



ARTBA Transportation
Construction
Advocacy Update

Rich Juliano, General Counsel

March 23, 2023

ARTBA-ATB Partnership

Since 2002...



American Road
& Transportation
Builders Association



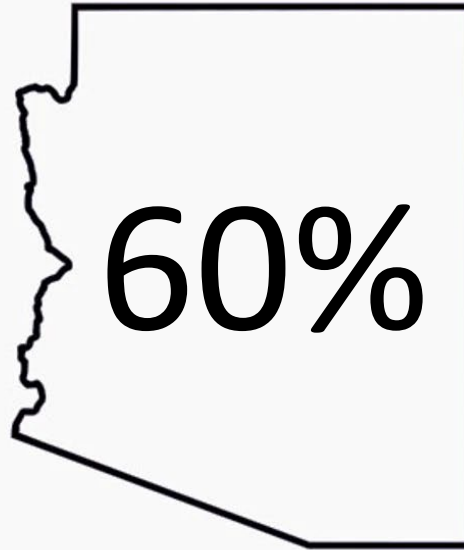
The ARTBA Mission

Develop & Protect Market

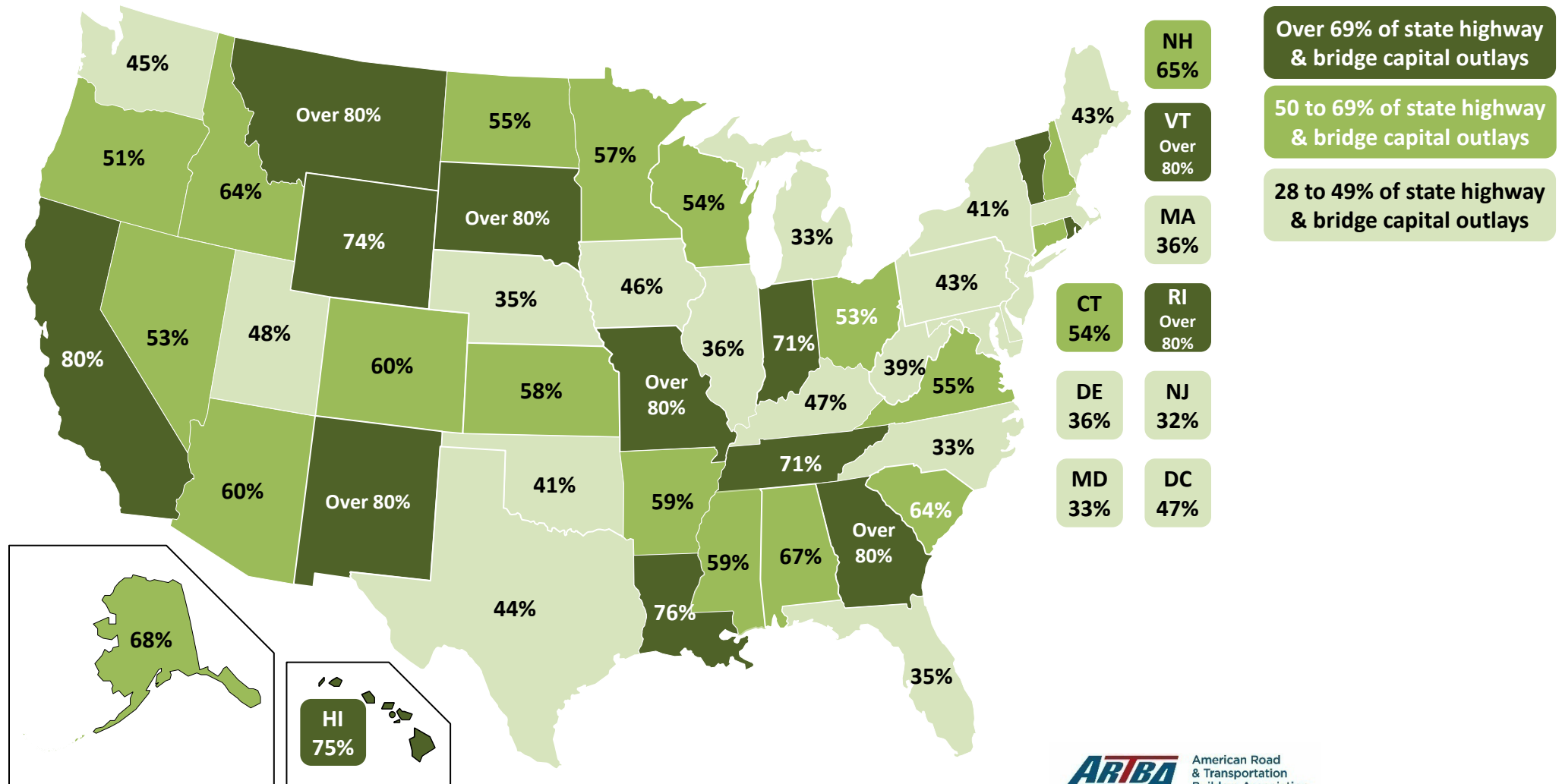
**Develop &
Protect the U.S.
Transportation
Construction Market
to Meet Public &
Business Needs &
Demand**



Why Federal Funding Matters...



