

American Recovery and Reinvestment Plan: Creating Jobs by Modernizing Roads, Bridges, Transit and Waterways

To build a 21st century economy, we must create jobs rebuilding our crumbling roads and bridges, modernizing public buildings, and putting people to work cleaning up our air, water and land. The American Recovery and Reinvestment Act, signed into law by President Obama on February 17, will make large investments to repair and modernize thousands of miles of roadways in the U.S. and to provide new mass transit options for millions of Americans. These provisions in total would create or save about 1.8 million American jobs. Unprecedented accountability and transparency measures are built into the legislation to ensure that tax dollars are spent wisely.

“Increasing infrastructure spending will also greatly boost the economy... Most of the infrastructure money will be spent on hiring workers and on materials and equipment produced domestically... The boost to GDP from every dollar spent on public infrastructure is large—an estimated \$1.59—and there is little doubt that the nation has underinvested in infrastructure for some time, to the increasing detriment of the nation's long-term growth prospects.” (Chief Economist Mark Zandi of Moody's Economy.com, 1/21/09)

“The economic recovery legislation signed by the President today will trigger an infusion of funds that will put this nation on the road to recovery. It will allow transportation departments across America to make smart investments in thousands of projects, creating hundreds of thousands of family-wage jobs in the struggling construction industry. At the same time, it will upgrade the highways, bridges, and transit and rail systems that America depends on.” [American Association of State Highway and Transportation Officials, 2/17/09]

Modernizing Roads and Bridges (Creates more than 750,000 jobs)

- Creates more than 750,000 jobs through investment in transportation, with \$27.5 billion for highway construction. These projects create jobs in the short term while saving commuters time and money in the long term.
- Includes \$1.5 billion in discretionary grants for highways, bridges, mass transit, rail, and port infrastructure.
- States have over 5,100 projects totaling over \$64 billion that could be under contract within 180 days.
- In 2006, the Department of Transportation estimated an additional \$8.5 billion per year was needed to maintain current systems and an additional \$61.4 billion per year was needed to improve highways and bridges.
- Includes strict accountability measures to ensure that highway and transit funds get out the door quickly to create jobs. Requires 50 percent of the highway funding to be obligated within 120 days, and 50 percent of the transit formula funding to be obligated within 180 days, or the Transportation Department can reclaim some of the states' highway/transit funding in the bill.

Improving Public Transit and Rail (Creates more than 200,000 Jobs)

- Creates more than 200,000 jobs by making investments in transit and rail to reduce traffic congestion and our dependence on foreign oil (\$8.4 billion transit). Provides funds for new construction of commuter and

light rail, modernizing existing transit systems, and purchasing buses and equipment needed to increase public transportation and improve intermodal and transit facilities.

- Provides \$1.5 billion in discretionary grants for highways, bridges, mass transit, rail, and port infrastructure.
- Makes landmark investments (\$8 billion) in the development of high speed rail and to improve intercity passenger rail service in corridors across the nation from Ohio to California. Also includes grants for Amtrak. Connecting cities with faster rail service will relieve congestion, improve energy conservation, spur commerce between cities, create jobs, and revitalize local economies.
- Public transportation saves as much as 4.2 billion gallons of gasoline and reduces carbon emissions by 37 million metric tons each year.
- There are 787 ready-to-go transit projects totaling \$15.9 billion. [American Public Transit Association]

Modernizing Federal Infrastructure to Lower Energy Costs

- Makes an historic investment in upgrading federal buildings and making them energy efficient – working to save taxpayers over one billion dollars by slashing energy costs in our federal buildings by 25 percent.
- Provides \$4.5 billion for renovations and repairs to federal buildings, focused on increasing energy efficiency and conservation.
- Invests \$4.2 billion in energy efficiency projects at the Defense Department and repairing and modernizing their facilities, including military medical facilities and Army barracks.
- The federal government is the world’s largest consumer of energy.
- This will help create good-paying jobs in the green building industry as well as save taxpayer money.

Prioritizing Clean Water/Flood Control/Environment Restoration (Creates approximately 300,000 Jobs)

- Creates approximately 300,000 jobs by modernizing our nation’s water systems to strengthen the safety and cleanliness of our water and to ensure that about 3 million rural households have new or improved service.
- Experts note that \$16 billion in water projects could be quickly obligated. [National Governors’ Association and the Association of State and Interstate Water Pollution Control Administrators]
- Expands efforts at environmental restoration, flood protection, hydropower, and navigation infrastructure and providing clean, reliable drinking water to rural areas critical to the economy through the Army Corp of Engineers and the Bureau of Reclamation.
- Strengthens environmental cleanup efforts for Superfund, cleanup of petroleum leaks from underground storage tanks, nuclear waste cleanup, and brownfields -- which has the added benefit of creating jobs.

Building Affordable Housing & Addressing the Housing Crisis (\$10 billion)

- Repairs and modernizes public housing. Every dollar of these public housing expenditures produces \$2.12 in economic return.
- Low-Income Housing tax credits to restart low-income housing construction stalled by the credit crunch.
- Provides for the purchase and rehabilitation of foreclosed, vacant properties by local communities in order to create more affordable housing and reduce neighborhood blight.
- Supports \$11 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch.
- Invests in emergency shelters to provide short-term rental assistance, housing relocation, and stabilization services for families during the economic crisis.

Building 21st Century Schools

- Spurs new construction, rehabilitation, or repair of public school facilities with a new bond financing program for state and local governments. This will create construction jobs and strengthen the education of our children.

Buy American

- Provides that all government projects funded by the recovery plan must use U.S. iron, steel and manufactured goods -- unless it violates obligations under World Trade Organization or U.S. free trade agreements or a federal agency head waives the requirement because of costs or non-availability.