



NATIONAL ASPHALT
PAVEMENT ASSOCIATION

2018 Post-Election Analysis

Presented by the NAPA Government Affairs Team

Speakers

- Jay Hansen, Executive Vice President
- Ashley Jackson, Director – Government Affairs
- Steve Palmer, Channon Hanna – Van Scoyoc Associates
- Martin Whitmer – Whitmer & Worrell



AGENDA



115th Congress Update



2018 Midterm Election

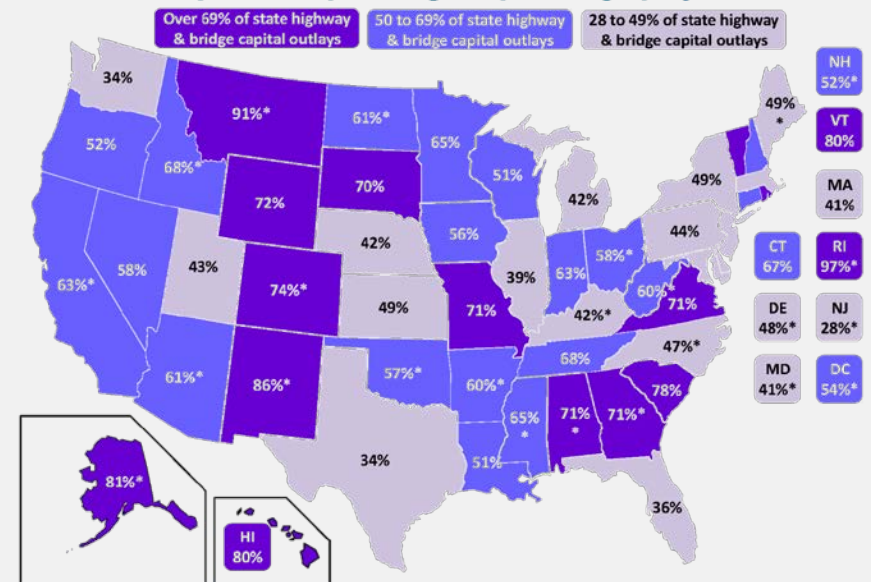


116th Congress Outlook

Why Does Federal Highway Funding Matter?

- State transportation authorities count on federal funding as they budget their multi-year project plans.
- Federal funds provide half of annual DOT capital spending on highways.
- Federal funding drives state and local spending.
- 90 percent of HTF funding went toward reconstruction, resurfacing, and rehabilitation activities, while about 10 percent went toward new construction.
- Two-thirds of the asphalt market is publicly funded highway.
- It matters to thousands of construction workers who rely on highway jobs.

Federal funds, on average, provide 51% of annual State DOT capital outlays for highway & bridge projects





115th Congress: FY '18 Appropriations

- Highway Funding $\$44.2\text{b} + \$2.52\text{b} = \$46.7\text{b}$
- Airport Funding $\$3.35\text{b} + \$1\text{b} = \$4.35\text{b}$
- Pavement-Type Selection *Defeated*

115th Congress: FAA Authorization

- FAA Reauthorization Act of 2018 Enacted
- 5 yr, \$3.35 billion for AIP Grants
- Reauthorizes Asphalt Airfield Pavement Technologies Program
- Authorizes the Use of State Highway Specifications
- Encourages Use of Durable, Resilient, and Sustainable Materials



115TH Congress: Regulatory Relief

- **NAPA Secured Relief from Trucking Hours of Service Regulations for Asphalt Operations**
- **Minimized Industry Burdens Associated with the Silica Rule**



115th Congress: Lame-Duck

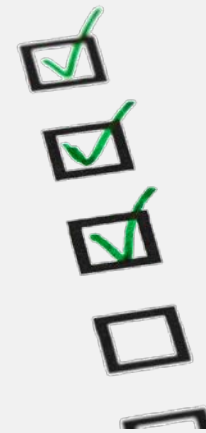
- FY'19 Transportation Bill Pending
 - Highways \$45b + \$5.4b-\$5.8b
 - Airfields \$3.35b + \$500m-\$750m
- Continuing Resolution Expires 12/7
- Outlook



← Impacts 2020 construction season!

