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BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRACTRUCTURE ON

"THE COST OF DOING NOTHING: WHY INVESTING IN OUR NATION'S INFRASTRUCTUR CANNOT WAIT"

February 7, 2019

On behalf of the Transportation Trades Department of the AFL-CIO and our 32 affiliated unions, I want to first thank Chairman DeFazio and Ranking Member Graves for inviting me to testify before you today. And let me offer my congratulations to the new and returning members of this committee.

Each of you asked to serve on this committee because you recognize the incredible and important role our transportation network plays in creating and sustaining good paying jobs and facilitating the world's most advanced economy.

And, more often than not, this committee demonstrates to the American people that party affiliations in Washington, D.C. can represent a wealth of good ideas, and not just lines in the sand.

Your willingness to work across those lines, which too often divide us as a country, was evident last year when you passed a long-term reauthorization of our nation's air transportation programs and when you continued the committee's tradition of funding our water resources projects. It was also evident three years ago when you passed a five-year reauthorization of our transit, highway, and rail programs.

These were not easy jobs. Nonetheless, many of you here today worked together to get them done.

Let me be clear, though: while these were all good pieces of legislation that included hard-fought provisions for America's working families, I am sad to say, they simply are not anywhere near enough.

They are not enough to meet the demands that we place on our transportation system today. They are certainly not enough to meet the demands that are going to be placed on it in ten years. And they are nowhere near what we need to leave a legacy for our children, the way our parents and grandparents did when they had the courage to build something as impossible-seeming as the

interstate highway system and world-class urban and rural transit systems in every part of our country. Rail lines that connected New York to California and nearly every state in between. A network of more than 900 ports through which 99 percent of overseas trade passes. And an aviation system that set the global standard for moving people and goods safely and efficiently across our skies.

Yes, past generations built a system of transportation infrastructure that inspired a nation. But they did more than that. By demanding that working people have a voice on the job and earn living wages, our parents and grandparents helped define the American Dream. They created an economic system that allowed a middle class to grow and thrive by ensuring those who built this country and contributed to its economy enjoyed the protections and benefits of a strong union contract.

Sadly, today we are well past the point where we run the risk of letting those legacies quite literally crumble away.

We know that it hurts working families when the federal government fails to invest in infrastructure.

We know it hurts our economy.

We know that when the federal government fails to invest in infrastructure it leaves good union jobs on the table and delays the ability of goods and services to get to American manufacturers, business owners, and household consumers.

That is why, today, I want to take you past GDP indicators, past the report card scores, past the dizzying array of numbers any of us can point to, and instead, focus on the ways failing to invest in infrastructure takes a toll on working families. I am talking about the young adult who is ready and willing to work, but cannot find decent full-time employment. The single parent who burns the candle at both ends and is still barely able to scrape by. The office workers who want to spend more time with the people they love, but are held hostage by hours-long work commutes. The transit operators who, in city after city, wonder when, not if, backlogs of deferred maintenance will lead to another tragic incident. All because of our failure to invest.

The people I am describing are real people. They are the frontline transportation workers who want to operate and build a world-class system. They are the nurses, teachers, veterans, government employees, and business professionals who depend on a safe, efficient transportation network. They are your constituents back home. And the impacts they feel today are only going to get worse if we decide that current federal measures are simply *good enough*.

Take for example, an Iowa family who lives in an isolated corner of Des Moines. Like many Americans, they are struggling just to make ends meet, and cannot afford a car. A lack of public transit options means this family is forced to walk for two miles along the shoulder of a busy highway, often in poor weather conditions and feet from speeding cars and trucks, just to get groceries. Sadly, many of their neighbors face the same problem. The local transit authority is looking at options, but tight budgets mean the authority is already struggling with existing routes.

Federal investment here could mean a safer, more reliable commute for the families of Des Moines, and the creation of good operating and maintenance jobs for the community.

Lack of reliable, affordable public transportation is not lost on business leaders, either. In Greenville, South Carolina, employers representing more than 1,000 businesses in the area called on the county and the city to come together and identify solutions to provide better public transportation. Without it, they simply will not be able to access enough workers to meet the needs of rapid economic growth in their city. Put simply: a lack of resources to provide transportation options may stifle what should otherwise be a model success story for economic growth in a small American city.