Federal funds, on average, provided 51% of annual State DOT capital outlays for highway & bridge projects

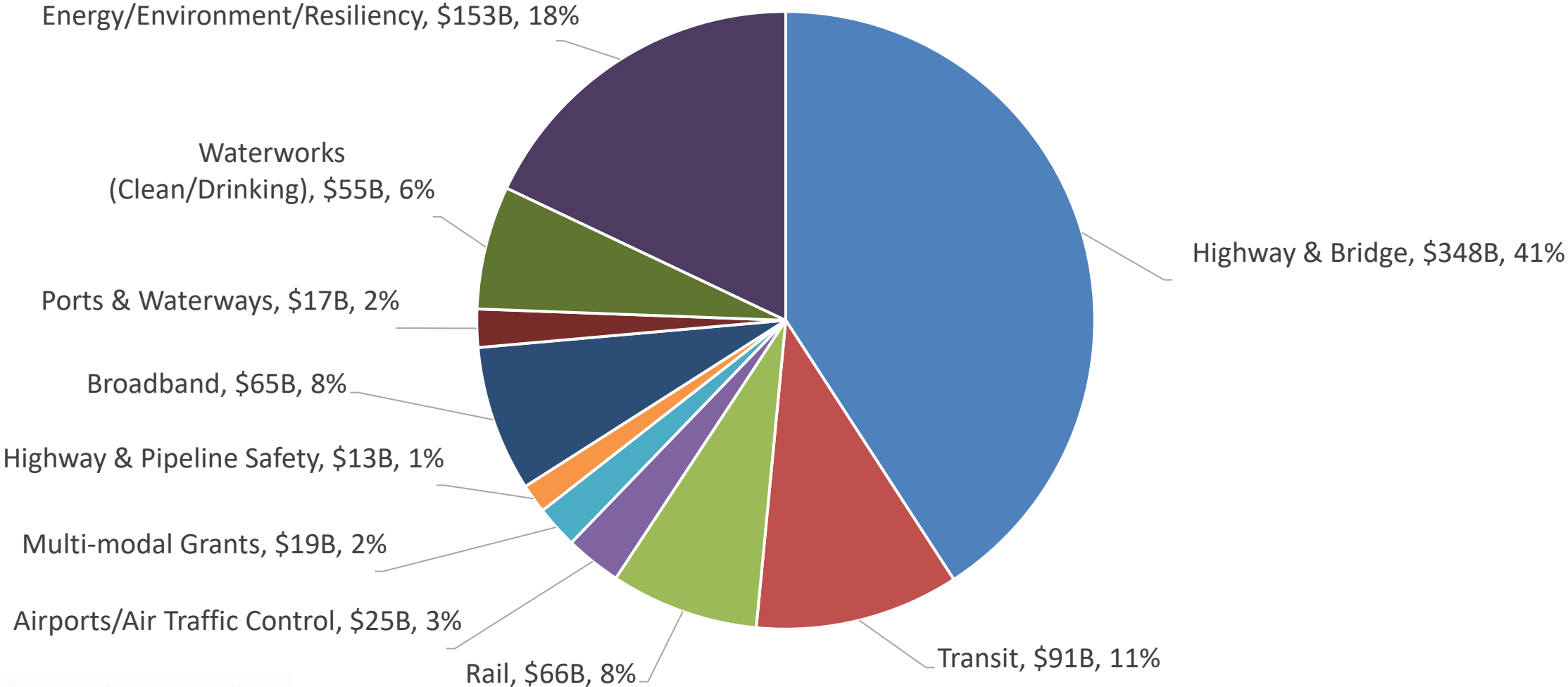


Source: ARTBA analysis of FHWA Highway Statistics data, total average 2016-2020 from tables SF-1 and SF-2. The percent is the ratio of federal aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right of way and engineering, but are also used for debt service for GARVEE bonds that may represent capital work performed in a different year.

