

The Future of Transportation Authorization



NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life



Special Webinar
July 28, 2010

Presenters

Leif Wathne – Vice President, American Concrete Pavement Association

David Hubbard – Vice President, Portland Cement Association

Jay Hansen – Vice President, National Asphalt Pavement Association

Kerri Leininger – Vice President, National Ready Mixed Concrete Association

Pam Whitted – Vice President, National, Stone, Sand and Gravel Association



Agenda

- Introduction and Importance of Federal Highway Funding to the Highway Materials Construction Industry
- Status of Surface Transportation Authorization Legislation
- Impacts
- Politics Behind the Policy
- Mobilize and Take Action



Introduction

“The surface transportation system of the United States is at a crossroads. The future of our Nation’s well-being, vitality, and global economic leadership is at stake. We must take significant, decisive action now to create and sustain the pre-eminent surface transportation system in the world.”

[NSTPRSC, 2007]



What is this decisive action?

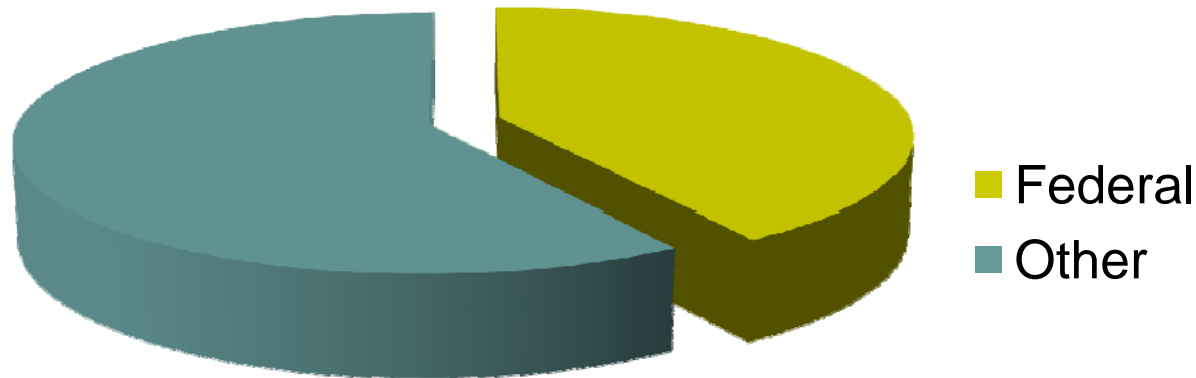


**ENACTMENT OF A MULTI-YEAR
FEDERAL TRANSPORTATION AUTHORIZATION!**



Why should you care?

- Annual Federal Share of Highway Capital Investment – avg. last decade [NSTPRSC, 2007]



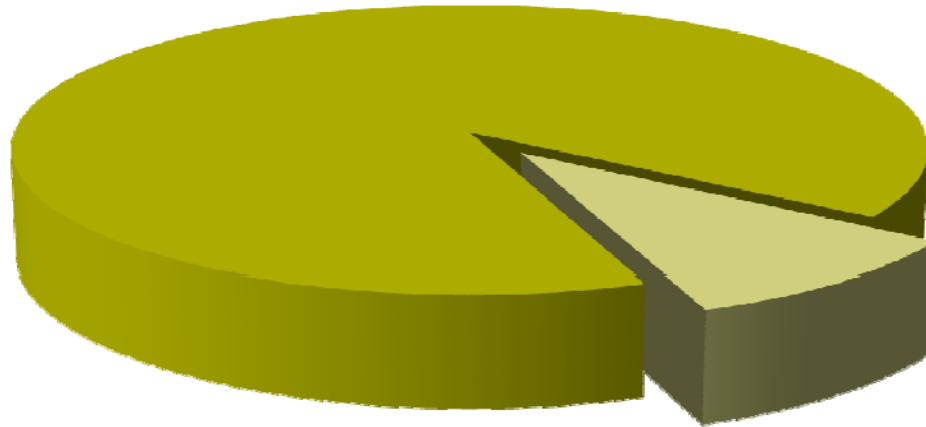
Roughly 40% Federal

- NHS – 80% federal share
- Interstate – 90% federal share



Where does the Federal share come from?

- The Highway Trust Fund [USDOT, 2008]



- Fuel Taxes (Gasoline/Diesel)
- Other (Tires/HVUT/Truck Sales)

- Roughly **90 percent** of federal funding comes from motor fuel taxes...
...currently at 18.4 cents/gallon



Importance of Federal Funding

- Nothing is more important to our industry than the highway authorization!
- Things are bad now – without a multi-year bill they will get significantly worse!
 1. Stimulus funding is sun-setting
 2. HTF is running out of money (CR's won't do)
- Much of the gains in employment and capital investment will erode without a highway bill.
- These Federal investments are critical!



