Highway Funding

Jay Hansen
Executive Vice President – Advocacy

jhansen@asphalt-pavement.org
Federal Support for Highway and Airfield Pavement Projects in 2021*

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal-Aid Highways</strong></td>
<td></td>
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<tr>
<td>Highway Trust Fund</td>
<td>$46.4 b</td>
<td>$46.4 b</td>
<td>Per FAST Act Extension</td>
</tr>
<tr>
<td>General Fund</td>
<td>$2.2 b</td>
<td>$2.0 b</td>
<td>Support at-risk bridge program and alternative fuel corridors</td>
</tr>
<tr>
<td>Build Grants</td>
<td>$1 b</td>
<td>$1 b</td>
<td>Discretionary DOT Grants</td>
</tr>
<tr>
<td>DOT Relief</td>
<td>$0</td>
<td>$10 b</td>
<td>Distributed by formula</td>
</tr>
<tr>
<td><strong>Airport Improvement Program (AIP)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Airway Trust Fund</td>
<td>$3.35 b</td>
<td>$3.35 b</td>
<td>The AIP Program has been stagnant for many years.</td>
</tr>
<tr>
<td>General Fund</td>
<td>$400 m</td>
<td>$400 m</td>
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*The Coronavirus Response and Relief Supplemental Appropriation Act (H.R. 133), signed into law by the President on December 27, 2020*
Additional Provisions in the Consolidated Appropriations Act

• $3,000,000 for asphalt research into airfield pavements.

• $800,000 for research on plastic in asphalt mixtures.

• Require FHWA to provide information on “environmentally-friendly aggregates” for use with reclaimed asphalt and concrete pavements.

• Require U.S. DOT to support neutral decisions that do not promote or provide preference for specific building materials.
Federal Highway Funding for Penn. in FY 21

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<td>$1,807,465,072</td>
<td>$1,796,166,011</td>
<td>$1,613,561,764</td>
<td>$1,613,561,764</td>
<td>$410,118,478</td>
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</tbody>
</table>

- FHWA will release actual state-by-state funding notices in late January.

- Pennsylvania’s FY 21 apportionment is slightly lower to meet 95% rate-of-return on gas tax receipts for Texas and Colorado.

- COVID relief funds can be spent by DOT’s to pay for costs related to preventative maintenance, operations, personnel, debt service, and coverage for other revenue losses.
Virus, Economy, Program Deadlines to Drive Action in Congress

• The 117th Congress kicks off amid raging pandemic.
  • Covid-19 response programs set to expire early this year.
  • Fiscal 2021 spending and pandemic relief package (Public Law 116-260) extended several Covid-19 response programs, with most expiring in March.

• Several major deadlines.
  • Debt limit comes back into effect, August 1.
  • Surface transportation authorization (FAST Act), September 30.
  • Transportation – Housing and Urban Development Appropriations.
Timeline For “Build Back Better”

First bill out of the gate. $1.9t with $350b for state and local aid and $20b for transit.

Plan to be announced at state of the union. Invest in a modern, sustainable infrastructure to create millions of good-paying union jobs.

Will it be a wide-ranging comprehensive infrastructure package, or just a multi-year surface transportation bill? Or just an extension (always a possibility)?

Biden proposes to pay for the costs of the plan by reversing some of Trump’s tax cuts for corporations and imposing tax reforms on the wealthiest Americans.

Highway bill is vehicle to reduce transportation GHG emissions.
Bidens “Build Back Better” Infrastructure Proposal

• $2 trillion over 4 years for a broad sector of the economy.
• Focus on fix-it-first.
• Investments in 500,000 electric vehicle charging stations on NHS.
• Expansion of union representation.
• Maintain Davis Bacon, Project Labor Agreements.
• Strengthen Buy American requirements.
• Environmental Justice.
NAPA Priorities

• Highway Funding
• Sustainable Revenue Source for HTF
• Recycling Plastic
• Reauthorize AID-PT Program
• Enhance Worker Safety
• Oppose Mandates
117TH CONGRESS EDUCATIONAL KITS

After elections, it is critical to schedule meetings with new members even before they are sworn in, to educate them on industry topics. In January, House and Senate leadership will discuss Committee assignments with the 117th Congress and you want transportation and the asphalt pavement industry priorities to be top of mind.

There are seven new Senators and 54 Delegates. That’s 61 new members to educate and friends of the industry to make, it may seem like a lot, but we can do it! To help you, the NAPA Government Affairs team has prepared an educational kit for use during your meetings.

To Complete Your Educational Toolkit:

1. Download the Educational Kit – Includes: NAPA Fast Facts, Talking Points, and Key Facts about the U.S. Surface Transportation System;
2. Download the Fast Facts Template and customize with you company data; and
3. Download your state’s data on funding, road, and bridge conditions.
Question and Answer