



LABOR'S ROUTE TO A NEW TRANSPORTATION SYSTEM

**How Federal Transportation Policy
Can Create Good Jobs, First-Rate Mobility, and
Environmentally Sustainable Communities**



Cornell University
ILR School
Global Labor Institute

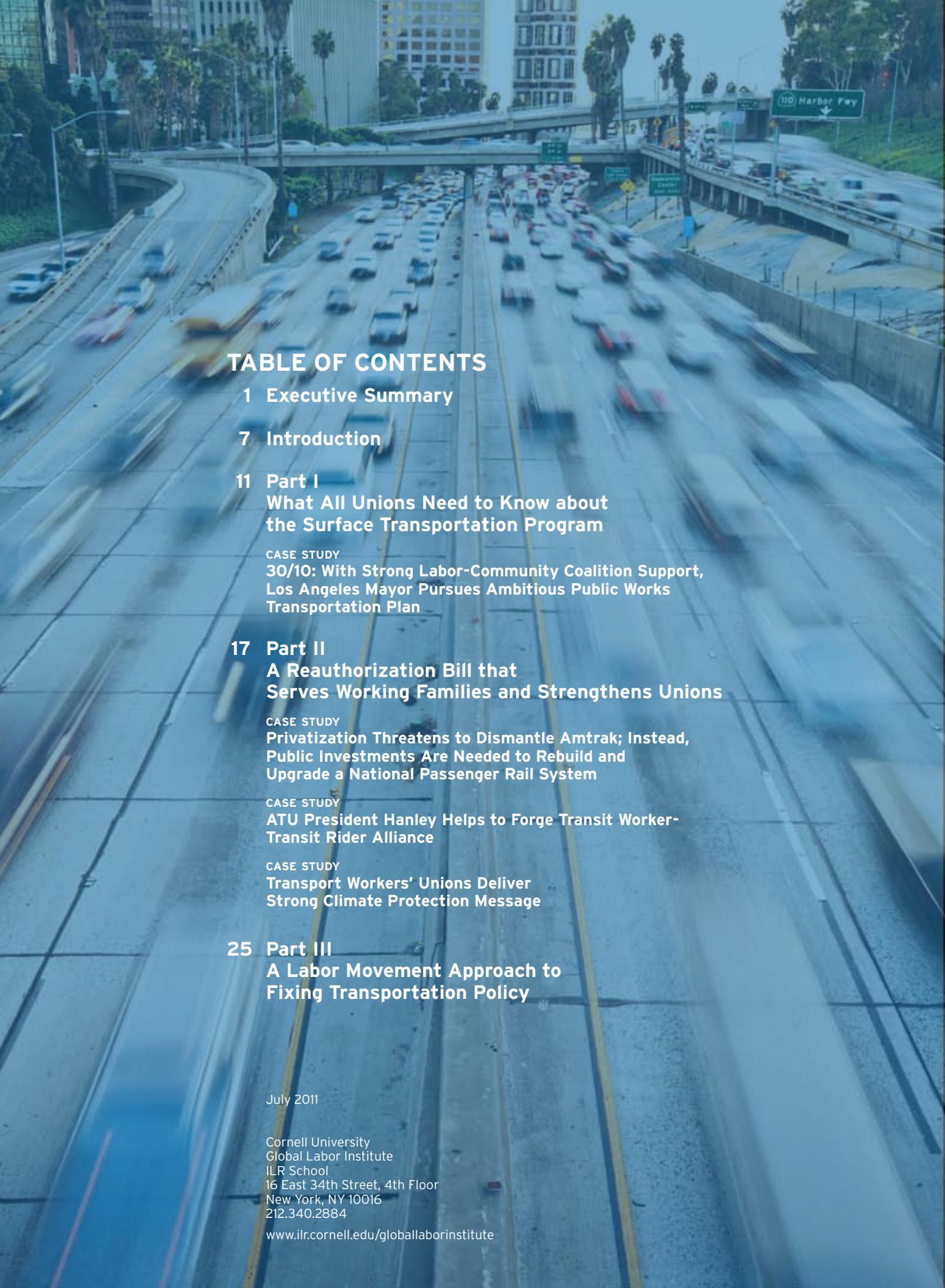


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EXECUTIVE SUMMARY

Federal transportation policy is set every five to six years through the Surface Transportation Authorization Act. This policy largely shapes investment in our nation's transportation system. Currently, only unions whose members are employed in the transport sector play a role in trying to influence federal transportation legislation, but the Reauthorization Act is hugely important to all union members and working people. The current legislation, Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expires September 30, 2011. The reauthorization of federal transportation policy presents an important opportunity for union leaders and members to advocate for key policy reforms that will create good union jobs, defend and expand the role of the public sector in transportation, provide safe and affordable mobility to working families and reduce the transport sector's contribution to air pollution and climate change.

MOBILITY IS POWER

The state of the U.S. transportation system determines working families' access to affordable, high-quality mobility and, in turn, their ability to meet essential needs such as getting to work, school, medical services, recreation and more. The maintenance and operation of private vehicles consumes a growing portion of working families' household budgets and puts owning and operating a vehicle completely out of reach for some.¹ The impact of rising gas prices on working families' mobility exacerbates the fact that only 50% of Americans have access to public transit. (need citation) Furthermore, in response to budget shortfalls, local governments have increased fares, laid off workers, reduced transit services and offered up public transit systems to privatization.²

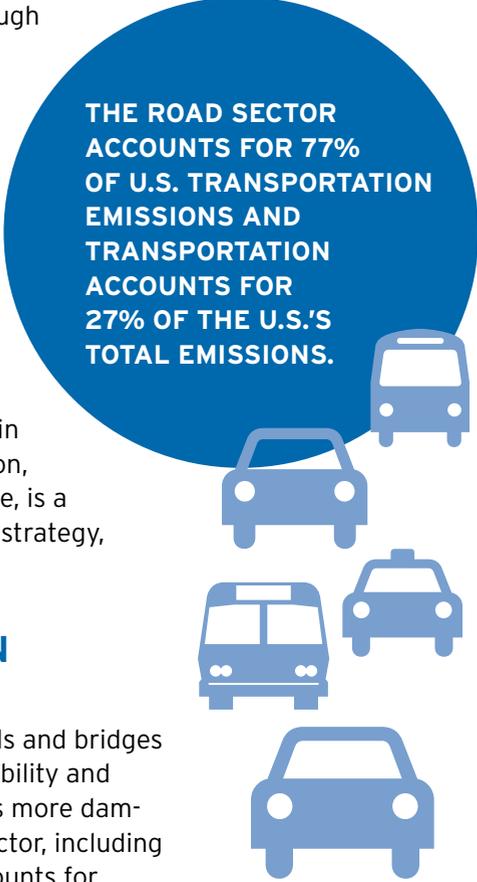
TURNING THE REAUTHORIZATION ACT INTO A JOBS BILL

The transportation sector provides many good, union jobs in the repair, maintenance, operation, and construction of transportation systems, as well as in the manufacturing of transportation products. Approximately 3 million workers are employed in the U.S. transport sector, with more than 21% of these workers represented by unions.³ Significant and strategic investments in U.S. transportation infrastructure could be an important part of a jobs-led economic recovery strategy that would address the

currently high levels of unemployment.⁴ Many jobs can be created or saved by investing in the construction, operation and maintenance of public transit and the maintenance and repair of existing roads. Smart Growth America's (SGA) 2011 analysis of the American Recovery and Reinvestment Act (ARRA) transportation funds (\$26.6 billion) found that investment in the repair and maintenance of roads produces 16% more jobs per dollar invested than were created through the constructing new roads and bridges. Focusing investment on the repair and maintenance of roads and bridges creates jobs more quickly because the money is spent at a faster rate than that of building new roads and bridges. SGA's study also found that investments in public transportation produce 31% more jobs per dollar than constructing new roads and bridges. Overall, investment in transportation is a key strategy to rebuilding unions and the role of the public sector. According to the Economic Policy Institute, "the jobs created through transportation investments are about 40% more likely to be unionized, producing 17% more union jobs versus 12% in the overall economy." In short, investment in transportation, particularly public transit and road repair and maintenance, is a good economic stimulus strategy and a good job creation strategy, especially for unions.

