

What They Are Saying: Infrastructure Investment Should be Included in Congress's Next Stimulus Package

Governor Arnold Schwarzenegger (CA): This is the “perfect” time to “lay out a plan to rebuild America” because “it would stimulate the economy and it would create a tremendous amount of jobs.”

GOV. SCHWARZENEGGER: “...It's very important also to go to rebuild America because America has fallen way behind when it comes to infrastructure. This is the most perfect time to do that, to lay out a plan to rebuild America, just like Roosevelt has done because it would stimulate the economy and it would create a tremendous amount of jobs and I think this is one of the most important things to do.”

KING: “Can the country afford that right now?”

GOV. SCHWARZENEGGER: “Absolutely the country can afford it. Look, I had heard the same dialogue a half a year ago when people talked about can the country afford infrastructure, and look how much we have lost since then. So, the country can afford because what we're doing is an investment. It's not spending. It's an investment where you get twice the amount of money back because it will bring people to work. You don't have to pay for unemployment insurance and benefits and all these things. And this is what the American dream is about...” (Transcript. Late Edition, *CNN*. 11/9/08)

Mayor Michael Bloomberg (New York): “Remember... the construction projects of the New Deal didn't just help Americans survive the Great Depression. They built the foundation for a broader and more prosperous middle class that led America to new heights.”

You have rightly criticized the process of funding infrastructure through earmarks, and I cannot think of a better way to start your administration than by working with Congress to reform it. What a signal it would send to voters: you are watching after their tax dollars more closely and putting them to better use. How to win congressional support? In exchange for legislation creating an infrastructure bank that funds projects based strictly on merit, agree to invest more money on the infrastructure our country needs most. And you should also demand more from the states and cities that get federal money: hold them accountable for building on time and on budget. Call it a “New New Deal”: investing more, more wisely, and getting bigger returns. A bold infrastructure plan will help put Americans back to work—plenty of good projects are ready to go, they just require funding—and it will build the infrastructure our country needs to compete in the 21st century. Remember: the construction projects of the New Deal didn't just help Americans survive the Great Depression. They built the foundation for a broader and more prosperous middle class that led America to new heights.

Governor Ed Rendell (PA): “Unless the federal government is willing to step up and develop a real infrastructure repair program, we're never going to be able to do the two things we need to do: one, maintain what we have; and, two, build new things.” (Aging Bridges Among Country's Infrastructure Woes. *PBS*. 10/20/08)

NAM President and Former Governor John Engler (MI): “Our global competitors – China, India, Japan and the European Union – already heavily invest public and private resources in infrastructure... To help keep American businesses and manufacturers competitive, we must do better than 2.4% of our GDP towards public infrastructure spending.” (Testimony. US House Committee on Transportation and Infrastructure. 10/29/08)

Hartford Courant editorial: “Indeed, now is the time to invest in transportation. The country on several occasions has strengthened its infrastructure during times of economic crisis. We have such a crisis now.” (Yes We Can Rebuild U.S. *Hartford Courant*. 11/25/08)

Brookings Institute: “Infrastructure spending — even if it takes longer to kick in than rebate checks or interest rate cuts — will still stimulate the economy during a downturn.”

For one, timing is less of an issue when a recession is prolonged. Over the past 50 years, the average recession has lasted less than a year; this recession is likely to last until the end of 2009 or longer, according to recent surveys of economic forecasters. This means that infrastructure spending — even if it takes longer to kick in than rebate checks or interest rate cuts — will still stimulate the economy during a downturn. (Paths to recovery. *Politico*. 11/25/08)

Harvard economist Edward L. Glaeser supports “spending more on infrastructure right now... because the costs of those investments are lower during a recession, when people are out of work and equipment is underutilized. Moreover, public programs can reduce the human costs of a recession, and perhaps also reduce the chance that this current downturn can become a deep and lasting depression.” (Don’t just spend, do it wisely. *New York Times*. 11/25/08)

US Conference of Mayors: Congress should “act quickly on a 'MainStreet Stimulus' bill that would immediately put Americans back to work on infrastructure projects that provide short- and long-term benefits to our struggling economy.”

