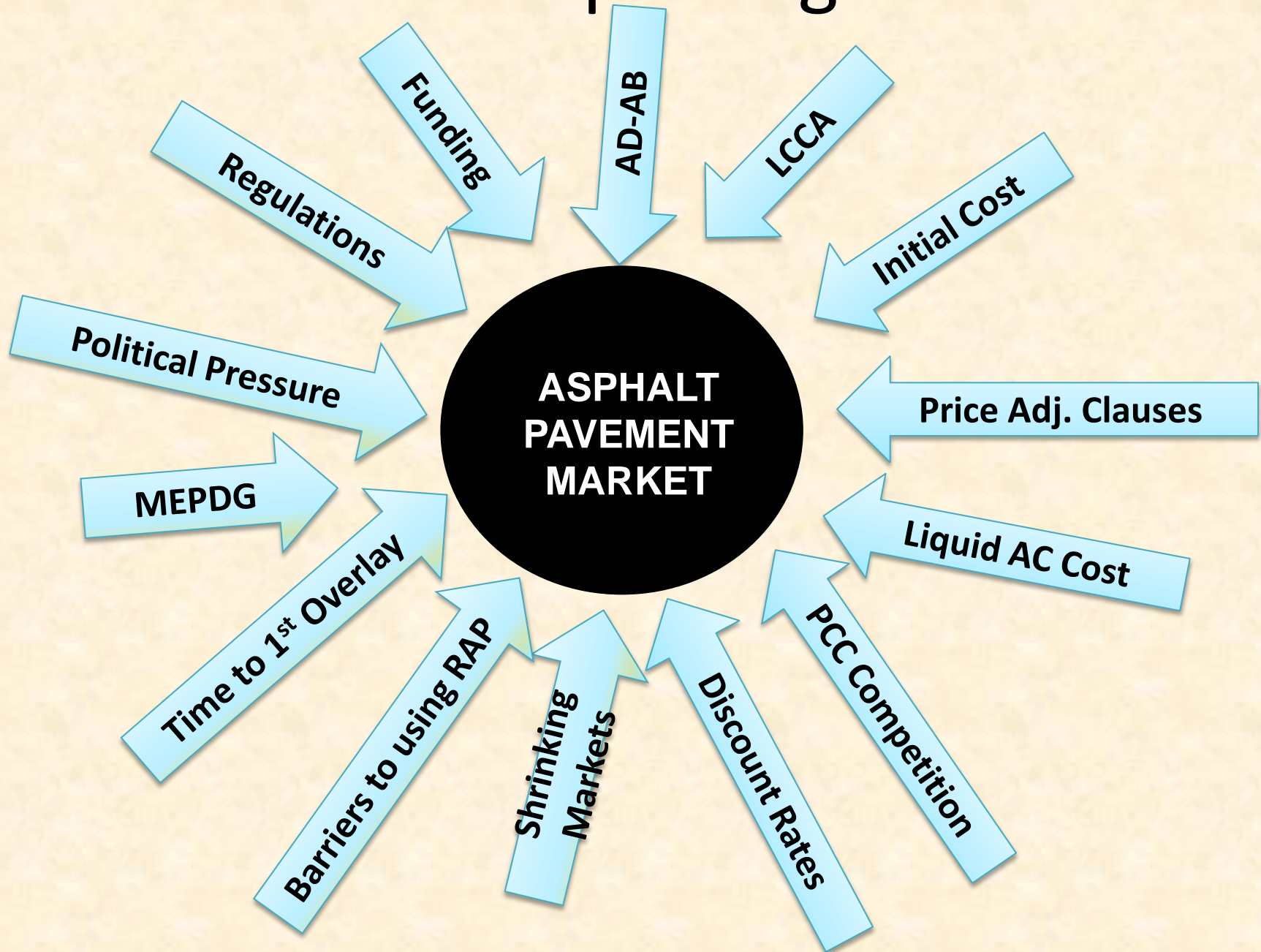


Special Presentation for the  
Association of Modified Asphalt Producers  
February 8, 2012

*Jay Hansen – Executive Vice President*

# Factors Impacting Tons



# FY 2012 Highway Funding

- Highway Program Extended Thru March 30.
- Highway Funding Thru September 30.