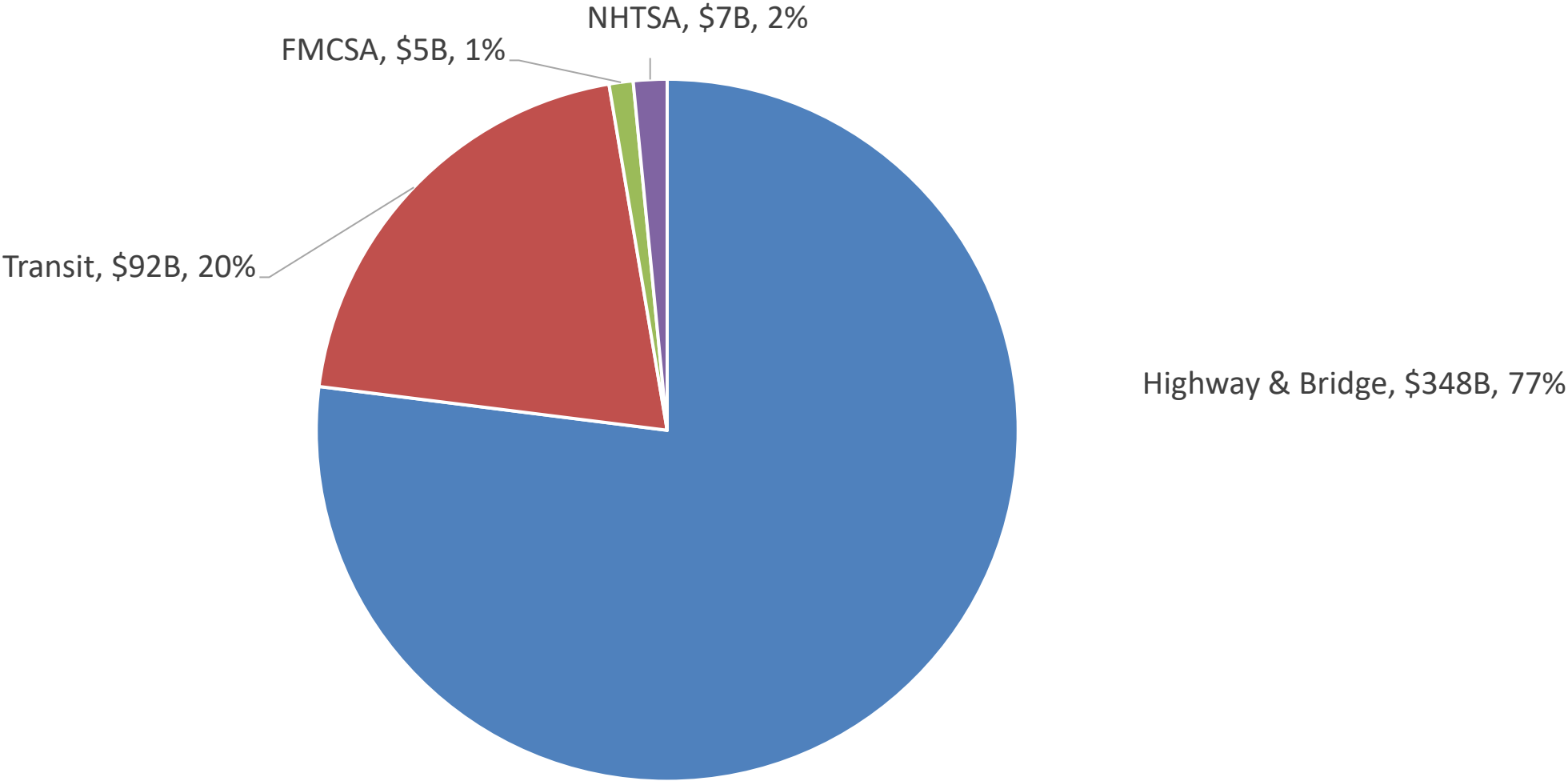
Infrastructure Investment & Jobs Act (IIJA)

- Federal surface transportation law
- Signed November 15, 2021
- 5 years (Fiscal Years 2022-26) – we are in Year 2
- Sets investment levels and policies for federal highway and public transportation programs
- Paid for by mix of federal gas/diesel taxes and general funds
- NOTE: The IIJA addresses other forms of infrastructure as well

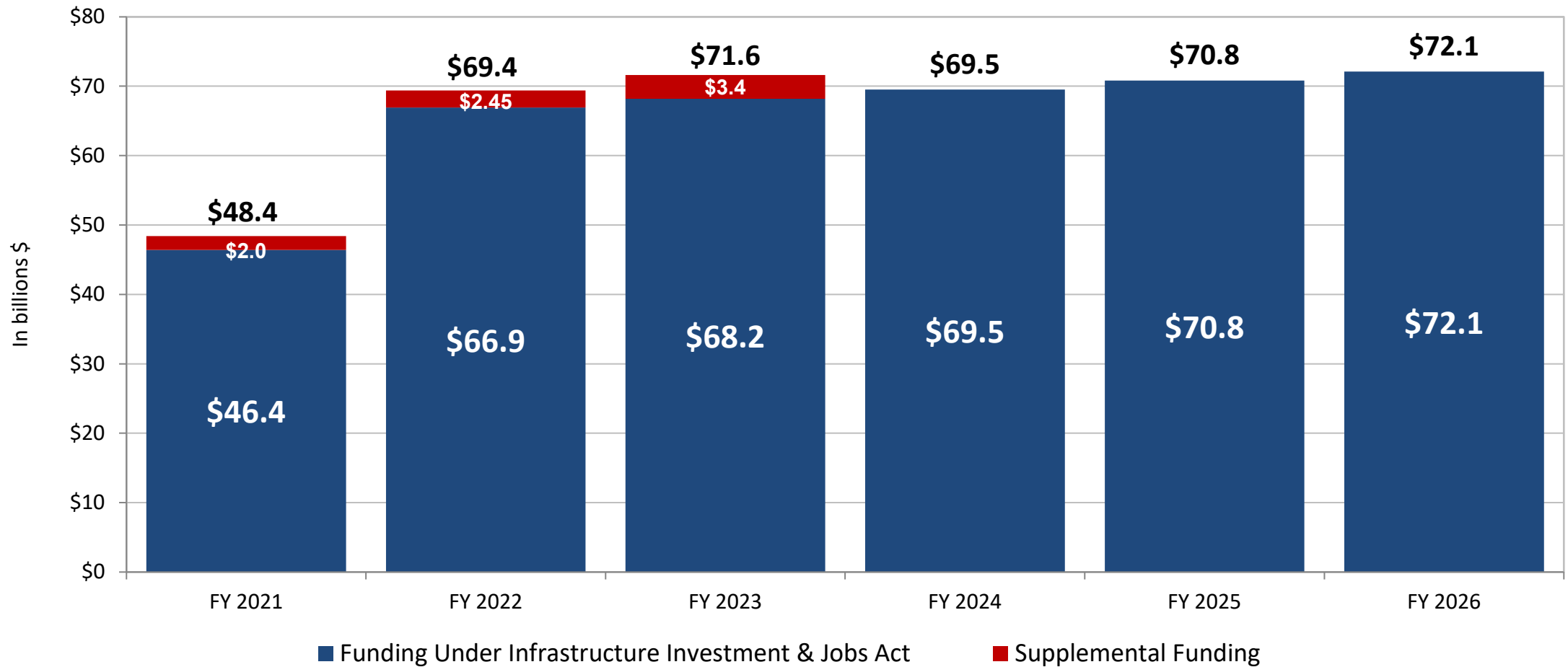
Breakdown of \$852 Billion in Guaranteed Funding in the Infrastructure Investment & Jobs Act