"In light of today's report, the nation's mayors are renewing their call for Congress to act quickly on a 'MainStreet Stimulus' bill that would immediately put Americans back to work on infrastructure projects that provide short- and long-term benefits to our struggling economy. Cities are 'ready-to-go' with transit, energy-efficiency and community development infrastructure projects that will immediately employ people, support small businesses, and stimulate Main Street economies. Mayors are confronted everyday by city residents about the economy and how it is impacting their jobs, their long-term savings, their mortgages and their pension funds. Further, severe state and local cutbacks are resulting in a loss of significant services on Main Street. We cannot wait for the new President and a new Congress to take office. This crisis is happening now and stimulus funding for infrastructure projects can rapidly be spent by directly funding cities and counties, so that work can begin NOW." (Press Release. The U.S. Conference of Mayors Executive Director Tom Cochran Calls for a Main Street Stimulus Plan to Create Jobs, Spur National Economy. 11/7/08)

***San Diego Union Tribune* editorial: “We strongly urge lawmakers to focus on a plan that not only stimulates spending and creates jobs, but one that provides our society other tangible, long-term benefits...This time around...the package needs to focus on large-scale public works projects.”**

We remain skeptical of, if not adamantly opposed to, solutions that involve the government throwing money — taxpayers' money — at problems. But we acknowledge, as do most serious thinkers, that the financial crisis facing this country and the global economy poses a threat to our way of life unlike anything we have experienced in generations. Additional government intervention of some sort is not just inevitable, but almost certainly necessary. In that case, we strongly urge lawmakers to focus on a plan that not only stimulates spending and creates jobs, but one that provides our society other tangible, long-term benefits. Consumer spending is by far the largest component of our economy. That is why the \$92 billion government stimulus program of the spring and summer involved direct payments to individual taxpayers. Conventional wisdom holds — perhaps accurately — that the quickest way to stimulate a moribund economy is to put money in the hands of those who will turn around in short order and buy cars or big-screen televisions or other goods and services. This time around, however, the package needs to focus on large-scale public works projects. Cities, counties and states across the country are dealing with aging water and sewer systems, insufficiently maintained roads and bridges, dilapidated or obsolete public buildings and other pressing infrastructure needs. If scores of billions of additional public dollars are going to be spent to ameliorate the effects of what is almost certain to be a long and deep recession, let's have something to show for it years from now. (Editorial: Stimulus stew, if inevitable, focus should be public works. *San Diego Union Tribune*. 11/11/08)

Governor Chet Culver (IA): Congress and the White House should “take quick action on a stimulus package to address the nation’s immediate infrastructure needs and create new jobs.”

While speaking at an event marking the completion of a four-lane highway connection between Des Moines and Burlington, Governor Chet Culver today called on Congress and the White House to take quick action on a stimulus package to address the nation's immediate infrastructure needs and create new jobs. The Governor said that funding ready-to-go transportation projects could support thousands of Iowa jobs. "One of the proven ways to create good jobs is by investing in our infrastructure," said Governor Culver. "In Iowa, we have tens of millions of dollars in transportation projects alone that could begin next spring if the funding was available. This would mean an immediate improvement to both our infrastructure and our economy." (Gov. Culver: Urges immediate action on Federal Infrastructure Stimulus. IowaPolitics.com. 11/12/08)

Governor Janet Napolitano (AZ): Lawmakers should finance "infrastructure construction" because it's a "win-win for everybody."