TRANSPORT JOBS ARE GOOD, GREEN "CLIMATE" JOBS

Investment in public transit and the repair of existing roads and bridges also makes a huge contribution to environmental sustainability and climate protection—whereas new road construction inflicts more damage on the environment and the atmosphere. The road sector, including passenger vehicles, light-duty and heavy-duty trucks, accounts for 84% of U.S. transport emissions and transport accounts for 33% of the U.S.'s total emissions.⁵ The transport sector consumes more petroleum-based fuels than any other sector in the U.S., with almost 98% of fossil fuel energy consumption in the transportation sector coming from petroleum-based fuels.⁶ To avoid the worst social, environmental and economic impacts of climate change, U.S. transport policy needs to prioritize investment in low and zero carbon modes of transport. This also means moving freight by rail and inland waterways rather than roads. For passenger transport, this means moving people by rail rather than by air for short-haul trips (under approximately 500 miles) and by public transit and non-motorized forms of transport rather than private autos. Low-carbon sectors of transport (public transit, passenger and freight rail, shipping) are also the most unionized sectors of transportation. In other words, increasing investment in low-carbon modes of transport is a good union strategy for gaining membership. For example, the passenger and freight rail sectors are 76% unionized, while the trucking industry is only 16% unionized.⁷ Consequently, union efforts to re-regulate and organize certain transport sectors, such as trucking,



**THE ROAD SECTOR
ACCOUNTS FOR 77%
OF U.S. TRANSPORTATION
EMISSIONS AND
TRANSPORTATION
ACCOUNTS FOR
27% OF THE U.S.'S
TOTAL EMISSIONS.**

are also good strategies to ensure that social and environmental costs are internalized within the economic analysis of transport modes.

CRUMBLING BENEATH US: THE POOR STATE OF THE U.S. TRANSPORTATION SYSTEM

Unfortunately, the U.S. has lacked a national vision for its transportation system since the 1950s when President Eisenhower proposed the Interstate Highway System. Since then, the U.S. transport system has literally crumbled into disrepair and, today, fails to meet important social and environmental needs. In fact, the Society of Civil Engineers graded the condition of U.S. roads as “D-”, bridges as “C” , and transit infrastructure as “D-”.⁸ Despite the fact that every year more money is spent on federal transport programs, the levels of sprawl, congestion and air pollution continue to worsen. The U.S. road system is unsafe too; more than 688,000 pedestrians were injured over the decade, a number equivalent to a pedestrian being struck by a car or truck every 7 minutes.⁹ Low-income communities and communities of color are disproportionately exposed to the toxic pollution from the transportation system, increasing rates of asthma, cancer and other health problems

ADVOCATING FOR KEY REFORMS

-  The U.S. needs a new national vision for an efficient, safe, sustainable, affordable and accessible transportation system, on a scale comparable to the Interstate Highway System.
-  Funding for transportation projects should be awarded according to this vision and based on performance. In order to qualify for funding, projects would need to meet clear criteria including the creation of good jobs, improving public safety, improving the conditions of existing facilities and systems, increasing environmental sustainability and reducing air pollution and greenhouse gases.
-  Rather than cutting transportation spending, we need to increase our investment in transportation infrastructure. Transportation investments should focus on public transit, the repair and maintenance of existing roads and bridges and creating safe streets for multiple modes of transport including walking and bicycling. Investments in these areas will best address important employment, mobility and environmental concerns that the nation currently faces.
-  In addition to greater funding for public transit, a greater portion of federal transportation dollars needs to be allocated to transit operating expenses. Dedicating a greater amount of money to transit operating assistance would act as an immediate stimulus, preventing transit worker lay-offs, fare increases, and service cuts. It would also increase working families' disposable income and their mobility.

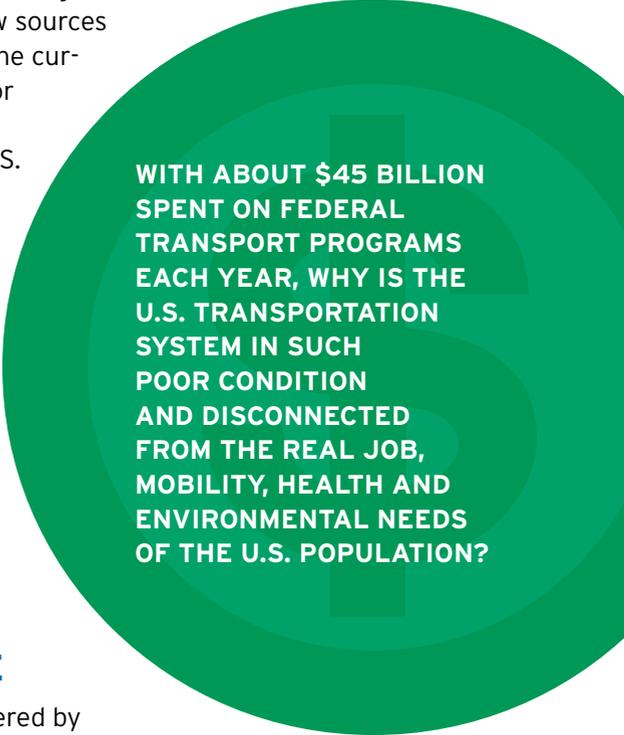
in their communities.¹⁰ The U.S. clearly needs both a new vision and a plan to develop an efficient, sustainable, equitable and affordable national transportation system.

TRANSPORTATION PROGRAMS FACE MAJOR FUNDING GAP

In addition to all of the previously discussed problems, the funding structure for transportation is no longer sustainable and new sources of funding are required to adequately maintain and update the current system. On many levels, problems in the transport sector mean problems for union members. With about \$45 billion spent on federal transport programs each year, why is the U.S. transportation system in such poor condition and disconnected from the real job, mobility, health and environmental needs of the U.S. population?¹¹ The importance of a well-functioning, sustainable transport system to good union jobs, mobility and environmental health makes it important for union leaders to have a solid understanding of federal transportation programs. This knowledge will allow union leaders and members to weigh in on the debate around federal transportation policy and fight for the interests of their members.

IT IS TIME TO REFORM FEDERAL TRANSPORTATION POLICY TO BETTER SERVE UNIONS AND WORKING PEOPLE

The Surface Transportation Authorization Act will be considered by the House and Senate in spring and summer 2011. Despite Republican control of the House, there is bi-partisan support for significant federal investment in the U.S. transport system. The U.S. Chamber of Commerce has argued alongside the AFL-CIO for greater investment in transportation infrastructure and an increase in the gas tax. However, without more trade unions voicing their interests in this debate, federal transportation dollars could be directed in a way that further exacerbates sprawl, congestion, toxic air, facilitates privatization and misses a major opportunity for serious job creation. Aside from unions in the transportation sector, a growing number of “non-transport” union locals, in the public and service sectors, have become very engaged in the fight for local and regional transportation options that best serve their members and their families, even as their Internationals have not been involved in debates around federal transportation policy.



WITH ABOUT \$45 BILLION SPENT ON FEDERAL TRANSPORT PROGRAMS EACH YEAR, WHY IS THE U.S. TRANSPORTATION SYSTEM IN SUCH POOR CONDITION AND DISCONNECTED FROM THE REAL JOB, MOBILITY, HEALTH AND ENVIRONMENTAL NEEDS OF THE U.S. POPULATION?

