

# More Projects and PAYCHECKS

Transportation's Summer of Recovery

AMERICAN ASSOCIATION OF  
STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

**AASHTO**  
THE VOICE OF TRANSPORTATION

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[recovery.transportation.org](http://recovery.transportation.org)



# AT-A-GLANCE

The transportation investment in stimulus is working—and in every state across the nation. More than \$40 billion in highway and transit projects have been approved and are moving forward—almost \$30 billion are under contract on 16,761 different projects. More than 63,000 direct on-project jobs have been created or sustained in August as a result of the American Recovery and Reinvestment Act and states have already paid out \$3.2 billion in payroll.

## As of August 31, 2010<sup>1</sup>:

### Highways and Bridges:

- ♦ Federal Highway Administration has approved 13,077 highway projects totaling \$26.4 billion. Of these projects:
  - Out to bid: 12,739 projects totaling \$25.5 billion
  - Signed contracts: 12,371 projects totaling \$24.7 billion
  - Work underway: 11,978 projects, totaling \$24.1 billion
  - Work completed: 6,154 projects, totaling \$5.4 billion or 21 percent of funds
- ♦ When completed, these funds will improve 35,399 miles of highways, and 1,264 bridges

### Transit:

- ♦ Federal Transit Administration has awarded 1,070 grants totaling \$8.8 billion
- ♦ Of the Transit Urban and Rural Formula Grants: FTA awarded \$7.2 billion for 965 grants
  - Out to bid: 4,471 projects totaling \$5.3 billion
  - Contracts signed: 4,400 projects totaling \$5.2 billion
  - Work underway: 4,290 projects totaling \$5.4 billion
  - Work completed: 2,463 projects totaling \$1.4 billion
- ♦ Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grants:
  - FTA awarded 43 grants in 27 states totaling \$100 million
- ♦ Under Transit New States construction:
  - FTA has awarded 11 grants totaling \$743 billion

### High-Speed Rail and Intercity Passenger Rail Grant Programs:

- ♦ Federal Railroad Administration has approved \$585 million on eight projects

### Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants

- ♦ 51 grants awarded for \$1.5 billion
- ♦ US DOT has approved \$213 million approved for 15 projects
- ♦ Construction has begun on seven projects totaling \$133 million

## The real story of the American Recovery and Reinvestment Act is about people.

It's about the state DOT employees who worked double time to get projects out the door; it's about the contractors who went right to work on transportation projects that will make a difference in their communities; it's about the mom and pop industries, the small and large businesses, the equipment manufacturers who survived one of the worst economic times in decades all because of the \$48 billion that went to fund transportation projects in the Recovery Act. This report is dedicated to them.

AASHTO gratefully acknowledges the information, state examples, and photos provided by the state departments of transportation and related associations, and the data provided by the House Committee on Transportation and Infrastructure, Federal Highway Administration, and Federal Transit Administration.

<sup>1</sup> Data supplied by the House Transportation and Infrastructure Committee, based on state reporting as of August 31, 2010. Other data from FHWA, FTA, and FRA. Project breakdowns are subsets of the total project amounts.

# Economic Recovery Act: Transportation Benefits Will Last a Lifetime

by John Horsley  
AASHTO Executive Director

For the folks in the transportation industry—from the employees at our state departments of transportation, to contractors, construction workers, equipment manufacturers, and transit managers—this has been the summer of recovery. The orange cones have been up across America, bringing with them thousands of jobs and thousands of transportation projects that will improve the mobility of our nation for years to come.



Since signed into law in February 2009, workers and businesses who rely on transportation construction have called the American Recovery and Reinvestment Act “a life-line.” Although funding for transportation made up only six percent of the stimulus, it has created or sustained thousands of jobs. In August alone, more than 63,000 direct, on-project jobs have been created in the highway and transit sectors—an increase of 53 percent since March. According to data compiled by the House Transportation and Infrastructure Committee, almost 94 percent of stimulus-funded bridge and highway projects nationwide are under contract—an investment that will put \$25.5 billion directly into the economy. More than 6,154 projects have already been completed.