Breakdown of \$452 Billion in Core Surface Transportation Reauthorization Plus Supplemental Funding in the Infrastructure Investment & Jobs Act

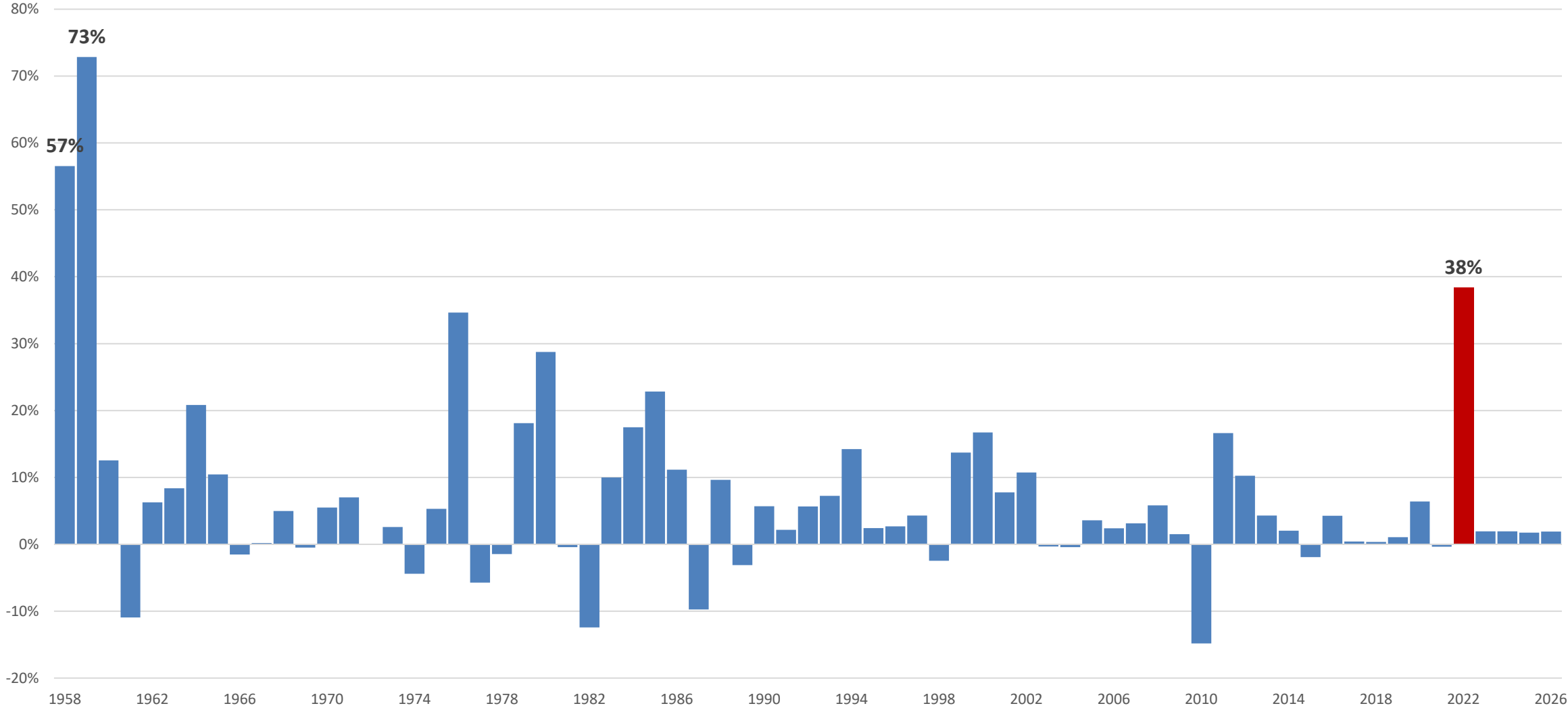


Federal-Aid Highway Investment Under the IJA



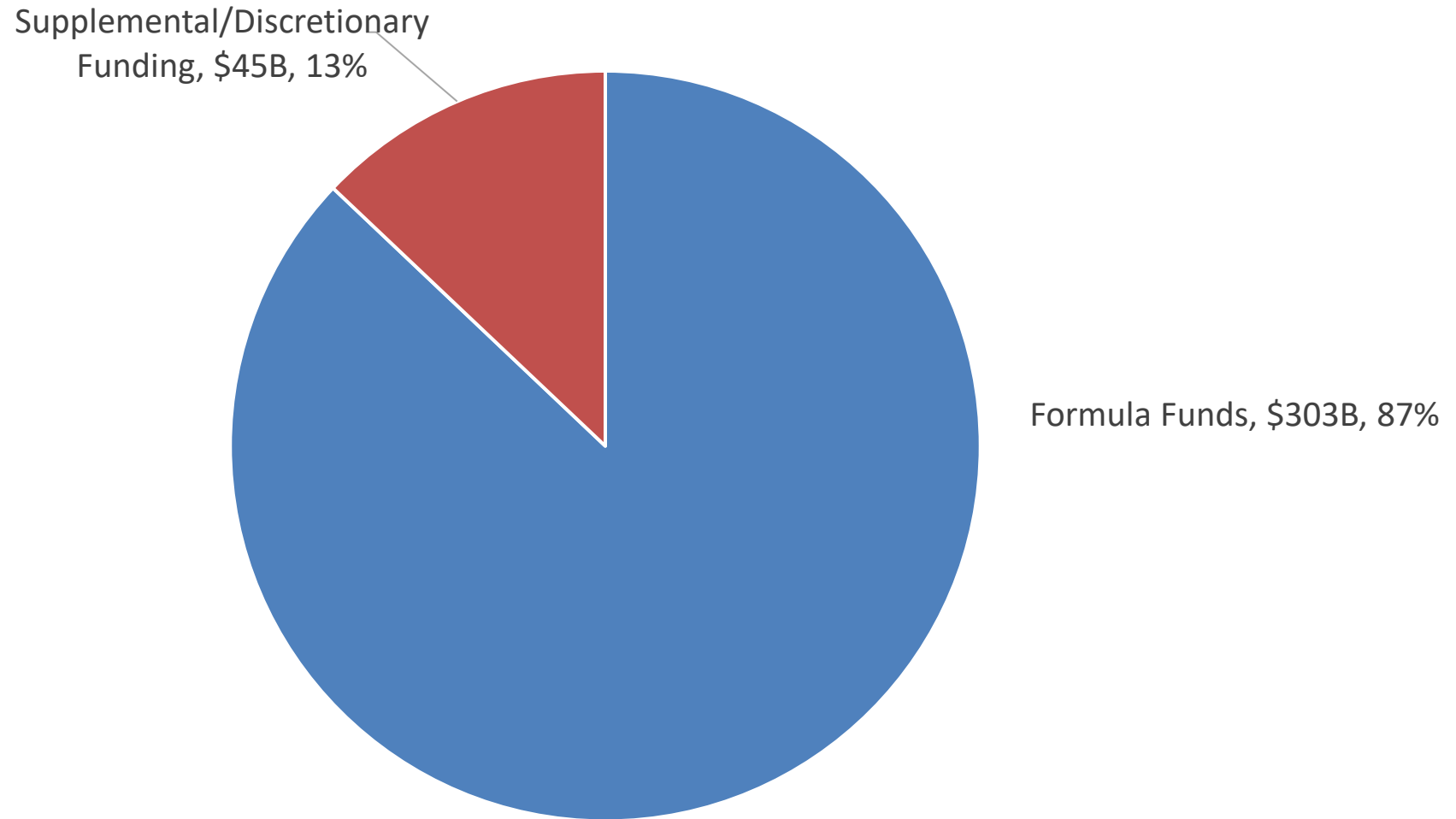
