

Barack Obama's public works plan triggers optimism Boosting construction

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President-elect Barack Obama's proposed multibillion-dollar infrastructure package could pave the way for desperate Massachusetts contractors and unions to survive the economic recession.

Wall Street reacted yesterday to Obama's Works Progress Administration redux plan by driving up shares of firms involved in any way with the construction industry, including Framingham's Perini Corp., whose stock soared 14.5 percent yesterday to \$21.31.

U.S. Steel's shares were up 24 percent while giant equipment maker Caterpillar's stock jumped 10.8 percent.

Locally, smaller private companies and unions were also pumped up by the prospect of hundreds of billions of dollars being pumped into fixing roads, bridges and dams. Obama, who didn't release exact dollar figures, increased the anticipation over the weekend by indicating his final plan could include funds for school upgrades and telecommunication projects.

"In this type of environment, it could be a big boost," said Rory Kelleher, business manager at Plymouth's Emerald Excavating Co. Inc., which prepares work sites for sewer, road, utilities and other projects.

"We're seeing things slow down quickly, so this will definitely help," said Frank Callahan, president of the 75,000-member Massachusetts Building Trades Council.

The construction industry has recently gotten hammered in Massachusetts and across the nation, due to the housing-market slump and a credit crunch that's dried up capital for commercial and institutional projects.

In the past year, Massachusetts has lost 6,000 construction jobs - 2,300 of them in October alone. The nation has lost about 568,000 construction jobs - 82,000 of them last month.

Mark Erlich, executive secretary treasurer of the New England Regional Council of Carpenters, said he's more nervous about this recession because universities and hospitals are indicating they may scale back on projects due to huge endowment losses and drops in charitable giving. Such institutions usually serve as a buffer for the construction industry during recessions.

"It's a major step in the right direction," Erlich said of Obama's infrastructure plan.

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