Gov. Janet Napolitano is going to Washington this week to urge Congress to approve a public works program to help stimulate the economy. Napolitano said she will tell members of the House Committee on Energy and Commerce on Thursday that lawmakers should finance "infrastructure construction." She said those programs are not unlike what Congress approved in the 1930s to help the country recover from the Depression. "We know that money spent on infrastructure - roads, dams, bridges, border infrastructure - that creates jobs now," she said Tuesday. "Of course, the construction sector out here has been the most hard-hit in the downturn," the governor continued, saying the state needs "jobs now." "It's infrastructure we know we need," Napolitano said. "So it's a win-win for everybody." The governor said she is not suggesting that Congress create work projects just to find ways to spend money. "It's really accelerating projects that already are on the books," she said. "They're ready to go."

US Chamber of Commerce: "Infrastructure investment directly supports jobs... the Chamber urges Congress to include transportation infrastructure investment for near-term projects in stimulus legislation."

The current investment levels fail to keep pace with the demands of pressing economic, safety, energy and environmental needs. To ensure that infrastructure investment meets the ultimate objective of stimulating job creation and economic growth, it is of the utmost importance to ensure that funding is provided in such a way that it is targeted for near-term projects and can be spent quickly. Accordingly, the Chamber urges Congress to include transportation infrastructure investment for near-term projects in stimulus legislation. (Letter Urging Congress to Consider Legislation to Stimulate Economic Activity and Spur Job Growth. US Chamber of Commerce. 11/7/08)

American General Contractors urges Congress to act "on a stimulus package that includes funding for highway, bridge and other infrastructure work."

"Construction had—by far—the highest unemployment rate of any industry and the largest increase, up from 6.1 percent a year ago," Simonson noted. "The industry accounted for nearly half of the million-plus jobs lost throughout the economy in the past 12 months. "Many of those losses have been in heavy and civil engineering construction—highways and other public works," Simonson observed. "Those workers could quickly be re-employed if the states had enough money to award contracts for projects they have ready to go. Contrary to some assertions, this money would quickly make its way into the economy, supporting equipment and materials manufacturing and services jobs as well as construction. State officials say they have thousands of projects ready to award without long delays. "AGC urges Congress to act this month on a stimulus package that includes funding for highway, bridge and other infrastructure work," Simonson stated. "In addition, the new Administration and Congress should give a high priority to renewing long-term highway, airport, water and wastewater funding bills next year. "This is a great time for both public agencies and private owners to go ahead with construction," Simonson concluded. "Many materials costs have tumbled since last summer, and there are plenty of skilled contractors ready to bid for work." (Press Release. American General Contractors. 11/7/08)

Governor Jodi Rell (CT): Federal dollars towards state infrastructure projects "will help us immensely in getting people back to work and the economy moving."

Republican Gov. M. Jodi Rell was heartened by today's meeting between the nation's governors and Democratic President-elect Barack Obama and believes the incoming administration wants to help state's like Connecticut get their fiscal houses in order. "I think President-elect Obama really wants to help the states," Rell said in a phone interview while driving home from Philadelphia. Rell, whose administration is grappling with a \$6 billion-plus budget hole and the continued fallout of the Wall Street crisis on the state's financial services industry, said she and her colleagues urged Obama to pump federal dollars into state infrastructure projects. "If you're ready to go with a project and federal dollars are available, it will help us immensely in getting people back to work and the economy moving," Rell said. (Rell seeks stimulus plan in meeting with Obama. *Advocate*. 12/2/08)

Governor Jim Gibbons (NV): "Federal investment in infrastructure will be helpful to states hard-hit by revenue declines."

Governor Jim Gibbons characterized his meeting with President-elect Barack Obama today in Philadelphia as productive and helpful. Gibbons and governors from numerous other states met with Obama to discuss the current economic crisis and possible solutions. "The meeting underscored that the challenges our economy and people are facing in Nevada are part of a national problem that requires bipartisan cooperation to resolve," Governor Gibbons said. "President-elect Obama noted that 41 states are likely to face budget shortfalls this year or next, forcing Governors and legislators to choose between reining in spending or raising taxes," Governor Gibbons stated. "Federal help in terms of paying for federally mandated programs and federal investment in infrastructure will be helpful to states hard-hit by revenue declines." (Governor Jim Gibbons Meets With President-Elect Obama. KTVN. 12/2/08)

Idaho Statesman Editorial: "Provided that they meet a clear public need, well-run public works projects are a smart version of economic stimulus."

