

TEA 21 Reauthorization

Where Are We Now?

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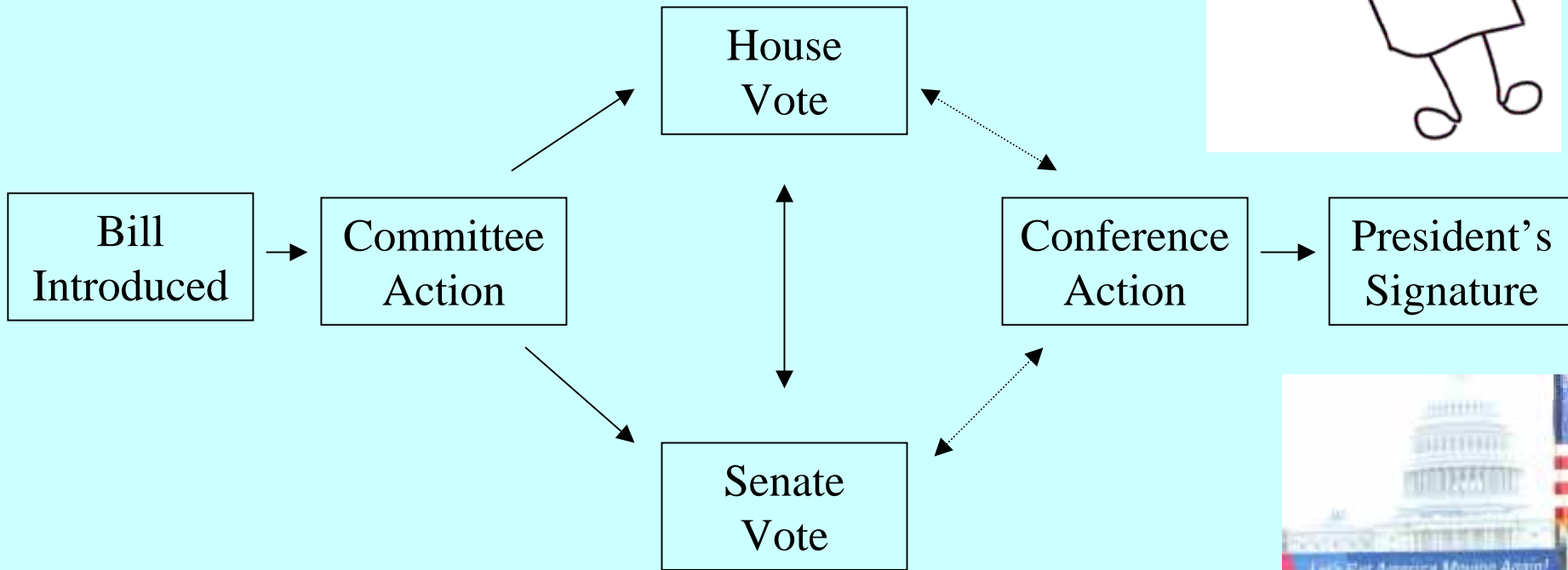


Congress Impacts Your Business!

- Congress is interested in asphalt.
 - Vision 100 Aviation bill.
 - FY 2004 Transportation Appropriations bill.
 - TEA-21 Reauthorization bills.
- Congress can grow or hurt your market.
- You need to Communicate with Congress!



