

Going the Distance ***TEA-21 and Beyond***

NAPA



**NATIONAL ASPHALT
PAVEMENT ASSOCIATION**

Going The Distance

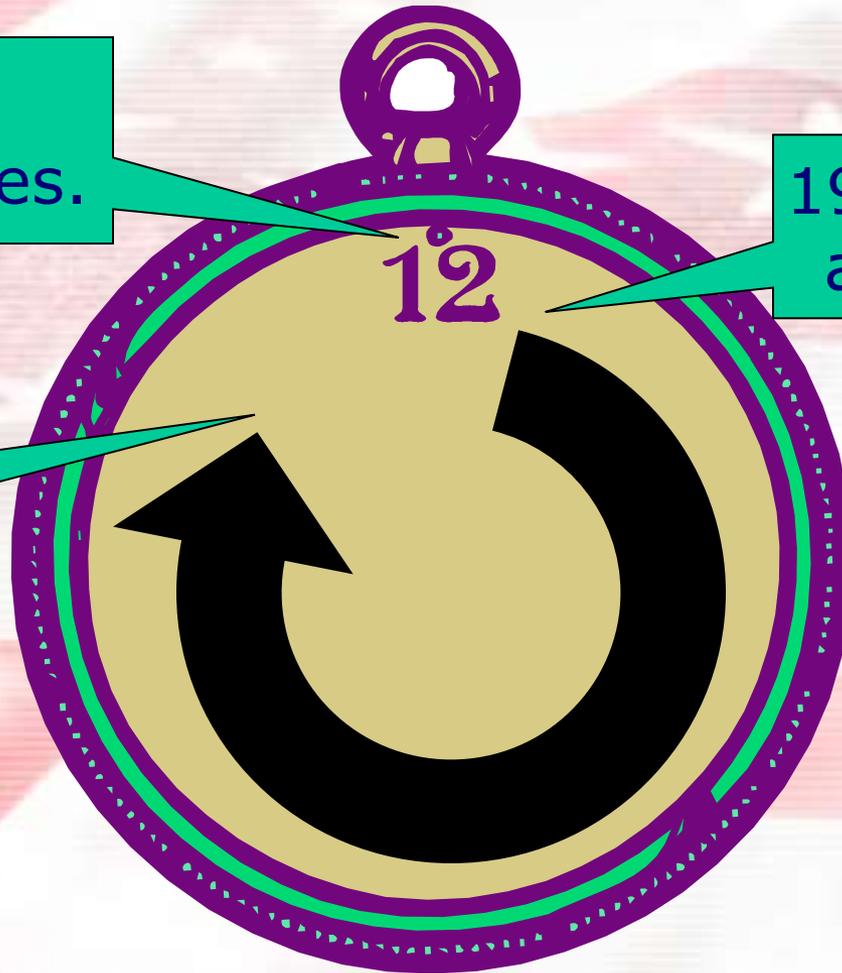
- **Where we stand today.**
- **Our issues.**
- **Obstacles.**
- **Where do we go from here.**

Where We Stand Today...

Oct 2003
TEA-21 expires.

1998 TEA-21
authorized.

We are
here.