Not only has the Recovery Act created jobs, it has also helped improve our communities. The newly paved I-90 in South Dakota helps freight move more quickly to market. The new two-lane concrete bridge over the Watauga River in Carter County, Tennessee, replaced a one-lane steel structure built in 1941, bringing new life and vitality to this rural area. Arkansas improved 170 miles of roadways at 52 locations across the state with Recovery Act funding—replacing guardrails, pavement markings, and shoulders, while creating 315 much-needed jobs. Recovery Act funding has also allowed Florida to begin work on the Tampa to Orlando high-speed rail line.

In an otherwise bleak economic climate, transportation jobs have been a reliable source of income for thousands of American families during the past 19 months, producing billions of dollars in paychecks along the way. The men and women who work for our state departments of transportation have been the key to getting these results—moving quickly to identify and put out to bid more than 17,200 individual projects—and then ensuring that the work being done produces value for the taxpayer dollar.

I am proud of the work that has been accomplished in so short a time through the stimulus. It is critically important for Congress to pass a multi-year, long-term bill by the end of 2010, so the momentum of the recovery continues and the jobs just created can be sustained.

We must keep America moving now and into the future.

Shovels used to break ground for a project in New Mexico.



# Transportation's Summer of Recovery— Creating a Climate for Sustained Economic Growth

by Larry L. "Butch" Brown  
*AASHTO President and Executive Director,  
Mississippi Department of Transportation*

As we look back over the past 19 months, the \$48 billion provided for transportation in the American Recovery and Reinvestment Act (ARRA) has made a meaningful difference to every state in the nation. All of us were able to use these funds to correct some of our most-needed infrastructure deficiencies, whether they were roads, transit, or bridges. Without that infusion of capital and cash, we certainly would have been unable to see the successes we've achieved.



As a result of the Recovery Act, our contractors have been able to hire and retain workers, and our small businesses have been able to purchase new construction equipment and materials. Here in Mississippi, we have been able to undertake a balanced program of new construction and new capacity as well as pavement rehabilitation. All in all, I think the Recovery Act has produced a good infusion of cash, which we have used to create well thought-out and cost-effective projects that have produced meaningful benefits in our communities and rural areas.

One very positive outcome from our work has occurred in the city of Columbus. As a result of an interchange we built there to improve access and connectivity, the city has attracted a new steel mill, and a new Paccar manufacturing plant that builds large truck engines. Similar economic growth has occurred as a result of an interchange we built in Meridian. So we not only saw the needs of our infrastructure being met through stimulus funding, the Recovery Act also helped create the climate for industrial growth and new economic development.

We've learned a lot from the ARRA—that states can put people to work quickly and efficiently, and can build projects that support community needs. It's time to move forward with a long-range, long-term transportation plan, one that gives us more time for planning and implementation as well as the funding we need to realize the projects.

It's important to remember that transportation isn't just about building bridges, smoothing pavement, or keeping transit systems well-oiled and operating. It's also about building communities and it's about building the support system needed by industry—industry that will sustain and grow our economy well into the future.

Newly constructed Paccar  
manufacturing plant in  
Columbus, Mississippi.



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# CHAPTER ONE

## Making a Difference— Transportation's Summer of Economic Recovery

**T**his summer, the orange cones have been out on highways and bridges across the country, a visible symbol of the American Recovery and Reinvestment Act at work. Although accounting for only six percent of the total funding included in the stimulus, the \$48 billion targeted at the nation's highways, transit systems, intercity passenger rail, and aviation networks have borne rich fruit, both in creating good jobs for tens of thousands of Americans and in updating an aging transportation system.

Transportation's "Summer of Recovery" is making a difference in America. Virtually every city, county, and state across the United States has been touched—either directly by projects in their neighborhoods or by providing jobs that wouldn't have existed without the program. With more than 16,200 highway and transit projects underway, states are pumping billions of dollars into the economy during the peak summer construction season.

Chris Schnitzler is a worker on the U.S. 27 widening project in Campbell County, Kentucky.



### Generating True Economic Recovery

"You can't drive very far in Oklahoma that you don't run into a project that is either under construction or recently completed," said Gary Ridley, Oklahoma's secretary of transportation. The stimulus "gave us an 80 percent increase in annual federal funding—almost two years worth of funding in one year."

According to Mark Zandi, chief economist for Moody's Analytics, the Recovery Act packed a "very large economic punch. It made for good economic policy. It has been instrumental in bringing an end to the recession as quickly as it occurred. I think it was just a magnificent accomplishment."