1. The average household spends 20.2% of their household budget on transportation costs and families with incomes between \$20,000 and \$50,000, spend 29.6% of their household budget on transportation costs; 19% of African Americans and 13.7% of Latinos live in households in which no one owns a car, while only 4.6% of whites live in households in which no one owns a car. http://berkeley.edu/news/media/releases/2006/03/23_carownership.shtml
2. 85% of public transit systems have raised fares, cut service or laid off workers in the last year. [Http://www.reconnectingamerica.org/assets/Uploads/strandedvoices03142011.pdf](http://www.reconnectingamerica.org/assets/Uploads/strandedvoices03142011.pdf) and http://www.apta.com/resources/reportsandpublications/Documents/Impacts_of_Recession_March_2010.pdf
3. Bureau of Labor Statistics, <http://www.bls.gov/iag/tgs/iag48-49.htm>; RITA Bureau of Transportation Statistics, http://www.bts.gov/publications/key_transportation_indicators/april_2011/pdf/entire.pdf
4. As of May 2011, the number of unemployed people in the U.S. was 13.9 million and the unemployment rate was 9.1%. An additional 2.2 million persons were marginally attached to the labor force, meaning they wanted employment but had given up looking for work in the four weeks preceding the survey (Bureau of Labor Statistics, <http://www.bls.gov/news.release/empsit.nr0.htm>). Unemployment rates for minority groups rival unemployment rates from the Great Depression (Economic Policy Institute, http://www.epi.org/publications/entry/news_from_epi_unemployment_for_african_americans_in_michigan_at_great_depre).
5. This includes passenger cars, light-duty vehicles and heavy-duty vehicles. <http://climate.dot.gov/about/transportations-role/overview.html>.
6. Pew Center on Global Climate Change, <http://www.pewclimate.org/technology/overview/transportation>.
7. Bureau of Labor Statistics, <http://www.bls.gov/oco/oco1011.htm>
8. American Society of Civil Engineers, Report Card for America's Infrastructure, <http://www.infrastructurereportcard.org/>
9. Transportation for America, *Dangerous By Design 2011*, p.4, <http://t4america.org/docs/dbd2011/Dangerous-by-Design-2011.pdf>
10. Labor Council for Latin American Advancement (LCLAA), Environment Issues, <http://www.lclaa.org/index.php/Environment/environment.html>
11. Congressional Budget Office, <http://www.cbo.gov/ftpdocs/91xx/doc9135/MainText.3.1.shtml>



**JOBS CREATED THROUGH
TRANSPORTATION INVESTMENTS ARE**

40%

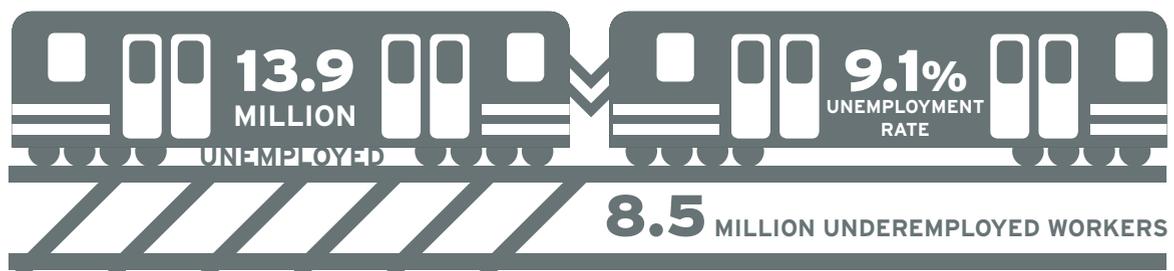
**MORE LIKELY TO BE UNIONIZED
THAN INVESTMENTS IN OTHER ECONOMIC SECTORS.**

WHAT'S AT STAKE? TRANSPORT POLICY IS IMPORTANT TO ALL UNIONS

The U.S. transportation system is more than a way to move people and goods, it is the backbone of our communities and our economy. Ensuring that the U.S. transportation system is efficient, effective and equitable is essential to workers' well-being and is the concern of all U.S. unions, not just transport unions. With proper policies in place, revamping the U.S. transportation system can create many good union jobs and achieve worker and community health and safety, and environmental sustainability and climate protection.

This policy brief provides union leaders and members with a clear understanding of why federal transportation policy is tremendously important to workers and their unions. Federal transportation policy is set every five to six years through the Surface Transportation Reauthorization Act; this legislation largely shapes investment in our nation's transportation system. The Reauthorization Act has huge implications for union members; it shapes the number, type and quality of jobs created in the transportation sector; it determines working people's access to high-quality, affordable and safe transportation options; and it a key factor influencing the environmental impact of the U.S. transportation system on workers, communities and the climate.

The United States is in the midst of a jobs crisis. Both unemployment and underemployment stand at Great Depression-like levels and social inequality continues to grow. The United States is also a huge generator of global warming pollution—at more than 20 tons of CO₂ per person every year—which is making our climate unstable and affecting our health and quality of life.¹ The Reauthorization Act presents us with an important opportunity to both create much needed jobs and fight climate change and air pollution. Currently, only unions that have a direct job stake in federal transportation legislation play a role in shaping





its policy, but the impact of the Reauthorization Act spans wider than the interests of these unions. In addition to the important employment implications of federal transportation policy, all unions have members who rely on access to good, affordable and safe transportation options. All unions have members who belong to communities that must face the health impacts of water and air pollution caused by the current transportation system. Moreover, workers and their unions around the world will be impacted by climate change; already, millions of workers have been displaced from their livelihoods due to changing weather patterns such as tsunamis, tornadoes, hurricanes, flooding, and persistent drought.² The Reauthorization Act is an opportunity for unions to advance their visions for a green, low-carbon economy, based in good, union jobs, such as public transit, freight rail, and the manufacturing of clean, low-emissions vehicles.

Part I of this transportation brief describes how federal transportation programs currently function and how funding is allocated between various transport modes, geographic regions and governance structures. Part II explains how federal transportation policy is directly linked to job creation, defending the public sector, working families' mobility and the environmental and GHG impact of transportation systems. The third and final part argues that current transportation policy needs to be reformed to better meet the needs of working families and strengthen unions. It lays out specific policy changes that unions can advocate for in the short term.

IN 2009, THE SOCIETY OF CIVIL ENGINEERS GRADED THE CONDITION OF U.S. ROADS AS "D-", BRIDGES AS "C", AND TRANSIT INFRASTRUCTURE AS "D-".

1. The World Bank, CO2 Emissions (metric tons per capita), <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC/countries>

2. International Trade Union Confederation (ITUC), Trade Unions and Climate Change, 2008, <http://www.newunionism.net/library/internationalism/ITUC%20-%20Trade%20Unions%20and%20Climate%20Change%20-%202008.pdf>



85%

**PUBLIC TRANSIT SYSTEMS
HAVE RAISED FARES,
CUT SERVICES OR LAID OFF
WORKERS IN THE LAST YEAR**



AS A PERCENTAGE
OF GROSS DOMESTIC PRODUCT,
U.S. INFRASTRUCTURE
INVESTMENTS (SPENDING ON
TRANSPORTATION AND
WATER INFRASTRUCTURE)
HAVE DECLINED
APPROXIMATELY
50%
FROM 1956 TO 2004.

WHAT ALL UNIONS NEED TO KNOW ABOUT THE SURFACE TRANSPORTATION PROGRAM

The Surface Transportation Reauthorization Act provides an important opportunity for union leaders and members to advocate for key transportation policy reforms that will help protect working conditions and benefits, strengthen unions and better serve the needs and desires of working families. To fully engage in the surface transportation debate, there are a couple of key issues that union leaders and members need to know about. These basically boil down to how the federal transportation program functions and how funding is allocated among various transport modes, geographic regions and governance structures.

THE SURFACE TRANSPORTATION REAUTHORIZATION ACT

The surface transportation program (also known as the Surface Transportation Reauthorization Act) is passed by Congress every five to six years. The most recent one, the Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), was authorized in 2005 and expired on September 30, 2009. Since its expiration, the program has been extended to September 30, 2011. SAFETEA-LU authorized \$286.5 billion of transportation spending.

