

Start Us Up to Rebuild America

Given all the publicity around the woes of the auto and financial services sectors, many people don't know that the construction equipment industry is suffering its worst downturn since World War II, and even fewer understand the impact that has on the broader economy. In fact, according to research done by IHS Global Insight, since 2006 the construction equipment industry has shed 37 percent of its workforce – meaning 2 out of every 25 jobs lost during this recession have come from this sector. These were good, well paying jobs with benefits that in some cases, particularly in manufacturing, are gone forever.

While signs of recovery are hard to come by, there is hope. Tomorrow Washington could start work on a multi-year reauthorization of our nation's highway programs resulting in true, sustainable economic growth. The House of Representatives wants to begin work on a multi-year reauthorization as soon as possible, but unfortunately the Senate and White House are pushing for an 18-month extension of the current, expired law.

But an 18-month delay will prevent state departments of transportation from developing and implementing their transportation infrastructure strategies because many of the needed projects take several years to complete. These projects can only be initiated once a state is assured of a stable funding source brought by a multi-year reauthorization of highway programs. And when states can't plan, what results is uncertainty in the market place – contractors can't count on long-term work, so they won't invest in new equipment, and U.S. equipment manufacturers and dealers lay off more people or close altogether, and we all lose.

Some point to the \$787 billion stimulus package passed earlier this year and say we have spent enough on transportation infrastructure. But the sad truth is that only \$27.5 billion (or 3.5%) of the stimulus package is for roads and bridges, with most of that going towards simple repaving projects that don't result in meaningful economic growth or improvement in our decaying transportation system.

It's important to note that this is not a "bailout" for the construction equipment industry. Upgrading our transportation system to meet the demands of a global market pays real dividends for decades. Research shows that Americans spend 4.2 billion hours a year stuck in traffic, at a cost to the economy of \$78.2 billion, and that deficient roadways are the No.1 contributing factor in motor vehicle crashes — greater than drunken driving, speeding and not wearing a seat belt — causing 22,000, or more than half, of the deaths that occur every year on our highways. China and India spend 9 percent of their gross domestic product (GDP) on transportation infrastructure improvements, compared to 0.93 percent in the U.S. As a nation, we have to change this picture.

Making the passage of a multi-year reauthorization of our nation's highway programs a priority is a critical step to recovering from our current economic mess and ensuring we are able to compete in an ever increasingly competitive world economy. Visit StartUsUpUSA.com to learn more.