



February 2, 2022

Chair Hornstein and House Transportation Policy and Finance Committee Members:

The Infrastructure Investment and Jobs Act (IIJA) provides strong market opportunities for transportation, building, and utility contractors. In AGC of MN's 2021 Industry Assessment of construction firms, the highway/heavy sector is strongly optimistic that market demand for construction services will be positive in 2022, reflecting a return to almost pre-COVID optimism levels. This growth outlook comes amidst new challenges with material price escalations and supply chain issues. Despite challenges, the overall growth outlook by contractors helps fuel innovation, investments in capital that optimize operational efficiencies, and workforce building efforts. A strong, predictable funding stream demonstrates to our existing and future construction workforce that there is sustainable work in the years to come.

The law also includes industry-championed policy improvements to streamline project delivery and increase investments in safety, research, and education programs. These policies assist contractors and owners in delivering projects more efficiently and safely.

Successful implementation of IIJA projects will require strategic efforts by stakeholders in the construction process. Although much of the IIJA's investment is in transportation and formula funding, other significant IIJA investments fund block grants to states, loan assistance, or competitive grants. State and local policy makers will drive discretionary program projects, which will likely take several years. The timing provides opportunity for contractors and other partners to sustain or scale capacity depending on their business model. Partnerships in project delivery and career training will continue to be essential to successful projects in roads, bridges, water, transportation, broadband, and energy.

As the committee considers transportation proposals this session, AGC of MN encourages legislators to support matching funds to maximize federal infrastructure investment and make strategic investments in transportation projects.

Sincerely,

Laura Ziegler
Director of Highway/Heavy and Government Affairs