FUNDING CRISIS

One of the main reasons that a new transportation bill has not (as of this writing) been approved is because there is a major gap in transportation funding. The main source of revenue for transportation programs, the gas tax, has not kept pace with transportation needs. More fuel-efficient cars, a plateau in vehicle miles traveled (VMT) and changing demographics have all caused revenues from the gas tax to level off. Significantly, the gas tax per gallon has not been increased since 1993. While the actual dollar amount of transportation programs has increased year over year, the real value of transportation investments, when inflation is accounted for, has declined in recent years.

In 2009, Former Chairman of the House Transportation and Infrastructure Committee, Rep. Oberstar (D-MN), proposed that the next federal transportation bill be funded at \$500 billion—the amount needed to adequately meet U.S. infrastructure, maintenance and operational needs. However, \$500 billion is twice the amount expected to be raised by gas tax revenues. Over the next fifty years, it is expected

that \$2 trillion will need to be invested in U.S. infrastructure just to bring existing roads, bridges, water lines, sewage systems and dams back to good condition. Meanwhile, other nations are far surpassing the United States in their investments in essential infrastructure. For example, China is expected to invest \$1 trillion in infrastructure projects over the next five years, including high-speed rail, highways and other infrastructure. Similarly, by 2014, Brazil will spend \$900 billion on energy and transportation projects.¹

HOW IS FUNDING ALLOCATED UNDER CURRENT POLICY?

Of the \$286.5 billion authorized under the 2005 transportation bill (SAFETEA-LU), about 80%, or \$228 billion, of the funding was spent on highways. The other 20% was spent on transit programs. This discrepancy explains why the transportation bill is often called “the highway bill” even though it encompasses all surface transportation modes. Of the money designated for highways, 48% was spent on new road construction. The distribution between highway and transit spending, dubbed the “80/20 split,” has been challenged by public transit and sustainable mobility advocates for failing to dedicate sufficient resources to building modern, high-quality and sustainable mobility options. The fact that 80% of transportation spending is dedicated to highways means that only 20% is dedicated to providing for public mass transit at a time when mass transit ridership has increased at a faster rate than either highway VMTs or population growth. The 80% invested in highways has also helped bring our transport-related emissions up to 32% of the U.S. total, or roughly 7 tons of GHGs for every person living in the U.S. Investment in public transit would help control and then reduce these emissions. If U.S. transport-related emissions were measured as comprising a separate country, the sector’s emissions would be the third largest in the world, behind the U.S. and China. The two tables below show that mass transit ridership has reached its highest levels since the 1950s and, in fact, mass transit ridership is increasing faster than population growth or vehicle miles traveled. The need for good public sector jobs, better mobility and climate protection necessitate greater investment in transit infrastructure and operating expenses.

There are two main reasons that highway spending continues to account for four out of five federal transportation dollars. First, the federal government’s role in transportation funding originally began with the Federal-Aid Highway Act of 1944. Shaped by the vision of an interstate highway system to serve business and defense needs, the Federal-Aid Highway Act appropriated \$25 billion for 41,000 miles of multi-lane, limited access highways. The highway system, completed in 1991, was built with nearly 90% federal funding. In contrast, transit did not receive federal funding until the 1960s. When transit finally received federal funds, it was through the Department of Housing and Urban Development (HUD), not transportation programs. It was

30/10: WITH STRONG LABOR-COMMUNITY COALITION SUPPORT, LOS ANGELES MAYOR PURSUES AMBITIOUS PUBLIC WORKS TRANSPORTATION PLAN

With the support of a broad coalition, the Los Angeles County Federation of Labor, the Los Angeles/Orange County Building and Construction Trades Council, numerous local unions, such as the American Federation of State, County and Municipal Employees, American Federation of Teachers, and Amalgamated Transit Union, businesses, and environmental and community organizations, Los Angeles Mayor Antonio Villaraigosa has championed 30/10—a plan to build 12 major transportation projects in the Los Angeles region in only 10 years, rather than 30 years.

30/10 includes major proposals to improve and expand bus and rail lines and make street and highway improvements. Not only will these projects provide better transportation options to LA County residents, they are also expected to create 160,000 new jobs.



LA WAD/FICKR

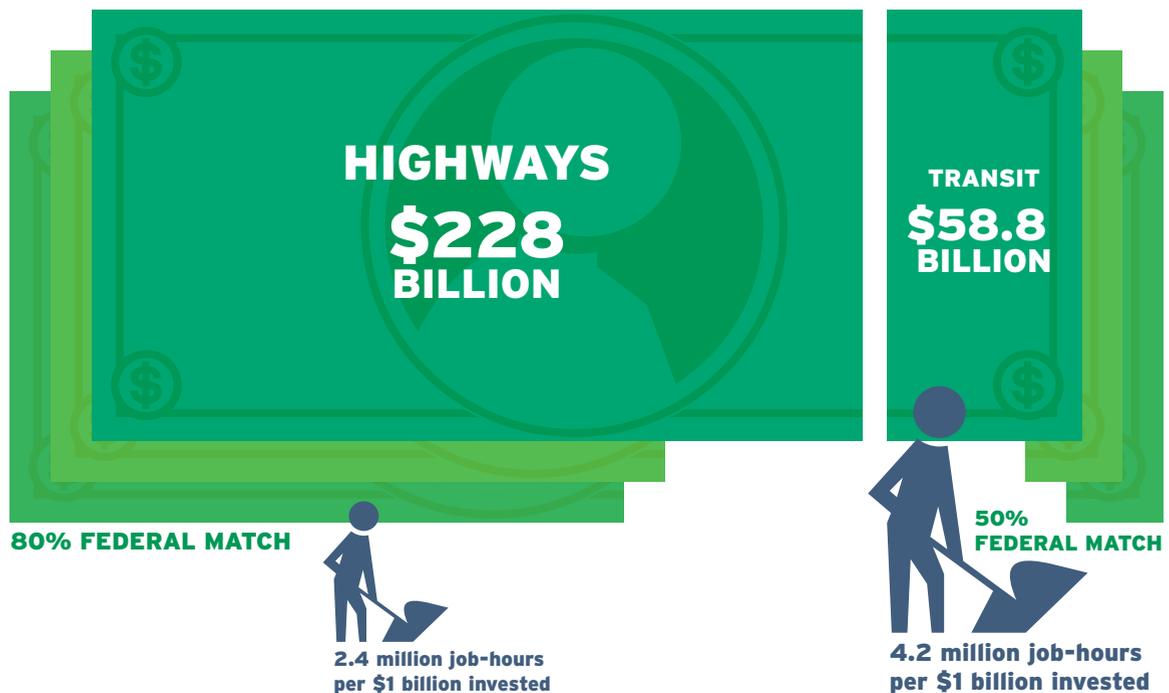
The construction industry in California lost 43% of its construction jobs between June 2006 and August 2010 (more than 400,000 jobs). In response, Mayor Villaraigosa has argued on the national stage that “accelerating massive public works projects,” such as those outlined in 30/10, may be the only way to combat the current jobs and economic crisis. Other significant annual benefits are

expected too: 77 million more transit boardings; 521,000 fewer pounds of pollution emissions; 10.3 million fewer gallons of gas used; and 191 million fewer vehicle miles traveled.

The 30/10 Plan is based on the Measure R sales tax approved by voters in 2008. Measure R is a half-cent sales tax for Los Angeles County that will generate \$40 billion in local sales tax revenue over 30 years; about 70% of which will be used for public transit. The revenue from Measure R will be used as collateral for long-term Transit Improvement Bonds and federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. In essence, the idea is that cities or regions that choose to tax themselves can get access to up-front federal loans in order to build crucial infrastructure projects now. By fast-tracking the time line for these projects, millions of dollars can be saved in mounting material and construction costs. These cities and regions will pay back the loans with sales tax revenues.

