

# InfrastructureUSA

## Guest on THE INFRA BLOG

**Damon Silvers, Director of Policy & Special Council, AFL-CIO**

**Conversation with Steven C.F. Anderson, Managing Director,  
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**Damon Silvers:**

### **Public goods**

When we talk about infrastructure, what we're generally talking about is public goods. An example of public good would be the interstate highway system. Most of the interstate highway system is free. You can drive on it without paying a toll, yet it created enormous economic benefits for the United States over the last 60 years. And so infrastructure is critically important – public goods are critically important – but in general, the private sector can't finance them.

### **Upward mobility through infra jobs**

Let's start by saying that the question of our nation's infrastructure is one of the most important questions about our country's economic future. We have a \$2 trillion deficit in 20<sup>th</sup> century infrastructure, according to the ASCE, which is roads and bridges and so forth that have been allowed to decay, have not been kept up, maintained, or replaced sometimes when their useful life ends. And then we have another deficit that's growing rapidly, in 21<sup>st</sup> century infrastructure. The public goods of the future that our international competitors are very rapidly building out; this is everything from the smart electrical grid to high-speed rail, to universal broadband access, low carbon energy production facilities, the stuff the future will be made of. Now \$4 trillion – we, the AFL-CIO think that that infrastructure need in our country is close to the same size as our old-fashioned infrastructure deficit. This is an enormous amount of investment we need to make if we're going to be a competitive economy in the future, and there are – if we make that investment: A) we will be in a position to be competitive in the long run, internationally, and B) we will put a lot of people to work. Which we desperately need to do as a country; we have an 11 million job hole in our country because of the economic disaster that Wall Street caused, and we're not doing a very good job at filling that hole. And it's particularly bad in communities of color, where real unemployment rates are in double-digits, and for youths unemployment rates really are at catastrophic levels in much of our country, and again in communities of color. But there's no guaranteeing that we will create good jobs in infrastructure unless we make it so, meaning that without labor standards, and without the right to organize, infrastructure jobs can be essentially without benefits, dead-end jobs that don't provide the sort of ladder to the middle class

they should. So, there are really two issues when you talk about how we get good jobs into communities that are desperate for them. The first is just making the decision to make the public investment, and then the second piece is making sure those jobs actually are good jobs, where workers have rights, and where people can build middle class lives with those jobs.

### **Skills that last**

The thing about infrastructure investment is that, done right, done on a sustainable basis that recognizes that what we're doing here is creating public goods, and done with respect for worker's rights so that we create real middle class jobs, it's an investment that pays all kinds of dividends. It basically, in terms of the good jobs created immediately, pays dividends in terms of the supply chain, helping to rebuild American manufacturing and creating the kind of ,essentially, economies of scale in American manufacturing and design and the like, so that our economy rebuilds at multiple levels. And then it creates – like all well-designed infrastructure – it creates economic opportunities for people to do all kinds of things. If you think about the great infrastructure achievements of America's past--the transcontinental railroad, the interstate highway system, the national electrical grid, the national telephone grid--think about what was made possible by the existence of that investment. And you think about what could be, in a country where we've had the kind of high-speed rail network that China is building, where we've had universal broadband access, where we've had a smart electrical grid, where we had really taken on the issues of climate change and our dependencies on foreign oil. You think about the kind of economy we could have, the kind of opportunity that would exist for more middle class jobs, that's the real promise of infrastructure investment. Most infrastructure work requires relatively skilled labor. Not all infrastructure work requires relatively skilled labor, because people with a variety of level of skills work on rebuilding a bridge, right? It's things like high-speed rail – building high-speed rail generally requires more skilled workers, but the thing about that is that there's potentially a lot of career ladders and entry points for folks who start out with relatively few skills, to come into this type of work through these large projects, through union training programs, and as a result of the work that they do and the training they receive on a large infrastructure project, at the end of that project they've got the skills that can carry over them further on. We've seen that kind of development . It's what differentiates large-scale infrastructure work from some other things our country really needs. For example, you know, energy-efficient homes. There's a career ladder involved with retrofitting a commercial building that doesn't exist when you retrofit a home. And you can go from there to other infrastructure examples, and see how it's about more than just putting somebody to work for a time. Its about A) creating a piece of investment that's important for our larger economy and society, but it's also about the person that gets a job in that project is much more likely to come out the other end with a skill set that will make them able to sustain

a middle class way of life going forward than they would with certain other types of construction-related work.

### **Global competition**

The labor movement has been focused on our nation's infrastructure deficit for some time now. We've been focused on it in a couple of respects. In terms of its implications, for our failure to invest in infrastructure, the implications of that for our broader economy, and the implications of that for our work force, and for our nation's future. When President Obama spoke in his State of the Union Address about the need to reauthorize the Highway Bill and to create infrastructure bank, this is what the labor movement had been urging the President to use his pulpit to advocate for. We see the question of investing in our nation's infrastructure as at the very center of the question of what kind of future we're going to have as a country. The President of the AFL-CIO, Rick Dunfield, likes to say that it's a real problem. How does he put it? He likes to say: "As a result of President Obama's Economic Recover and Reconstruction Act, we have 500 or so miles of high-speed rail in the planning process some place." And that's a big achievement, compared to what we had before – which is essentially zero. The only problem is that in the same period, the Chinese are in the process of not planning but building at least 5,000 miles of high-speed rail, in a country that's roughly the same size as the United States. Which, by the way, has a lot to do with why China has emerged from the economic crisis of the last couple years much more rapidly and robustly than the United States has. But the real message there is about who's going to be in position to compete globally in the future? And if you're in China – clearly they're building a future in which high-speed rail travel will link their nation in a way that it's never been linked before. And in the United States, we're going to be literally stuck in traffic on this one if we don't get moving. And the labor movement understands this, very clearly, and we work very hard for this. But there's a basic problem here that people have to get their arms around: We are not going to have the infrastructure we need unless we commit public financing to do it. It's just not going to happen, and talking as if there's some other way to do it, and while we have that fantastical conversation, other people in other countries are making the public investments they need to make. And we sit around and pretend that there's some other way to do this. And at the end of the day, there isn't really.

### **In order to prosper, our attitudes have to change**

I think working people understand this very clearly. I don't think working people have a problem. I think that the problem is that too many – too much of our nation's intellectual and political elite got used to the idea of what we were going to do when the United States manufactured bad mortgage paper, and sell it to each other – as opposed to doing the things that actually countries do when they prosper. And it's hard to get those folks refocused. I think working people understand infrastructure all too clearly.

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