	Contract Authority FY 2011	Contract Authority FY 2012	Actual Funding FY 2011	Actual Funding FY 2012
Federal-Aid Highways	\$43b	\$40.2b*	\$41.8b	\$39.9b
Emergency Relief				\$1.66b

\* Assumes SAFETEA-LU extended after March 30<sup>th</sup> at same rate.

## Government Affairs

[Welcome Page](#)  
[Highway Reauthorization](#)  
[FAA Reauthorization](#)  
[NAPA PAC](#)  
[TCC Fly-In](#)  
[Links](#)  
[Grassroots Resources](#)  
[Grassroots Website](#)

## Government Affairs



### Understanding the Gas Tax

Click Here

[www.paviasystems.com](http://www.paviasystems.com)



**FasterBetterSafer.org**  
 AMERICANS FOR TRANSPORTATION MOBILITY

#### LIME ADDITIVE SYSTEMS



[www.customwelding.com](http://www.customwelding.com)



**THE ACE Group**  
 Asphalt Contractor Equipment  
 call 1-888-878-0898  
 or visit [asphaltace.com](http://asphaltace.com)



## TAKE ACTION

- Legislative Update - [Recording](#)
- Legislative Update - [PowerPoint Presentation](#)
- [Call to Action](#)
- [State-by-State Funding Outlook](#) (House Bill)
- [TRIP Fact Sheets](#)
- [Authorization Fact Sheets](#)
- [How to Effectively Give a Facility Tour](#)
- [NAPA Article on Hosting a Successful Plant Tour](#)

- [Sample Congressional Thank You Letter](#)
- [Sample Plant Tour Toolkit](#) (Maryland)
- [Sample Plant Tour Toolkit](#) (Louisiana)
- [Sample Appointment Letter](#)
- [List of Appointment Schedulers](#)
- [View the 2012 Congressional Calendar](#)

Write Congress: [Make](#) Highway Bill a Priority!

## HIGHWAY FUNDING NEWS

01/16/2012 [FY 2012 Highway Funding by State](#)

11/30/2011 [NAPA Comments on Greenroads](#)

## ENVIRONMENTAL & REGULATORY INFORMATION



**Federal-Aid Highway Program  
FY 2012 Apportionment & Obligation Authority**

Congress extended SAFETEA-LU thru March 31, 2012 as part of the Surface Transportation Extension Act (STE). STE provided a total of \$18.7 billion<sup>1</sup> to be apportioned by SAFETEA-LU's highway formula to each state. The Transportation Appropriations Act of 2012 provided a full fiscal year of highway funding (obligation authority) at \$39.1 billion<sup>2</sup>. STE requires the resulting distribution of obligation authority be multiplied by ½. As a result, the US Department of Transportation has apportioned and provided funding to each state's highway program based on the following table. The FY 2011 obligation authority<sup>3</sup> (funding) is provided for comparison purposes. States will receive the balance of their highway funding (apportionment and obligation authority) when Congress enacts legislation to authorize a highway bill beyond March 31, 2012.

	<u><b>Apportionment</b></u> <i>Amount that may be budgeted for projects. (Oct. 2011 – Mar. 2012)</i>	<u><b>Obligation Authority</b></u> <i>Amount of actual funding that may be spent pro- rated 6-months. (Oct. 2011 – Mar. 2012)</i>	<u><b>FY 2011</b></u> <u><b>Obligation Authority</b></u> <i>Amount of actual funding that may be spent in Fiscal 2011 (Oct. 2010 – Sept. 2011)</i>
ALABAMA	367,442,317	343,518,740	719,445,000
ALASKA	230,484,485	204,002,015	448,918,631
ARIZONA	354,352,226	328,291,280	689,186,562
ARKANSAS	250,754,165	229,158,235	479,604,980
CALIFORNIA	1,771,869,974	1,629,778,062	3,421,228,993
COLORADO	258,981,758	242,582,330	507,664,667
CONNECTICUT	243,253,901	223,761,097	468,676,075
DELAWARE	81,927,462	75,151,329	157,165,944
DISTRICT	77,278,144	73,030,987	152,610,750
FLORIDA	917,613,998	847,394,079	1,779,421,173
GEORGIA	624,881,554	578,344,359	1,214,716,182
HAWAII	81,915,340	77,221,372	161,375,815
IDAHO	138,525,109	128,596,113	269,568,576
ILLINOIS	688,114,697	642,315,563	1,344,798,455
INDIANA	461,478,619	426,717,541	895,956,172
IOWA	231,415,399	217,361,406	457,709,822
KANSAS	183,022,109	172,602,711	360,771,896
KENTUCKY	321,795,117	300,009,737	628,456,323
LOUISIANA	339,922,298	307,779,555	643,995,406
MAINE	89,403,414	84,587,240	177,079,140
MARYLAND	290,231,932	267,661,334	569,965,848
MASSACHUSETTS	294,145,497	277,192,058	579,586,261
MICHIGAN	509,922,438	476,478,859	998,145,123
MINNESOTA	312,431,642	285,228,378	603,792,556
MISSISSIPPI	234,239,586	214,812,390	449,434,329