Legislative Process

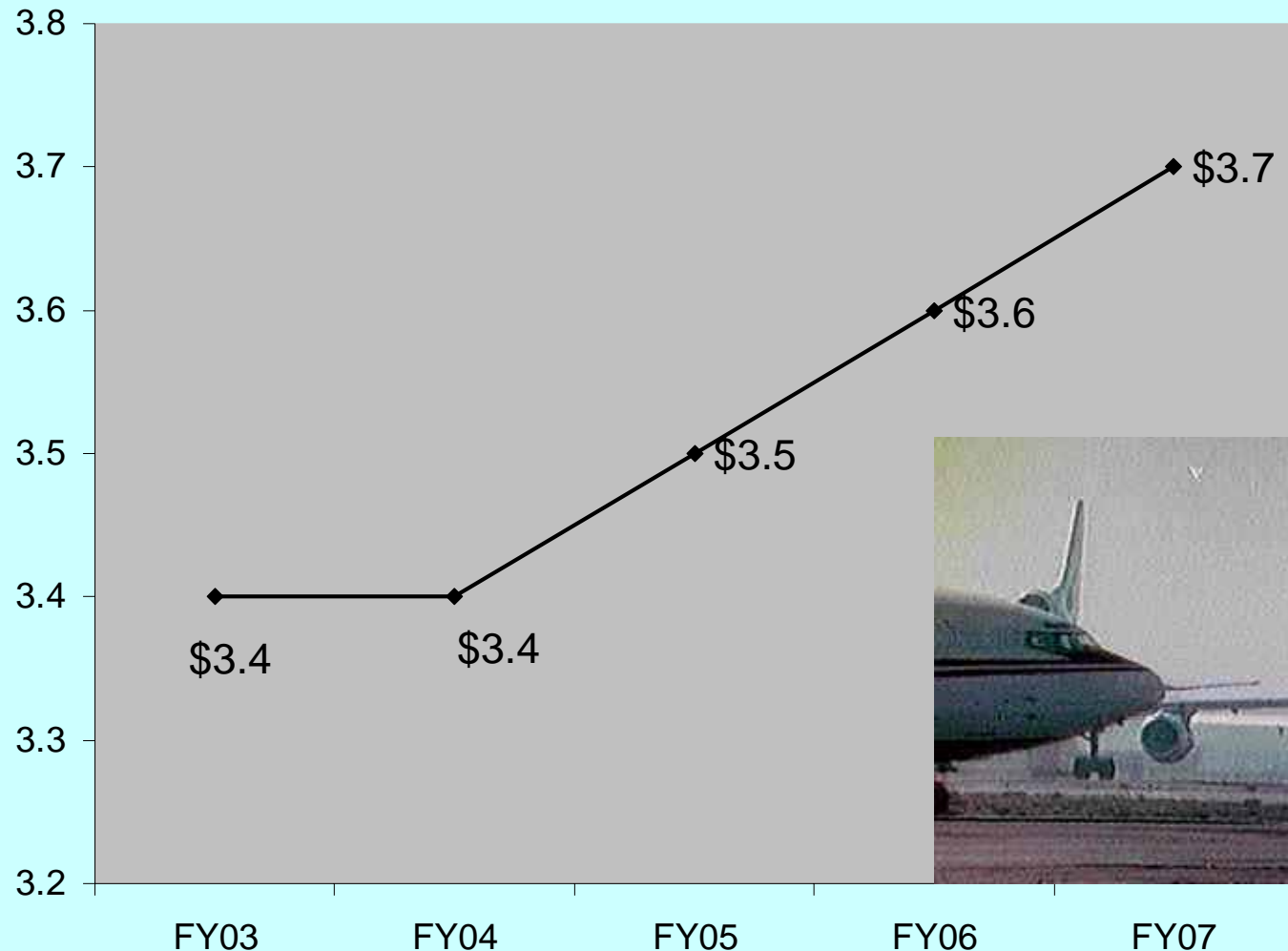


Fiscal Year: October 1 - September 30.



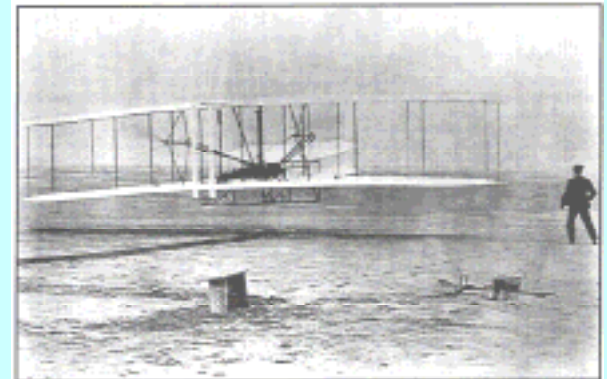
Vision 100 - Century of Aviation Act

- Authorizes Airport Improvement Program.



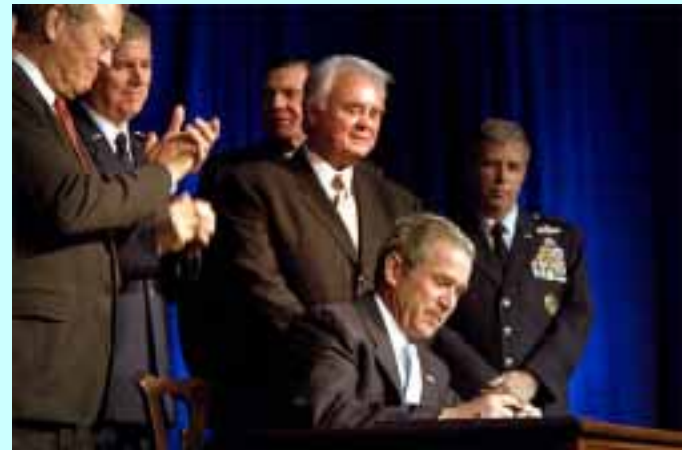
Vision 100 - Century of Aviation Act

- Research Program for Asphalt Pavements
 - First-ever program.
 - \$2 million provided in FY 2004 Appropriation bill.
 - Superpave, SMA, Open Graded Mix.
- Revise Airfield Pavement Thickness Specs.