With high rates of joblessness, rising ridership levels and the need to reduce pollution and greenhouse gas emissions, many other regions are exploring potential implementation of an ambitious transportation infrastructure expansion plan such as LA’s 30/10. Innovative local financing mechanisms that leverage federal dollars to undertake major infrastructure projects are certainly one piece of the solution to the U.S. transportation funding gap. Combining greater levels of federal funding for transportation projects and a merits-based awards system (meeting key criteria, such as increased mobility options, higher quality of life and working conditions, reduced greenhouse gas emissions and pollution, less congestion, and greater public safety), innovative financing plans like Measure R and 30/10, are especially important.

THE 80/20 SPLIT



not until 1982, through the Surface Transportation Assistance Act, that highway, transit and transportation safety programs were funded together. This same legislation raised the gas tax from 4 to 9 cents per gallon and dedicated 1 cent per gallon to public transit programs.²

Second, current funding and financing systems make it easier for states to build highway projects than to develop public transit or non-motorized forms of transportation. On average, federal programs provide an 80% match for highway programs and only a 50% match for transit programs. This means that states have to spend significantly larger amounts of money for transit projects than they do for highway projects. Furthermore, although the majority of transit funds are distributed to large metropolitan areas (with populations over 200,000), these same areas are prohibited from using transit funds for operating expenses; federal transit funds can only be used for capital expenses such as buying new buses or building new transit lines. While states and municipalities largely control transportation spending, they look to the federal surface transportation law "for direction in project funding eligibility, policy mandates and guidance on best practices and planning." (T4A 101) Because state and local governments are not currently receiving enough funding for their transit programs, many have begun to rely heavily on dedicated sales taxes. Dedicated sales taxes "accounted for 28.4% of total state and 33.4% of total local funding for transit" in 2006. Between 2000 and 2010, 71% of state and local referendums to fund transit passed, demonstrating the public's desire for greater investment in transit. (Addressing America's Transit Crisis, Amalgamated Transit Union and Good Jobs First, 2010.)

1. Urban Land Institute, http://www.uli.org/sitecore/content/ULI2Home/ResearchAndPublications/PolicyPracticePriorityAreas/Infrastructure/~/_media/Documents/ResearchAndPublications/Reports/Infrastructure/Infrastructure2011.ashx
2. Since the federal gas tax was established in 1932 (for deficit reduction), it has only been raised five times. President Reagan championed the gas tax increase in 1982. President Bush raised it 5 cents in 1990 (2.5 for deficit reduction/2.5 for transportation); President Clinton increased the gas tax by 4.3 cents for deficit reduction, however, Congress shifted 2.5 cents of this increase to transportation.



THE
INTERSTATE HIGHWAY
SYSTEM WAS A 50-YEAR
PROJECT BEGUN IN THE
1950S AND COMPLETED
IN 1991. IT IS THE
LARGEST SINGLE
PUBLIC WORKS
PROJECT IN THE
HISTORY OF THE
U.S. AND COST
OVER
\$600
BILLION

A REAUTHORIZATION BILL THAT SERVES WORKING FAMILIES AND STRENGTHENS UNIONS

On a number of levels, current federal transportation policy is broken—it is not adequately serving U.S. freight or passenger needs, it is damaging the environment and disrupting the earth’s climate, and transportation funding is not being used in ways that facilitate creation of the most good jobs.

Labor has four main interests in the Surface Transportation Reauthorization Bill that need to be addressed:

- It can be a jobs bill, if led by a vision for an efficient and effective transportation system with funding allocated according to this vision.
- It is ground zero for defending and expanding the role of the public sector in the U.S. economy, and consequently, defending and strengthening public sector unions.
- Improving and expanding public transit is essential to providing high-quality, affordable, safe and equitable transportation choices to union members and working families.
- The U.S. transportation system has a key role to play in reducing emissions and creating a low-carbon economy.

SUPPORTING A JOBS-FOCUSED TRANSPORTATION BILL

The current jobs and economic crisis make it imperative that federal transportation funding be used in a way that creates the maximum possible number of good, union jobs and, at the same time, addresses other important social and environmental needs. These goals can best be achieved by directing greater funding to public transit and to the maintenance and repair of the current highway systems. According to Smart Growth America’s (SGA) recent analysis of the American Recovery and Reinvestment Act (ARRA), investing in public transit creates 31% more jobs per dollar than investment in new road and bridge construction. Investing in the maintenance and repair of roads and bridges creates 16% more jobs per dollar than investment in new road and bridge construction.¹ This is because repair and maintenance work require minimal job skills and training, lower equipment costs, and less time and money spent on plans, permits and land acquisition. Investment in repair and maintenance is also beneficial because it extends the useful life of infrastructure and reduces the need for reconstruction, leaving more

money for other improvements to transportation systems. It also saves users' money by reducing damage from potholes and vibrations.²

A study by the Economic Policy Institute analyzing the job impacts of transportation investments also found that investments in the maintenance and repair of roads and bridges and public transportation “provide an exceptionally large bang-for-the-buck as economic stimulus” when compared to new road and bridge construction.³ This same study also found that jobs created through transportation investments are 40% more likely to be unionized.⁴ However, as explained earlier, 80% of federal transportation dollars are currently used for highways, with the majority of that spent on new road construction. This 80%/20% split between highways and transit needs to be reconfigured to gain greater funding for transit and create the most new jobs possible with federal transportation funds.

PUBLIC SECTOR UNDER ATTACK: DEFENDING AND EXPANDING THE PUBLIC SECTOR'S ROLE IN TRANSPORTATION INFRASTRUCTURE AND OPERATIONS

The transportation funding crisis has precipitated an attack on public sector transportation infrastructure and operations. Efforts to privatize highways and create toll roads and privatize bus and train services continue to intensify and, in some cases, succeed. However, it is in labor's best interest to expand, not disband, the public sector's role in the U.S. transportation system.

Privatization of transportation services has not worked in many other countries. In fact, it has resulted in poor-quality service, high costs for riders and users, and worsening conditions for workers. Moreover, private companies are too often beholden to short-term, stakeholder interests and focused on maximizing profits. Meeting important social and environmental needs, such as reducing emissions and pollution, are simply not part of the business calculus.

Defending and fighting for the expansion of public sector control of transportation is therefore key to providing high-quality service to working families and union members that rely on public transit. It is also essential to meeting other social and environment goals, namely, reducing pollution and GHG emissions to avoid the worst impacts of climate change. For unions, defending public transit is especially important to ensuring high-quality working conditions, including good pay, benefits and health and safety on the job.

WORKING FAMILIES AND UNION MEMBERS NEED SAFE, EQUITABLE AND EFFICIENT TRANSPORTATION

Unfortunately, the United States has lacked a national vision for its transportation system since the 1950s when Eisenhower proposed the Interstate Highway System. As a result, the U.S. transport system has

PRIVATIZATION THREATENS TO DISMANTLE AMTRAK; INSTEAD, PUBLIC INVESTMENTS ARE NEEDED TO REBUILD AND UPGRADE A NATIONAL PASSENGER RAIL SYSTEM

When the Republicans took control of the House in 2011, Representative John Mica (R- FL) became Chairman of the Committee on Transportation and Infrastructure. Rep. Mica has repeatedly advocated for privatization of Amtrak's Northeast corridor line as well as intercity passenger and commuter rail service. He released draft plans to this effect in June 2011. As a public service, the operations of passenger rail should be dictated by public and political consensus around the main social, environmental and economic goals that it aims to meet, not whether or not it can generate profit for a few companies. The vision for the U.S. rail system needs to be guided by a commitment to providing a wide range of good mobility options to as many people in the U.S. as possible; privatizing rail service would obstruct rather than advance these efforts. In addition to providing an important public service, Amtrak also currently provides quality employment to thousands of union members in the International Brotherhood of Teamsters (IBT), Amalgamated Transit Union (ATU) and Transport Workers Union (TWU).

The lobby to privatize public services and infrastructure is very powerful. However, globally, rail privatization has been calamitous—a few companies profit but quality of service and working conditions decline. Moreover, when a company takes too many risks to maximize profit, the government is left to provide a financial bailout so that people still have access to this critical service.