You'll hear...

- *Stimulus funding did not work!* **NOT TRUE!**
 - T&I Hearing – retention, hiring, capital
 - USDOT figures – state reportingInfrastructure investment is working – real lives ...unfortunately, it was only 4% of the stimulus!
- *Already pay too much!* **NOT TRUE!**
 - 18.4 cents/gallon – buys 4 million mile network!
 - A 10 cent increase = 16 cents per day!
- We MUST diffuse these arguments!



Remember...



- These fellows did not see it as a tax increase!
It was viewed as an INVESTMENT!
...an investment critical to our nations future!



The Future of Transportation Authorization

Status of Authorization



Status of Surface Transportation Authorization Legislation

- Current law extended until December 31
- House draft bill released in June 2009
 - \$450 B bill over six years (\$165 B over current law)
 - Emphasis on:
 - Critical Asset Investment Program
 - Freight Improvement Program
 - Performance Goals and Accountability
 - “Livability”



Status of Surface Transportation Authorization Legislation

- Senate now drafting highway portion of its bill
 - Emphasis on:
 - Streamlining and consolidation of current program categories
 - “Livability”
 - Maximize dollars invested in projects – emphasis on long-term life verses number of projects
 - Performance-based asset management program
- Outlook uncertain due to lack of revenue plan and opposition to new spending

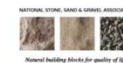
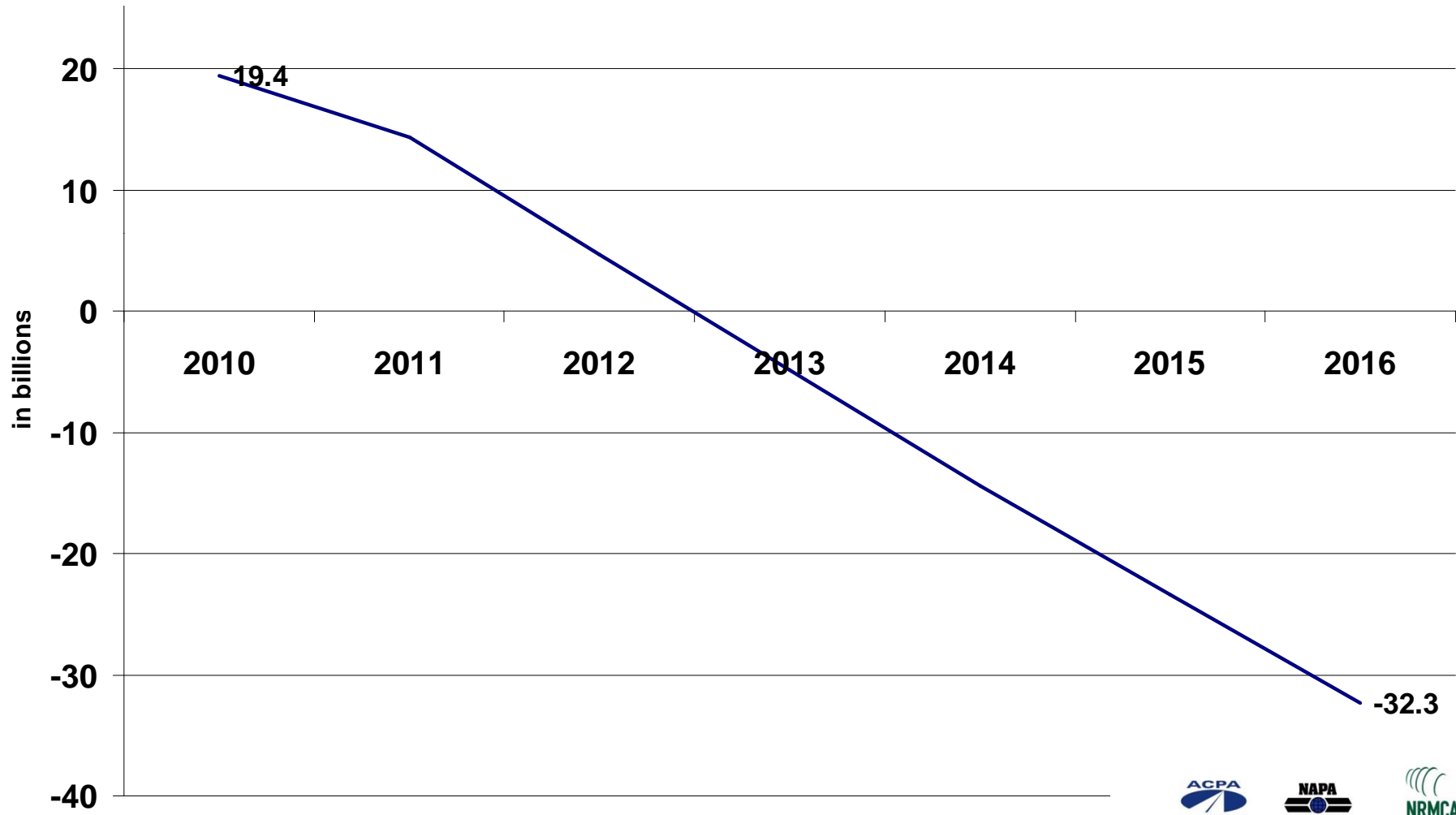