 - Review and revise standard to meet 20-year life requirement.



FY 2004 Omnibus Appropriation

- Highway funding: \$33.643 billion.
 - \$2.05 billion increase (+6.05%).
- Airport funding (AIP): \$3.38 billion.
- HMA research.
 - \$4 million for asphalt/concrete FAA research.
 - \$10 million for long term pavement program.
 - \$16 million for FHWA pavement research.

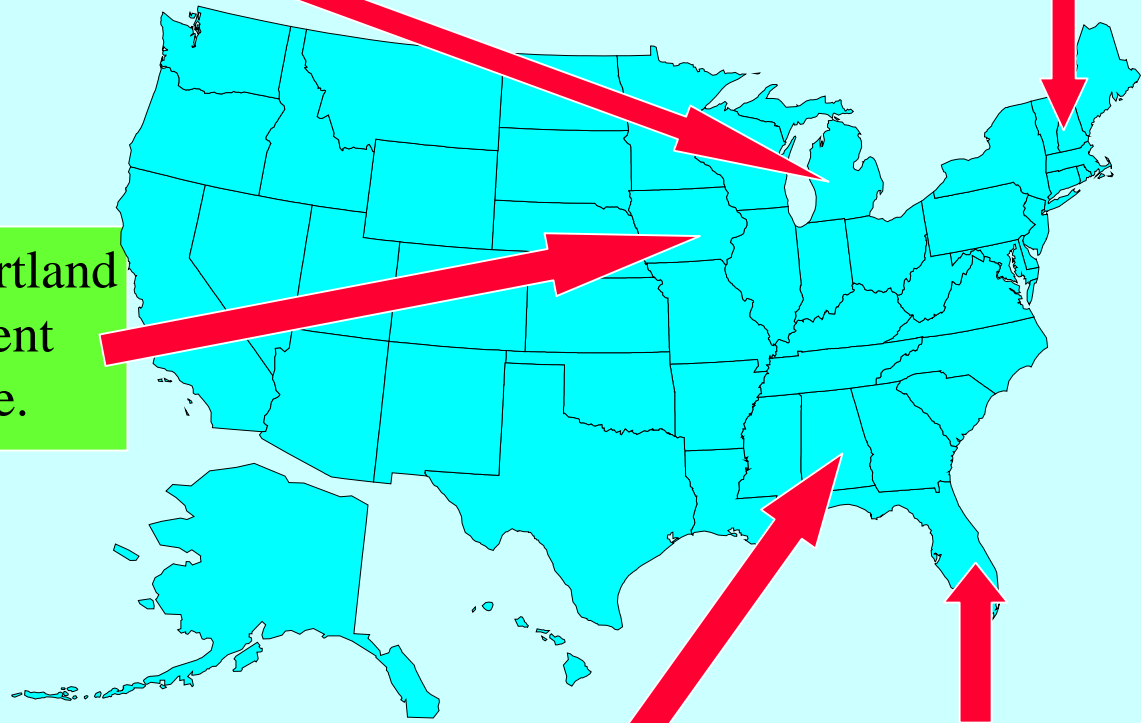


FY 2004 FHWA Research Earmarks

\$250k: Institute for Aggregate Research @ Michigan Tech U..

