

Briefing on the Consolidated Appropriations Act, 2022

Impact on Asphalt Mix Markets

March 17, 2022

3:00pm Eastern

Special Introduction

James Mitchell, President, Superior Paving Corp.

Chairman, NAPA Board of Directors

Presenters and Panelists

- ❖ Jay Hansen, Executive Vice President – Advocacy, NAPA
- ❖ Ashley Jackson – Sr. Director of Government Affairs and PAC, NAPA
- ❖ Steve Palmer – Vice President, Van Scoyoc Associates
- ❖ Martin Whitmer – Principle – Whitmer & Worrall



James Mitchell
Chairman, NAPA Board of Directors
President, Superior Paving Corp.





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NAPA Priorities Included In IIJA

5-Year Reauthorization and Grows Highway Funding

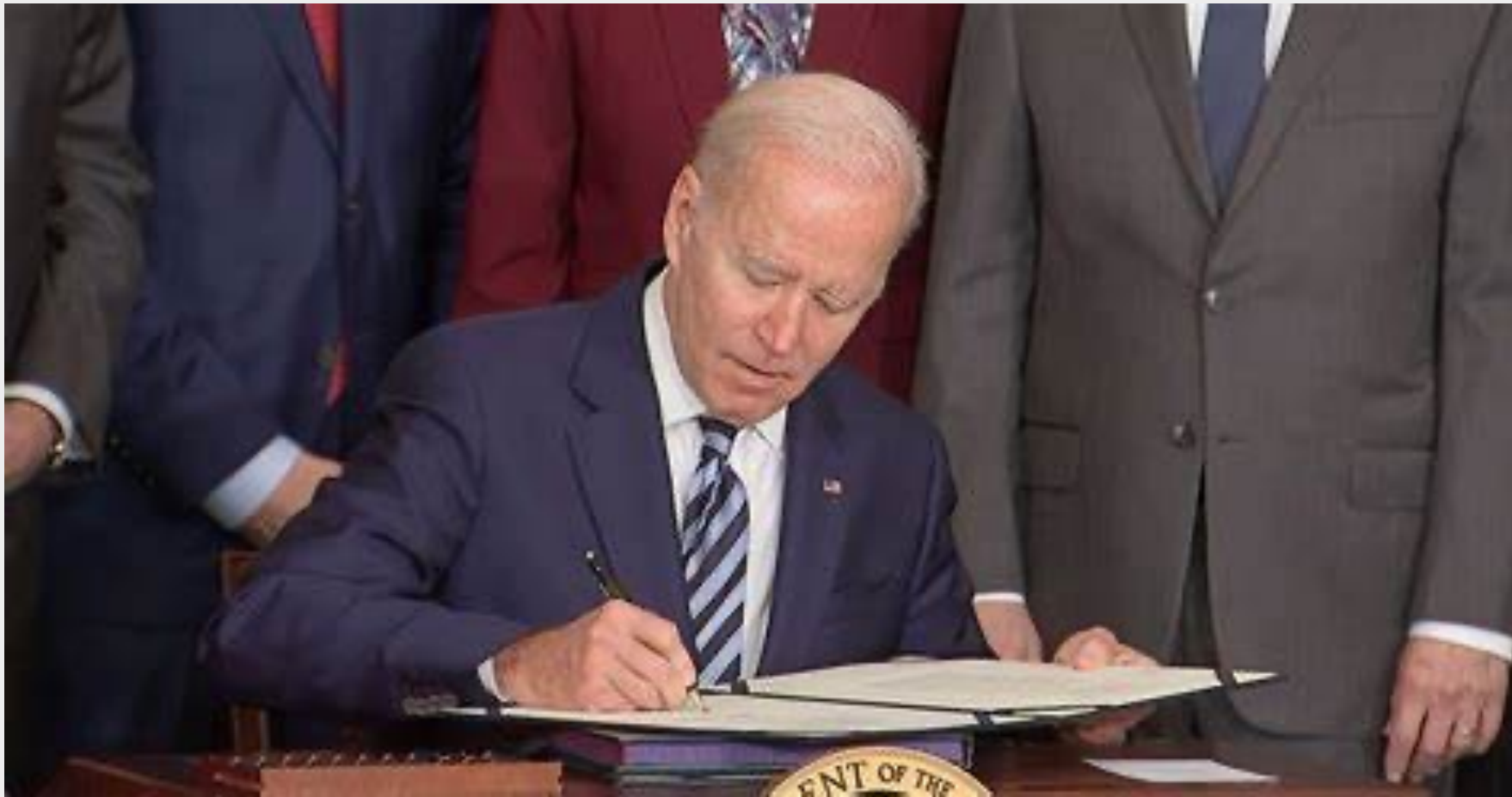
Buy America Exemption for Asphalt, Additives, Aggregates

