

Center for American Progress



Employment Weakness Calls for Stronger Transportation Bill

Flat-Lining Jobs Growth Underscores Dangers in Rep. Mica's Miserly Transportation Bill



SOURCE: AP/Lawrence Jackson

Rep. John Mica (R-FL) asks questions on Capitol Hill in Washington. His proposed six-year transportation investment bill ignores some of the basics of economic recovery and puts American safety and competitiveness at risk.

By Donna Cooper | July 8, 2011

Today's announcement of the negligible increase of 18,000 jobs in June surprised even the most pessimistic economists. The rising unemployment rate, now at 9.2 percent, does not bode well for our economy, American

families, or any elected official. A strong economic recovery will require a complex blend of smart economic policy, stronger demand for goods and services, and collective confidence from investors and consumers that our economic engine can roar again to life.

Ironically, the House Republican leadership **yesterday proposed** a six-year transportation investment bill that ignores these basics of economic recovery and puts American safety and competitiveness at risk.

Rep. John Mica (R-FL), chairman of the House Transportation Committee, proposes spending \$230 billion on transportation over the next six years. That sounds like a lot, but it's less than the five-year transportation spending plan passed in 2005 when George W. Bush was president—and nearly \$6 billion less than this year's investment in surface transportation, which is already 50 percent less than needed.

Spending less on transportation makes no sense at a time when one in five of the nation's bridges are "structurally deficient"—the same classification held by the I-35 bridge in Minneapolis before it collapsed in 2007, killing 13 people and injuring 145. Our roads aren't in much better shape. And any Americans who ride our rails experience the outages, late trains, and cancelled rides caused by the shortage of funds for the \$8.8 billion in capital repairs needed to the Amtrak system.

Mica defended the retrenchment in infrastructure spending by saying his party colleagues would oppose spending any more. "They would vote down a Mother's Day resolution if it had extra spending," he **said**. "That is the climate we're in." The sad fact is that the ballooning federal deficit is giving cover to those who came to Washington to "starve the beast." Right now, when so much of our infrastructure is crumbling and the economy is on the brink, this approach is simply perilous.

Democrats and Republicans agree on few things, but one of them is that public investments in infrastructure create jobs—more so than any other public spending. That's why Mica's cuts to infrastructure spending are so misguided. They will particularly hurt America's small businesses, who are the biggest players in infrastructure work. Small firms deliver the concrete and asphalt needed for construction, as well as labor. Pennsylvania officials tracked the impact of federal stimulus to roads and found that nearly \$7 out of every \$10 went to

purchase materials, labor, and services of small businesses.

Mica claims the cuts in federal spending will be offset by increases in private roads investment facilitated by state infrastructure banks. This is not a new idea. State infrastructure banks have been enabled in federal law since 1995 and most states already have them. Mica offers no credible evidence to suggest that these banks will attract \$12 billion in private investment needed to offset his cuts—without state or local gas tax increases.

Bottom line: The Mica bill spends too little and doesn't do enough to stimulate new private investment.

It doesn't call for a national infrastructure bank, despite evidence from Europe, Canada, and Asia that a superstructure like that enables wiser public and private infrastructure investments. While Republican leaders crow about ending waste in government, Mica's legislation fails to end politicized allocation formulas that impede delivery of funds where they are most needed. And he doesn't call for the revival of taxable federally subsidized bonds like Build America Bonds, which successfully attracted more than \$55 billion in private investment in new state and local rebuilding projects at a very low cost of \$566 million to the U.S. Treasury.

In 2009, when Mica's party was in the minority, he didn't think we were spending enough on transportation. He chided President Obama for an "almost miniscule" investment in infrastructure in the Recovery Act stimulus. And the lawmaker said we were insufficiently ambitious about building high-speed rail lines.

Today, he and his leadership stand behind a bill that actually reduces the level of federal investment in infrastructure. The result will be a reduction of at least 100,000 private-sector jobs annually, small-business closures, and increased likelihood of tragic road and bridge failures.

Fortunately, others in the House and Senate disagree. Sen. Barbara Boxer (D-CA) is building a bipartisan compromise on a two-year extension of the current surface transportation bill, with modest increases to account for inflation. That's a wise approach that permits Washington to use its political capital to create jobs and address the deficit by getting our federal spending priorities right.

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