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.





NAPA Paves the Way

ETROPOLITAN

SUNDAY REVIEW

Matthieu Aikins

loop Dreams Denied Again

all legend from Brooklyn, was long

running into obstacles, too,

onnie Hawkins, a playground basket-

denied his due. An effort to honor him is

PAGE 1

PAGE 4

INTERNATIONAL 4-11

Syria's Shriveling Farms A prolonged drought and a decade of war have brought failing crops and poverty to a region once known as th country's breadbasket. PAC

Energy Bills Soar in Turkey Hit by spiraling inflation, electricity costs have doubled for households an businesses in just a month - eclipsin the price of rent in some areas. PAGE

Macron vs. the Right

President Emmanuel Macron of France, not even a formal candidate yet, seems to benefit from standing above the anti-immigrant fray. PAGE 5

NATIONAL 12-21 Lobbyists Pave the Way Special interests pushed for infrastructure dollars. The asphalt industry may

For Afghans, No Fast Escape humanitarian grounds have been pro-

RTS & LEISURE hat's Funny. Isn't It? r a cultural critic, a sense of humor is tegral to his Jewish identity. But these rk times raise hard questions about medy and its uses.

have been the most successful. PAGE 12

Few applications for U.S. entry on urgent cessed. Most have been denied. PAGE 18 SUNDAY BUSINESS

When Small Places Get Pricey Spokane, Wash., was once considered an affordable city. But home prices have jumped 60 percent in the past two years. What happens now? PAGE 14 PAGE 1

Intel C.E.O. Has Big Plans

The chip maker has lost its luster over the past few years. Patrick Gelsinger has faith that he can fix that. PAGE 1

SUNDAY STYLES **Tough Clothes Live On** Carhartt has adapted to new dynamics,

selling its work clothing to baristas as well as farmers and loggers. PAGE 10



SPORTS 1-9

Coach Suing N.F.L. Is Hired Brian Flores, who has accused the league of discriminatory hiring practices, joined the Pittsburgh Steelers as a defensive assistant. PAGE 9





National The New York Times

ross, Ga., center and below; left and at right, testing at the National Center for Asphalt Technology."

Lobbying for Infrastructure Cash, Asphalt Industry Drove It Home By KATE KELLY

ssociation sent to Mr. Bi-team late in 2020 entitled tter with Asphalt" sug-was also critical to job onomic recovery. e of financing under the lan, which focused on a like broadband, energy pro-

At the same time, an effort by Senate emocrats to suspend the federal fuel

Taking advantage of cer C.W. Matthews base bipartisan eagerness to repair roads and bridges.

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

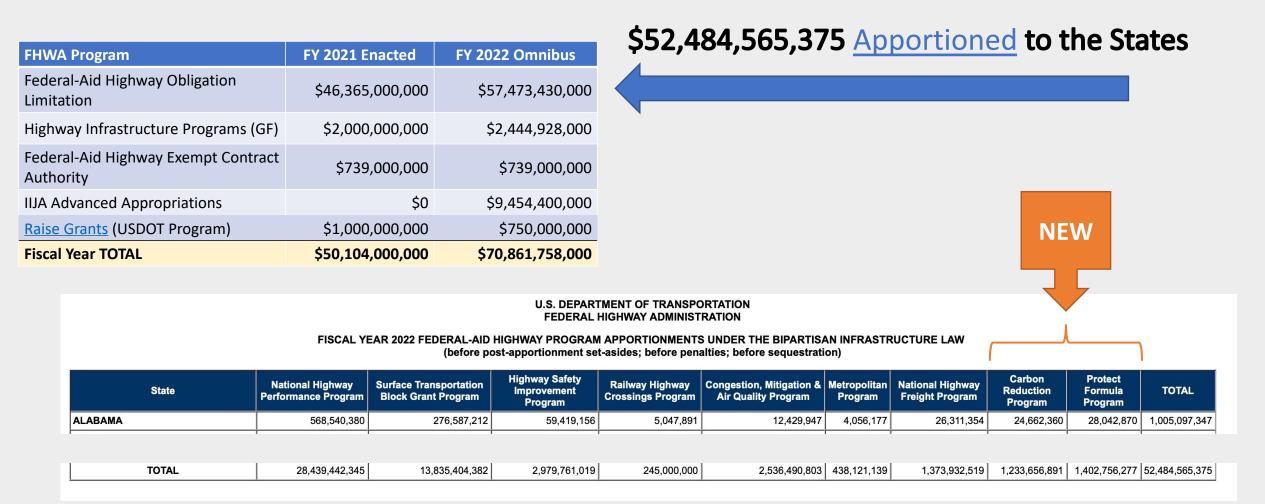
- Consolidated Appropriations Act, 2022 (aka Omnibus)
- Market Outlook
- Q&A with Expert Panel



H.R. 2471, Consolidated Appropriations Act, 2022

- The agreement totals \$1.5 trillion in new funding for Federal domestic and defense programs.
- The bill <u>fully funds</u> the obligation limitation on contract authority for highway and airport programs authorized by IIJA.
- State DOTs will be able to <u>fully utilize</u> 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.

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



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 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 ?

<u>IIJA</u>

Asphalt Market Intensity

*** High ** Medium * Low ? Unknown

NEW PROGRAMS

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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



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, <u>Tuesday, May 10 Registration</u> Wednesday, May 11 Registration Different projects will be presented each day

More details, go to <u>nps.gov/dsc</u> and click on "<u>Need help with contracting</u>?"



