ARTBA Report: Building and Protecting Your Transportation Construction Market

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ARTBA Senior Vice President for Strategic Initiatives
• Founded in 1902, ARTBA is “Consensus Voice” focused exclusively on the transportation construction industry.

• Bi-partisan, aggressive and “not afraid to fail”

• 5,000-plus members from all sectors of the US transportation industry in all 50 states.

• ARTBA affiliation with WTBA since 1942.
www.transportationinvestment.org

Transportation Investment Advocacy Center™
Why Federal Funding Matters...

$WI = 55$ percent
Federal funds, on average, provide 52% of annual State DOT capital outlays for highway & bridge projects

Source: ARTBA analysis of “FHWA Highway Statistics” data, total 10-year average 2001-2011 from Tables SF-1 and SF-2. The percent is the ratio of federal-aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal-aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right-of-way acquisition and engineering, but are also used for debt service for GARVEE bonds.

* States that have issued GARVEE bonds before 2011.
Why Federal Funding Matters...

- Federal Highway Investment for WI*:
  - FY2007 - $601.1 million
  - FY2008 - $624.1 million
  - FY2009 - $642.8 million
  - FY2010 - $679.0 million
  - FY2011 - $691.7 million
  - FY2012 - $658.8 million
  - FY2013 - $683.5 million
  - FY2014 - $677.0 million
  - FY2015 - $672.7 million

* Plus $548.7 million from ARRA, starting in FY2009
$154 Billion Needed in Next 10 Years to Maintain Highway/Transit Investment

Source: CBO March 2013 HTF estimates based on MAP-21 ob limits
Choices for Congress

• Cut highway/transit investment back to what HTF revenues will support
  – Would result in major “cliff” and complete interruption in funding of new projects

• Add general funds to the HTF
  – Congress has done this several times since 2008, totaling $50 billion+

• Enhance the revenue stream into the HTF
  – Gas and diesel taxes haven’t been adjusted since 1993
Some Revenue Options

- Gas and diesel tax increase/indexing
- Something else that is comparable
- “Repatriation” of corporate assets
  - One shot deal
  - Part of overall tax reform
- Energy/drilling revenues
- More general funds
Obama Administration’s Proposal

• GROW AMERICA
• 6 Years, $478 Billion
• $238 Billion in new revenue from repatriation
New ARTBA Proposal: “Getting Beyond Gridlock”

• 15 cents per gallon gas tax increase
• Use new, one-time repatriation revenue of $103 Billion for gas tax rebate to 94 percent of federal tax filers
• $401 Billion, 6-Year Bill
• Inflationary increases in investment plus new freight network and transit capital programs
Current Status on the Hill

• Latest MAP-21 extension expires 10/29
• Senate passed DRIVE Act in July
  – Six-year bill with three years of funding
  – Some increases in investment
  – Sens. Johnson and Baldwin voted YES
• House has the ball now
  – House T&I Committee mark-up TODAY – STRRA
  – Ways & Means Committee still needs to find revenue
• Possible Outcomes
  – Another extension – could be short or long
  – If success in House, then go to Conference
  – Building on MAP-21 reforms
Wisconsin’s Delegation
Wisconsin’s Delegation
ARTBA’s “Transportation Makes America Work!” Campaign

TELL CONGRESS TO PASS
THE 6-YEAR HIGHWAY AND TRANSIT PROGRAM BILL NOW!

Mobilize!

ON A CRASH COURSE:
The dangers and health costs of deficient roadways

CONGRESS IS STALLING

LET’S PUT AMERICANS BACK TO WORK NOW!

MOVE THE HIGHWAY-TRANSIT BILL NOW!

Americans for Transportation Mobility
ATM www.atm.org
ARTBA’s “Transportation Makes America Work!” Campaign

- Coalitions
  - Transportation Construction Coalition
  - Americans for Transportation Mobility
- Grassroots
- Conservatives, Governors
- Advertising, Research, Polling
- “Changing the Conversation”
- More
ARTBA’s “Transportation Makes America Work!” Campaign

FACT VS. FICTION:

TRANSPORTATION FUNDING & POLITICS

FICTION:
Eliminating the federal gas tax and turning the highway and transit program over to the states will solve the nation’s key transportation challenges.

FACT:
Such a proposal is a classic Washington political “bait-and-switch” scheme. Abolishing the federal gas tax would eliminate the source of funding for 52 percent of annual U.S. highway and bridge capital improvements and force states to fill the massive investment gap with their own resources.