Reauthorizes Innovative Asphalt Technology Deployment Program (AIDPT)

Incentivizes Safety Contingency Funds for Safer Work Zones

No Pavement Mandates

President Biden Signs into Public Law the Consolidated Appropriations Act, 2022



Briefing Outline

- Consolidated Appropriations Act, 2022 (*aka Omnibus*)
- Market Outlook
- Q&A with Expert Panel



H.R. 2471, Consolidated Appropriations Act, 2022

- The agreement totals \$1.5 trillion in new funding for Federal domestic and defense programs.
- The bill fully funds the obligation limitation on contract authority for highway and airport programs authorized by IIJA.
- State DOTs will be able to fully utilize their IIJA contract authority provided by IIJA in 2022.
- \$1.5 billion in earmarks: \$847m are highway and \$280m are airport projects.
- NAPA secured \$3 million for the Asphalt Airfield Pavement Technology Program.
- No pavement mandates.

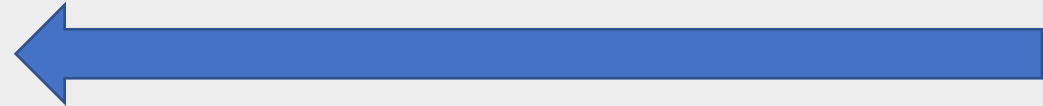
Highway Programs Funded by the Consolidated Appropriations Bill and IIJA Combined – FY 2022

FHWA Program	FY 2021 Enacted	FY 2022 Omnibus
Federal-Aid Highway Obligation Limitation	\$46,365,000,000	\$57,473,430,000
Highway Infrastructure Programs (GF)	\$2,000,000,000	\$2,444,928,000
Federal-Aid Highway Exempt Contract Authority	\$739,000,000	\$739,000,000
IIJA Advanced Appropriations	\$0	\$9,454,400,000
Raise Grants (USDOT Program)	\$1,000,000,000	\$750,000,000
Fiscal Year TOTAL	\$50,104,000,000	\$70,861,758,000

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\$52,484,565,375 [Apportioned](#) to the States



U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION

FISCAL YEAR 2022 FEDERAL-AID HIGHWAY PROGRAM APPORTIONMENTS UNDER THE BIPARTISAN INFRASTRUCTURE LAW (before post-apportionment set-asides; before penalties; before sequestration)

State	National Highway Performance Program	Surface Transportation Block Grant Program	Highway Safety Improvement Program	Railway Highway Crossings Program	Congestion, Mitigation & Air Quality Program	Metropolitan Program	National Highway Freight Program	Carbon Reduction Program	Protect Formula Program	TOTAL
ALABAMA	568,540,380	276,587,212	59,419,156	5,047,891	12,429,947	4,056,177	26,311,354	24,662,360	28,042,870	1,005,097,347
TOTAL	28,439,442,345	13,835,404,382	2,979,761,019	245,000,000	2,536,490,803	438,121,139	1,373,932,519	1,233,656,891	1,402,756,277	52,484,565,375

Asphalt Markets in Core Highway Formula Programs

FAST Act

National Highway Performance
Surface Transportation Block Grant
Highway Safety Improvement
Railway-Highways Crossings
Congestion Mitigation Air Quality
Metropolitan Planning
National Highway Freight

NEW PROGRAMS

National Highway Performance ***
Surface Transportation Block Grant ***
Highway Safety Improvement **
Railway-Highways Crossings *
Congestion Mitigation Air Quality **
Metropolitan Planning *
National Highway Freight ***
Carbon Reduction ?
PROTECT ?

IIJA

Asphalt Market Intensity

*** High
** Medium
* Low
? Unknown

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Bridge Replace/Rehab. Grants (Formula) - **\$1.145b**

Highway Earmarks - \$846.9m

Appalachian Development Highways - \$100m

Federal Lands - \$75m

Regional Infrastructure/Accelerator Demo - **\$12m**

Wood-Based Infrastructure Projects - **\$10m**

National Scenic Byways Program - **\$6m**



VIRTUAL INDUSTRY FAIR NPS PROJECTS



New Business Opportunities
for Upcoming
Great American Outdoors Act Projects

WHY ATTEND?