\$1.5 million: UNH recycled materials resource center.

\$1 million: Center for Portland Cement Concrete Pavement Technology @ Iowa State.



\$1.5 million: National Center for Asphalt Technology..

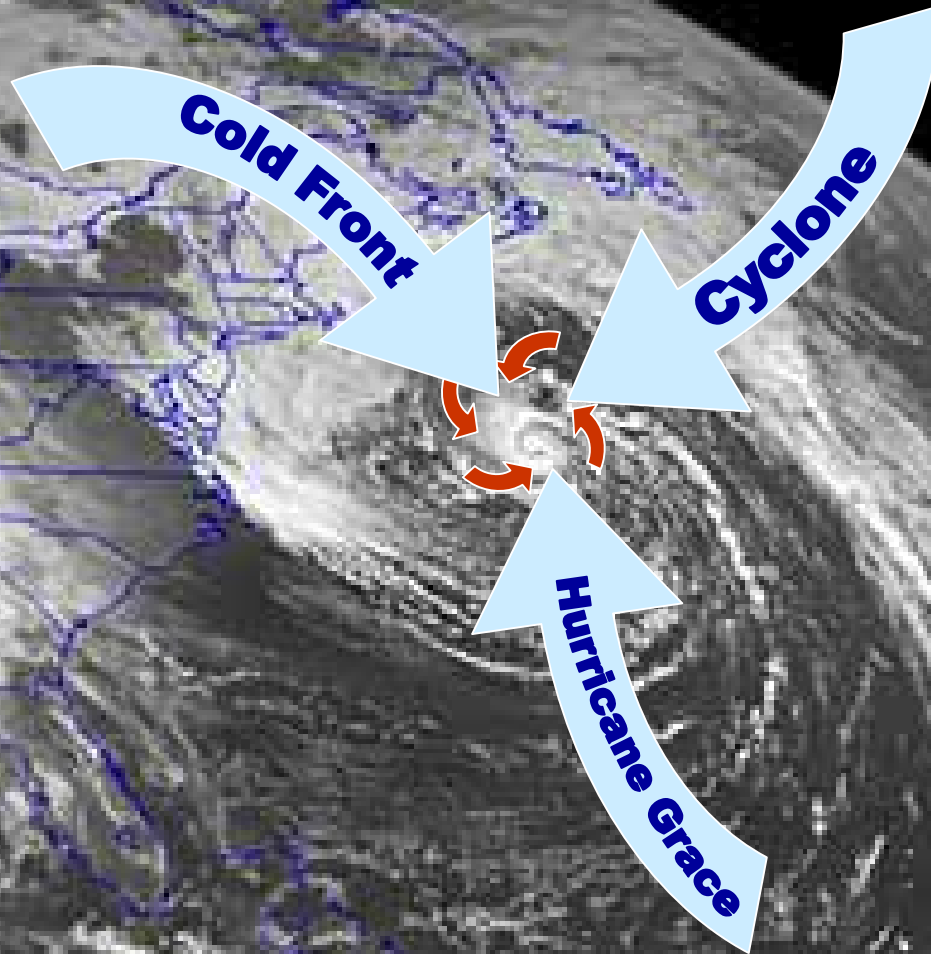
\$350k: Florida Atlantic U. material integrity project.

FY 2004 Omnibus Appropriation

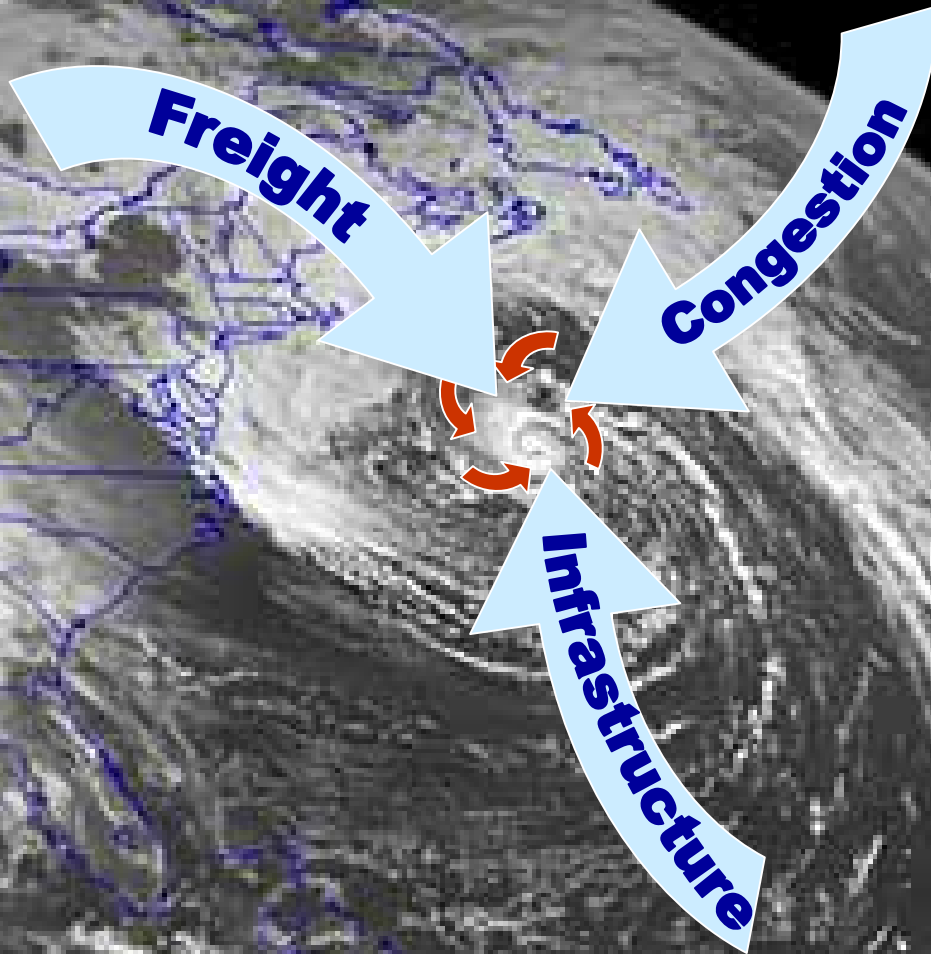
- Additional earmarks.
 - \$500,000: continue evaluating GSB-88 emulsified binder treatment application.
 - \$5 million: concrete research.
- High performance/low emission asphalt test project.
 - Minimum 3-state study to evaluate PG 76-22 that conforms to AASHTO MP-1 and reduces emissions.