Summary: 115th Congress

- ✓ About \$10 Billion in Additional Highway/Airfield Investment
- ✓ Long-Term FAA Bill
- ✓ Regulatory Relief





2018 Mid-Term Elections: Ballots

- CA Voters Reject Gas Tax Repeal
- MO Voters Reject Higher Gas Tax
- CO Voters Reject Major Transportation Bond Measures
- CT Voters Ratify Transportation “Lockbox”

Message from Proposition 6 Vote

“By soundly rejecting Proposition 6 and re-electing 95 percent of the state legislators who voted in 2017 to increase the state gas tax to fund needed transportation improvements, California voters showed the public continues to support a user funded approach to infrastructure investment. That’s a message the Trump Administration and new Congress should heed as they consider a bipartisan infrastructure package and permanent revenue solution for Highway Trust Fund programs next year.”

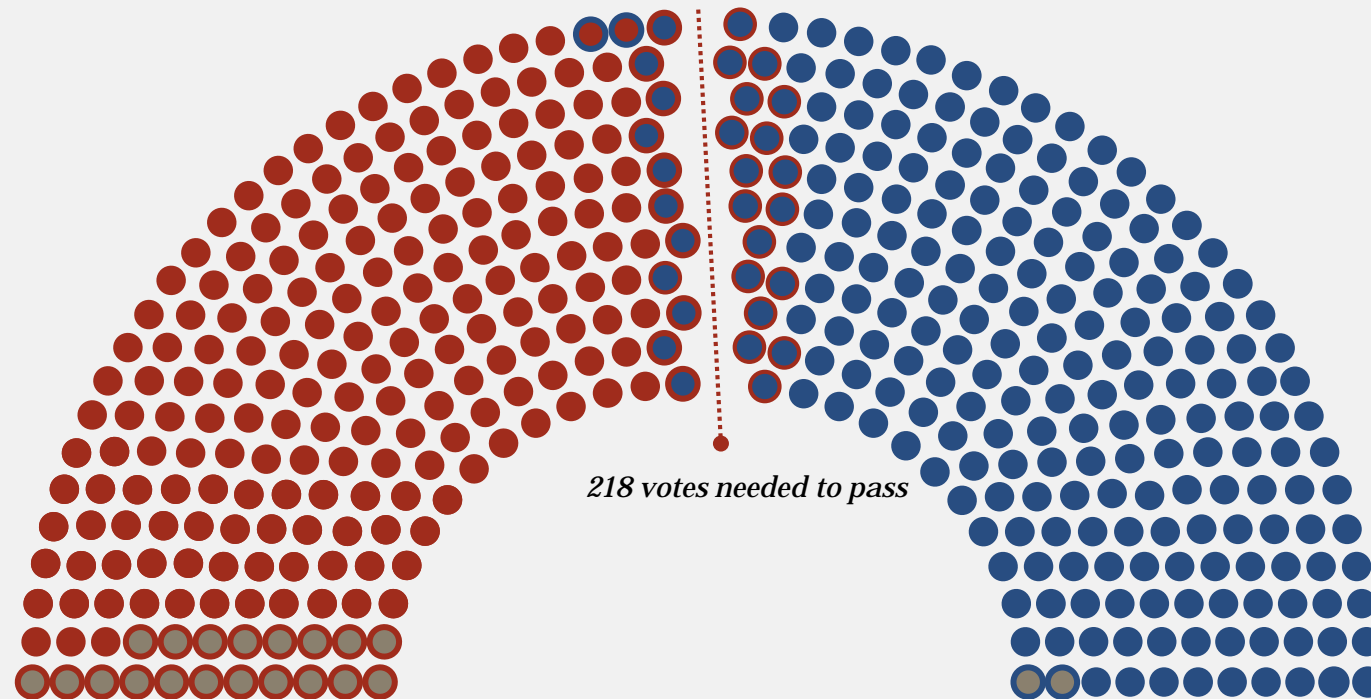
- Bill Toohey, ARTBA

Composition of the 116th Congress: House

Partisan makeup of the House compared to the previous Congress

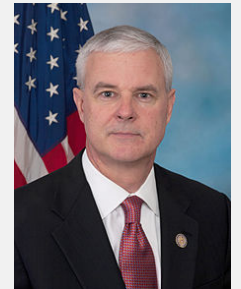
- Seats flipped R to D (Total: 29)
- Seats flipped D to R (Total: 2)
- Not yet called (color outline is incumbent's party)