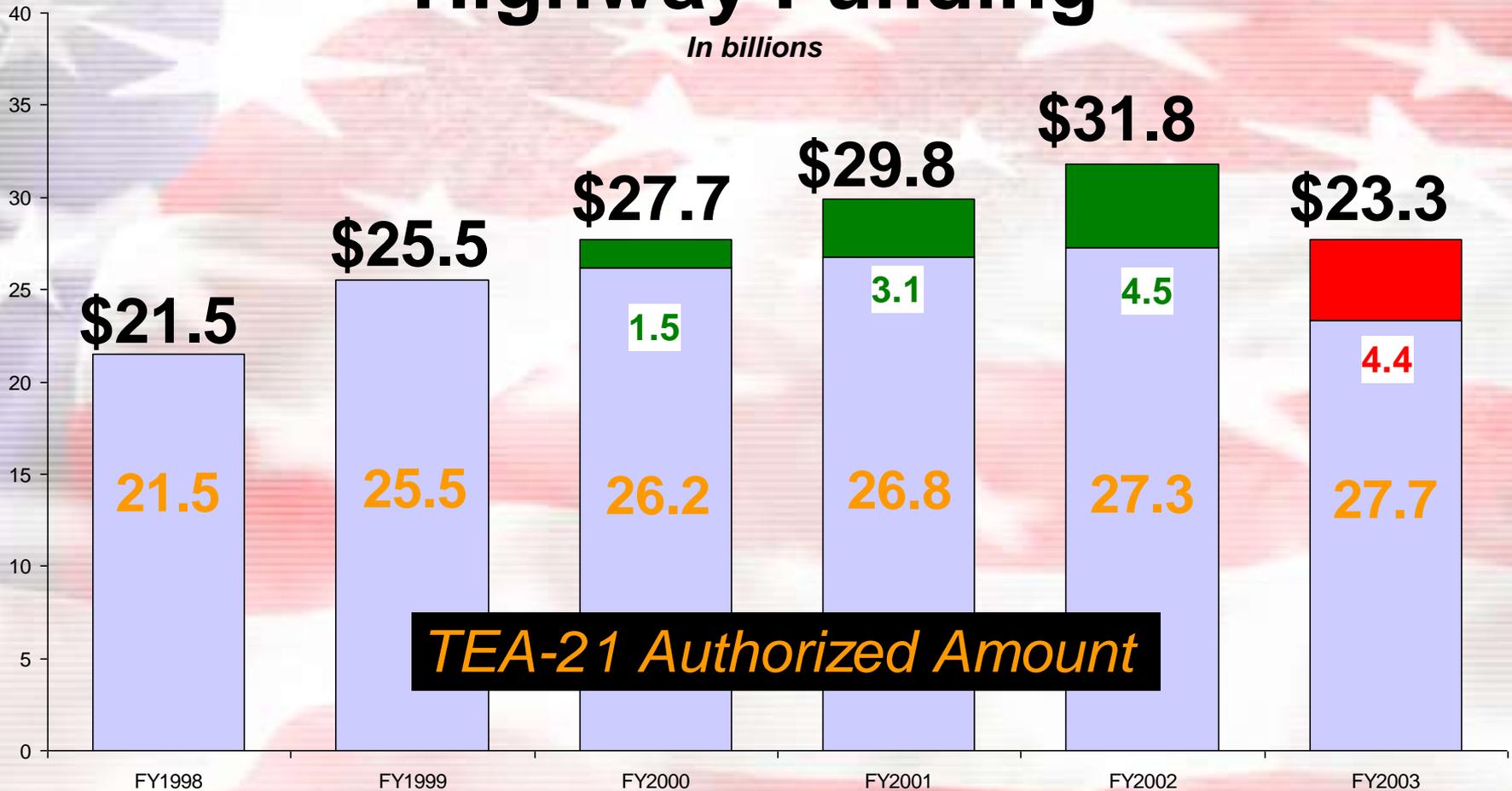


Current Reauthorization will expire in 20 months, but our work has already begun!

Where We Stand Today...

Highway Funding

In billions



What Does an \$8.6 Billion Cut Mean...