- Understand where and how you can bid on projects
- Participate in real time question and answer sessions
- Meet NPS project teams
- Gain information on upcoming projects

Register at Colorado Procurement Technical Assistance Center

Register for one or both days,

Tuesday, May 10 Registration

Wednesday, May 11 Registration

Different projects will be presented each day

More details, go to nps.gov/dsc
and click on
“[Need help with contracting?](#)”

Great American Outdoors Act

FY 2022

- \$1.2b to address deferred maintenance projects
- 63 Projects
- Average Project Size - \$20m



Tuesday May 10 & Wednesday May 11, 2022
8:30 a.m. – 3:00 p.m. MT

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[Bridge Formula Program](#) - \$5.5b

Bridge Investment Program- \$1.85b

[National Electric Vehicle Infra. Formula Program](#) - \$1b

[Appalachian Development Highway System](#) - \$250m

[Nationally Significant Freight & Highway](#) - \$640m

Reconnecting Communities Pilot Program - \$100m

Ferry Boats and Ferry Terminal Facilities Program - \$68m

Reduction of Truck Emissions at Port Facilities - \$30m

University Transportation Centers Program - \$19m

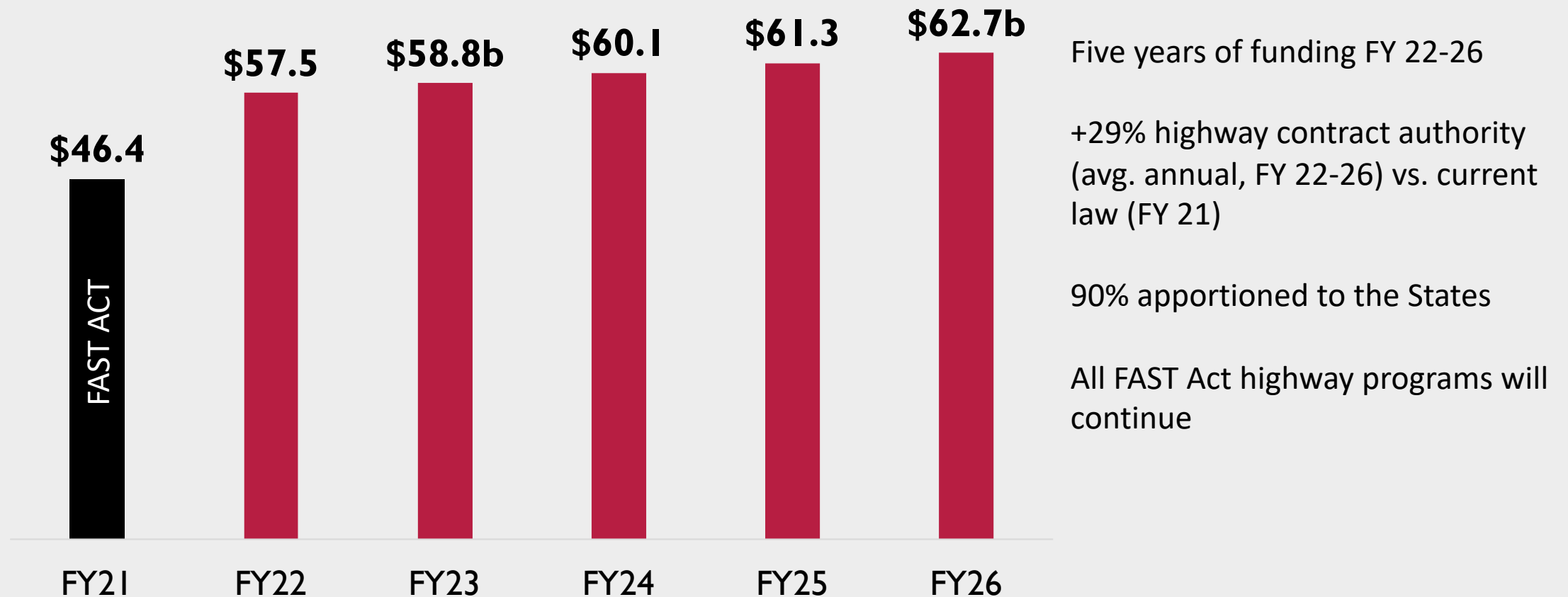
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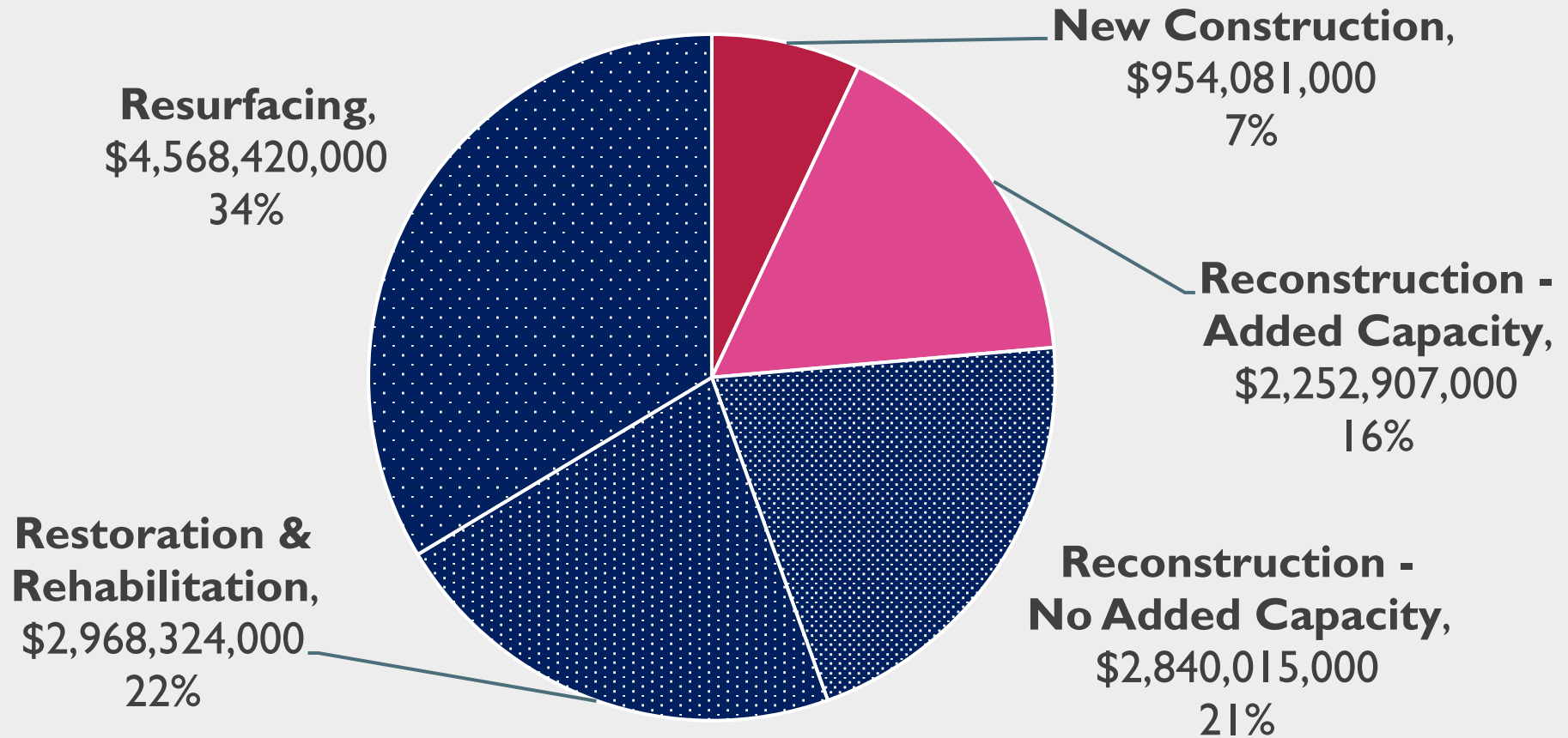
National Highway Performance Program - \$639m
Emergency Relief - \$100m

Grants Awarded by Secretary of US DOT

Highway funding Obligation Limitation Under IIJA (in billions)