The Future of Transportation Authorization

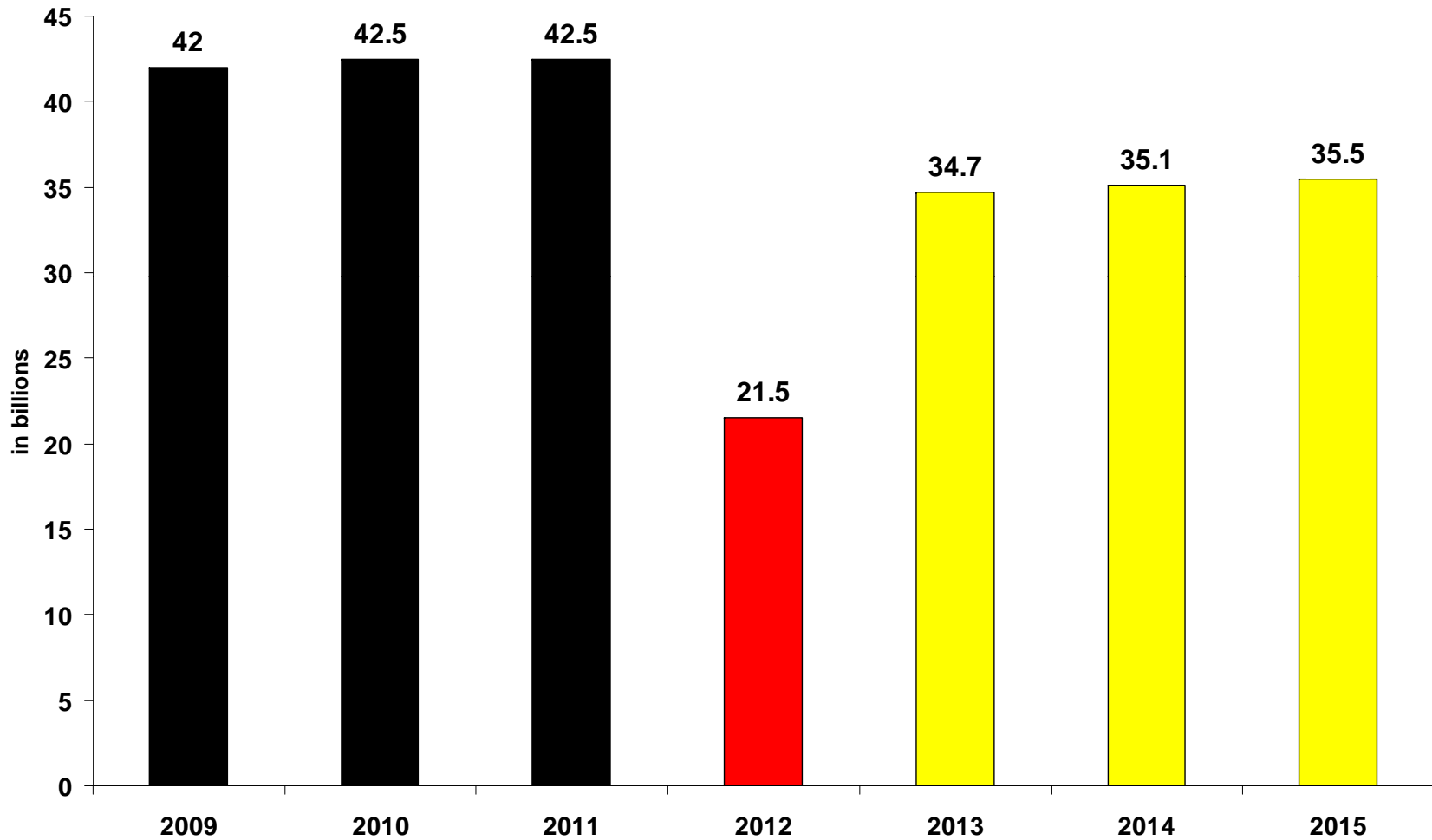
Impacts



Highway Trust Fund Highway Account – Year End Balance



Estimation of Reduced Highway Program Spending Beyond 2011

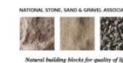


Highway Jobs At Risk

- In 2012, Highway Funding drops to \$21.5 billion
- ARRA funds will be all but spent out