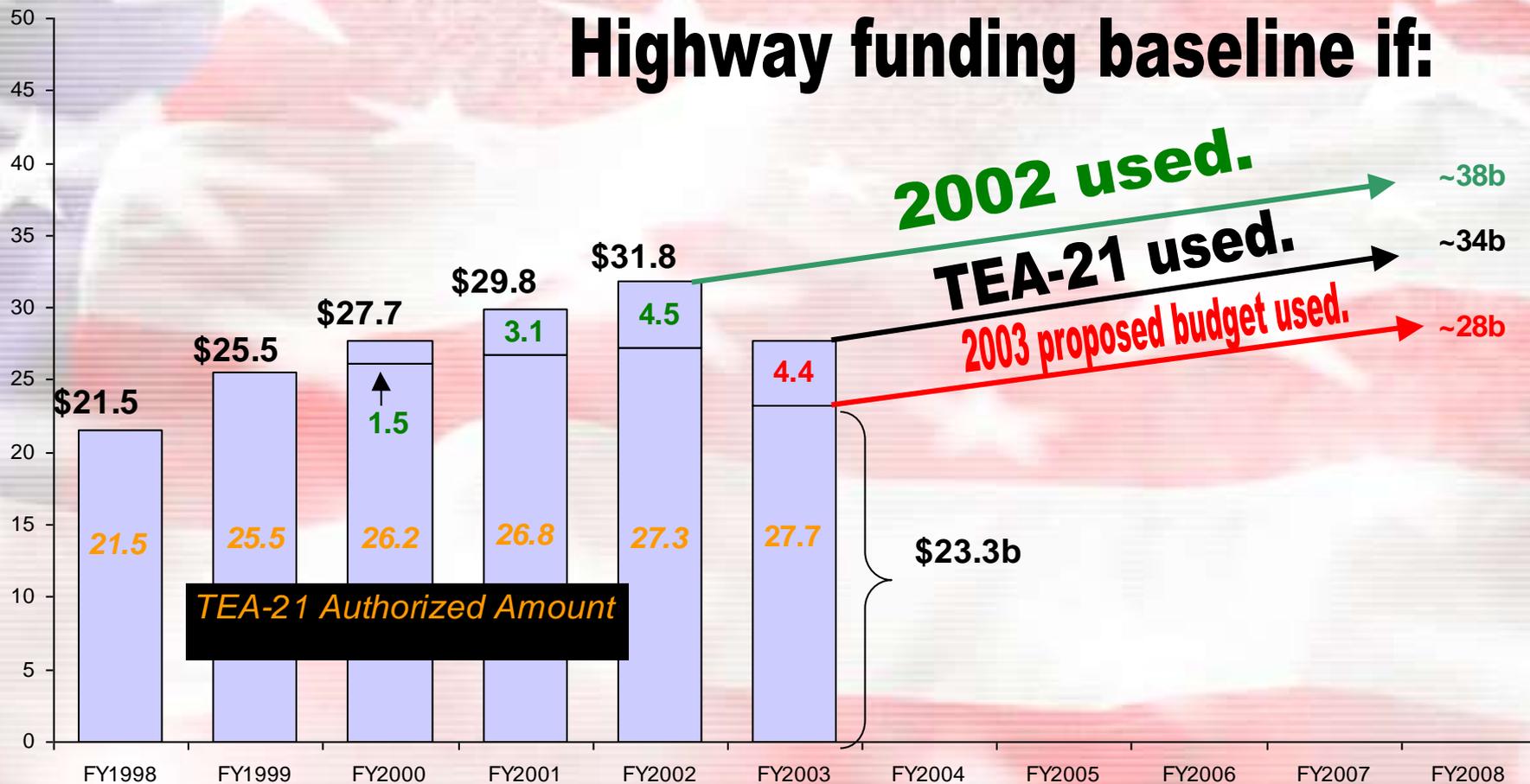
- **360,000 American jobs lost, mostly in 2003 and 2004.**
- **State DOT's already canceling highway and bridge projects.**
- **Public denied safety, air quality and national security benefits of highway investment.**

Why Should the Full \$8.6 Billion Be Restored...

- Highway Trust Fund has a balance of \$19 billion.**
- Prevent loss of \$360,000 American jobs.**
- Economic recovery and job creation top administration priority.**
- Roads essential for homeland security.**
- Cut would artificially lower baseline for reauthorization.**
- H.R. 3694, S. 1917.**

Future Highway Funding Baseline

Highway funding baseline if:



Where We Stand Today...

2002

- **U.S. DOT drafting administration bill.**
 - **Submit to office of management and budget for revisions and approval around August.**
- **Major committees hold oversight hearings.**
- **Mid-term elections in November.**

Where We Stand Today...

2003

- **January: new congress sworn in.**
- **February: president's FY 2004 budget.**
 - **Will contain TEA-21 reauthorization principles.**
 - **Legislative bill to soon follow.**
- **Spring: bills introduced and committees conduct legislative hearings.**
- **Summer: committees report bills and floor action in both houses of Congress.**
- **September: single bill approved by Congress and sent to President.**

Our Issues...

- **Grow the federal-aid highway program.**
 - **Protect budget firewall.**
 - **Guarantees funding for highways.**
 - **Under constant attack in congress.**
 - **Preserve RABA.**
 - **Has resulted in \$9 billion in additional revenues in last three years.**
 - **Increase revenue to the Highway Trust Fund.**