Source: FHWA final notices for annual highway program obligations and supplemental programs, Infrastructure Investment & Jobs Act

Annual Percentage Increase In Nominal Highway Funding



Source: FHWA, IJJA Analysis.

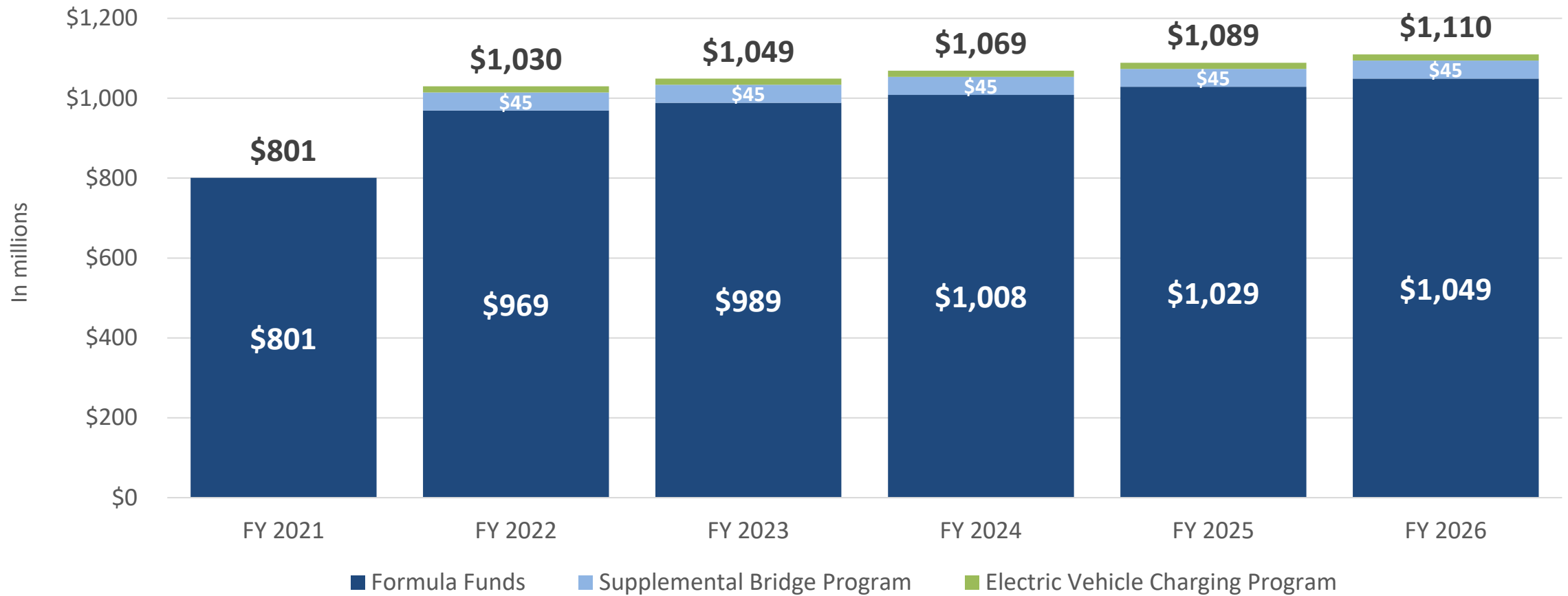
Breakdown of \$348 Billion IJA Highway Funding



