

Final Speech of Jay Hansen **Executive Vice President – Advocacy National Asphalt Pavement Association** 19th Annual Arizona Pavements/Materials Conference November 16, 2022

Forty-three years ago, a skinny kid from Buffalo, NY took a chance finding his way to California where he soon realized he better get a degree. Graduating from San Diego State University in 1985, he was hired by Jim Bates, a Member of Congress who offered him a job in his Washington, DC office. After contemplating weather or career, this kid decided to take the offer and landed in Washington on the very same weekend then President Ronald Reagan vetoed the popular highway bill over the issue of too many earmarks.

Congress overrode President Reagan's veto on a bipartisan vote, enacting the legislation into public law and launching an incredibly satisfying career for me that is now nearing its end. On February 28, 2023, I will officially retire from NAPA where I worked for the last 24 years.

When I started out working in the House of Representatives, I never dreamed that I would be associated with the asphalt pavement industry. When I was hired in 1998, there were no other asphalt lobbyists in the industry like there is today. What I tried to do was marry up the legislative process - which I knew very well - with asphalt technology, which I needed to learn.

On one hand, asphalt pavement is not that complicated. Its rock and oil with additives sprinkled in. On the other hand, this strategic "engineered" material that America rides on, has led to one of the most incredible jobs any lobbyist or association executive could ever wish for.

I was in Congress when ISTEA, the first transportation bill I worked on 1991, mandated 20 percent crumb rubber in asphalt pavements. I remember NAPA lobbying on it. The Association of General Contractors took notice of me when my boss, Congressman Bob Clement, passed an amendment in the NHS Designation Act to reset the hours-ofservice clock for construction truck drivers after a 24-hour rest period. That law still stands today.

Based on AGC's recommendation, I joined the American Consulting Engineers Council in 1996 and during my first weeks on the job, worked to defeat an amendment on the House floor that would have prevented DOTs from contracting out engineering services. We also prepared the first white paper on environmental streamlining before any other association was talking about it. ACEC's legislative recommendations on environmental streamlining were added to TEA-21.

In 1998, I was hired by my mentor and wonderful leader of NAPA, Mike Acott, after just one interview. NAPA still was feeling the sting from the crumb rubber mandate in ISTEA, which NAPA opposed - the mandate, not crumb rubber. Superpave mix design was still being adopted by the states to solve the rutting problem, and the industry faced a consequential decision from the World Health Organization on the health risks associated with paving fume.

My charge as conveyed to me by our industry's leaders was simple. Tons, tons, tons. Grow highway funding and secure research funding for Asphalt and help steer some of it to the National Center for Asphalt Technology at Auburn University. NAPA had just established NCAT and wanted federal support for the enterprise.

So, in 2000 we secured the first of many research earmarks for the asphalt pavement industry. In fact, through the years, NAPA has secured \$140 million in congressionally supported airfield and highway research funding. Most of this was accomplished by working in partnership with the concrete pavement industry.

On highway funding, in 2000, the annual Federal aid Highway Trust Fund expenditures totaled \$27 billion. Today, that number is \$57 billion and growing. This was only possible by working with our grassroots, grass tops and other like-minded associations, working in partnership with common messages to achieve. We established the first ever Transportation Construction Coalition Fly-in in 2001 that has become the construction industry's premier legislative event in Washington DC.

Over the years we also had to push back on pavement type-selection and pavement design mandates. The asphalt-concrete wars that erupted in the 2010's that pushed mandates for life-cycle cost analysis, alternate designs/alternate bids, the MEPDG, and discount rate changes, never hit home with Congress. NAPA was up against strong forces. Some called it David versus Goliath. The truth is we had what many other associations don't have: an asphalt plant in every congressional district, and an industry that believes qualified engineers, not elected officials, should design our pavements, and pick the right material for any given situation.

NAPA was so successful in beating this effort back, that today the first thing Members of Congress or congressional staff ask is "will this start a material war because we do not want that."

I mentioned Superpave in the 1990's. That was a technological evolution that changed asphalt mix designs in the United States. The next big moonshot was the development and deployment of warm mix asphalt. The industry along with AASHTO and others went to Europe around 2005 to see the technology first-hand. The leaders in our industry were very interested in the technology because of the positive impacts behind the paver. The leaders of our industry also realized many other environmental and performance benefits to using warm mix asphalt. Through a combined effort of research, demos, and DOT acceptance, this technology evolved to where warm mix asphalt is an accepted practice today and is an example of what the industry can do using partnerships, rather than forced mandates on the industry.

