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May 9 AP Report on Highway Stimulus Funds: The Rest of the Story

A widely circulated May 9 news story from the Associated Press, "[Early Road Aid Leaves Out Neediest](#)," about the implementation of the American Recovery and Reinvestment Act (ARRA) fundamentally misunderstood how transportation infrastructure investment helps the economy.

Among other things, the article makes the assertion that communities suffering the most from job losses are receiving the least help from President Obama's plan to spend billions of stimulus dollars on road and bridge improvements.

There is no doubt many communities throughout America have been hard hit by the economic downturn, but may not have highway projects immediately ready to move forward. However, the location of the construction project does not determine where the jobs will be created. Construction workers do not necessarily live in the community where the work is being performed. Infrastructure investment was emphasized in the stimulus package as a way to create jobs precisely because it has wide application and can put people to work quickly regardless of the location of the project.

Also missing from the story was any understanding of the multiplier effect of transportation infrastructure investment, which is widespread and extends to materials suppliers and the general economy. Again, even if a community does not have a specific transportation project, it will still share in the economic benefits of transportation investment through indirect employment, enhanced economic activity and reduced logistics costs.

The story overlooks the fact that the construction industry's unemployment rate has been twice the national average for some time. In April, the unemployment rate in the construction industry was 18.7 percent, while the national rate (not seasonally adjusted) was only 8.6 percent. Employment in highway, street and bridge construction during the first quarter of 2009 was at its lowest point in 10 years.

Prior to the passage of the economic stimulus law, state transportation departments were canceling or postponing transportation projects across the board because of their own budget problems. As the [U.S. DOT recovery Web site](#) now shows, people are already starting to work on stimulus transportation projects and many people are either being hired back or were able to keep their jobs because of the infusion of resources, which was the intent of the law.

One thing is clear from the AP story. The infusion of federal road and bridge stimulus funds is certainly a step in the right direction and is helping put people back to work. However, it's still only a drop in the bucket towards addressing the ever-growing transportation needs that exist in communities all across America. It's critically important for Congress and the President to build on this momentum for the long-term by passing **this year** a robustly-funded, multi-year federal highway and transit investment reauthorization bill.