We're not suggesting government projects for the sake of government projects. We are saying there is merit in an argument that seems to be gaining political traction. Our infrastructure needs work, and our communities need jobs. Provided that they meet a clear public need, well-run public works projects are a smart version of economic stimulus. They also are a smart step toward economic diversification. It is no secret that the state's economy - and the national economy - has gradually shifted from production and manufacturing to services and information-age jobs. But a robust, well-rounded economy also builds things. Why not locomotives? (Our view: Dollars spent on public projects also trickle down. *Idaho Statesman*. 11/21/08)

Burlington Free Press Editorial: "Investing in infrastructure is different from simple consumption, from tax cuts or tax rebates" because it lays the "groundwork for economic health."

Fixing roads and bridges will cost money at a time when the federal budget is already in deep deficit, but investing in infrastructure is different from simple consumption, from tax cuts or tax rebates. This is the kind of investment that will lay the groundwork for economic health, while reducing the long-term cost by improving our roads and fixing our bridges before they have collapsed. This is economic stimulus that will benefit Vermont and the nation now and into the future. (Editorial: Fixing highways as economic stimulus. *Burlington Free Press*. 11/9/08)

Economic Policy Institute: "A recovery package that focused on job creation through infrastructure investment could help reduce the severity and length of the job market downturn." (Testimony. US House Committee on Transportation and Infrastructure. 10/29/08)

Governor Ted Kulongoski (OR): "We need to put people back to work, and you can accomplish more good on that score by investing in public infrastructure than you can throwing public money at banks and financial institutions."

Today, Kulongoski will appear at a legislative hearing to make his case for a plan that could raise the state gas tax and vehicle fees to pay for road and bridge improvements and create thousands of new construction-related jobs. It's what voters had in mind when they embraced Barack Obama and other Democrats in last Tuesday's election, Kulongoski said in an interview. "We need to put people back to work," the governor said. "And you can accomplish more good on that

score by investing in public infrastructure than you can throwing public money at banks and financial institutions." A new state jobless report due out today likely will provide more grim news about Oregon's unemployment rate — already above the national average — but it also could give added support for Kulongoski's call for creating public-works jobs. (Ore. governor ready to roll on job-creating roads plan. *Associated Press*. 11/9/08)

Governor Jim Doyle (WI): Infrastructure investment is “a way to have a stimulus rather than someone just getting a check in the mail -- to have one that really based on putting thousands and thousands of more people to work.”

Obama promised governors he would take swift action to help states deal with their budget crises. He has directed his economic team to craft a plan to create 2.5 million jobs through the development of renewable energy, infrastructure improvements and school construction. And on Monday, House Democrats said they planned to have an economic stimulus package costing between \$400 billion and \$500 billion ready for Obama's signature when he takes office on Jan. 20... "He has asked us all to come up with a list of projects, whether they're transportation projects or other building projects, that we actually have ready to go, that we could get shovels in the ground almost immediately upon passage by Congress," Doyle said. "So in Wisconsin we're doing that, as states are across the country. And that's a way to have a stimulus rather than someone just getting a check in the mail -- to have one that really based on putting thousands and thousands of more people to work." (Governors ask Obama to help states with budget messes. *Capital Times*. 12/2/08)

Republican consultant Ed Rollins: “Rebuilding our infrastructure will train young people, give them a career that’s going to be a long-term career, and create real jobs.”

BLITZER: And, you know, at the same time, though, Ed -- and I don't know how much of a concern this is -- it nearly -- the money's going to have to come from somewhere. And that means increasing the national debt.

