

Star-Telegram

Job creation driving highway bills in Congress

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WASHINGTON — --The lure of roads, bridges, buses and trains isn't enough anymore to drive an expensive transportation bill through Congress. So to round up votes, congressional leaders are pitching the bills as the hottest thing around these days: job generators.

But do they really create more jobs? Not really, is the answer from many economists. The bills would simply shift investment that was creating jobs elsewhere in the economy to transportation industries. That means different jobs, but not necessarily additional ones.

"Investments in transportation infrastructure, if well designed, should be viewed as investments in future productivity growth," said Alice Rivlin, a former director of the White House Office of Management and Budget under President Bill Clinton. The dividends come over the long run.

"If they speed the delivery of goods and people, they will certainly do that," she added. "They will also create jobs, but not necessarily more jobs than the same money spent in other ways."

Indeed, the question of job creation is relatively unimportant when compared to other significant economic benefits of maintaining and improving the nation's aging transportation system, such as enabling people to get to work and businesses to speedily move goods, say economists and transportation experts.

But that hasn't diminished the jobs claims being made on Capitol Hill.

"This legislation would put 2 million middle-class Americans back to work right away," Senate Majority Leader Harry Reid, D-Nev., said Thursday, as he fumed about nearly 100 amendments that have delayed action on the Senate's version of the transportation bill.

"Although our economy has gained momentum, there are still millions of Americans out of work. So it should be obvious why we can't afford to delay efforts to rebuild our roadways, railways and bridges," he explained.

In the House, Speaker John Boehner, R-Ohio, made a transportation bill the election-year centerpiece of the GOP's jobs agenda last fall when he unveiled its broad outlines. To make sure nobody missed the point, the bill was dubbed the "American Energy and Infrastructure Jobs Act of 2012."

Support for the five-year, \$260 billion House bill has since fallen apart. Conservatives thought it would spend too much money, and Democrats and some Republicans balked at policy changes they say would undermine mass-transit, weaken environmental protections and penalize union workers. Boehner is struggling to craft a new bill with some mix of policy and spending that can win passage.

Urgency is growing because the government's spending authority for highway and transit programs - and its legal power to levy most of the 18.4 cents a gallon federal gas tax - expires at the end of this month.

President Barack Obama has pitched his own six-year, \$476 billion transportation bill as a jobs plan as well, but lawmakers are unwilling to consider such a large proposal. They've had to scour the federal budget to find money to pay for a Senate bill a quarter of that size. While paying lip service to their own bill, administration officials are also backing the more modest Senate bill, which would cost \$109 billion over two years.

"A transportation bill will be the biggest jobs bill Congress could ever pass, bigger than anything else they've done in the three and a half years I've been in this job," Transportation Secretary Ray LaHood said, praising the Senate bill.

Sen. Barbara Boxer, D-Calif., the chief sponsor of the Senate bill, estimates it will preserve 1.8 million existing jobs and create 1 million new ones. But that's predicated on an assumption that all government funding would cease if Congress fails to act, an outcome other experts consider unlikely.

Still, state transportation officials are warning of severe disruptions if the highway program is not extended. Jack Basso of the American Association of State Highway and Transportation Officials said major highway projects could be curtailed and states would be reluctant to commit to new projects.

"There is no question people could be put out of work and jobs would go way," Basso said, a blow to a construction industry that had over 17 percent unemployment as of January.

But the 1 million new jobs Boxer expects will be created may be a long time coming, economists say.

"In many cases this is not spending that occurs very rapidly," said Alan Viard, an economist with the conservative American Enterprise Institute. "Anything that involves construction has notoriously long lead times."

The job claims overlook the most important benefit of transportation programs, which is mobility, said Joshua Schank, president of the Eno Center for Transportation, a think tank. He pointed to construction of the interstate highway system began in 1956 and was completed 35 years later.

"How many jobs did we create by building the interstate system?" asked Schank. "Nobody knows. And who cares? We built the interstate system, that's what matters."

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