Formula funds include the core highway program, funds for EV charging stations and the conditions-based bridge program.

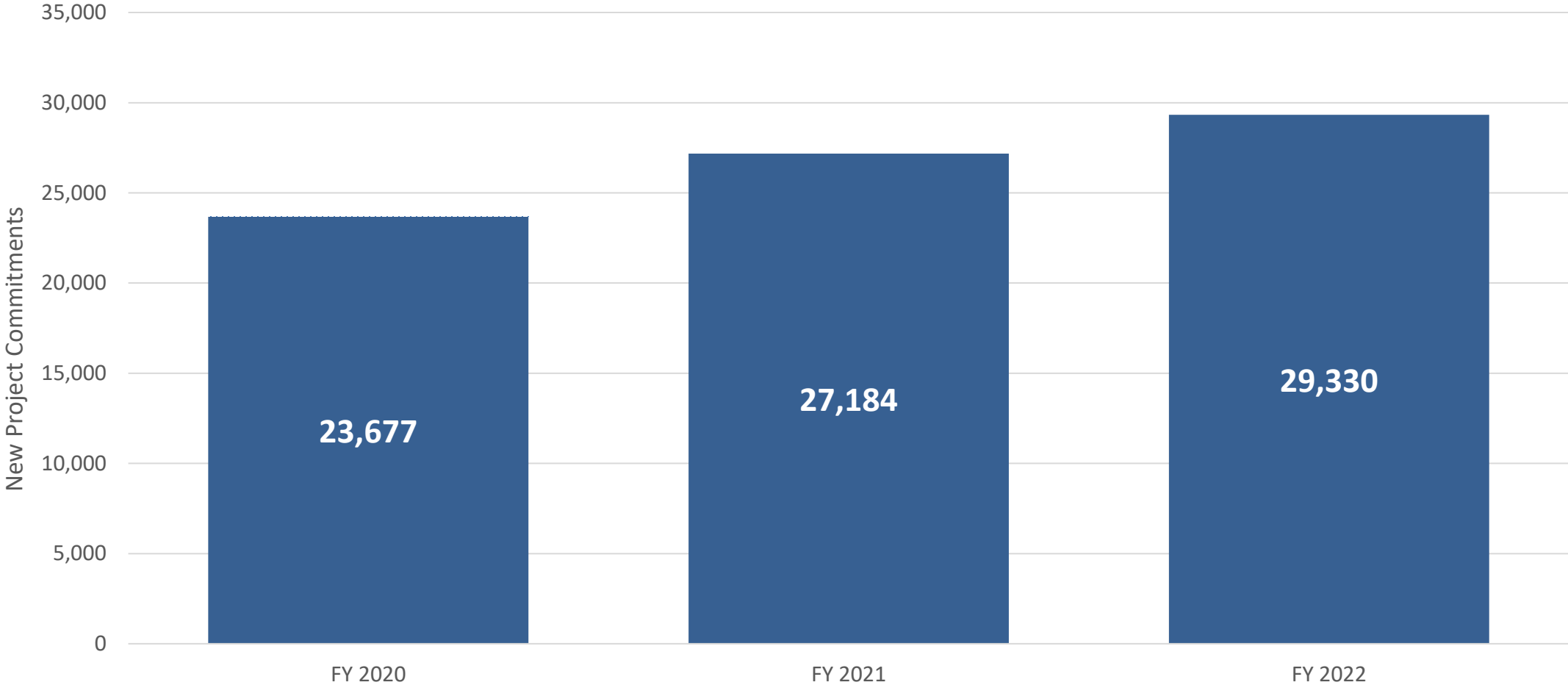
Arizona Apportionments Under Infrastructure Investment and Jobs Act (IIJA)

Federal-Aid Highway Program State Apportionments



Source: Data from Federal Highway Administration.