## Federal-Aid Highway Program FY 2012 Apportionment & Obligation Authority

Congress extended SAFETEA-LU thru March 31, 2012 as part of the Surface Transportation Extension Act (STE). STEA provided a total of \$18.7 billion<sup>1</sup> to be apportioned by SAFETEA-LU's highway formula to each state. The Transportation Appropriations Act of 2012 provided a full fiscal year of highway funding (obligation authority) at \$39.1 billion<sup>2</sup>. STEA requires the resulting distribution of obligation authority be multiplied by ½. As a result, the US Department of Transportation has apportioned and provided funding to each state's highway program based on the following table. The FY 2011 obligation authority<sup>3</sup> (funding) is provided for comparison purposes. States will receive the balance of their highway funding (apportionment and obligation authority) when Congress enacts legislation to authorize a highway bill beyond March 31, 2012.

	<b><u>Apportionment</u></b> <i>Amount that may be budgeted for projects. (Oct. 2011 – Mar. 2012 )</i>	<b><u>Obligation Authority</u></b> <i>Amount of actual funding that may be spent pro- rated 6-months. (Oct. 2011 – Mar. 2012)</i>	<b><u>FY 2011</u></b> <b><u>Obligation Authority</u></b> <i>Amount of actual funding that may be spent in Fiscal 2011 (Oct. 2010 – Sept. 2011)</i>
ALABAMA	367,442,317	343,518,740	719,445,000
ALASKA	230,484,485	204,002,015	448,918,631
ARIZONA	354,352,226	328,291,280	689,186,562
ARKANSAS	250,754,165	229,158,235	479,604,980