In Ohio, a record number of construction workers—nearly 9,500 across the state—were on stimulus-funded transportation projects in July. Ohio reports that this is the largest single-month report for the state since





President Obama celebrates the 10,000th Recovery project in Columbus, Ohio.

Recovery Act projects began in mid-2009. Summer payroll has exceeded projections, with nearly \$35 million in paychecks written in just a three-month period (June–August). For Ohio's contractors, the state is averaging payouts of nearly \$10 million each week in stimulus funds alone (close to \$50 million when the state's regular funding is included). Most of the stimulus work has been on highway and bridge construction projects, as well as for new state investments in railroad connections and water ports along Lake Erie and the Ohio River.

In Oklahoma, almost 2.5 million labor hours have been worked on projects across the state. In Washington State, \$500 million in ARRA funding "saved a lot of jobs and kept our contractors working," said Paula Hammond, secretary of the Department of Transportation.

### Creating Value for the Dollar

Transportation's success in bringing needed employment to tens of thousands of workers

and some degree of financial stability for their families is only matched by the repair, rehabilitation, and renewal of thousands of dilapidated bridges and highways, and aging transit systems.

Michael Grunwald, reporting in *Time* magazine said, "It may not be as exciting as New Deal projects like Skyline Drive, but repairing battered roads (which cause congestion, damage cars, and reduce fuel efficiency) and improving public transit happen to be good public policy."

Nevada's Department of Transportation has funded much-needed highway projects in all of the state's 17 counties. "With almost 70 projects underway statewide and \$201 million being infused into our economy, this was truly a shot-in-the-arm to our state," said Susan Martinovich, AASHTO vice president and director, Nevada Department of Transportation.

In California, the historic Chester Avenue Bridge—first opened in 1957 in Bakersfield—

"To create Ohio jobs and rebuild our economy from the ground up, we made the largest commitment in our history to improving Ohio's infrastructure this year."

— Ted Strickland,  
Ohio Governor

## Moving America Forward

- ◆ 63,137 direct, on-project jobs in August 2010 alone—up 53 percent since March 2010
- ◆ 16,268 individual highway and transit projects underway
- ◆ Payroll since work began: \$3.2 billion, generating \$780 million in federal taxes
- ◆ Before funding ends, 35,000 miles of pavement and 1,200+ bridges are expected to be replaced, or newly constructed



Worker at the site of the Chester Avenue Bridge reconstruction in California.

will be completely replaced with funds from the Recovery Act. Not only will bridge have new safety features and ease congestion, it will also protect the historic Padre Garces statue, an important historical landmark.

## Seeing Returns on the Transportation Investment

Not only has the Recovery Act generated jobs, it is also bringing money back into the U.S. Treasury through federal income and business taxes. Moody's Zandi notes that about forty cents of every dollar spent is returned to the taxpayers. In addition, billions of dollars are now circulating throughout the economy as the ripple effect of the Recovery Act continues through the fall of 2010. Workers are using their paychecks to buy groceries and pay bills, and companies are buying more fuel for their equipment.

Scott Gillen, a construction manager with Upper Plains Contracting, Inc. in South Dakota said, "We definitely spend a lot more money on fuel, food, and hotels when we are out of town working on these projects. A lot of our stimulus money does make it back into the economy."

"The American Recovery and Reinvestment Act invested more than \$1.2 billion in Pennsylvania highway, bridge, and transit projects," said Pennsylvania Governor Edward Rendell. "We put thousands of Pennsylvanians back to work and put money in their pockets. Instead of being jobless, they were working to build up

Pennsylvania and America. And the fruits of their labors delivered better transportation for people across the state now and for generations to come. Infrastructure investment is one of the best job creators we have and the Recovery Act continues to be a tremendous all-around win."

The ripple effect continues: The National Asphalt Pavement Association saw the production of asphalt mix drop from a high of 550 million tons in 2004 to just 362 million in 2009. And that number could have been 75 million tons lower in 2009 had it not been for ARRA.

"Had it not been for the infrastructure investments included in the stimulus, tens of thousands of construction workers would be unemployed and hundreds of construction firms would be out of business today," said Ted Aadland, CEO of Oregon-based Aadland Evans Contractors and president of the Associated General Contractors of America. "Instead, the stimulus has saved jobs, allowed businesses to survive, and financed vital new highway and transit projects that will benefit our economy for years to come."