Number of New Federal-Aid Highway Fund Projects

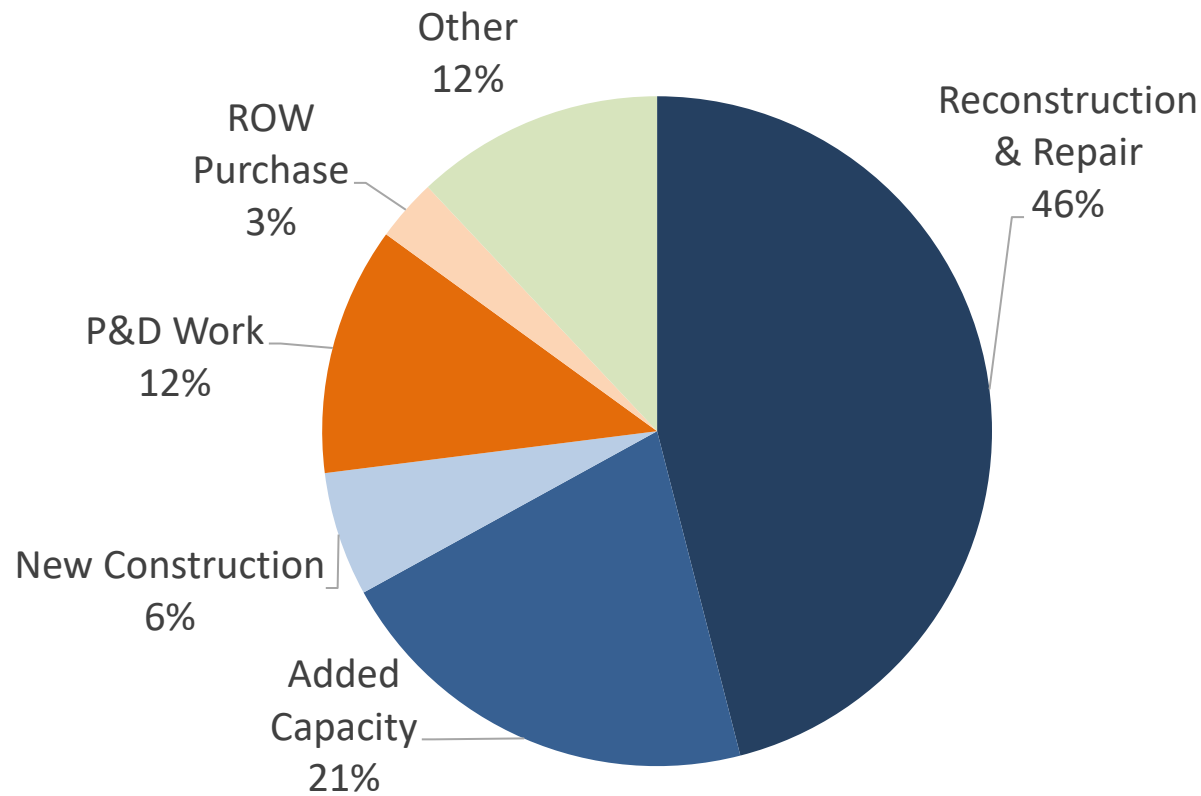


Source: U.S. Treasury data, Treasury accounts for federal aid formula funds, based on state and project descriptions and base year of project award. Multiple obligations for one project in a year have been consolidated. Does not include COVID funds, appropriations funds or other federal funding sources. Includes projects using FY 2022 bridge formula funds, other federal aid highway programs (such as Tribal Lands, research) and discretionary awards.

19% of Federal-Aid Highway Projects in Arizona Are Reconstruction Work, FY 2022

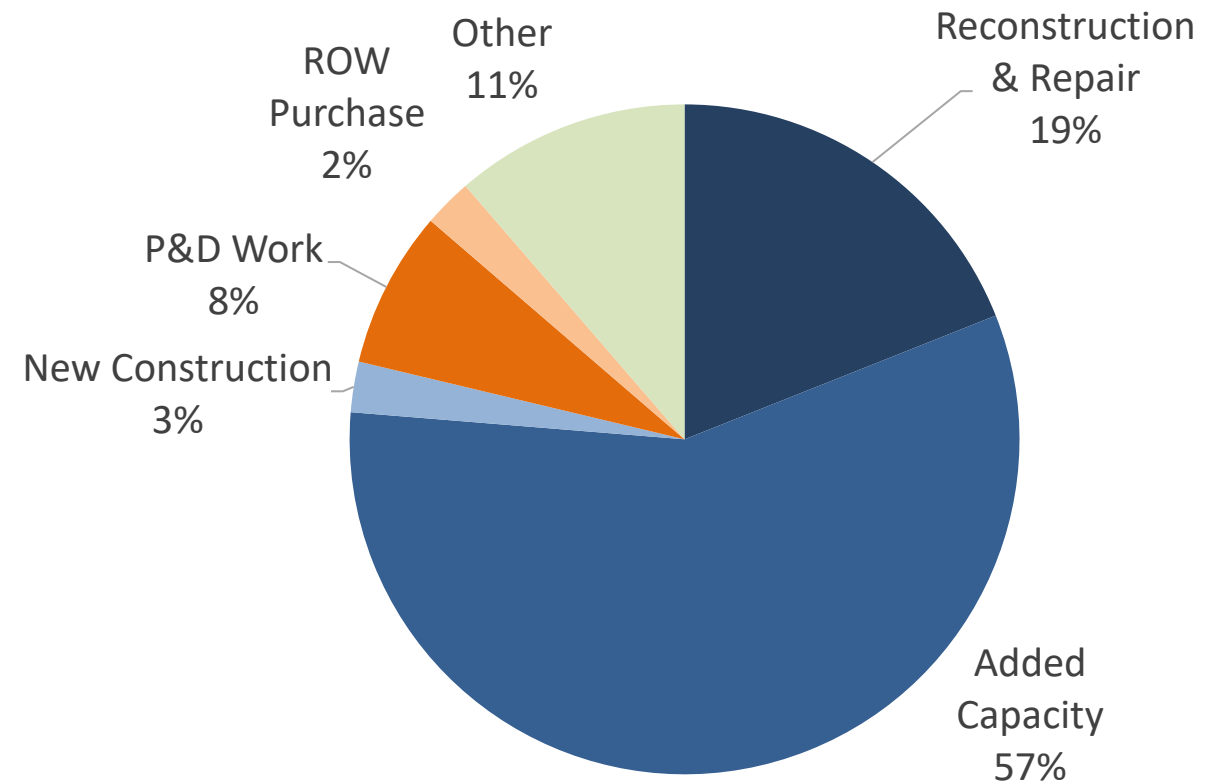
National Average:

Value of Federal-Aid Highway Projects by Type



Arizona:

Value of Federal-Aid Highway Projects by Type



Source: Data from Federal Highway Administration for FY 2022.