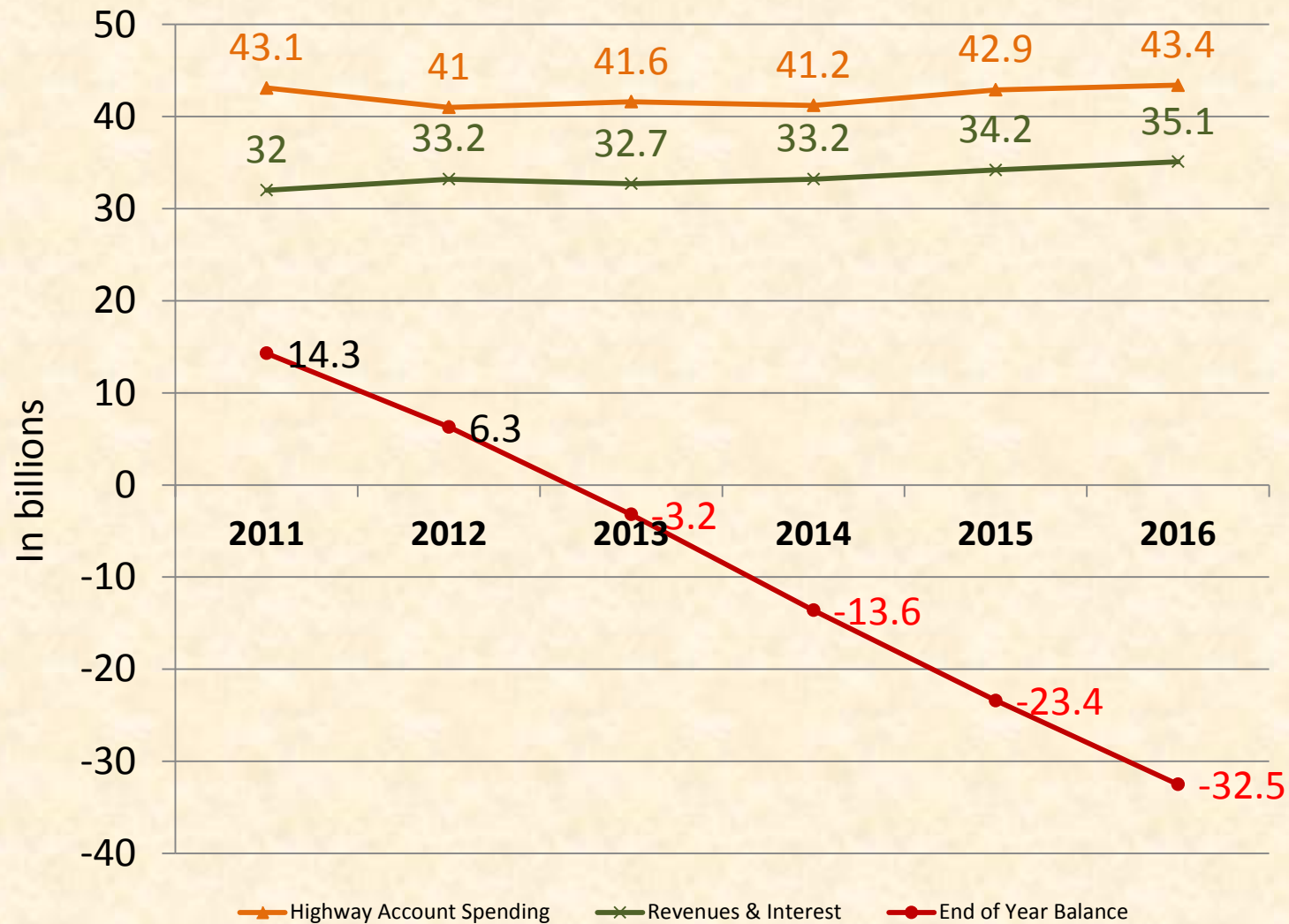
## Federal-Aid Highway Program FY 2012 Apportionment & Obligation Authority

Congress extended SAFETEA-LU thru March 31, 2012 as part of the Surface Transportation Extension Act (STE). STE provided a total of \$18.7 billion<sup>1</sup> to be apportioned by SAFETEA-LU's highway formula to each state. The Transportation Appropriations Act of 2012 provided a full fiscal year of highway funding (obligation authority) at \$39.1 billion<sup>2</sup>. STE requires the resulting distribution of obligation authority be multiplied by ½. As a result, the US Department of Transportation has apportioned and provided funding to each state's highway program based on the following table. The FY 2011 obligation authority<sup>3</sup> (funding) is provided for comparison purposes. States will receive highway funding (apportionment and obligation authority) when Congress authorizes a highway bill beyond March 31, 2012.

**\$343.5 x 2 =  
\$687m in FY 2012**

	<b><u>Apportionment</u></b> <i>Amount that may be budgeted for projects. (Oct. 2011 – Mar. 2012 )</i>	<b><u>Obligation Authority</u></b> <i>Amount of actual funding that may be spent pro- rated 6-months. (Oct. 2011 – Mar. 2012)</i>	<b><u>FY 2011</u></b> <b><u>Obligation Authority</u></b> <i>Amount of actual funding that may be spent in Fiscal 2011 (Oct. 2010 – Sept. 2011)</i>
<b>ALABAMA</b>	367,442,317	343,518,740	719,445,000
<b>ALASKA</b>	230,484,485	204,002,015	448,918,631
<b>ARIZONA</b>	354,352,226	328,291,280	689,186,562
<b>ARKANSAS</b>	250,754,165	229,158,235	479,604,980

# Congressional Budget Office Projections of Highway Trust Fund “Highway Account” Finances



The Congressional Budget Office semiannual projects of the Highway Trust Fund indicates that the Highway Account will make it through the end of the current fiscal year without another bailout, finishing FY 2012 with a balance of \$6.3 billion.