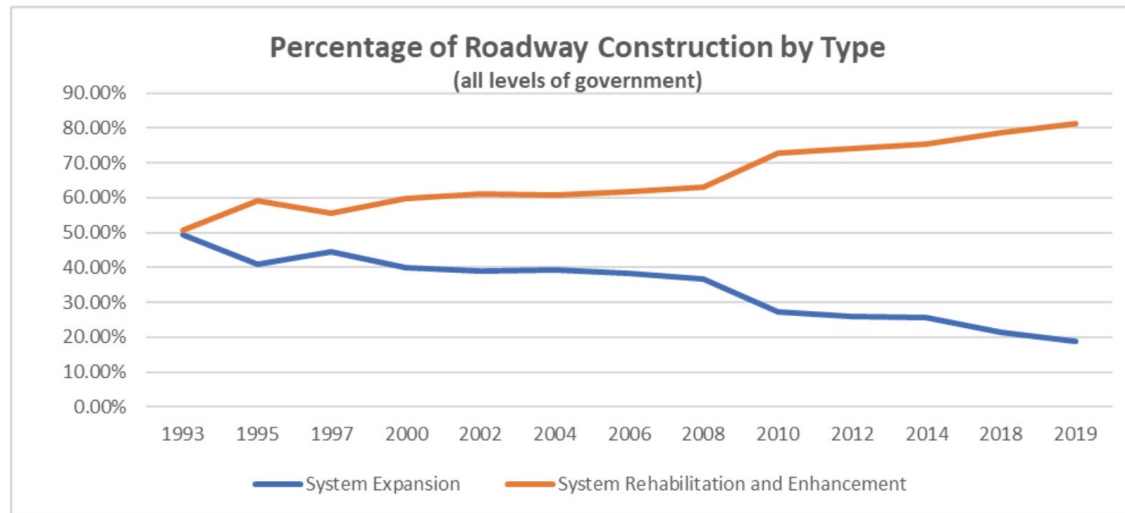


Obligation of Federal-Aid Highway Funds by Improvement Type - 2020



Asphalt pavement strength in repaving Rehabilitation, Reconstruction markets

Historical Trends – New Roadway Capacity vs. Repairing Existing Roads and Bridges



Airport Grants Funded by the Consolidated Appropriations Bill and IIJA Combined – FY 2022

Federal Aviation Administration Program	FY 2021 Enacted	FY 2022 Omnibus
Airport Improvement Program Obligation Limitation	\$3,165,130,000	\$3,156,874,000
Airport Improvement Program General Fund	\$398,000,000	\$272,229,000
Airport Earmarks	0	\$279,180,000
Airport Improvement Program Grants Advance Guaranteed Appropriations Provided by IIJA	0	\$3,000,000,000
Fiscal Year TOTAL	\$3,563,130,000	\$6,708,283,000

Asphalt Mix Outlook

- Strong Demand in Publicly-Funded Highway Sector
 - Baseline increased significantly under IIJA
- Strong Housing Market
 - New starts have not reached pre-great recession levels
- Focus on Sustainability
 - Buy Clean Procurement Incentives



Source: Seizing the Opportunities Ahead: the 2022 Construction Materials Outlook, FMI, January 2022.