Down the road in Fort Mill, employers have hired thousands of workers across multiple sectors. But highways that are in desperate need of expansion have left commuters facing traffic headaches and safety issues so serious that they are beginning to look for work elsewhere – leaving County officials worried that the rapid growth they have enjoyed could be brought to a grinding halt.

Underinvestment is harming Americans in small and large cities alike, and takes a particular toll on those who are already underserved in so many other areas of their lives. Take, for example, Chicago, where young black adults face an unemployment crisis of startling proportions. Unemployment in Illinois is at 4.3 percent, yet 60 percent of black 20 to 24-year-old Chicago residents do not have jobs. A recent study identified lack of public transportation options as a primary reason for that. The majority of jobs in Chicago are located downtown and on the city's northwest side, far from Chicago's traditionally black neighborhoods. This is the very definition of what it means to be *disadvantaged*. The same thing is happening in Minnesota's Twin Cities, where researchers noted that disadvantaged jobs seekers are often qualified for entry-level positions located in the suburbs, but have no way of actually getting to those jobs.

Failing to invest in transportation infrastructure goes well beyond getting people to and from jobs that allow them to support their families. Just ask truck drivers at the Port of Virginia, who come face to face with America's lack of infrastructure investment on a regular basis. Surges in containers from increasingly large ships regularly put the port over capacity, creating traffic jams that can be 13-lanes wide, 10-trucks deep, and take eight hours to clear. Port congestion not only means truck drivers lose out on pay, lessening their purchasing power and placing a strain on their communities, but it means the shipment of goods and raw materials to retailers, small businesses, and farmers is severely delayed.

At our nation's airports, the situation is not much better. At LAX, the fourth busiest airport in the world, air traffic controllers regularly work overtime because of severe staffing shortages, raising concerns about fatigue, traffic volumes, and basic quality of life. Sadly, the issues found in the LAX control tower are just the tip of the iceberg. Across the aviation system, frontline workers, including those in other types of safety sensitive positions like systems specialists and transportation security agents, are increasingly required to do more with less because of America's failure to invest. In fact, air and ground congestion at major airports has been identified as the biggest economic threat to our aviation industry, yet inconsistent funding, sequestration, and government shutdowns have hobbled efforts designed to increase capacity.

We used to be a nation that was not afraid to dig deeper, build higher, or go faster. But today, we have turned a blind eye to projects that will make us better. By failing to tackle some of our nation's largest and most pressing needs, we are putting our country's entire economy on the line.

Consider the Gateway Tunnel on the Northeast Corridor. The Northeast accounts for 30 percent of all jobs in the U.S. and contributes \$3 trillion annually to the U.S. economy. It is home to 51 million people—one in seven Americans—a figure expected to hit 58 million by 2040. Yet, in the busiest rail corridor in the country, we continue to move people and goods at maximum capacity through a hundred year old tunnel that has been in dire need of expansion and modernization for the past 25 years.

At the Soo Locks in Sault Ste. Marie, Michigan, only one lock – the Poe Lock, built in 1896 – is capable of handling the large lake freighters used on the upper Great Lakes. One hundred percent of the iron ore mined in the United States comes through this one lock. If it were to fail for six months or longer, the U.S. Department of Homeland Security estimates that it would have a \$1.1 trillion dollar economic impact on our country and cause 11 million jobs to be lost. Yet this project is still waiting on crucial federal funding for the construction of a second lock.

Meanwhile, America's first truly high-speed rail project, which will lead to an estimated \$7.6 billion in new business sales and \$3 billion in new wages, faces continuous threats by Congress.

This is what *good enough* looks like.

Our members stand ready, willing, and able to drive those buses in Des Moines and Chicago, to build those roads in Fort Mill, to modernize and move freight in and out of our ports, to make the most advanced aviation system in the world even more efficient, to build the infrastructure we need today for the electric vehicles that are coming tomorrow, and to dare to dream big with you on projects like the Gateway Tunnel and California High Speed Rail.

And yet we sit here today, still trying to pay for a 21st Century transportation network on a 1993 budget. Still seemingly unwilling to make the difficult political choices that, frankly, we do not think are all that difficult.