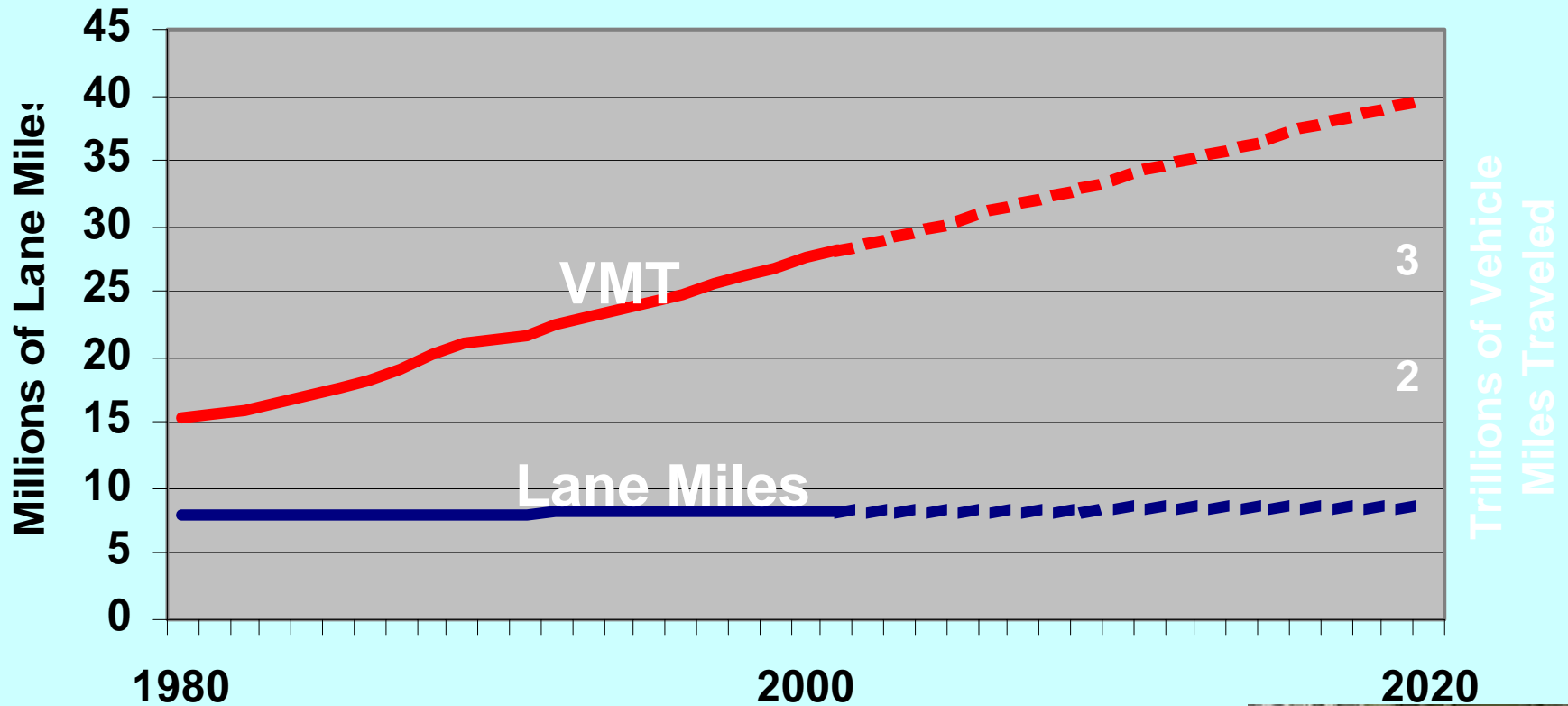
THE PERFECT STORM



THE PERFECT STORM

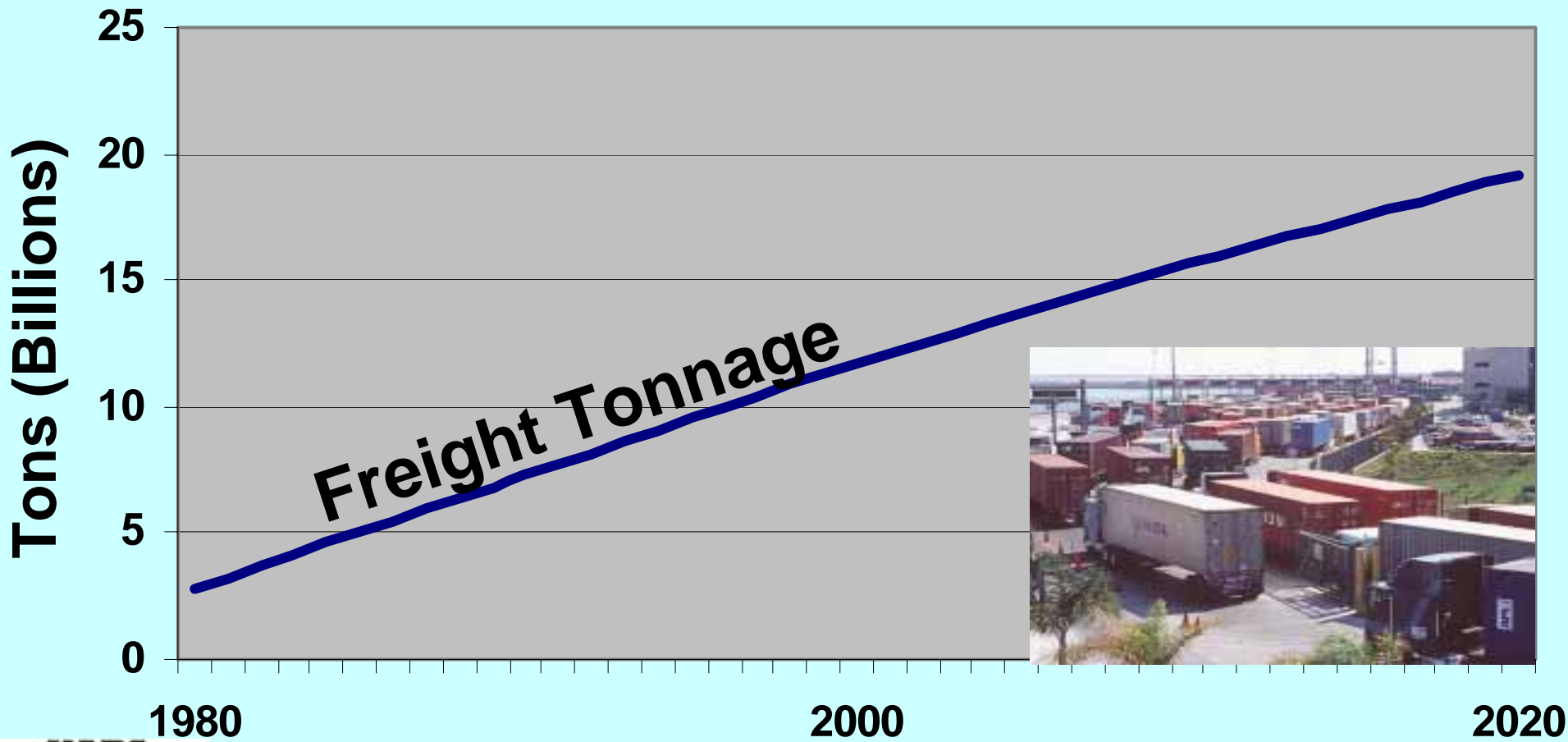


VMT → Double 2020