State and local governments have actually cut their own highway and bridge capital investments by more than 19 percent since 2008, hardly reassuring evidence they are ready to assume a larger role in confronting a clearly national challenge.

On average, states would have to increase their gas tax by about 23 cents-per-gallon, or find equivalent revenues, to make up for the elimination of the 18.4 cents-per-gallon federal gas tax, which has not changed since 1993. No governor—Republican or Democrat—has stepped forward to endorse the so-called “devolution” concept.

FICTION:
Support a gas tax increase and you’ll lose your next election.

FACT:
Of the 14 governors who approved a gas tax increase since 1997 and stood for re-election, 13 were voted back into office, according to an analysis by the Transportation Investment Advocacy Center™ (www.transportationinvestment.org). Nine of those were Republican governors.

Transportation funding truly is a bipartisan issue. Of the 30 gas tax and gasoline sales tax increases approved by states since 1993, 78 percent occurred in states with divided governance or solid Republican control:

- 13 (42 percent) occurred where the governor and legislature were from different parties at the time of legislative action to increase the state gas tax.
- 15 (47 percent) had a Republican governor, house, and assembly at the time of legislative action; and
- 6 (20 percent) happened where there was a Democrat governor, house, and assembly at the time of legislative action.
Pump Shock: Study Finds Surprising Market Impact of Gas Tax Increase

(WASHINGTON) - Increasing the gas tax does not result in a commensurate penny-to-penny increase in the retail price motorists pay at the pump, a study of the market impacts of five state gas tax increases enacted in 2013 found.

The analysis, by Dr. Alison Premo Black, chief economist for the American Road & Transportation Builders Association (ARTBA), found, on average, the price for a gallon of regular gasoline the day after a state gas tax increase goes into effect only reflects about 22 percent of the new levy. A month after enactment, only about a third of the levy shows up in the pump price, she says, and thereafter, it is not a significant retail price factor.
ARTBA’s “Transportation Makes America Work!” Campaign

Seven state legislatures raised their state’s gas tax or equivalent during the last election cycle to fund transportation improvements...

89% of the Republicans and Democrats who voted for it and ran in 2014 were re-elected.

FIX THE HIGHWAY TRUST FUND PERMANENTLY THIS TIME.

www.transportationconstructioncoalition.org
ARTBA’s “Transportation Makes America Work!” Campaign

Time is Running Out... Tell Congress to Fix The Highway Trust Fund!

The current funding authorization for the federal highway and transit program expires on May 31. The continued precarious financial situation with the Highway Trust is also creating uncertainty. More can’t kicking isn’t an option. It’s time for Congress to take action. You can use our tools to tell them why:

- Over the past 10 years, on average, the federal highway program has provided 52 cents of every $1 dollar invested by state DOTs in highway and bridge capital improvements.
- As a result, the trust fund has suffered five revenue shortfalls between 2008 and 2014.
- The next Highway Trust Fund cash crisis is expected to occur in summer 2015.
- The lack of clarity about federal surface transportation funding hinders the ability of the states to plan and the private sector to deliver needed infrastructure improvements.

Tell Your Congressman and Senators to FIX THE HIGHWAY TRUST FUND NOW:

Start off by telling them your name, your company name, where it is located, the number of people employed, and what projects your company is working on in their area.

www.tmaw.com – “Take Action”
ARTBA’s “Transportation Makes America Work!” Campaign

Please consider continued support from WTBA and your companies for this important effort…
Federal Regulatory/Enforcement Issues

- EPA – “Waters of the United States”
- Local Hire
- DBE
- Performance-Based Contractor Prequalification
- Buy America
- FMCSA Hours of Service
- OSHA
- Others
Roadway Safety+

Presentation Media

- 33 Interactive Modules
- 5 Trainee Booklets
- 2 Extensive Instructor Guides
- 29 Toolbox Pamphlets
- 54-screen 14 x 20 Flip Book
- 9 Guidance Documents

Free flash drive, CD or web download

www.workzonesafety.org
ARTBA Events/Activities

- Monthly Central Regional conference calls
- Central Regional Meeting, KC, December 2015
- ARTBA Federal Issues Program and TCC Fly-in, May 2016
- P3 Conference, DC, July 2016
- ARTBA National Convention, October 2016
- Modal Councils
- Marsh/HHIS Insurance Captive
- McKee Risk Management – Group Insurance
Thank You for WTBA’s Support of ARTBA!

We Need Continued Help from WTBA and Your Companies!
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