Privatizing a profitable route, such as the NE Corridor, also has negative implications for other rail service routes. Currently, the profitability of the NE Corridor subsidizes operations funds for other, less profitable, yet vital rail links all across rural and urban America. A system of shared benefits is essential to operating a good national rail system. And the reality is that no transport mode in the U.S. pays for itself. Even highways, which many claim are paid for by “user” fees like the gas tax, require massive subsidization. A recent U.S. PIRG Report on road privatization found

“highway “user fees” pay only about half the cost of building and maintaining the nation’s network of highways, roads and streets.” This subsidization of highways has totaled \$600 billion since 1947. (U.S. PIRG, 2011) Plus, U.S. history has shown that private companies do not want to run passenger rail service—that is why Amtrak was created in 1970. When the Department of Transportation invited proposals from private companies to develop high-speed rail in the United States in 2009, not one company submitted a proposal. A few companies showed interest in developing high-speed rail but said they would only consider investing if they received substantial federal funding.¹

In April 2011, Amtrak reached a record high in ridership levels with 2.7 million passengers. (Progressive Railroading) This is a 10% increase from April 2010, and Amtrak has had year-over-year ridership growth for 18 consecutive months. Importantly, the majority of ridership growth is in states that have been hit hardest by the economic and jobs crisis, likely because Amtrak provides an affordable travel option, especially given relatively high gas prices. Amtrak’s ridership growth signals the public’s interest in and need for improving and expanding the U.S. rail system. Amtrak also released a proposal to develop high-speed rail in the NE Corridor over the next 30 years. The plan is estimated to cost \$117 billion over 30 years and provide hundreds of thousands of jobs.² Instead of dismantling Amtrak via privatization, now is the time for the United States to make significant public investments in our national rail system to improve existing rail lines and develop high-speed lines to meet future demands for high-quality, low-carbon and affordable mobility options.

1. 20 Rep. Nick Rahall (D-W.Va.), Amtrak privatization plan is short-sighted; we should invest in rail, Jun. 2011, <http://thehill.com/opinion/op-ed/165489-amtrak-privatization-plan-is-short-sighted-we-should-invest-in-rail>

2. 21 Rep. Nick Rahall (D-W.Va.), Amtrak privatization plan is short-sighted; we should invest in rail, Jun. 2011, <http://thehill.com/opinion/op-ed/165489-amtrak-privatization-plan-is-short-sighted-we-should-invest-in-rail>

literally crumbled into disrepair and is gravely outdated, now failing to meet important social and environmental needs. In fact, the Society of Civil Engineers ranked the condition of roads as “D-”, bridges as “C” and transit infrastructure as “D-”.⁵

The U.S. transportation system takes a major toll on the health and well-being of the American people. Each year, 40,000 people are killed on U.S. roads and 2.5 million are injured. The economic costs of traffic accidents are \$230 billion annually or \$1,050 per person. According to a 2011 study by Transportation for America, half of fatal pedestrian crashes “occur on wide, high capacity and high-speed thoroughfares”—in short, streets that were designed only for cars, buses and trucks, not for pedestrians or other modes of travel such as bicycles and wheelchairs. The safety of the U.S. transportation system needs to be improved and this requires providing more people with the option to use transit and non-motorized modes of transport. It also means making necessary repairs to the current roadway system and retrofitting roads to better accommodate transit vehicles, bikers, walkers, and people in wheelchairs.

The current U.S. transportation system is neither fair nor equitable. Working families, people of color and women lack good transport options and, as a result, spend a disproportionate amount of their income on transportation and struggle to get to and from essential services. In both rural and urban areas across the United States, working people tend to be auto-dependent or transit-dependent, lacking access to more than one mode of transport. For example, less than 50% of U.S. residents

CASE STUDY

ATU PRESIDENT HANLEY HELPS TO FORGE TRANSIT WORKER-TRANSIT RIDER ALLIANCE

Larry Hanley was elected President of the Amalgamated Transit Union (ATU) in fall 2010. Since taking office, Hanley has launched a powerful campaign to fight the nationwide transit crisis by building strong alliances between transit workers and transit riders and advocates; his efforts in this regard are unprecedented. Along with Good Jobs First, the ATU has brought together ATU, TWU and other union leaders with transit advocates from organizations like Transportation Equity Network and Transit Riders for Public Transit for two “boot camps.” The “boot camps” are designed to solidify relationships between transit workers and those who rely on quality public transit in order to combat transit cuts, fare increases and privatization grabs. Transit workers and riders have often been pitted against each other in local transit debates

but the needs of transit workers for quality jobs is deeply intertwined with riders’ need for high-quality public transit services. From these meetings, unions and rider and community organizations have identified common issues and shared values and, most importantly, they have begun to build joint campaigns to defend and expand quality public transit in their cities.



have access to mass transit, and households that live in auto-dependent areas spend an average of 25% of their income on transportation, compared with 9% for households that live in areas well served by mass transit. In real numbers, households that have access to mass transit save more than \$8,400 a year over auto-dependent households. This disparity will be exacerbated as gas prices increase. On the other side of this mobility crisis, many working families are mass transit-dependent (have no access to a vehicle) because they cannot afford to own, maintain and operate a vehicle. More than 1 in 5 households earning less than \$25,000 per year do not own a personal vehicle. African-American households are more than twice as likely as the national average to be mass transit-dependent and Hispanic households are more than one and a half times as likely to not own cars. For mass transit-dependent families, access to safe, affordable and efficient mass transit, including buses, trains, subways and light-rail, determines their ability to reach their jobs, schools, grocery stores and other essential services.

In addition, the U.S. freight and passenger transportation system is no longer cutting edge or highly efficient. It has languished for a couple of decades with no national vision or proper investment in a national inter-modal surface transportation system that effectively connects road, rail, transit, and waterways in the most efficient way possible. In the 1930s, the United States moved 75% of its intercity freight by rail; today, rail only moves 35% of intercity freight.⁶ Currently, freight is largely moved by road transport (trucking), a sector plagued by poor working conditions, low union density, high emissions, and significant other environmental costs. Regarding passenger movement, the U.S. system lags far behind other developed countries and even some developing countries in its capacity to move people via mass transit. Yet, the United States has spent more and more on transportation every year. The bottom line is we are spending more money on transport but are not creating a better transportation system.

TRANSPORTATION AS A CLIMATE SOLUTION

Finally, the U.S. transportation system accounts for 32% of the U.S.'s total emissions and emissions from this sector are growing faster than any other.⁷ Climate change is the greatest threat that humanity has ever faced and the U.S. transportation system has a key role to play in stopping climate change; greater investment in low- and no-carbon modes of transport can help to avoid catastrophic damage to our communities, livelihoods and the planet as a whole. Already, millions of workers have been displaced from their jobs due to climate change. For example, airport workers in some southern U.S. states have lost work because runways have been flooded or due to extremely high air temperatures that prevent planes from taking off or landing.

Significantly, emissions are rising fastest from the transport sectors that are least regulated and least unionized, namely, trucking and aviation. Organizing and establishing better working conditions for transport workers is an essential part of reducing transport emissions, as is shifting

TRANSPORT WORKERS' UNIONS DELIVER STRONG CLIMATE PROTECTION MESSAGE

Transport union leaders from around the world made history in 2010 when they agreed to make climate change a top union priority. Following the first-ever International Transport Workers' Federation (ITF) Climate Change conference in Mexico City in August 2010, 1,600 representatives of transport unions unanimously adopted ITF World Congress Resolution 1—which committed the ITF to support an ambitious climate protection agenda. The resolution was based on a 60-page report, *Transport Workers and Climate Change: Towards Sustainable Mobility*, produced by the Cornell Global Labor Institute and the ITF Climate Change Working Group. The resolution calls for the ITF and its affiliates to take a science-based approach to emissions reductions, and commits the Federation's affiliates to push for bold and far-reaching policies to transform the world's transport systems in ways that support public transport, advance technological improvements, and reduce the unnecessary movement of goods and people. Delegates acknowledged that the current system of “just in time” production and global supply chains need to give way to responsible mobility and economies shaped by local production systems. Low transport costs and cheap and casual labor have inflicted damage on the environment, workers and communities alike.

