getting these projects going will do more than effectively address immediate economic pain; they will help get America moving again. The cost of congestion wreaks havoc on American families and businesses, exacerbating problems with air pollution, reducing quality of life, and costing billions in wasted time. The cost of inaction is high, leading to traffic crashes and unnecessary deaths. Over 40,000 people are killed on the nation's highways every year; about 1/3rd of those deaths are attributable to poorly maintained roads. According to the American Automobile Association, the cost of those traffic accidents annually exceeds \$230-billion. The human cost is a national disgrace. The United States Department of Transportation estimates that \$200-billion evaporates from the economy annually due to traffic congestion. Congestion adds over 4-billion hours in commuter time and wastes almost three billion gallons of gasoline every year. Those idling automobiles pump thousands of pounds of pollutants into the air, costing the environment and business billions of dollars.

Through transportation investments and the authorization of a multi-year bill, the Committee can greatly enhance the country's competitiveness in the global marketplace. The nation's transportation system is being left in the dust by some foreign competitors. Spain, China, and Japan are leaving the U.S. behind in high-speed rail. Asia and Europe

boast the world's best, most efficient airports. None of the world's top 10 airports are in the United States.

Madame Chairman, a long-range authorization provides certainty to transportation planners and construction employers. Construction contractors won't make investments in new equipment, for example, unless they have longer term certainty about future work opportunities. State officials won't conduct the design and engineering work and prepare the projects unless they have predictability about available resources. Similarly, the construction trades won't be able to bring in new apprentices into the industry, unless there is certainty about future job opportunities. It doesn't do anyone any good to prepare a worker for a job that doesn't exist. It takes around four years in most of the trades' apprenticeship programs to become a journey-level worker. Through a multi-year bill, a prospective Operating Engineer or Carpenter could enter the industry and move through all of her training to become a skilled journey-level worker over the duration of the bill. For these reasons, a long-term transportation bill dramatically increases the direct employment benefits of infrastructure investments, too.

There is a broad consensus that the national economy needs a significant boost in transportation investments in both the short- and long-term. The composition of a coalition, of which the National Construction Alliance II is a part, is evidence of that national consensus. The Americans for Transportation Mobility pulls together many of the nation's leading trade associations and construction unions together in a common purpose: moving the nation's goods and people faster, better, safer. Just as the business and labor community come together around transportation investments, we hope that Democrats and Republicans will be able to come together to make the necessary investments to move this nation forward.

In conclusion, the NCA II urges the Committee to support a dual transportation-investment strategy. We need a short-term investment in infrastructure now to reach underutilized markets in the 2010 construction season, and we need a long-range, multi-year authorization designed to provide certainty to planners, contractors, and workers, ensuring that the nation's highways are safe and efficient and that the United States re-asserts its place as the world's economic powerhouse, undergirded by a world-class infrastructure.

Thank you for the opportunity to offer this testimony.