Laborers' International Union of North America

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On behalf of the half-million working men and women of LIUNA – the Laborers' International Union of North America -- I would like to thank you, Chairman Boxer, Ranking Member Inhofe and all members of this Committee for the opportunity to testify today.

Our perspective on critical infrastructure investment is grounded in LIUNA as an organization of men and women who do the work of building America's basics – our roads, bridges, highways, transit systems and other fundamental pieces of the backbone of our nation's economy.

Like all Americans, we too are concerned about falling behind in the world. We're concerned that nations such as China are out-investing us three or four to one when it comes to critical infrastructure. We're concerned that other nations are building super-highways and bullet trains while we're struggling to figure out how to patch potholes. Meanwhile there are 1.3 million men and women who are ready, willing and trained to build America's crumbling transportation systems but through no fault of their own are jobless.

Within our organization, one in 10 of our members has lost their home to foreclosure. Work hours have declined by 20 to 65 percent for our members, many of whom due to the lack of work no longer qualify for health insurance benefits.

The nearly two years of delay after delay after delay in passing a full-investment highway bill is not a recipe for economic growth or competitiveness. It is a recipe for disaster.

That is one reason LIUNA is gratified to be asked to testify today and contrast the outline of the bill being considered by this committee with the outline of the bill put forth by the House of Representatives. None of us are pleased to be nickel-and-diming what the American Society of Civil Engineers calls a $2.2 trillion problem when it comes to all infrastructure. LIUNA joins with partners in the environmental community, including the Blue Green Alliance, and with economists and the business community, including the U.S. Chamber of Commerce, in pointing out that the House proposal locks in failure by cutting investment in transportation by a third. In effect it gives up on America.

Likewise, we join with others in praising the political courage, sound reasoning and focus on maintaining a foundation for the future illustrated by your proposal.

In fact, our entire U.S. membership is mobilizing for a highway bill that builds America. Just last night, I held a conference call with member activists from northeastern and mid-Atlantic states. Thousands of our dedicated members joined the call, far exceeding our expectations. We expect tens of thousands of members to volunteer to contact their member of Congress in the coming weeks. We will continue these calls and numerous other activities until we've reached out to members in every state by the beginning of August. We will make sure their voices, their dreams and their hardships are heard loud and clear.

We believe your proposal does retain a foundation for America to move forward.

I want to emphasize that to have the necessary economic impact, these investments must be made through the framework of the existing core program and the Highway Trust Fund, and that there must be a commitment to see that any shortfalls do not result in less investment than is currently made.

And while LIUNA welcomes proposals to leverage more private investments into our transportation networks and believe that a properly structured infrastructure bank could provide a supplement, these proposals are years away from creating a significant number of projects or jobs.

Like many others, we also believe there must be greater transparency so taxpayers know we're getting our money's worth. We've all heard about the bridge to nowhere. But there are plenty of bridges to somewhere that are deficient or obsolete – in fact four years after the I-35 bridge collapse in Minneapolis, more than 161,000 bridges in our country are in need of repair.

In stark contrast to the proposal being considered here today, the House outline would result in massive job losses – as many as 490,000 lost jobs in the first year alone, according to the Federal Highway Administration – and would result in a dramatic acceleration of the decline of our nation's transportation infrastructure. These draconian cuts will result in lost productivity as people and commerce are further delayed by traffic congestion. The House proposal will result in dangerous roads that result in needless deaths, injuries, and property damage, and a continued erosion of state and local economies as needed investment in transportation is shifted to them.

One could argue that those who crafted the House proposal have found the will to justify billions of dollars in tax loopholes for corporations and the wealthy, while cutting investment that all Americans depend on.

According to the FHWA, the result of the House bill would be 21,000 jobs lost in Florida. 43,000 jobs lost in California, 15,000 jobs lost in Ohio, 20,000 jobs lost in Pennsylvania, 13,000 jobs lost in Michigan, 11,000 jobs lost in Indiana and nearly 6,000 jobs lost in Oklahoma. This may be the summer of the blockbuster Harry Potter movie, but a magic wand won't prevent what for so many Americans, and for our nation, will be the real Deathly Hallows as more jobs disappear, more families suffer and the U.S. falls further behind. The House outline is a fundamentally different vision of America and a radical departure from our 235 years as a nation of innovation.

Like many Americans, we're frustrated at the inability of Washington D.C. to put one and one together and match those who desperately need work with the critical infrastructure needs of our nation.

Against the debate about budgets and deficits and debt ceilings, a simple truth is being ignored. Investing in transportation can create economic growth, help balance budgets, and reduce our debt.

Infrastructure investment can help employers compete and grow and hire more workers. And the payback for taxpayers and future generations is solid, while the failure to invest will stall economic growth and result in more deficits in the future.

There is no better time to invest than now while costs are low, working men and women are eager and the needs are great.

Investing in transportation infrastructure can directly create millions of desperately needed jobs – and 90 percent of those jobs are middle class jobs. They are jobs that create paychecks that will quickly circulate and revive local economies.

According to the Political Economy Research Institute, between 1950 and 1979, infrastructure investment clearly correlated with economic growth. During those three decades, public investment in transportation, water resources and energy systems grew at a steady 4 percent rate – and the economy grew at a rate of 4.1 percent. When investment slowed between 1980 and 2007 to 2.3 percent, economic growth fell to 2.9 percent.

Transportation investment in particular also clearly provides indirect economic growth. More than 90 percent of supplies and labor used to build transportation infrastructure is American-made. And as new transportation corridors are developed, economic growth inevitably thrives around them.

Likewise, delaying investment adds to the national debt. President Obama's first chair of the National Economic Council advocated infrastructure investment as a way to create economic growth and because deferring needed maintenance and development imposes rising costs on taxpayers and future generations.

Around the globe, multi-national companies are echoing a common theme about the United States – that to continue to attract international investment in an ever increasingly competitive world, we will have to take bold steps to rebuild our infrastructure. If we don't, global corporations will invest elsewhere.

LIUNA's perspective is that this is a no-brainer. We can invest in critical needs now, cut our debt, put people back to work, spur economic growth and create real assets for taxpayers and future generations.

We can again be the nation that does big things, even in trying times. We can answer this calling from around the corner where our country's future awaits. We can fulfill our obligation to make

sure what we do improves our nation and leaves it better off than the way we found it. We can build America so America works.

Thank you for allowing me to address the Committee today.

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