Vice President Joe Biden (left) and Pennsylvania Governor Ed Rendell at the Spring Road Bridge reconstruction project.

"About forty cents of every (transportation) dollar spent is returned to the taxpayers."

– Mark Zandi,  
Chief Economist for  
Moody's Analytics

"I've always said that the two biggest positives of the ARRA funds were putting people to work and getting a great investment in providing much-needed infrastructure for our state's future."

– Susan Martinovich, AASHTO Vice  
President and Director, Nevada  
Department of Transportation

## Focusing on Results

Since ARRA was signed into law on February 17, 2009, federal agencies and state departments of transportation moved quickly to get projects

## How ARRA Projects Move Through the Pipeline—One Arizona Story

- ◆ Arizona submits a project using ARRA funding to the Federal Highway Administration.
- ◆ The project will reconstruct and add lanes as well as quiet rubberized asphalt along Interstate 10 within the city of Goodyear and the town of Buckeye, just west of Phoenix.
- ◆ After review, FHWA concurs that the project meets the ARRA criteria and “obligates” or approves \$21.8 million.
- ◆ Arizona puts the project out to bid.
- ◆ Fisher Sand and Gravel construction is awarded the job.
- ◆ More than 50 workers begin construction in September 2009 (the final project is expected to be completed in Spring 2011).
- ◆ Arizona pays the contractor and is then reimbursed by FHWA up to the “obligated” or approved amount.
- ◆ ARRA funding allowed Arizona DOT to fund the project 10 years earlier than originally scheduled.
- ◆ When completed, the result: Commuters, transit users, truck drivers, tourists and others who use that stretch of highway will see smoother, safer, and less congested rides.



Crews remove old asphalt pavement as part of a \$22 million Recovery Act project to reconstruct and widen a busy section of Interstate 10 in Arizona.

## Transportation Dollars Included in the Recovery Act: \$48 billion

- ◆ \$27.5 billion for highways and bridges
- ◆ \$8.4 billion for transit
- ◆ \$9.3 billion for high-speed and intercity passenger rail
- ◆ \$1.5 billion for competitive surface transportation grants (TIGER)
- ◆ \$1.1 billion for aviation
- ◆ \$100 million for small shipyard grants

### THIS SUMMER'S RECOVERY PROJECTS MAKE A DIFFERENCE =

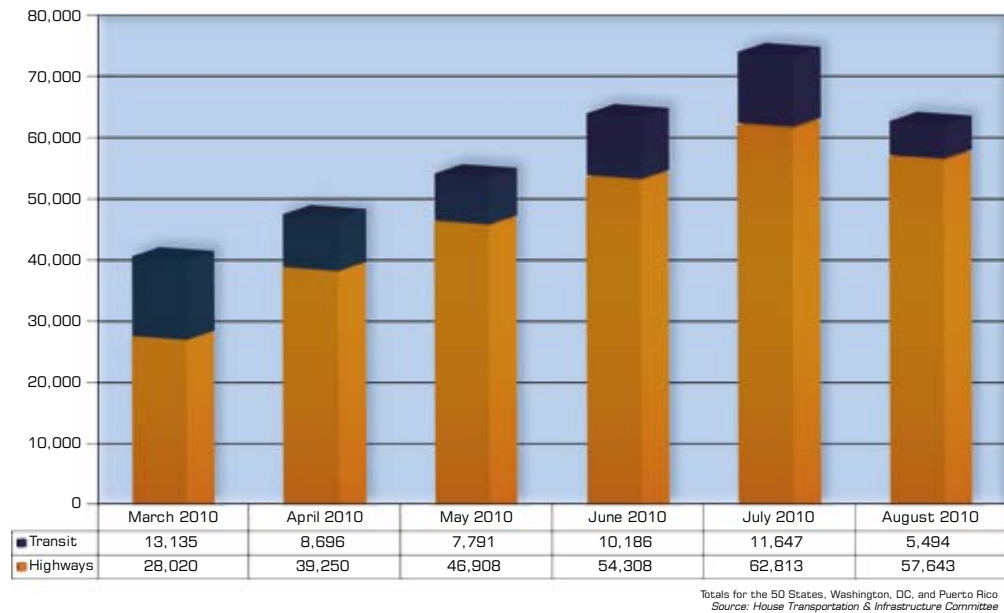
Less congestion, safer roads, bridges, and transit systems, smoother rides, improved environment, and jobs, jobs, jobs.