# Senate Highway Bill

- S. 1813, Moving Ahead for Progress (MAP-21)
  - Bipartisan
  - Baseline funding FY 2012-FY 2013
  - Provisions
- Next Steps
  - Environment & Public Works (Highway, Research) ✓
  - Commerce Committee (Safety) ✓
  - Banking Committee (Transit) ✓
  - Finance Committee (Revenue) ✓
  - Senate Floor

# House Highway Bill

- H.R. 7, American Energy & Infrastructure Jobs Act
  - Partisan
  - Baseline funding FY 2012 – FY 2016
  - Provisions
- Next Steps
  - Transportation & Infrastructure ✓
  - Natural Resources (Energy) ✓
  - Ways and Means (Revenue) ✓
  - Rules Committee
  - House Floor



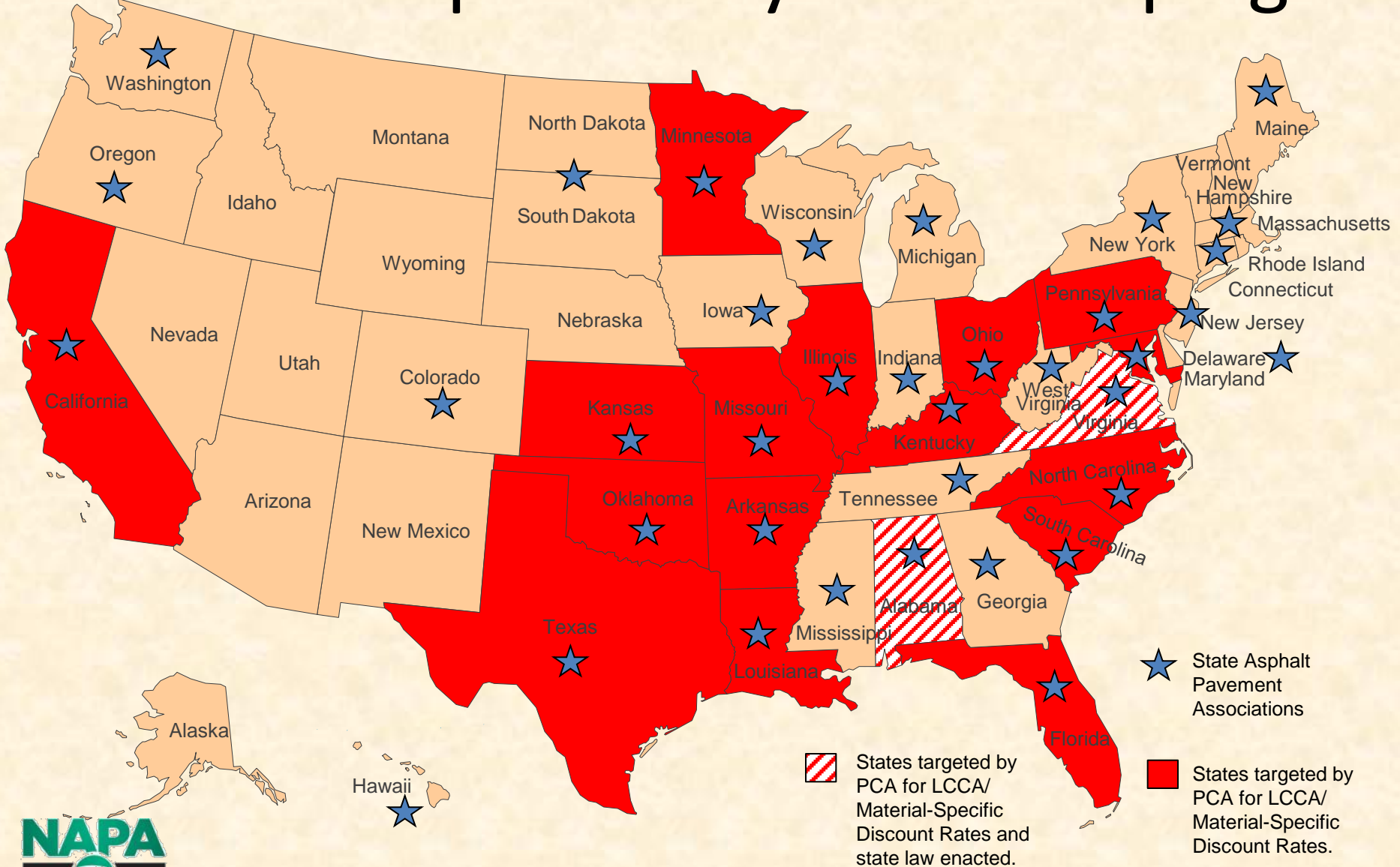
# Highway Funding Under H.R. 7

	2011	2012	2013	2014	2015	2016
<b>Highway Account</b>	41.1	39.1	37.4	37.6	37.7	38
<b>Alternative Account</b>			2.7	2.7	2.7	2.7
<b>Emergency Relief</b>	0.739	0.739	0.739	0.739	0.739	0.739
<b>Total H.R. 7</b>	<b>\$41.8*</b>	<b>\$39.9*</b>	<b>\$40.8</b>	<b>\$41.1</b>	<b>\$41.1</b>	<b>\$41.4</b>
<b>S. 1813, MAP-21</b>		\$41.6	\$42.2			

## Life-Cycle Budgeting Campaign

Issue	Description	PCA Research	Legislation	Outcome
Life-Cycle Cost Analysis	OMB develops new LCCA standard for all projects over \$5 million and requires a 50 year evaluation period.	None	H.R. 2602, S. 615, The Fiscal Accountability & Transparency in Infrastructure Spending Act.	As proposed in the Senate: The GAO is required to conduct a literature review and survey of current life-cycle cost practices of State DOT's. The study must include a summary of the latest research on life-cycle cost analysis, and recommendations on the appropriate period of analysis, design period, discount rates, and use of actual material life and maintenance cost data.
Alternate Design – Alternate Bid	Allow AD-AB on all National Highway System projects.	None		
Mechanistic-Empirical Pavement Design Guide	Mandate states adopt the MEPDG within 1 year of enactment.	None		