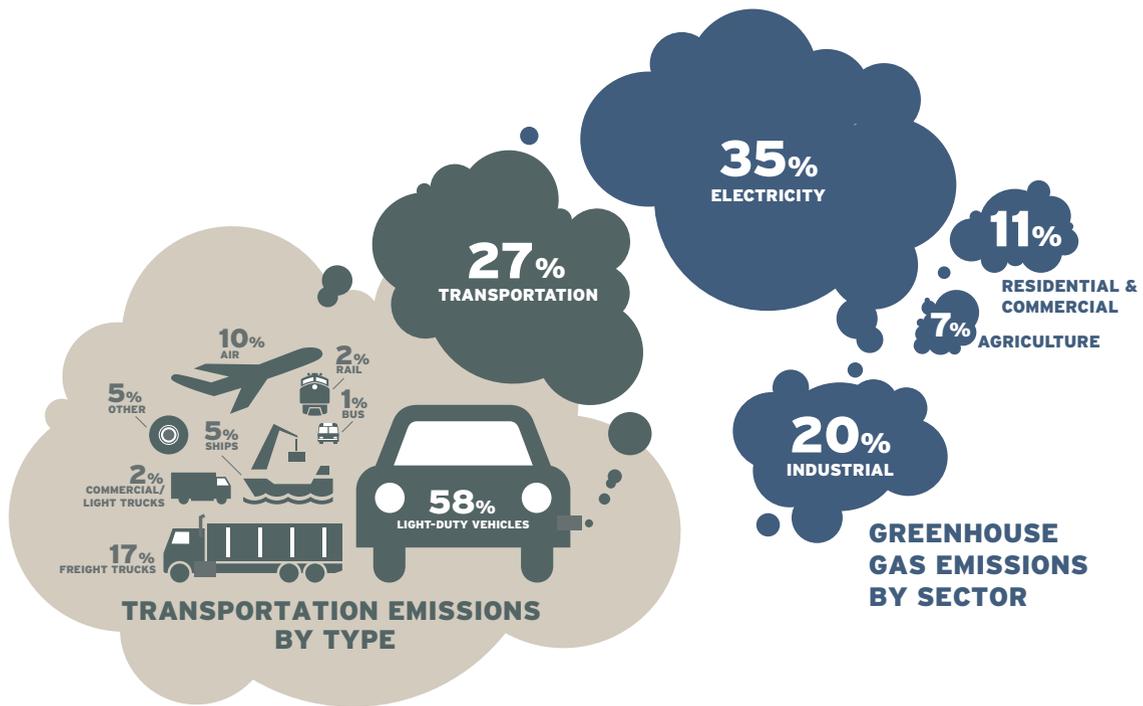
Robert Scardelletti, President of the Transportation Communications International Union (TCU), an affiliate of the International Association of Machinists and Aerospace Workers (IAMAW), was the only union leader to register his union's formal opposition to the Resolution. The TCU has seen a sharp decline in its membership over the last several decades due to mechanization of railroad operations and more goods being moved by truck than rail. The TCU now has around 30,000 members and is worried that more work will be lost if climate protection measures cause a decrease in coal production or transport; almost half of the goods the TCU moves are coal. A much greater percentage of goods could

be transported by rail rather than road in the United States, with major environmental benefits because rail is much more energy and fuel efficient than trucking. However, expanding the percentage of goods shipped by rail would require serious and significant investment in a 21st century rail system in the United States. Many U.S. freight rail lines are oriented to moving coal from mines to plants and export centers. As a result, new rail lines would need to be constructed to move consumer goods from manufacturing areas to major consumption centers.

The TCU's position was countered by numerous union leaders including Roger Toussaint, International Vice-President of the Transport Workers' Union, which represents 200,000 active and retired members in the United States. The Transport Workers Union submitted a formal statement in support of ITF Resolution 1 on climate protection:

“To protect our members and the planet we share, we must have the courage and vision to lead. Organized labor must join with other social movements in seizing the opportunity to make the changes climate science demands of our species. In short, we must evolve or dissolve...Jobs are involved in many sectors that produce GHG emissions and adversely impact the environment, not just transport. These include jobs in offshore drilling; strip mining and mountain top removal; industries that overproduce plastics; and many others. Then there are the untold numbers of jobs affected not by climate change but by technological changes. The question is not whether we address these changes, but how...The just demand for and inevitability of GHG emission reduction must be approached as an opportunity to re-tool and re-engineer the economy and secure just futures for our members and for organized labor. We believe that the labor movement can, must and will rise to the challenges posed by the climate crisis, and that only in so doing will we have a chance of growing.”¹

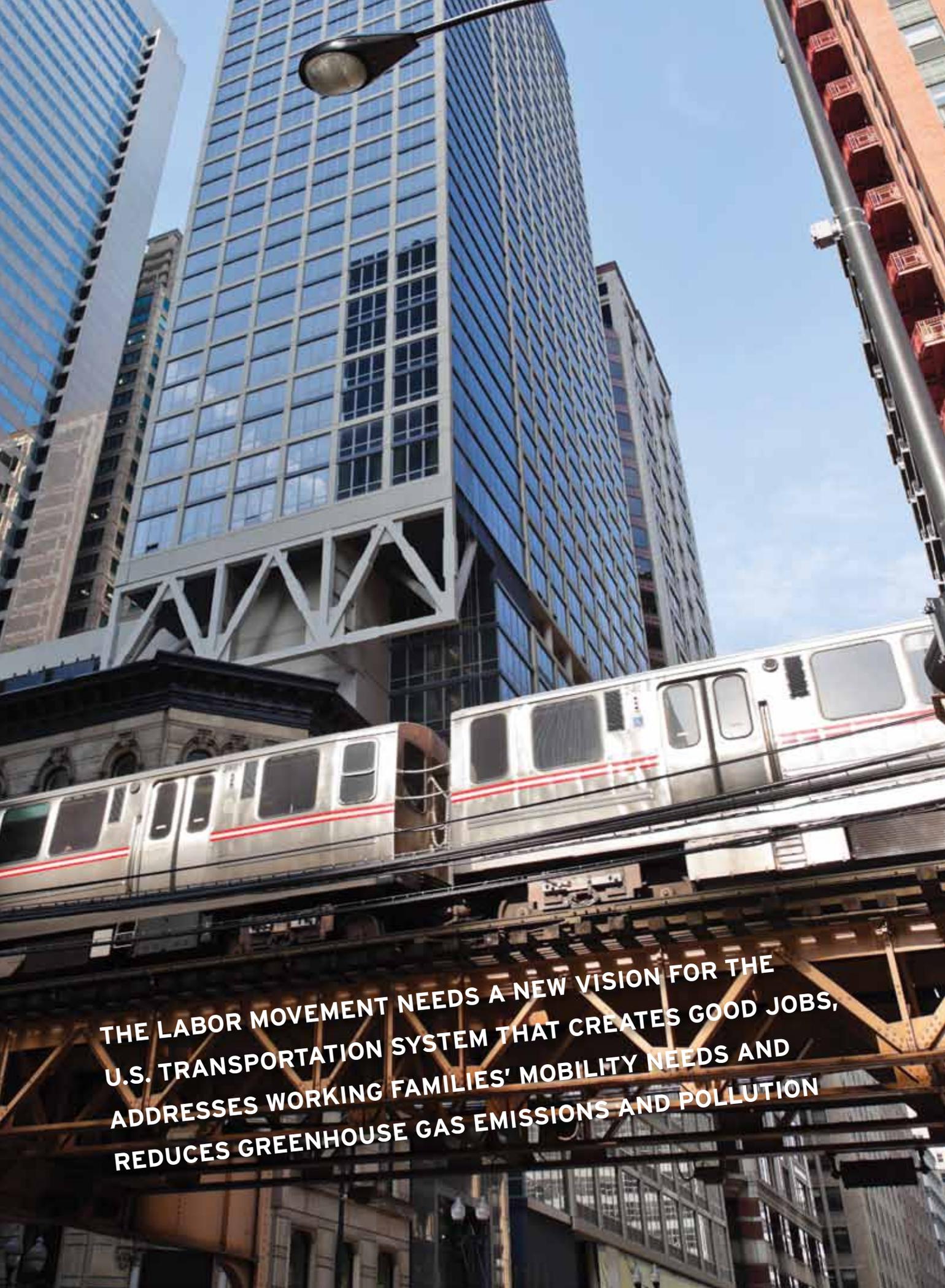
1. Transport Workers' Union Statement for 2010 ITF Climate Change Conference.



the movement of goods and people from roads to low-carbon modes of transport (rail, transit, and non-motorized forms of transport).