ROLLINS: Well, I think -- I think there's no question on the national debt. We supposedly were the fiscal party, and we ran the debt up, too. So, I think the reality is to make sure the money is spent well. I'm all for infrastructure. I think we have highways; we have all sorts of things that have fallen apart. My father was a shipyard worker, worked in a federal shipyard. We made a decision to shut down all the federal shipyards in the '80s, and I think we've we cost a lot of very important jobs and job training programs. I think rebuilding our infrastructure will train young people, give them a career that's going to be a long-term career, and create real jobs. (Transcript. CNN's "Late Edition." 11/23/08)

***New York Times'* David Brooks: Infrastructure investment can “create a legacy that can improve the economic environment for decades to come” and help “people who are expanding companies rather than hedge funds.”**

Major highway projects take about 13 years from initiation to completion — too long to counteract any recession. But at least they create a legacy that can improve the economic environment for decades to come. A major infrastructure initiative would create jobs for the less-educated workers who have been hit hardest by the transition to an information economy. It would allow the U.S. to return to the fundamentals. There is a real danger that the U.S. is going to leap from one over-consuming era to another, from one finance-led bubble to another. Focusing on infrastructure would at least get us thinking about the real economy, asking hard questions about what will increase real productivity, helping people who are expanding companies rather than hedge funds. Moreover, an infrastructure resurgence is desperately needed. Americans now spend 3.5 billion hours a year stuck in traffic, a figure expected to double by 2020. The U.S. population is projected to increase by 50 percent over the next 42 years. American residential patterns have radically changed. Workplaces have decentralized. Commuting patterns are no longer radial, from suburban residences to central cities. Now they are complex weaves across broad megaregions. Yet the infrastructure system hasn't adapted. (A National Mobility Project. *New York Times*. 10/31/08)

Former Labor Secretary Robert Reich: Infrastructure investment packs a “double-whammy” because it creates “lots of jobs, and they make the economy work better in the future.”

So the crucial questions become (1) how much will the government have to spend to get the economy back on track? and (2) what sort of spending will have the biggest impact on jobs and incomes? The answer to the first question is "a lot." Given the magnitude of the mess and the amount of underutilized capacity in the economy-- people who are or

will soon be unemployed, those who are underemployed, factories shuttered, offices empty, trucks and containers idled -- government may have to spend \$600 or \$700 billion next year to reverse the downward cycle we're in. The answer to the second question is mostly "infrastructure" -- repairing roads and bridges, levees and ports; investing in light rail, electrical grids, new sources of energy, more energy conservation. Even conservative economists like Harvard's Martin Feldstein are calling for government to stimulate the economy through infrastructure spending. Infrastructure projects like these pack a double-whammy: they create lots of jobs, and they make the economy work better in the future. (Important qualification: To do this correctly and avoid pork, the federal government will need to have a capital budget that lists infrastructure projects in order of priority of public need.) (The Mini Depression and the Maximum-Strength Remedy. *TPM Café*. 11/9/08)

Governor Brad Henry (OK): "We know from past experience that" with infrastructure investment "there is substantial private investment that follows. It's sort of the old 'if-you-build-it-they-will-come theory.' It will be good for the state economy and the national economy."

The Oklahoma chief executive said the economy will be foremost on the minds of the governors when they meet Tuesday with Obama. He said health care funding also is sure to be discussed. "The president-elect has talked about investing in infrastructure, and that, of course, is of great interest to the governors. I'm hopeful that there will be a substantial investment in transportation infrastructure in Oklahoma that will create immediate construction jobs. "We know from past experience that whenever we have that type of investment, there is substantial private investment that follows. It's sort of the old 'if-you-build-it-they-will-come theory.' It will be good for the state economy and the national economy," Henry said. (Oklahoma gov hopes Obama stimulus will help state. *Associated Press*. 12/1/08)