

CQ TODAY MIDDAY UPDATE

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Extra Highway Spending Not Enough to Sustain Jobs, Trade Group Says

Despite billions of dollars in federal spending on road and bridge projects, most transportation contractors laid off employees this year and many expect more job cuts next year unless Congress enacts a highway bill, a coalition of industry groups said Friday.

The Transportation Construction Coalition, a group that includes road builders and general contractors, said the \$27 billion for transportation infrastructure projects in this year's economic recovery law provided some momentum for the industry, but not the long-term funding needed to sustain personnel.



A survey of transportation contractors found that 44 percent believe they will be forced to lay off employees next year and 63 percent already dropped workers in 2009.

"It is impossible to overstate just how difficult current conditions are or how dire the outlook for next year is," Ken Simonson, chief economist for the Associated General Contractors of America, said in a statement. "One-time investments in transportation infrastructure like the stimulus help, but they're simply no substitute for having a long-term investment strategy in our roads, bridges and transit systems."

The findings were released Friday as part of the industry group's campaign to press Congress for enactment of the six-year, \$500 billion draft highway and transit authorization bill pending in the House. The Obama administration and Senate favor an extension of the five-year 2005 highway law that would defer tough decisions on funding surface transportation until after the 2010 elections.

The contractors group said delay would cripple their industry.

Stimulus funding was intended for "shovel-ready" jobs like repaving roads or filling potholes. But funding uncertainty has forced states to delay and cut back construction projects, the group said. What states really need is security to plan and contract for larger projects that take many years, the contractors said.

Alison Black, vice president of policy for the American Road and Transportation Builders Association, said the lack of action on a highway bill also has a psychological impact on the industry. Without predictability of funding to the states, she said, contractors also are reluctant to make capital investments.