	115 th	116 th
Republican	237	194
Democrat	193	220
Not yet called	7	21



POTENTIAL HOUSE COMMITTEE CHAIRS BASED ON SENIORITY

Committee	Chair (D)	Ranking Member (R)
Appropriations	Nita Lowey (NY)	Robert Aderholt (AL)?
Budget	John Yarmuth (KY)	Steve Womack (AR)
Science, Space & Technology	Eddie Bernice Johnson (TX)	Frank Lucas (OK)
Transportation & Infrastructure	Peter DeFazio (OR)	Sam Graves (MO)
Ways & Means	Richard Neal (MA)	Kevin Brady (TX)



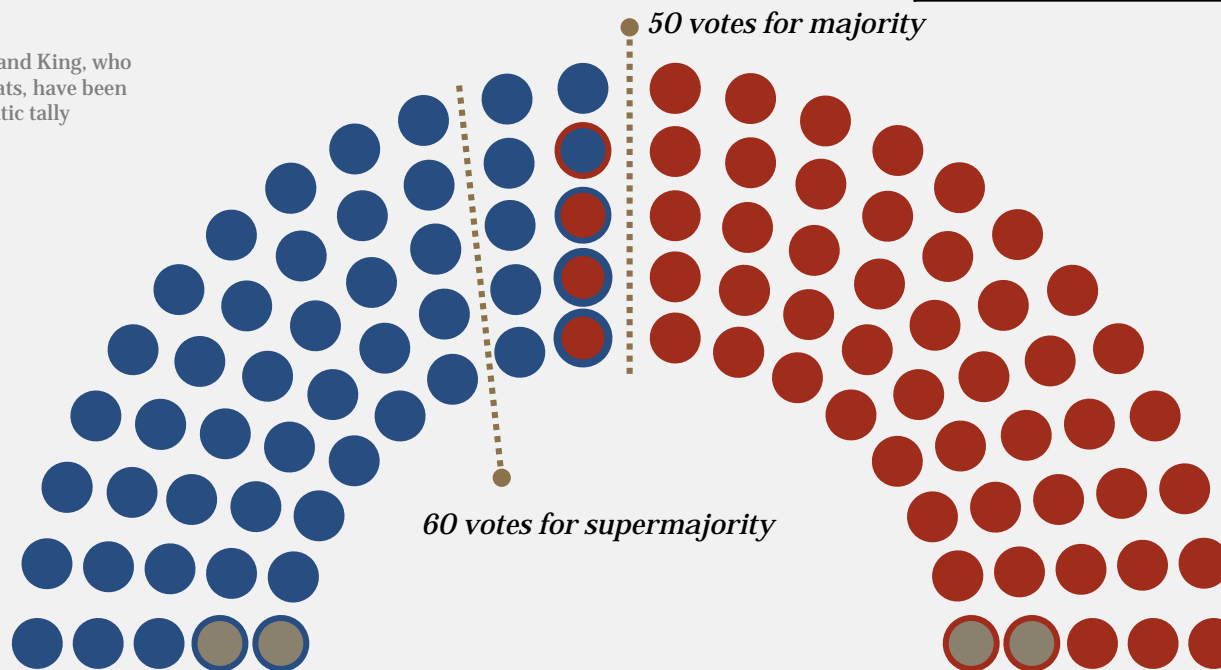
Composition of the 116th Congress: Senate

Partisan makeup of the Senate compared to the previous Congress

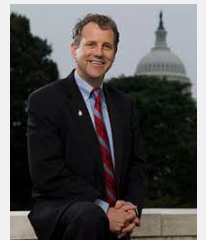
- Seats flipped R to D (Total: 1)
- Seats flipped D to R (Total: 3)
- Not yet called (color outline is incumbent's party)

	115 th	116 th
Republican	51	51
Democrat	49	45
Not yet called	0	4

*Independents Sanders and King, who caucus with the Democrats, have been included in the Democratic tally



POTENTIAL SENATE COMMITTEE CHAIRS BASED ON SENIORITY



Committee	Chair (R)	Ranking Member (D)
Appropriations	Richard Shelby (AL)	Patrick Leahy (VT)
Budget	Mike Enzi (WY)	Bernie Sanders (VT)
Banking, Housing & Urban Affairs	Mike Crapo (ID) or Pat Toomey (PA)	Sherrod Brown (OH)
Commerce, Science, & Transportation	Roger Wicker (MS)	Bill Nelson (FL) or Maria Cantwell (WA)
Environment & Public Works	John Barrasso (WY)	Tom Carper (DE)
Finance	Chuck Grassley (IA) or Mike Crapo (ID)	Ron Wyden (OR)