Discount Rates	Revise the definition in discount rate to “material-specific discount rate” in Circular A-94.	<i>The Effects of Inflation and Its Volatility on the Choice of Construction Alternatives</i> , MIT, August 2011	H.R. 2434, Financial Services & Government Services Appropriations Bill; H.R. 3671, Consolidated Appropriations Act	OMB to review Circular A-94 and LCCA including the use of material-specific discount rates and maintenance scheduled costs.
Life Cycle Assessment	Model fuel consumption during use phase of a pavement and adds as criteria for pavement selection.	<i>Life-Cycle Assessment of Pavements</i> , MIT, August 2011	No Federal Legislation introduced.	
Life-Cycle Cost Analysis (II)	FHWA is urged to encourage states to use LCCA.	None	House FY 2012 Transportation-Housing Appropriations Bill	Included in final Conference Report

# States Impacted by PCA Campaign





# Progress Report

- LCCA/MEPDG
  - No Mandates in Boxer Highway Bill
  - GAO Study on LCCA
- Material-Specific Discount Rates
  - No Mandate
  - OMB Review of LCCA and “Material-Specific” Discount Rates.
  - Report due June 20, 2012

# **An Economic Analysis of the Proposed Material-Specific Discount Rate for Commodity Pricing in Highway Construction Life-Cycle Cost Analyses**

*White Paper — Special Report 203*



**NATIONAL ASPHALT  
PAVEMENT ASSOCIATION**

## **Contact:**

Audrey Copeland, Ph.D., P.E.  
NAPA Vice President for Engineering, Research & Technology  
5100 Forbes Blvd.  
Lanham, Maryland 20706-4407  
Phone: (301) 731-4748 • Fax: (301) 731-4621  
[audrey@asphaltpavement.org](mailto:audrey@asphaltpavement.org)  
[www.asphaltpavement.org](http://www.asphaltpavement.org)

## **Prepared by:**

**Economics**

**Public Policy**

**Planning**

**Jack**

**Faucett  
Associates**



Jonathan Skolnik, JFA Vice President  
4550 Montgomery Avenue, Suite 300N  
Bethesda, Maryland 20814  
Phone: (301) 961-8834 • Fax: (301) 469-3001  
[skolnik@jfaucett.com](mailto:skolnik@jfaucett.com)  
[www.jfaucett.com](http://www.jfaucett.com)

