

# FINANCE & COMMERCE

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## **Association update: Highway construction gets in gear**

*by Julie Anderson, Minnesota Transportation Alliance, Guest Commentary*



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### **That means workers on the roads, but not so many as in other years**

The 2010 highway construction season has officially begun and drivers will definitely be noticing the orange barrels and “construction ahead” signs between now and November.

The projects coming up this season are impressive, both in dollars being spent and in sheer numbers. This is great news for folks in the construction industry who have been sidelined by the dramatic downturn in private-sector construction. We know that public investments in infrastructure will put thousands of people to work at living-wage jobs while supporting our Minnesota companies.

We also know that the result will be a safer, smoother, more efficient drive for thousands of Minnesota residents. Improved and expanded highways provide more efficient transportation for the many businesses that ship products or commodities.

A few things to keep in mind as you’re navigating construction zones this summer:

- The Minnesota Department of Transportation estimates the value of spending on transportation projects this construction season at \$1.3 billion. That includes a couple of very large bridge projects.
- Some of the projects included in this year’s list of 2010 construction projects are actually ongoing projects that were originally let in 2008 or 2009. These projects represent more than \$350 million of the total.

- Mn DOT has estimated that the gap between the funding needed to adequately maintain and improve our highway system and the amount of anticipated available revenue is about \$2.5 billion per year.
- Construction jobs in Minnesota are down 14 percent from last year.
- More workers are killed on construction jobs than in any other occupation, according to the latest workplace fatality figures from the federal Bureau of Labor Statistics.
- Infrastructure repair maintains the taxpayer investment made by previous generations that built the transportation system we use today;
- Nationally, the American Recovery and Reinvestment Act (ARRA) has resulted in 765,000 direct and indirect jobs and \$136 billion in economic activity as of March 23, 2010.

Thanks largely to the 2008 Transportation Funding bill, enacted by the legislature over the governor's veto, and the 2006 constitutional amendment dedicating motor vehicle sales tax to transportation, the 2010 construction season will be larger than most. However, the funding levels drop off quickly next year and the following year. In 2012, we'll be spending significantly less on highway construction than we spent in 2005. Given the higher levels of inflation for construction materials, that means we're really going backwards in terms of meeting our construction needs.

State and federal lawmakers need to pay attention to this serious issue. A dramatic drop in the program after one-time funds are spent will simply put people back on the unemployment rolls.

Congress and the administration need to agree on a multi-year surface transportation authorization act that will provide an increase in transportation funds to repair our aging infrastructure and keep people employed. At the state level, we need to continue to look for funding opportunities and plan for the million new residents who will move into our state in the coming 20 years.

As the governor noted in kicking off this year's highway construction season: "Minnesota's transportation system is a cornerstone to a strong and vibrant state economy."

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