Program	Reduction Amount (\$ billion)	Jobs Supported per \$1B in Spending*	Jobs Lost
Federal-aid Highway	-\$21	30,000	630,000
ARRA Highway for FY 2011	-\$8	30,000	240,000
TOTAL	-29	-	870,000

* From Federal Highway Administration



Other Impacts From Inaction

- Extensions and delays create uncertainty
- Highway projects are deferred, cancelled
- Construction companies buy and hire only what they need
- States and local governments spend less
- Highway conditions continue to deteriorate



The Future of Transportation Authorization

Politics Behind the Policy



Politics Behind Policy

- Transportation Authorization
 - No political will
 - Funding crisis
 - Congress
 - GOP vs. Dems
 - Executive Branch
 - DOT vs. White House



The President on the Record

- *“We’re here today because there’s a lot of work that needs to be done on our nation’s congested roads and highways, crumbling bridges and levees, and crowded trains and transit systems. Because we know that with investment, we can create transportation...”*



Thee President on the Record Continued....

- *“.... and communications systems ready for the demands of the 21st century – and because we also know what happens when we fail to make those investments.”*
 - *President Barack Obama – Remarks on Infrastructure in Springfield, Virginia, 02/11/2009*



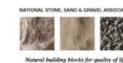
Secretary LaHood on the Record

- *“This administration is not in a mood to raise gasoline taxes when the economy is as bad as it is. So you’re not going to see us promoting the idea of a raise in the gasoline tax to plus up the Highway Trust Fund.”*
 - *Secretary Ray LaHood testifying before the House Appropriations Subcommittee on Trans., Housing and Urban Development – 03/19/09*



2010 Elections at a Glance

- U.S. House Seats Up
 - 435 seats are up
 - 151 safely remain Dem
 - 164 safely remain GOP
 - 52 likely/lean Dem
 - 37 likely/lean GOP
 - 31 competitive races
- U.S. Senate Seat Up
 - 1/3 seats are up – 12 competitive races



Major Impacts Driving the Vote

- 2010 Elections
 - Two Major Impacts
 - Unemployment rate
 - Congressional favorability
- TRANSPORTATION AUTHORIZATION –
MAKE YOUR VOICE HEARD!



The Future of Transportation Authorization

Mobilize and Take Action



MOBILIZE AND TAKE ACTION

- Our advocacy activities in Washington for a multi-year surface transportation bill have been lost in the din of other issues.
- So, we are taking Washington home.
- The Construction Materials Group in conjunction with the TCC and ATM are launching an August grassroots campaign to build momentum at the local level for a robust surface transportation authorization.



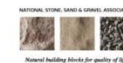
THE CHALLENGE

- The issue is complex and members of Congress can be intimidating.
- You feel that one's person's voice and opinions do not matter.
- Getting started.



THE WHY

- Our nation's surface transportation infrastructure is crumbling.
- SAFETEA-LU expired on Sept. 30, 2009, and the program is being extended continually which fosters uncertainty and inhibits business planning.
- America's economic growth and competitiveness is at risk.
- American's freedom of mobility is in jeopardy.



THE WHAT

- Take action to build momentum for surface transportation at the local level over the August Congressional Recess.
- Organize a tour of your operations or schedule a meeting with a member of Congress; write an op-ed; use social media to spread the word that the time is now for Congress to act on transportation.



THE HOW

- Use the TCC Toolkit including the following materials:

How to Set Up a Facility Tour/Meeting

Draft Letters to Members of Congress

Draft Letters to the Editor

Draft Op-Eds

How to Set Up a Successful Media Event

Suggested Social Media Tactic



National Building Materials for quality of life



Portland Cement Association



National Ready Mixed Concrete Association

THE ASK

- Congress needs to pass a multi-year robust surface transportation reauthorization now.
- In the short-term, Congress should raise the gasoline user fee to fund the program while we transition to a new funding mechanism.



THE WHERE

- The TCC Grassroots Toolkit can be accessed at the following websites:

www.LifeisaHighway.org

www.hotmix.org/highwaybill

www.NRMCAVoice.com

www.ACPA.org

www.CEMENT.org



THE WHY

IT'S YOUR BUSINESS!