As your industry's lead government affairs representative in Washington, I'm proud we fulfilled our goals - we grew the highway program, secured research funding for the asphalt industry, and defeated harmful pavement type-selection and pavement design mandates that would have crushed our market.

So where are we today and where are headed. Again, I am so proud of the fact that after the election of President Biden and the renewed focus on infrastructure, we prepared a white paper entitled Build Back Better with Asphalt. In it, the white paper contained our legislative recommendations for the next surface transportation reauthorization bill. This helped unify the industry around a cogent set of messages and talking points to lobby on.

The result was the Infrastructure Investment and Jobs Act (IIJA), legislation that provides more funding for highways than ever before. We secured research funding for asphalt. The bill was free of any pavement-type selection mandates. And we again worked with our partner associations to secure an exemption for highway construction materials, including asphalt, under the new Buy America rules.

On the heels of IIJA, Congress then passed the Inflation Reduction Act with goals to decarbonize the construction materials industry for future generations. The legislation will lead to the development of low carbon asphalt pavements and provide grants and tax credits to upgrade and re-equip asphalt plants to help them be more efficient and sustainable.

Between IIJA and Inflation Reduction Act, this industry is now on the cusp of a technological innovation that will revolutionize the way asphalt is manufactured and constructed into highway and airfield pavements. EPD's, EPA, DOE and GHG will be commonly discussed as HMA, WMA and SMA. Contractors will have no place to hide if they want to grow their business. If the Federal government says they are going to prioritize low-carbon asphalt pavements, do you not want to provide it even if they are willing to pay more for the material?

One other point. Who in the younger generation wants to work in an industry that does not manage its resources well. Asphalt companies realize that focusing on sustainability is what their workers, from top management, mid management, to the people installing the pavement, demand. They want to be part of the industries' efforts that focus on reducing carbon emissions. This is not only good for the employees you have, but the employees you want to have.

Sustainability is good for workforce, good for business, and good for our future. This is our next moonshot, and I am tremendously optimistic that this industry will get it done.

Now a word of caution. Congress is broken. We just came out of status quo election. Not much will get done in the next two years. The absolute focus for everybody will be the implementation of IIJA and IRA over the next two years. NAPA has already issued comments on Buy America, Davis Bacon prevailing wage rate, Disadvantaged Business Enterprise programs, and IRS tax credits. The work of the agencies in implementing these bills are far from over and only just getting started.

Meanwhile, in Congress, we do need our elected officials to pass their annual appropriation bills to ratify the IIJA funding levels. We need them to reauthorize FAA programs including the Airport Improvement Program. But the legislative process is broken. Bills are pieced together by the leadership rather than committee and presented to the full House and Senate on take-it-leave it votes. Getting your voice heard in this process has become more difficult.

Therefore, you need a national association in Washington focused on your issues. You absolutely need NAPA. Consider this. When I started, it was hard to get a conversation going on asphalt in Congress. It was a taken for granted material. The industry was ok with that because what better place to be that under the radar screen. But the reality for you has changed.

Today, there is an explosion of interest in Washington regarding construction materials. Today, there are committee and congressional staff assigned to and dedicated to construction materials. They are looking at the way its manufactured, its used, and procured. They are looking for ways to decarbonize the construction industry and construction materials in general.

It is a foolish contractor to think these people know our industry and will always do the right thing for you and your business. Unless Members of Congress or agencies are going to survey every company in the industry and base policy decisions on that, NAPA is your only alternative. If you want to grow and prosper your company, and as importantly, contribute to the betterment of the industry you work in, then NAPA is the only association that can achieve that for you. There is not a day that goes by where NAPA staff led by Audrey Copeland does not wake up and say what can I do for this industry today.

I am being truly blessed being part of this industry. I have raised a family and can retire with dignity knowing all that has been accomplished. For the NAPA members in the audience, thank you for giving me this opportunity. You have been a wonderful industry to represent in Washington. I met wonderful people along the way. In my heart-of-hearts, I know we did a fabulous job over the last 24 years for this industry. Carry on and thank you.