**Documents**

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**Transportation Construction Jobs Funded by ARRA—Breakdown by Mode  
March–August 2010**



out the door. As of August 31, six states had 100 percent of their projects under contract; 12 states had 100 percent of their projects out to bid.

Overall, the Federal Highway Administration has approved 13,077 highway and bridge projects totaling \$26.4 billion. Of these, more than 12,740 projects are either out to bid, have signed contracts, or construction is underway. Work has already been completed on 6,154 projects totaling \$5.4 billion or about 20 percent of the funds available.

When these projects are completed, significant work will have been accomplished to repair aging bridges and beat-up pavements. The House T&I Committee estimates that the Recovery Act funds will improve at least 35,000 miles of highway and 1,200 bridges.

Needed transit projects are also moving forward. More than 4,470 projects totaling \$5.3 billion are either out to bid, under contract, or

are under construction. Work has been completed on 2,463 projects totaling \$1.4 billion.

As a guest blogger on [fastlane.dot.gov](http://fastlane.dot.gov), Victor Mendez, FHWA Administration, wrote, “We have six times more Recovery projects underway this summer than we did last summer. And we’re going to improve more than 30,000 miles of highway this summer. That’s three times as many miles as we improved last summer, and enough to make 10 trips across the country.”

Gary Girón, New Mexico’s secretary of transportation, noted the “trickle down” economic impact in his state. A \$15 million project to reconstruct the I-40/Paseo del Volcan interchange in Albuquerque’s growing west side put 150 people to work, generating over \$1.7 million in payroll. “Not only did those working for our contractor, Mountain States Constructors, benefit, but so did the subcontractors—truckers were employed to haul material, asphalt companies were hired to provide material—extending the benefits far beyond those 150 employees.”

Girón said the project is reducing congestion in an area where the population is expected to double in the next 15 years. “So our investment is not only improving our infrastructure,” Girón said, “it’s also giving time back for people to enjoy with their families and friends.”

New road leading to Paseo del Volcan in New Mexico being constructed.



In California, workers are building the \$420 million Caldecott Fourth Bore Project, designed to eliminate a long-standing bottleneck on State Route 24 between Oakland and eastern Contra Costa County by building a fourth tunnel bore to accommodate the growth in traffic since the third bore was built in 1964. The project was allocated more than \$197 million from the Recovery Act, making it California's largest Recovery Act project.

California has obligated nearly \$2.5 billion in Recovery Act funding to 946 highway, local street, and job training transportation projects statewide.

"The Caldecott Tunnel Fourth Bore project is a shining example of how the Recovery Act is creating jobs and putting Californians back to work," said California Recovery Task Force Director Rick Rice. "This project represents the best of the Recovery Act as it is providing new opportunities for Californians to get back into the workforce. This project is well on its way to alleviating traffic congestion and improving California's infrastructure."

While much of the work is related to physical construction activities, the project also has created work for an array of engineers and small business owners. The project was awarded to Tutor-Saliba Corporation in November 2009. Construction began February 2010. The tunnel is scheduled for completion in late 2013 or early 2014.

"It's exciting to see how Recovery Act projects put our contractors back to work," said Caltrans Director Cindy McKim. "This project is one of the best examples in the nation of the economic stimulus plan doing what it is designed to do: improve our vital infrastructure and provide good quality jobs. We are thankful that the stimulus funds were there to kick-start this project."



A tunnel boring machine begins work on the \$420 million Caldecott Tunnel project in February.



Golden State Freeway ground-breaking, September 2010.

In September, Caltrans broke ground on a \$140.2 million project on the I-5, Golden State Freeway that will ease traffic congestion and improve air quality in the San Fernando Valley. The project is partially financed (\$31.2 million) by the Recovery Act. An additional \$25.2 million came from Proposition 1B, a transportation bond approved by California voters in 2006.