Manufacturing highly efficient vehicles, buses, trains, ships and airplanes also presents a major opportunity to rebuild the U.S. manufacturing sector. Once opposed to higher fuel efficiency and tailpipe emissions standards, the United Auto Workers (UAW) now supports the Environmental Protection Agency (EPA) implementing higher national standards because it keeps the U.S. auto industry competitive and creates more jobs for UAW members, especially because clean vehicles often require more component parts.⁸ A 2009 study by Duke University found that approximately 36,000 jobs are created for every billion dollars invested under current federal transit spending policy. The majority of these jobs are in high-value supply chains for transit manufacturing and infrastructure. The same study found that domestic manufacture of transit buses employs 25,000 to 33,000 people.⁹

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**THE LABOR MOVEMENT NEEDS A NEW VISION FOR THE
U.S. TRANSPORTATION SYSTEM THAT CREATES GOOD JOBS,
ADDRESSES WORKING FAMILIES' MOBILITY NEEDS AND
REDUCES GREENHOUSE GAS EMISSIONS AND POLLUTION**

A LABOR MOVEMENT APPROACH TO FIXING TRANSPORTATION POLICY

The Interstate and Defense Highways Act of 1956 was the largest single public works project in American history. Labor today needs to advocate now for a similarly ambitious vision and policy plan for the U.S. transportation system that creates good jobs, addresses working families' mobility needs and reduces greenhouse gas emissions and pollution. Meeting labor's core interests in the next federal transportation bill is entirely possible; in fact, a powerful movement of transit riders, environmentalists, working families and politicians has come together in the last few years to demand transportation policy that prioritizes core social and environmental needs, not parochial projects. Indeed, this newly formed movement eagerly awaits greater participation from one of the only movements in the United States representing the interests of working people—the labor movement. Importantly, a few unions have joined the largest transportation coalition in the nation—Transportation for America (T4A)—the Transport Workers Union and the Amalgamated Transit Union; SEIU and the Teamsters have joined the Equity Caucus of T4A. Representing hundreds of organizations, T4A is calling for key reforms of federal transportation policy in the next authorization, which is being debated right now.

The United States needs a new national vision for an efficient, safe, sustainable, affordable and accessible transportation system, on a scale comparable to the Interstate Highway System. Based in key social, environmental and economic goals, it is time for the United States to invest in a major public works project to vastly improve and update our transportation system. This project would help provide good jobs, first-rate mobility and environmental sustainability.

Funding for transportation projects should be awarded according to this long-term vision and based on performance. In order to qualify for funding, projects will need to meet clear criteria including the creation of good jobs, improving public safety, improving the conditions of existing facilities and systems, increasing environmental sustainability and reducing air pollution and greenhouse gases. The TIGER program, created by President Obama in response to the economic and jobs crisis, is a very successful example of a discretionary transportation

program. TIGER funding is provided based upon a program's commitment to five clear criteria:

- Improve the conditions of existing facilities and systems;
- Contribute to the economic competitiveness of the United States over the medium to long term;
- Improve the quality of life and working environments for people;
- Improve energy efficiency, reduce dependence on foreign oil, reduce greenhouse gases, and benefit the environment; and
- Improve public safety.

Rather than cutting transportation spending, we need to increase our investment in transportation infrastructure. Transportation investments should focus on public transit, the repair and maintenance of existing roads and bridges, and creating safe streets for multiple modes of transport including walking and bicycling. Investments in these areas will best address important employment, mobility and environmental concerns that the nation currently faces.

- The majority of federal transportation programs are oriented to highways, not mass transit. This 80% (highway)/20% (transit) split is outdated. Greater investment in mass transit is necessary for good job creation, expanding the role of the public sector, working families' ability to get to essential services in a safe, affordable and convenient manner, and to reduce the transport sector's contribution to climate change and overall environmental impact.
- Current funding and financing systems make it easier for states to spend on highways projects rather than mass transit or bicycle or pedestrian projects. The federal match for transit projects needs to increase significantly and the approval process for mass transit funding needs to be streamlined and simplified so that mass transit projects are on a playing field at least equal to that of highway projects.

In addition to greater funding for public transit, a greater portion of federal transportation dollars needs to be allocated to transit operating expenses. Dedicating a greater amount of money to transit operating assistance would act as an immediate stimulus, preventing transit worker lay-offs, fare increases, and service cuts. It would also increase working families' disposable income and their mobility.

- In addition to only receiving 20% of overall federal transportation dollars, mass transit is also disadvantaged by federal policy that does



TO BUILD A NATIONAL TRANSPORTATION SYSTEM THAT IS INTERMODAL, SAFE, CONVENIENT, AFFORDABLE AND ENVIRONMENTALLY SUSTAINABLE, WE NEED A LONG-TERM, SUSTAINABLE REVENUE SOURCE FOR TRANSPORTATION INVESTMENTS, MAINTENANCE AND OPERATIONS.



not allow regions with over 200,000 people to use transit funds for operating expenses; instead, these funds can only be used for capital expenses. Dedicating a greater amount of money to transit operating assistance “would act an immediate stimulus,” preventing fare increases, service cuts, and lay-offs, as well as increasing working families disposable income and the labor force's mobility.

To build a national transportation system that is intermodal, safe, convenient, affordable and environmentally sustainable, we need a long-term, sustainable revenue source for transportation investments, maintenance and operations. The gas tax is no longer a sufficient source of revenue for the scale of investments necessary to update and improve the transportation sector. And even when the Interstate Highway system was built, it was not only gas tax money that funded the project. More than 50% came from the federal government's general budget.¹ Several mechanisms for increasing transportation revenues are currently being discussed; these include raising the federal gas tax, implementing a vehicle miles traveled tax and road tolling. More ambitious efforts to raise funds for important infrastructure investments, including transportation infrastructure and, at the same time, curb corporate power, focus on implementing a financial transaction tax and shifting oil and gas subsidies to funding low-carbon, sustainable transport. As each of these proposals is considered, defending and expanding the role of the public sector should be a guiding principle. The transportation system needs to meet key social and environmental needs and, under a private system, these needs are often sacrificed to profit. And, any private sector approaches pursued, such as road tolling, will require strict protections to ensure that taxpayers and the public as a whole do not end up responsible for the risks of failure in the private system.

1. U.S. Public Interest Research Group, Do Roads Pay for Themselves?



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ABOUT THE GLI

The GLI is part of Cornell University's School for Industrial and Labor Relations (ILR), the leading U.S. university program specializing in labor relations. Through research, education and training and policy development, the GLI works with trade unions in the U.S. and internationally to develop solutions to major social, economic and environmental challenges. The goal of the Institute is to help union officers, staff and activists gain a deeper understanding of the policies and institutions that shape today's world, assist in bringing unionists based in different countries into contact with each other for meaningful discussion on strategy and policy, and facilitate dialogue between unions, civil society organizations and movements committed to global justice.

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