# Takeaways

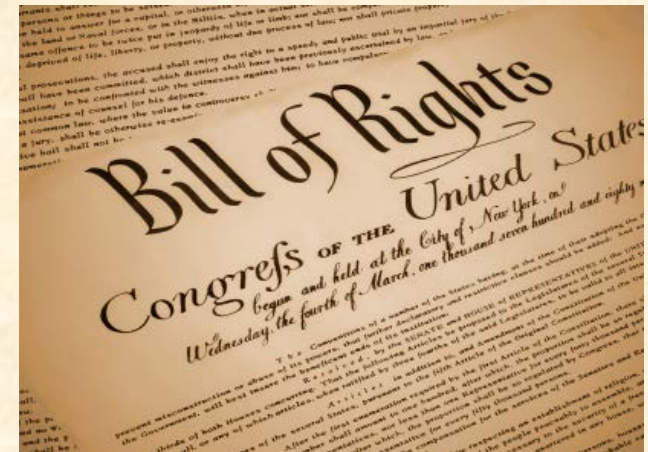
- Early Identification of Threat
- Rapid Response
- Partnerships
- Grassroots
- Plant Tours/District Meetings/Conference Calls
- State Campaigns

# Step Up To The Plate!

- Exercise your Constitutional Rights!
- Get informed!
- Get involved!



GET INVOLVED



# NAPA's Top 10 Tips

## 1. Know your Member of Congress.





# NAPA's Top 10 Tips

1. Know your Member of Congress.
2. Identify highway funding as a top issue.



# NAPA's Top 10 Tips

1. Know your Member of Congress.
2. Identify highway funding as a top issue.
3. Designate a grassroots coordinator.



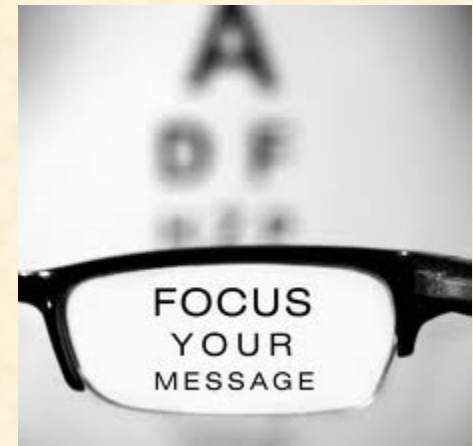
# NAPA's Top 10 Tips

1. Know your Member of Congress.
2. Identify highway funding as a top issue.
3. Designate a grassroots coordinator.
4. Prepare a plan.
  1. Understand legislative process.
  2. Identify fellow advocates.
  3. Use your association as a resource.



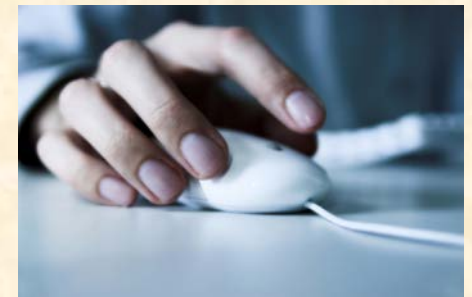
# NAPA's Top 10 Tips

1. Know your Member of Congress.
2. Identify highway funding as a top issue.
3. Designate a grassroots coordinator.
4. Prepare a plan.
  1. Understand legislative process.
  2. Identify fellow advocates.
  3. Use your association as a resource.
5. Know your message.