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

Great American Outdoors Act

FY 2022

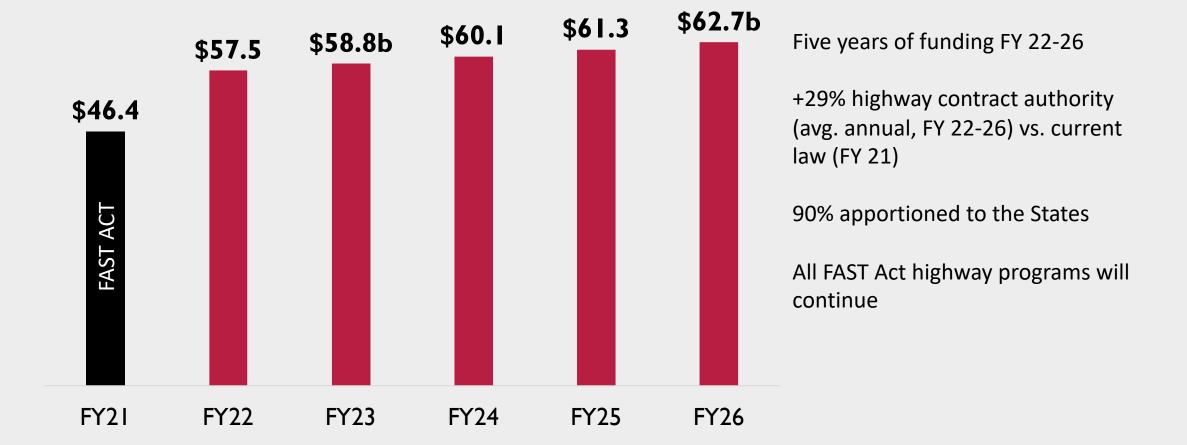
- \$1.2b to address deferred maintenance projects
- 63 Projects
- Average Project Size \$20m

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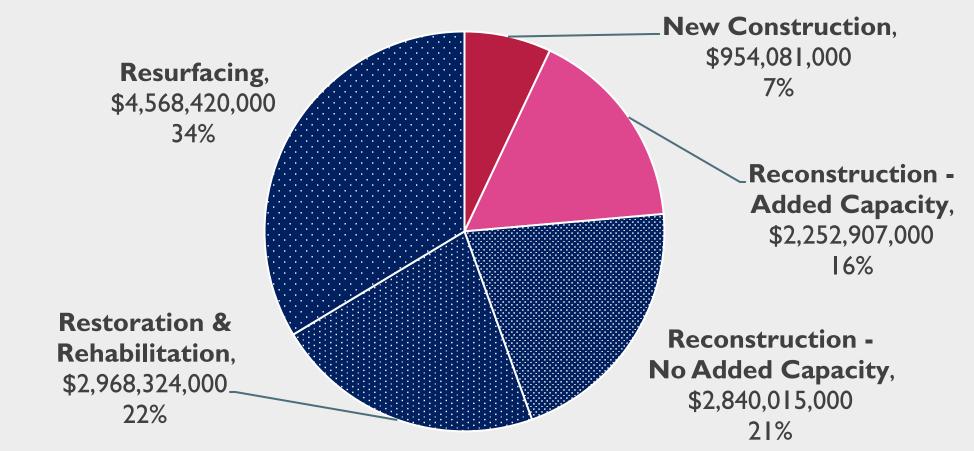
Bridge Formula Program - \$5.5b Bridge Investment Program- \$1.85b National Electric Vehicle Infra. Formula Program - \$1b Appalachian Development Highway System - \$250m Nationally Significant Freight & Highway - \$640m Reconnecting Communities Pilot Program - \$100m Ferry Boats and Ferry Terminal Facilities Program - \$68m Reduction of Truck Emissions at Port Facilities - \$30m University Transportation Centers Program - \$19m

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	National Highway Performance Program - \$639m
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	Grants Awarded by Secretary of US DOT
Fiscal Year TOTAL	\$50,104,000,000	\$70,861,758,000	

Highway funding Obligation Limitation Under IIJA (in billions)



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

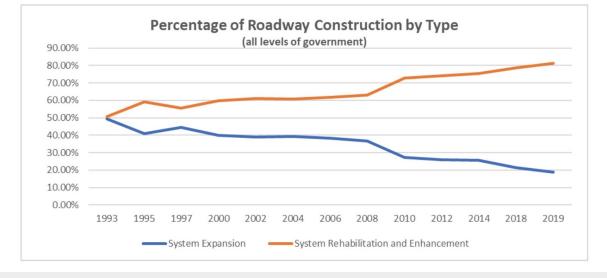


https://www.fhwa.dot.gov/policyinformation/statistics/2020/pdf/fa10.pdf

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.

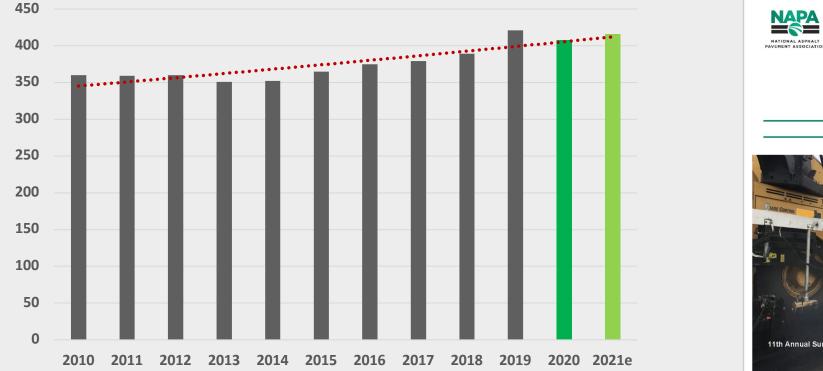
Federal Government Initiatives



- 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



Asphalt Pavement Industry Survey on Recycled Materials and Warm-Mix Asphalt Usage 2020



For More Information

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