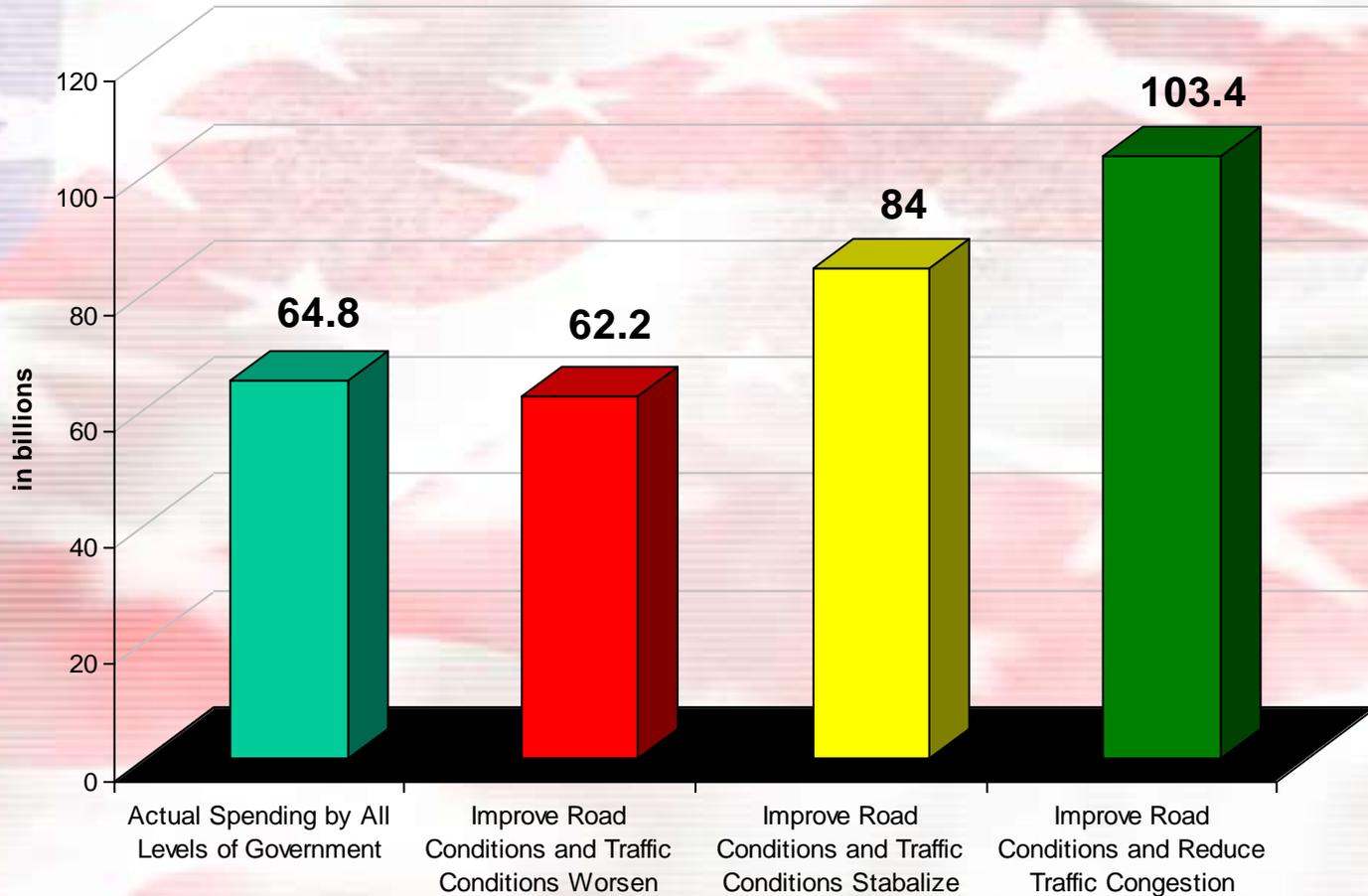
Our Issues...

- **Increase revenues to highway trust fund.**
 - **Spend down highway trust fund balance. (\$19 billion).**
 - **Capture revenue lost in ethanol tax break.**
 - **Transfer 2.5¢ = \$400 million.**
 - **S. 1306 (Baucus).**
 - **H.R. 2808 (Portman/Pomeroy).**
 - **Rebate HTF for 5.4¢ = \$700 million.**
 - **Banning MTBE to cause huge surge in ethanol use.**
 - **Ethanol incentive no longer needed.**

Our Issues...

- **Increase revenues to highway trust fund.**
 - **Increase federal gasoline user fee.**
 - **1 penny = about \$2 billion annually.**
 - **Index at rate of inflation (2.6% = \$3.8 billion).**
 - **Not going to be easy but it's the right thing to do.**
- **Establish HMA research program.**
 - **FHWA managed with Industry and AASHTO input and oversight.**
 - **\$25 million a year.**

Our Issues...