# NAPA's Top 10 Tips

## 6. Write your Member of Congress.





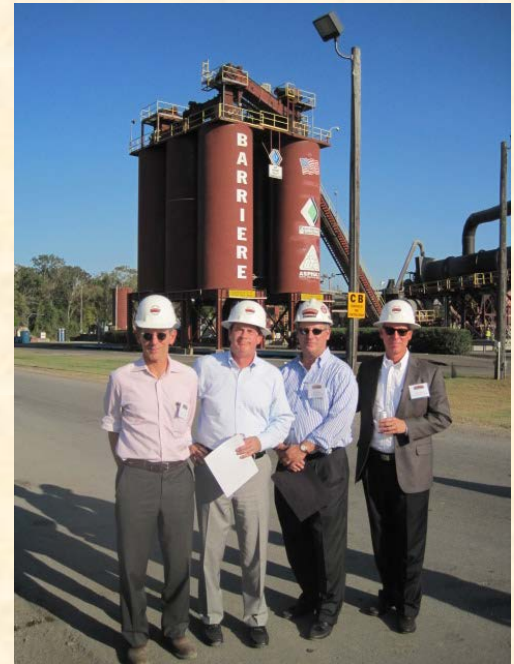
# NAPA's Top 10 Tips

6. Write your Member of Congress.
7. Meet with your Member of Congress in their district office.



# NAPA's Top 10 Tips

6. Write your Member of Congress.
7. Meet with your Member of Congress in their district office.
8. Hold a plant or project tour.



# NAPA's Top 10 Tips

6. Write your Member of Congress.
7. Meet with your Member of Congress in their district office.
8. Hold a plant or project tour.
9. Attend the Legislative Fly-In Washington, DC.



# NAPA's Top 10 Tips

6. Write your Member of Congress.
7. Meet with your Member of Congress in district office.
8. Hold a plant or project tour.
9. Attend the TCC Legislative Fly-In in Washington.
10. Support candidates that support your job.



**CONGRESSMAN PETE KING  
FUNDRAISER**

Saturday, September 17th from 2:00 p.m. – 5:00 p.m.

**Mulcahy's Pub**  
3232 Railroad Avenue  
Wantagh, NY 11793  
(1 block north of Sunrise Highway at Wantagh Ave)



**\$50 per person - open bar and buffet**

- Payable by check sent to:  
Pete King for Congress  
P.O. Box 1428  
Seaford, NY 11783
- Donate online at  
[www.peteking.com](http://www.peteking.com)
- or you can pay at the door by  
cash, check or credit card

**SPONSORED BY**

- PETE KING FOR CONGRESS
- FIREFIGHTERS FOR KING
- VETERANS FOR KING
- LAW ENFORCEMENT FOR KING


Any questions call  
(516) 459-5007

Paid for by the Pete King for Congress Committee



# More Information

- [www.asphaltpavement.org](http://www.asphaltpavement.org)



**NAPA**  
NATIONAL ASPHALT  
PAVEMENT ASSOCIATION

ABOUT NAPA MEMBERSHIP [LOG IN](#)

[SEARCH](#)



About NAPA | Consumer Center | Buyer's Guide | NAPA Store | Careers | Contact Us | Site Map | Diamond Program | Awards Program

HOME | ASPHALT PAVEMENT | ENVIRONMENT, HEALTH AND SAFETY | RESEARCH AND EDUCATION | GOVERNMENT AFFAIRS | MEETINGS AND EVENTS | MEMBERSHIP | NEWSROOM | PUBLICATIONS

**Government Affairs**

Welcome Page  
Highway Reauthorization  
FAA Reauthorization  
NAPA PAC  
TCC Fly-In  
Links  
Grassroots Resources  
Grassroots Website

**Government Affairs**



**Understanding the Gas Tax**  
[Click Here](#)  
www.paviasystems.com

**TAKE ACTION**

Legislative Update - [Recording](#)  
Legislative Update - [PowerPoint Presentation](#)  
- [Call to Action](#)  
- [State-by-State Funding Outlook](#) (House Bill)  
- [TRIP Fact Sheets](#)  
- [Authorization Fact Sheets](#)  
- [How to Effectively Give a Facility Tour](#)  
- [NAPA Article on Hosting a Successful Plant Tour](#)

- [Sample Congressional Thank You Letter](#)  
- [Sample Plant Tour Toolkit](#) (Maryland)  
- [Sample Plant Tour Toolkit](#) (Louisiana)  
- [Sample Appointment Letter](#)  
- [List of Appointment Schedulers](#)  
- [View the 2012 Congressional Calendar](#)

Write Congress: [Make](#) Highway Bill a Priority!

**ENVIRONMENTAL & REGULATORY INFORMATION**

**HIGHWAY FUNDING NEWS**  
12/06/2011 [Bipartisan Letter from House members to President on Highway Bill](#)  
11/30/2011 [NAPA Comments on Greenroads](#)