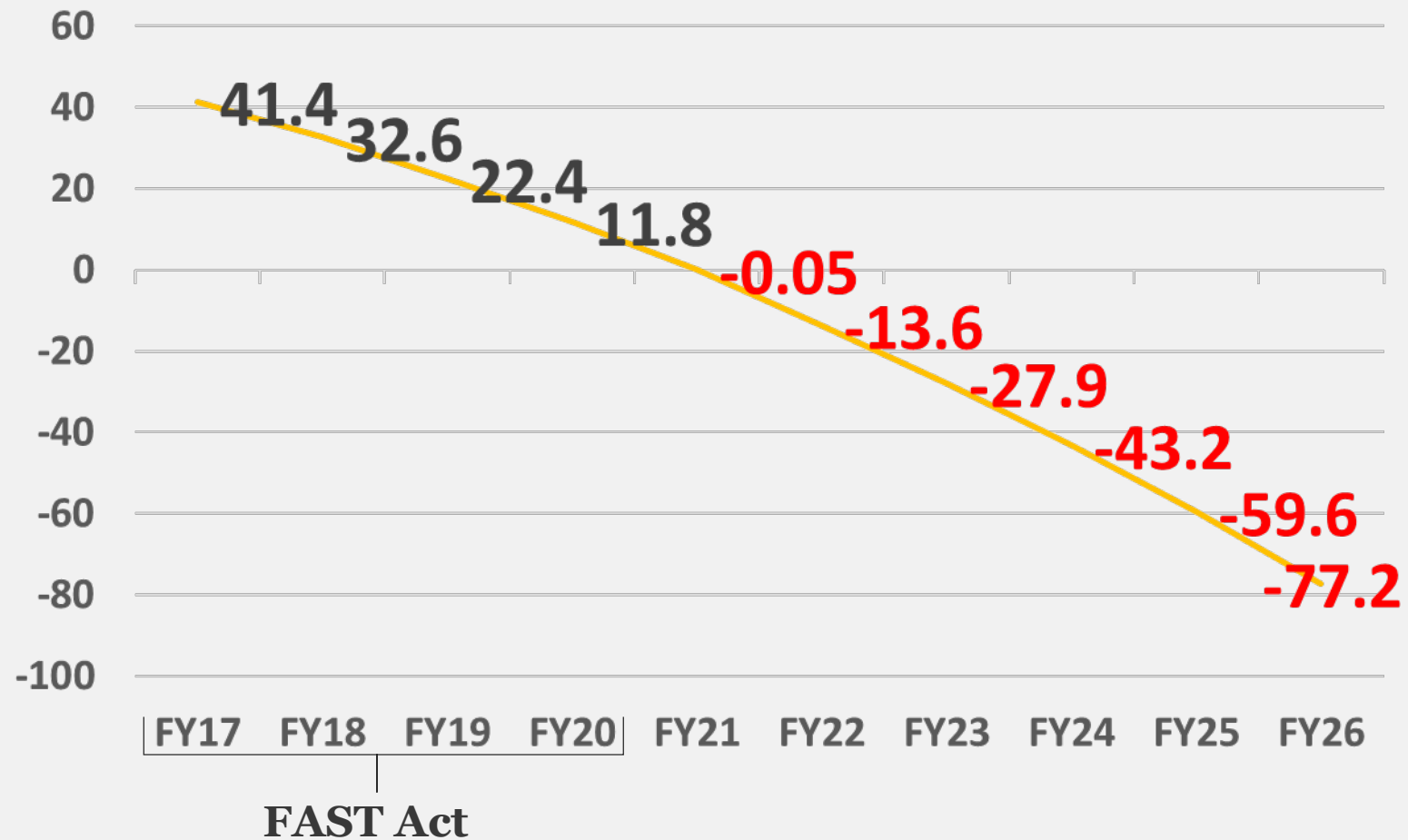
Results!