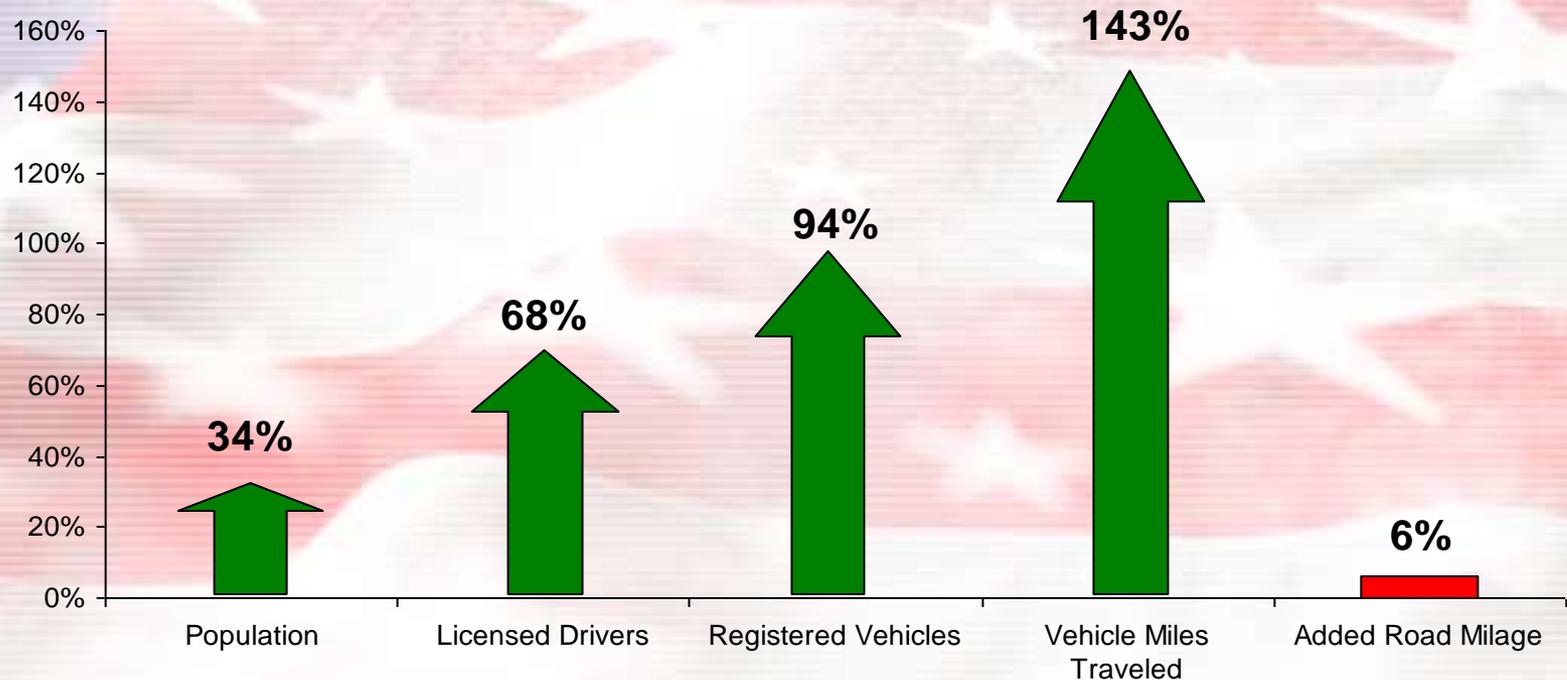
Investment required by all levels of government.





Our Issues...

Increased Demand on Highways 1970-1999



Lack of new capacity has created gridlock!

Obstacles...

- **Budget deficits.**
- **Other funding priorities.**
 - **Homeland security.**
- **Budget/appropriations committees.**
- **New Congress.**
- **No Bud Shuster.**
- **New players/staff on committees.**
- **“Smart” growth.**
- **Freight railroads, Amtrak and others.**
- **Need to reauthorize AIR-21.**

Where Do We Go From Here...

- **Administration is key.**
- **Need to educate congress, press and public on highway needs.**
 - NAPA white paper!
 - Transportation Construction Industry Fly-In!
- **Use the Americans for Transportation Mobility (ATM) Coalition to get message out.**
 - U.S. Chamber of Commerce led coalition with labor and industry groups.
- **Effective use of the Transportation Construction Coalition.**
 - Identify and help champions in Congress.