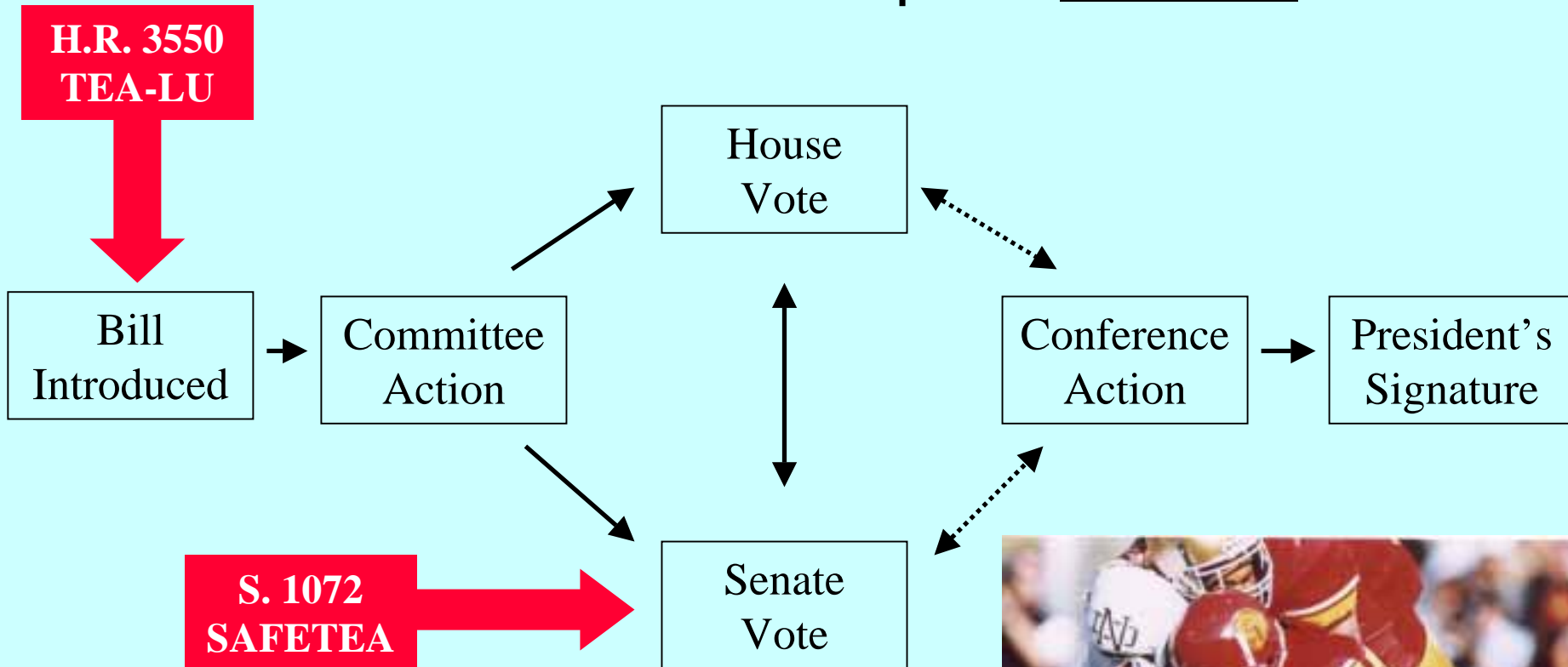
Truck Tonnage

➡ Double 2020

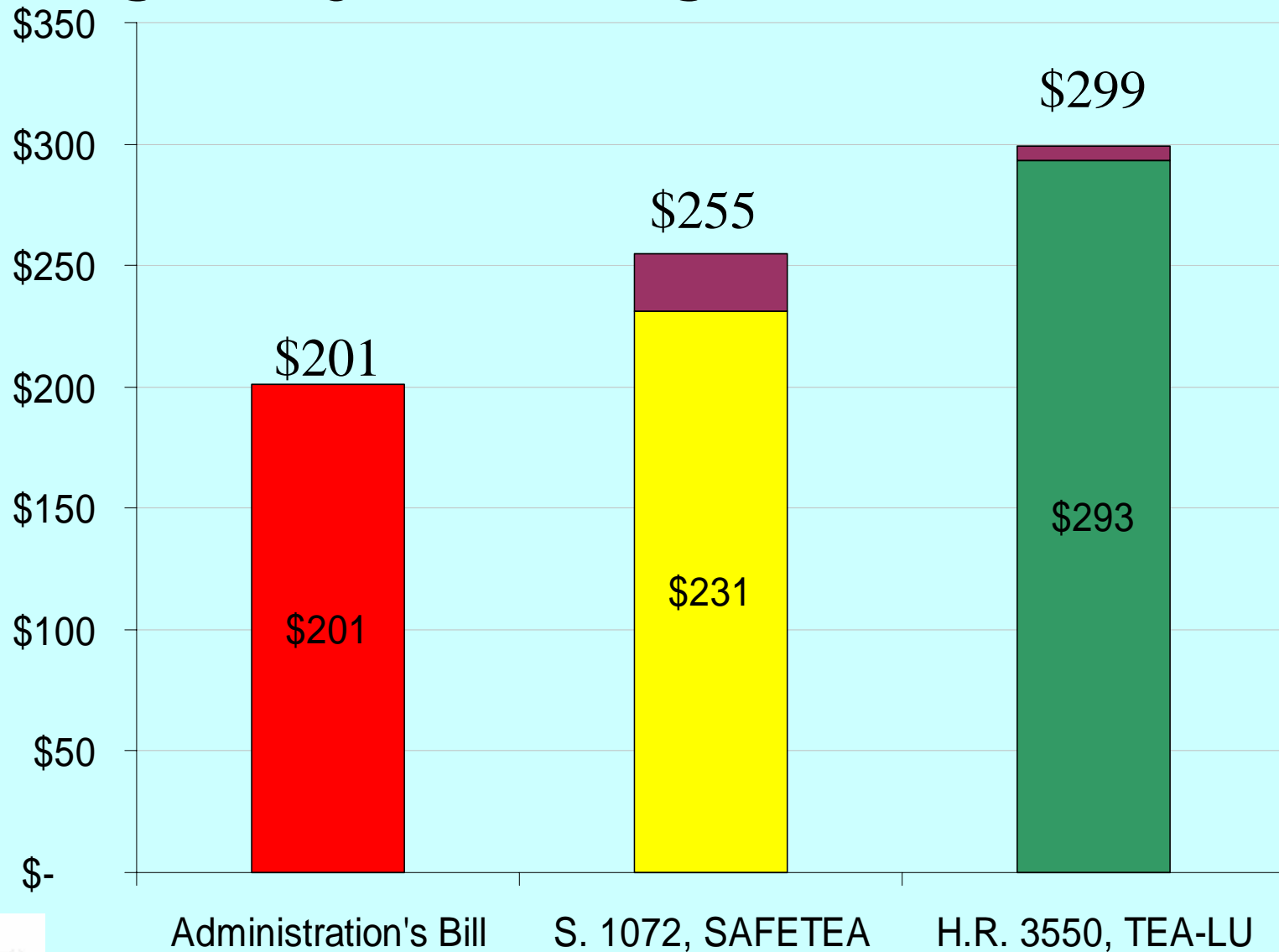


TEA-21: Where Are We Now?