116th Congress: Appropriations

- **FY'20 Transportation Appropriations**
 - **Bipartisan Budget Agreement Needed**
 - **Last year of FAST Act Authorization**
 - **Oppose Pavement-Type Selection Mandates**
- **FY'21 Transportation Appropriations**
 - **Highway Authorization Bill Needed**

Highway Trust Fund (HTF) Year –End Balance

in billions

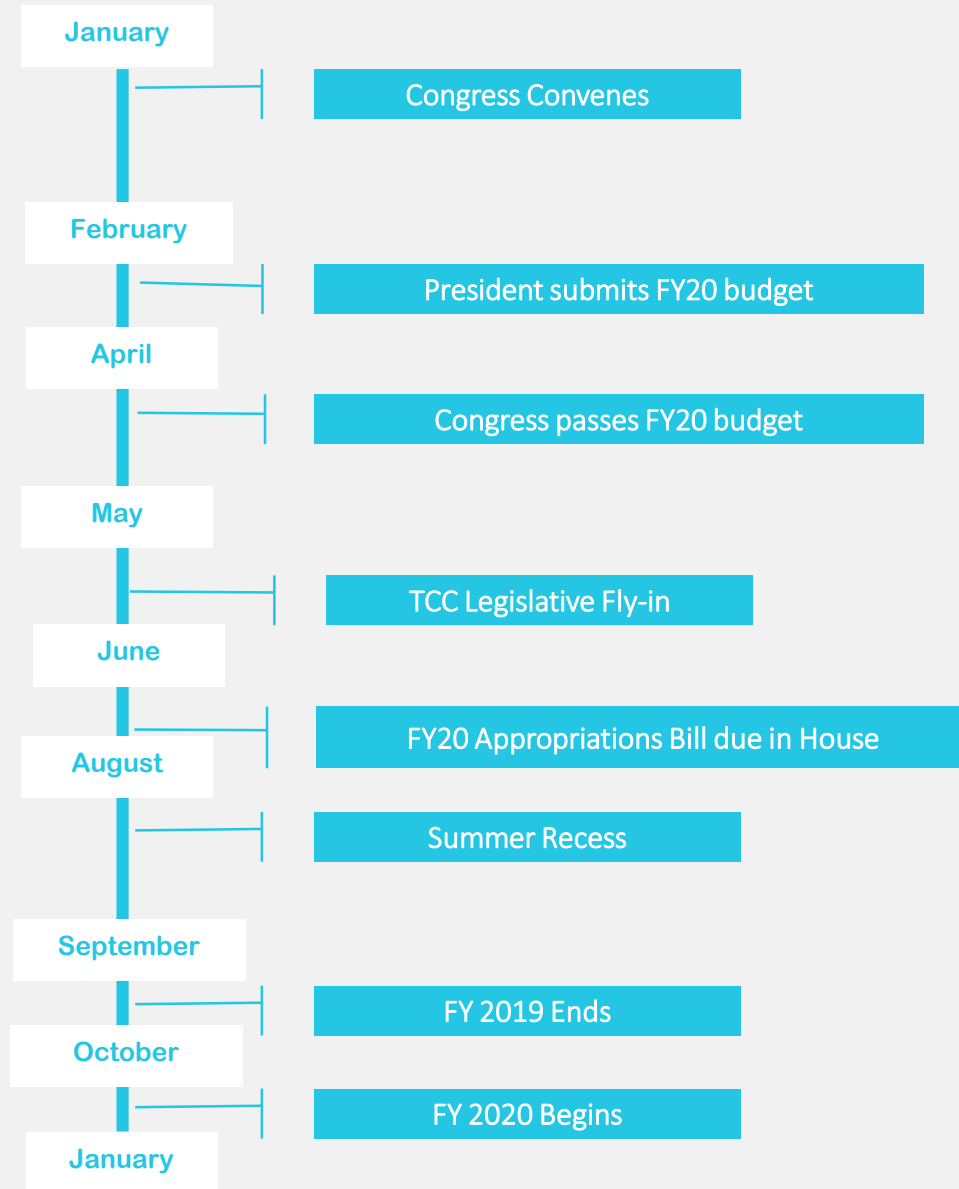


116TH Congress: FAST Act Reauthorization Issues

- Pavement Type-Selection Mandates
- Research and Deployment of Innovative Materials
- Buy American Applied to Materials
- Autonomous Vehicles
- Work Zone Safety
- Workforce Development