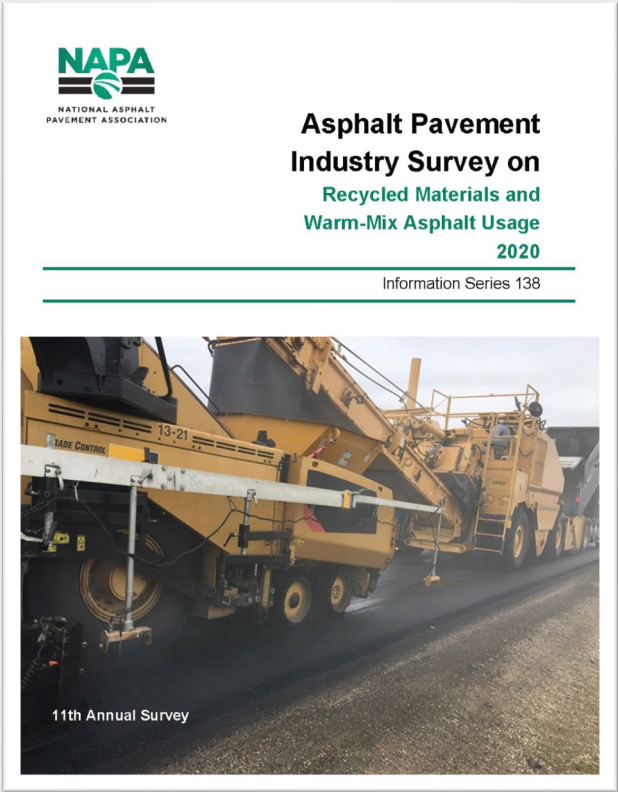
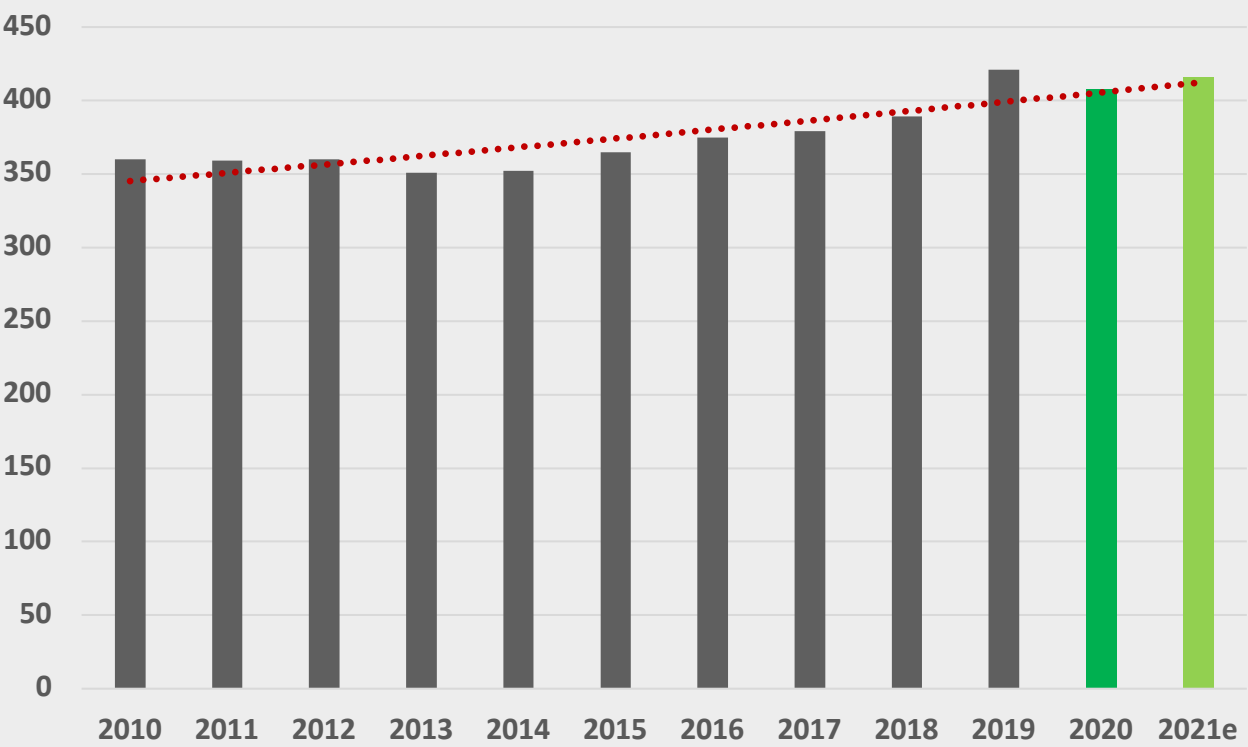
Federal Government Initiatives

- Buy Clean White House Task Force Established
 - Promote the use of construction materials with lower embodied emissions across their life-cycle
- US DOT Working Group Established
 - Charged with reducing life-cycle emissions of construction materials
- General Service Administration (GSA) to use low-carbon sustainable asphalt standards for Ports of Entry projects funded by IIJA
- Federal Aviation Administration (FAA) seeking to incorporate sustainable pavement and construction materials



ASPHALT PAVEMENT TONS

IN MILLION TONS



For More Information

- [Text](#) of H.R. 2471, the Consolidated Appropriations Act, 2022
- [Explanation](#) of Transportation - Housing and Urban Development Section of H.R. 2471
- [One Pager](#) on Pavement-Related Provision in H.R. 2471
- [List](#) of highway and airport earmarks sorted by state
- For more information, contact [Jay Hansen](#) or [Ashley Jackson](#)