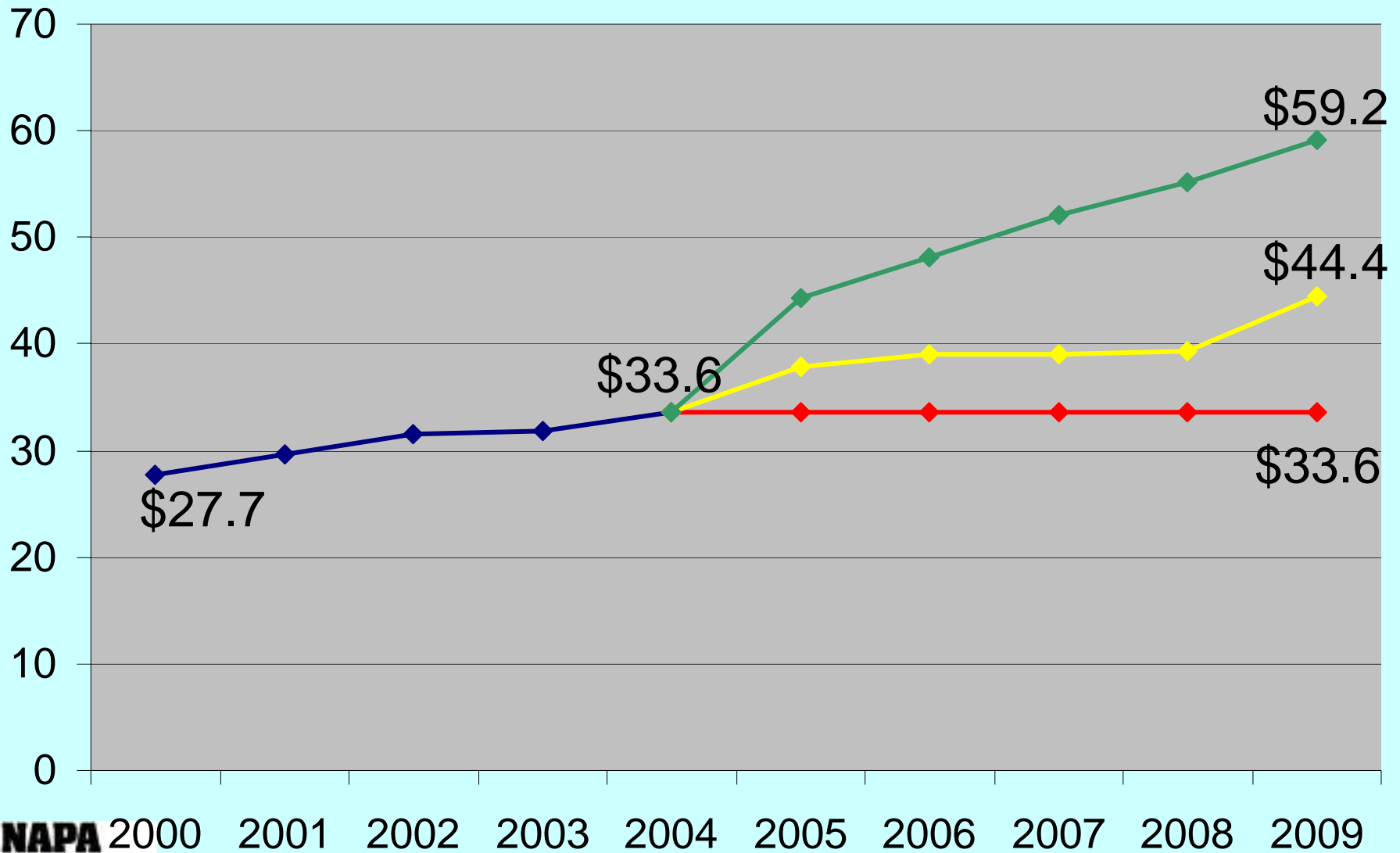
- Current authorization expires 2/29/04



Highway Funding Scenarios.



Annual Funding for Highways



TEA-21 Financing

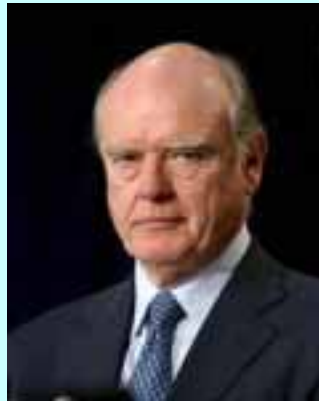
- Broad support for:
 - 6 year bill.
 - Maintaining sanctity of HTF & highway program.
 - Preserving funding guarantees.
 - More funding.
- No consensus on how to pay for increased funding above the President's bill.



TEA-21 Financing

■ Administration.

- Bill paid for with existing revenues into HTF.
 - Plus 2.5 cent ethanol transfer.
- Opposes increase gas tax, indexing, long-term bonding, and negative impacts to general fund (deficit).



TEA-21 Financing

- S. 1072, SAFETEA.
 - Paid for with existing revenues plus.
 - Fuel tax fraud crackdown (\$4 b).
 - Ethanol reforms 2.5/5.2 (\$14 b).
 - Pay interest on HTF (\$2 b).
 - Spend down HTF balance (\$6.5 b).
 - Discontinue refunds for HTF (8 billion).
 - To compensate GF bill provides a lot of little revenue raisers.

