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House Transport Panel Head Seeks \$69 Billion in New Spending

By CHRISTOPHER CONKEY

WASHINGTON -- House Transportation Committee Chairman James Oberstar on Wednesday called for at least \$69 billion in new federal spending on highway and transit projects, a bid to use a second stimulus bill to address a looming shortfall in transportation funding.

Speaking at a news conference on Capitol Hill a day before the White House convenes its "jobs summit," Mr. Oberstar said \$69 billion would be "a nice down payment" that would upgrade the nation's transportation system and create hundreds of thousands of jobs.

Mr. Oberstar (D., Minn.) and Rep. Peter DeFazio (D., Ore.), chairman of the highway subcommittee, sent a letter to President Barack Obama on Wednesday in which they pointed to transportation spending as "a way to create and sustain family-wage jobs, contribute to our nation's long-term economic growth and help the United States recover from the worst recession since the Great Depression."

Mr. Oberstar said he hasn't received any direct response from the White House but said he expects some movement toward his proposal by the end of the jobs summit.

Earlier this year, transportation advocates secured about \$48 billion for highway, transit and rail projects in the economic stimulus package, roughly half the amount they were seeking. On Wednesday, Mr. Oberstar said stimulus spending on transportation has directly sustained 211,000 jobs and supported an additional 130,000 indirectly through supply-chain purchases.

"Given the success of what we've done under the Recovery Act, it's no surprise that people want to do more," said Jill Zuckman, spokeswoman for Transportation Secretary Ray LaHood.

Messrs. Oberstar and DeFazio are focusing on the prospect of a new stimulus bill because Congress and the White House haven't come close to agreeing on a six-year bill that would significantly boost transportation spending. The White House has ruled out raising gas taxes given the struggling economy, and there is no consensus on Capitol Hill for any other source of funding.

With Washington deadlocked and state revenue plunging because of flagging retail-sales-tax and property-tax collections, transportation leaders fear major cutbacks in spending will occur next year if new spending doesn't emerge.

Lobbying groups for transit agencies, highway builders and the construction industry have seized on a second stimulus package as well, reprising arguments they made earlier this year. On Wednesday, the American Public Transportation Association and the American Association of State Highway Transportation Officials unveiled reports touting a combined \$84 billion in "ready to go" projects. The groups said new spending could spur job creation in the beleaguered construction sector, where unemployment is nearing 20% nationwide.

Even if Mr. Oberstar and his allies secure more funding, it may not provide an immediate jolt because it takes time for transportation spending to work into the economy as projects are identified, put out to bid and finally undertaken by contractors. In their letter to Mr. Obama, Messrs. Oberstar and DeFazio noted that by the end of October, work had started on about 54% of the stimulus projects funded by major highway and transit programs.

Mr. DeFazio said the lag was acceptable because the economy would be "in the soup" for at least another two years. Mr. Oberstar said the impact from much of the transportation

funding from the first stimulus bill would start to fade away by next June.

Beyond the pleas from the highway and transit sectors, the White House is getting flooded with entreaties from other advocacy groups. On Wednesday, Roger Dow, chief executive of the U.S. Travel Association, sent Mr. Obama a letter calling for the White House and Congress to "unlock the power of the travel community to put Americans back to work with tax incentives for job-creating travel, targeted efforts to promote international travel and government funding to remove roadblocks to an efficient travel infrastructure."

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