The policy solutions are no great mystery.

We know that a user-fee supported system works when it generates enough revenue to meet our needs. But that is simply no longer happening with the Highway Trust Fund. Since 2008, Congress has transferred \$140 billion into the Highway Trust Fund from the general treasury, and even then, it is just barely enough money to keep pace with current spending levels. Spending levels that do not even begin to address the larger investment gaps I have discussed today. Spending levels that we know must be dramatically increased if we are to compete in the world economy and provide mobility options that working families are calling for.

We have long supported efforts for a modest increase in the federal gas tax, which remains the most efficient and reliable means to raise revenue for our surface transportation network. Yes, an extra twenty-five cents per-gallon at the pump will increase costs for some consumers by roughly

\$100 per-year. But this calculation overlooks the fact that investing in American infrastructure will raise household income, by a recent estimate, to the tune of \$1,400 per-year.

We would also support any serious effort in this Congress to lay the groundwork for a transition to a mileage based user fee. As gasoline powered vehicles become more efficient and electric vehicles become more prevalent, contributions to the Highway Trust Fund will continue to dry up, leaving us back in the same position we are today. At a minimum, Congress should spearhead an immediate effort to dramatically expand the testing of a mileage-based fee.

We should take the Harbor Maintenance Trust Fund off budget and stop raiding it to pay for other priorities. America – not one of our competitors – should be home to the best ports the world has ever known. What's more, when Congress cannot show responsibility with the money they collect for our trust funds, it harms the public's faith in your work. In a very real way, this is about the health of our democracy. I applaud Chairman DeFazio's tireless efforts to see that this happens.

I should note that if we fix our Highway Trust Fund and if we utilize the Harbor Maintenance Trust Fund for its intended purposes, it will free up limited federal dollars for transportation needs that do not currently have access to a trust fund or user fee revenue.

We know that jobs created by smart investments in transportation and infrastructure are good jobs that people can raise families on. In part, this is because of high union density is some of these sectors and in part because of the federal policies that have been associated with these investments. In particular, labor standards specific to construction and transportation have been included in past infrastructure investment statutes and together have resulted in a high-road labor model and ensured a skilled workforce is utilized. These standards and other employee protections should be expanded and applied to future investments considered by the Committee. In addition, Buy America rules should be aggressively applied to federal infrastructure programs so that we can grow our manufacturing base as we seek to reverse decades of under-investment. It would be a grave mistake for the health of our nation to use an infrastructure bill to attack these important laws or to undercut collective bargaining rights that are essential to the good jobs that can and should be created in this space.

Finally, we are here today to talk about our nation's infrastructure and what happens if we don't invest. But there is another piece of the puzzle that must be stated clearly and loudly: we have to stop shutting down the federal government. During the last shutdown – the longest in U.S. history – two agencies vital to our transportation system, the U.S. Department of Transportation and U.S. Department of Homeland Security, went unfunded for 35 days. Grant money was not awarded to transit authorities. Accident investigators stayed home. And critical frontline transportation workers, including air traffic controllers, FAA inspectors and technicians and transportation security officers, were forced to perform safety-sensitive work without pay, or in some cases, not come to work at all. If we want to improve transportation infrastructure in this country, the very least we can do is put a stop to needless, self-inflicted wounds by way of government shutdowns.

By taking these steps today, we can leave behind a legacy better than crumbling roads and insufficient transit. Better than seaports that no longer compete with our neighbors to the north and to the south. Better than airports where we ask our workforce to do more with less every single

day. Better than an economy where the ultra-wealthy only get richer at the expense of everyone else.

It is your turn in Congress, now, to show America's working families that you are ready to meet this challenge. To show our children the kind of courage and leadership that our parents dared to show us. The kind of leadership that inspired a nation to invest in the economic wellbeing of its people by building the Hoover Dam, the Panama Canal, the Interstate Highway System, and countless other projects named after great Americans who dared to dream bigger than we seem capable of today.

We must not find ourselves back at this table in ten or thirty years asking what went wrong. Why nobody rose to meet the challenge. And so I challenge each of you and all of us to seize the opportunity before us.

With that, I am happy to answer any questions.