The project will build nearly seven miles (3.4 miles in each direction) of new bus/carpool lanes on the Golden State Freeway between the Ronald Reagan Freeway (SR-118) and the Hollywood Freeway (SR-170). It will also reconstruct the connector to provide a direct bus/carpool lane connector between I-5 and SR-170, replace sections of concrete pavement, and widen four undercrossings. The project is expected to be completed by Spring 2015. The contractor is Flatiron West.

"I-5 is the backbone of the state's freeway system and an important part of our economy," said Caltrans District 7 Director Mike Miles. "The improvements we're undertaking now will benefit residents, commuters, commercial vehicles, and California as a whole by improving mobility in this important corridor."

Interstate 5 in the San Fernando Valley is one of Southern California's busiest, with an average daily traffic volume that can exceed 300,000. Carpool lanes carry two to three times more people at peak traffic hours than conventional lanes and typically save motorists about a minute per mile. Currently, there are 492 miles of bus/carpool lanes in Los Angeles County, about 34 percent of all such lanes in the state.



Michigan officials unveil Recovery Act sign at site of the M-84 widening project.



## CHAPTER TWO

# Building America, Putting People Back to Work

**T**wenty percent of the transportation work being done this year by the Golden Triangle Construction Company in Pennsylvania comes as a direct result of the Recovery Act. Pike Industries in New Hampshire created 150 new positions instead of laying-off the same number of workers because business from stimulus projects this summer has been so good. Managers at AIM Engineering in Florida were able to hire new workers to meet the demand of work generated by a new ARRA project in Pasco County.

For many families and small businesses across the country, the Recovery Act has meant all the difference this summer. Payrolls are being met and family finances are stabilizing because of the transportation funding coming from ARRA. From March through August 2010, the transportation construction jobs funded through ARRA increased 53 percent. Projects totaling \$29.5 billion are under construction during these peak summer months.

The benefits run deep—not only is the economy getting stronger, states are completing much-needed projects that had been shelved for years because they had no way to pay for them. The result—good projects that will improve the safety, reliability, and effectiveness of our transportation system.

Vernon Yazzie and Regina Edison understand the benefits. Employees of Skanska USA in New Mexico, they are both working as a direct result of a stimulus project to expand U.S. 491.

For the first time in 15 years, Yazzie was laid off by Skanska in September 2009 because his company didn't have any work for him. In March, however, the company was able to hire him back as a carpenter once the stimulus projects began rolling out. "I have four kids to support," Yazzie said. "I actually now work with one of my sons on this job. He is part of an apprenticeship program that they created, so this has worked out good for all of us."





Left: New Mexico Gov. Bill Richardson, middle, NMDOT Secretary Gary Girón, left, and other dignitaries break ground on U.S. 491, near Shiprock, New Mexico.



Right: Vernon Yazzie had been laid-off for six months before his company began work on the U.S. 491 project in New Mexico and was able to rehire him.



Left: Regina Edison is a traffic control supervisor working on the U.S. 491 project.



Right: Natalie Newgent will have a steady job for the next several years after being hired by Atkinson Construction to work on the Interstate 405 project in Washington State.

Regina Edison had also been out of work since last September when Skanska had to lay her off. In March, she too was rehired. "I started as a flagger but I am now certified as a traffic control supervisor," Edison said. "This has helped my family out a lot financially. I can support my kids with the wages I'm earning and the job is close to home."

Natalie Newgent was able to get a job with Atkinson Construction in Washington State in March of this year, right at the beginning of the busy construction season. Her company began work on the Interstate 405 project, which received Recovery Act funds.

"Before I got this job, it was pretty slow. I was working as an EMT just trying to make it," Newgent said. "Then Atkinson started hiring and it's nice because I know I have a steady job for the next couple years. With the economy the way it was, nobody was hiring. A lot

of people were out of work or were taking second jobs just so they could make their mortgage payments."

## Offering New Opportunities

Many states are helping to bring new companies and workers into the transportation construction industry through goals for hiring Disadvantaged Business Enterprise (DBE) firms. The U.S. DOT program helps small, disadvantaged business enterprises participate in federally funded transportation-related projects. To be certified as a DBE, a firm must be a small business owned and controlled by socially and economically disadvantaged individuals, specifically African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women.

A Wisconsin program called Transportation Alliance for New Solutions is a public-private