Dates to Watch in 2019



★ SAVE THE DATE ★

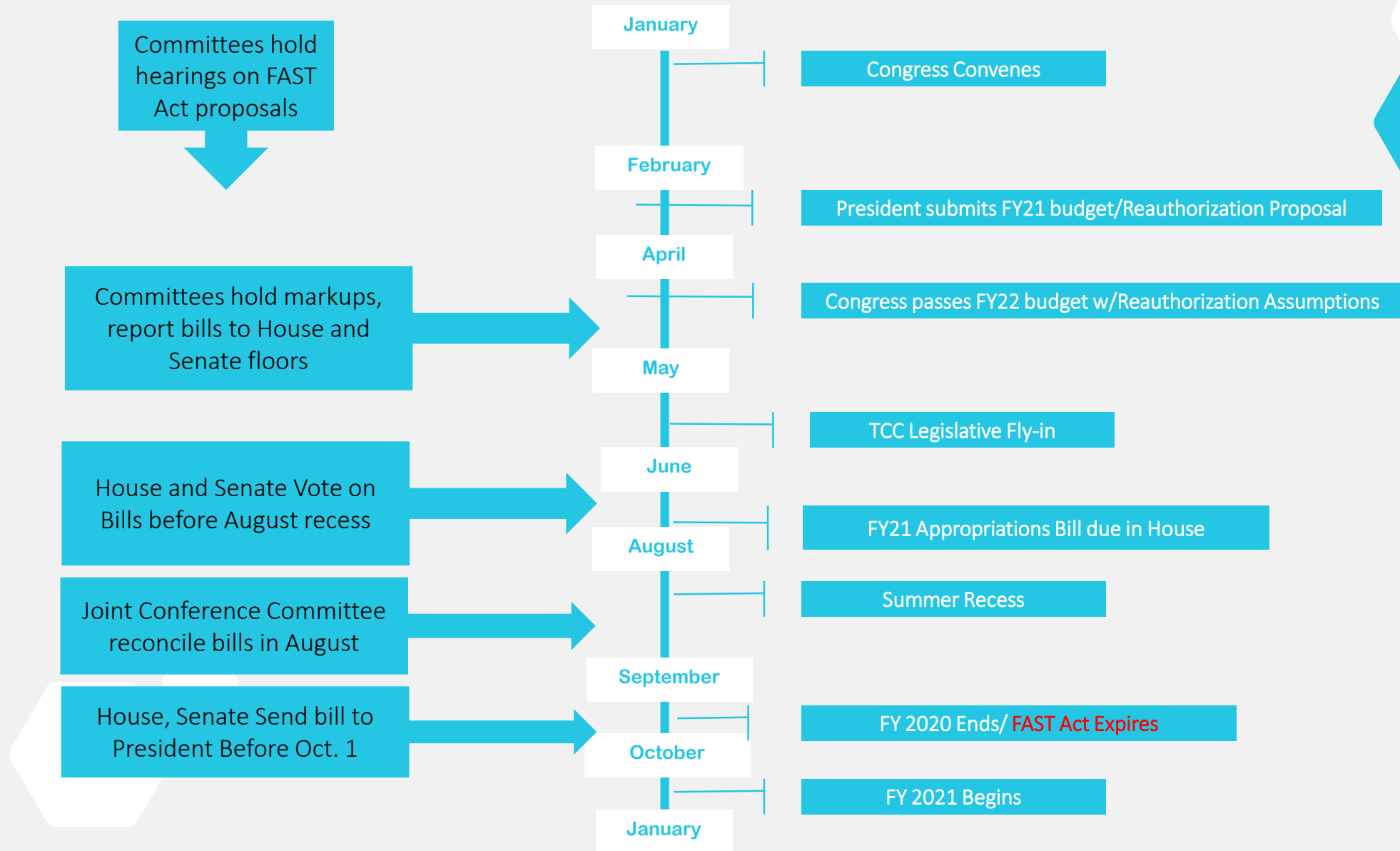
2019

★ TCC LEGISLATIVE ★

FLY-IN

★ MAY 14-15, 2019 ★

Dates to Watch in 2020



Summary: 116th Congress

- ✓ Secure guaranteed, permanent revenue source the grows the highway construction market
- ✓ Protect the asphalt pavement market share
- ✓ Assist industry to getting Congress to do their job!

WAVES OF CHANGE
OCEANS OF OPPORTUNITY

2019 NAPA ANNUAL MEETING
Jan. 20-23, 2019
JW MARRIOTT BEACH RESORT
MARCO ISLAND, FLORIDA

NAPA



World of Asphalt
2019
SHOW & CONFERENCE



[PAVING THE FUTURE]

February 12-14 • Indianapolis, IN, USA

★ SAVE THE DATE ★

2019





★ TCC LEGISLATIVE ★

FLY-IN

★ MAY 14-15, 2019 ★



Thank You

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