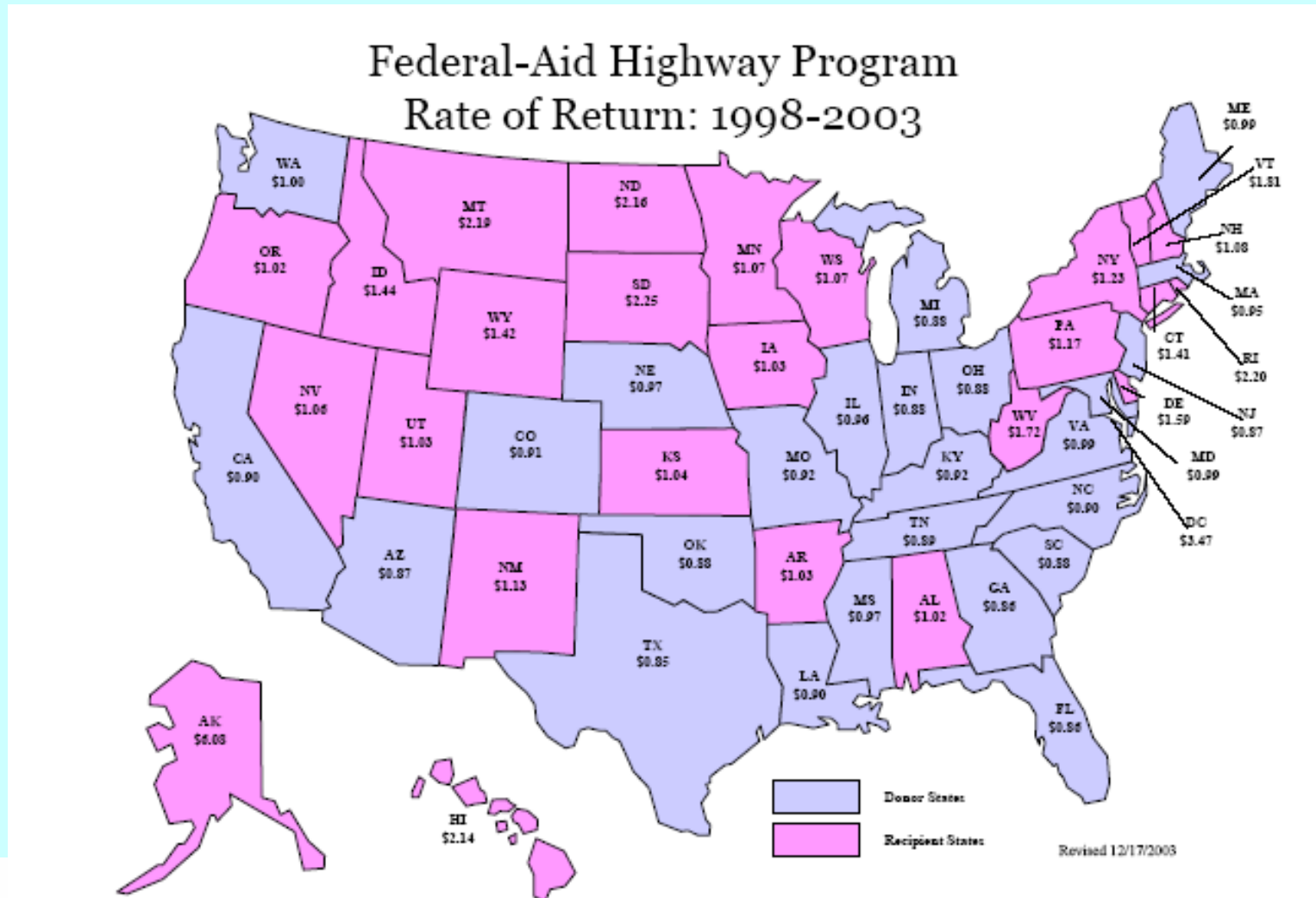


S. 1072 Financing Issues

- Donor states.
 - Rate of increase from 90.5% to 95% not fast enough due to low funding level.
- Transit.
 - Transit funding low and not guaranteed.
- Deficit hawks.
 - 8 Senators call bill “irresponsible” and “biggest budget-buster bill Senate will consider this year.”
- Administration.
 - May veto Senate bill due to overall funding level and/or the revenue offsets.



Donor States: 90.5% → 95%



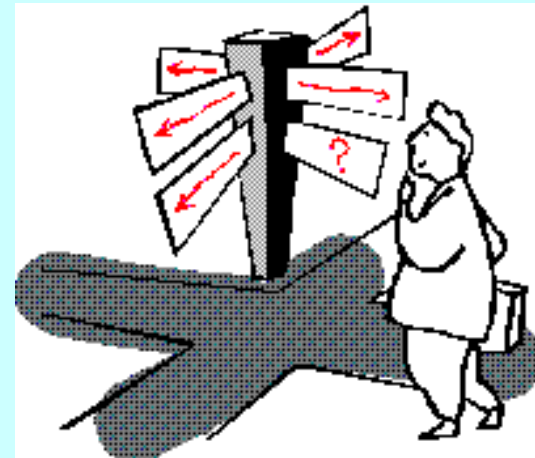
H.R. 3550: Financing Issues

- \$62 billion highway funding gap.
 - Options:
 - Raise user fee or index.
 - Most efficient way to grow the program.
 - Dip into General Fund.
 - Allow more bonding.
 - Permit more tolling.
 - These would represent a paradigm shift in how the highway program is funded.
- Internal House GOP battle re: overall funding level.
- T&I committee markup postponed.



TEA-21 Choices for Industry

- Keep trying to pass bills in House and Senate.
 - Less than 90 legislative days.
- Extensions.
 - 30 days, 1 year, 18 months, 2 years.
- Six-year bill at lower levels with a re-opener after election.
 - Hope politics change.
- Six-year bill at lower levels.
 - Industry will never except.



Other TEA-21 Issues

■ Programs.

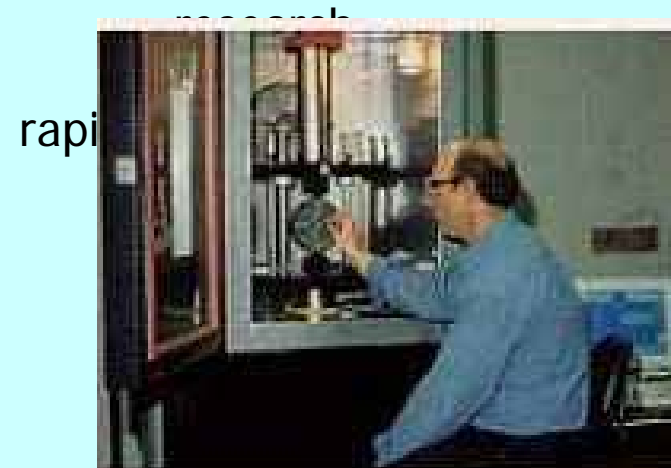
- Infrastructure Performance & Maintenance Program (\$12 b).
- High Risk Rural Road Safety Program (\$1.5 b).
- Dedicated Truck Lane Program (\$2 b).
- Highways for Life (\$750 m).
 - Demonstrate new pavement technologies.



Other TEA-21 Issues

■ Research.

- Congress wants to see fruits of prior research and is willing to increase funding in next bill.
 - F-SHRP (S&H-\$450m).
 - LTTP (S-\$90m) (H-\$180m).
 - Advanced High Risk Research (S -\$162m).
 - UTC's (S-\$260m) (H-\$540m).
 - Research to improve NHS pavement (S-\$60m).
 - Surface Transportation Research Technology Advisory Committee.
 - Strong industry input into the agenda, peer review research, and



AMENDMENT TO H.R. 3550

OFFERED BY MR. ANDREWS

At the end of title I of the bill, add the following
(and conform the table of contents of the bill accordingly):

**Subtitle H—Miscellaneous
Provisions**

**SEC. 1801. USE OF RECYCLABLE MATERIAL IN FEDERAL-
AID HIGHWAY AND BRIDGE CONSTRUCTION.**

(a) IN GENERAL.—Subchapter I of chapter 1 of title
23, United States Code, is further amended by adding at
the end the following:

**“§ 167. Use of recyclable material in Federal-aid high-
way and bridge construction**

“(a) DEFINITION OF RECYCLABLE MATERIAL.—In
this section, the following definitions apply:

“(1) IN GENERAL.—The term ‘recyclable material’ means any material described in paragraph (2) that is determined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency—



Stay Informed/Keep Involved

- Congress can and will impact your market.
- Congress can and will impact your product.
- Join NAPA stay informed!
 - Read Actionnews.
 - Attend the Legislative Fly-In.
 - February 23-24-25, 2004 in Washington.
 - Smithsonian *America on the Move* reception.
 - Legislative briefings.
 - Congressional visits.