Tracking Arizona's Federal Funding and Projects



Arizona Infrastructure Investment & Jobs Act (IIJA)

Highway/Bridge Status Report As of December 31, 2022

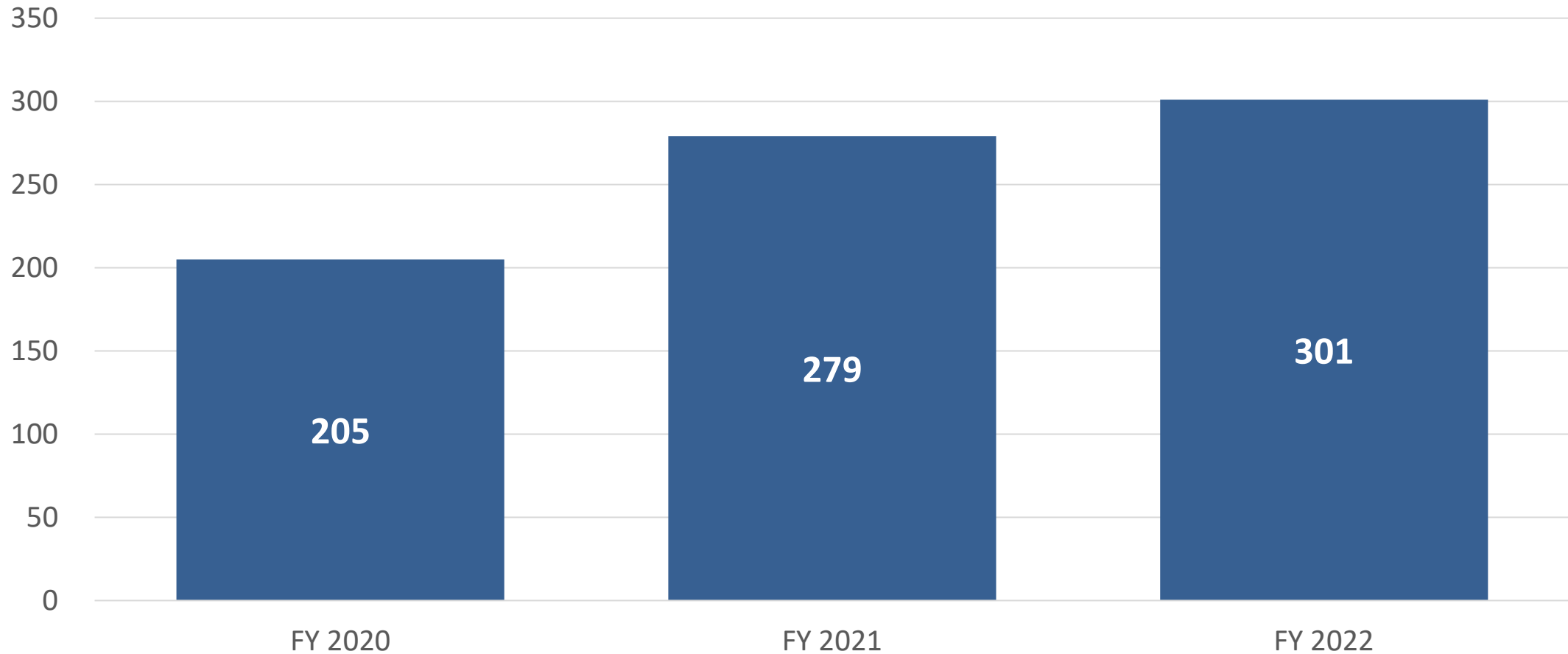
The 2021 federal infrastructure law provides Arizona with \$5.35 billion to improve its roadway and bridge infrastructure network. The second installment of that five-year commitment is \$919.80 million in FY 2023, which began October 1, 2022. Of that total, \$858.51 million in formula funds need to be committed by the end of FY 2023 to new or ongoing projects.

- Arizona has committed \$175.18 million in federal funds for highway and bridge projects as of January 30, 2023. This does not include eligible transfers to other agencies or programs, but does include core formula, discretionary, and bridge formula funds.
- This has supported 81 new projects in FY 2023, in addition to 301 projects in FY 2022.
- Reimbursements for work related to these new projects is \$5.92 million.
- The U.S. Department of Transportation has announced six IIJA discretionary project grants in Arizona, valued at \$76.6 million.

On average, federal funds support 59 percent of state capital spending in Arizona for highway construction, right of way purchases, and planning and design work. The data below highlights one element of this partnership by quantifying how the state is utilizing IIJA funds. IIJA funds complement investments made at the state and local level, and the totality generates business activity and economic efficiencies across all sectors of the economy.

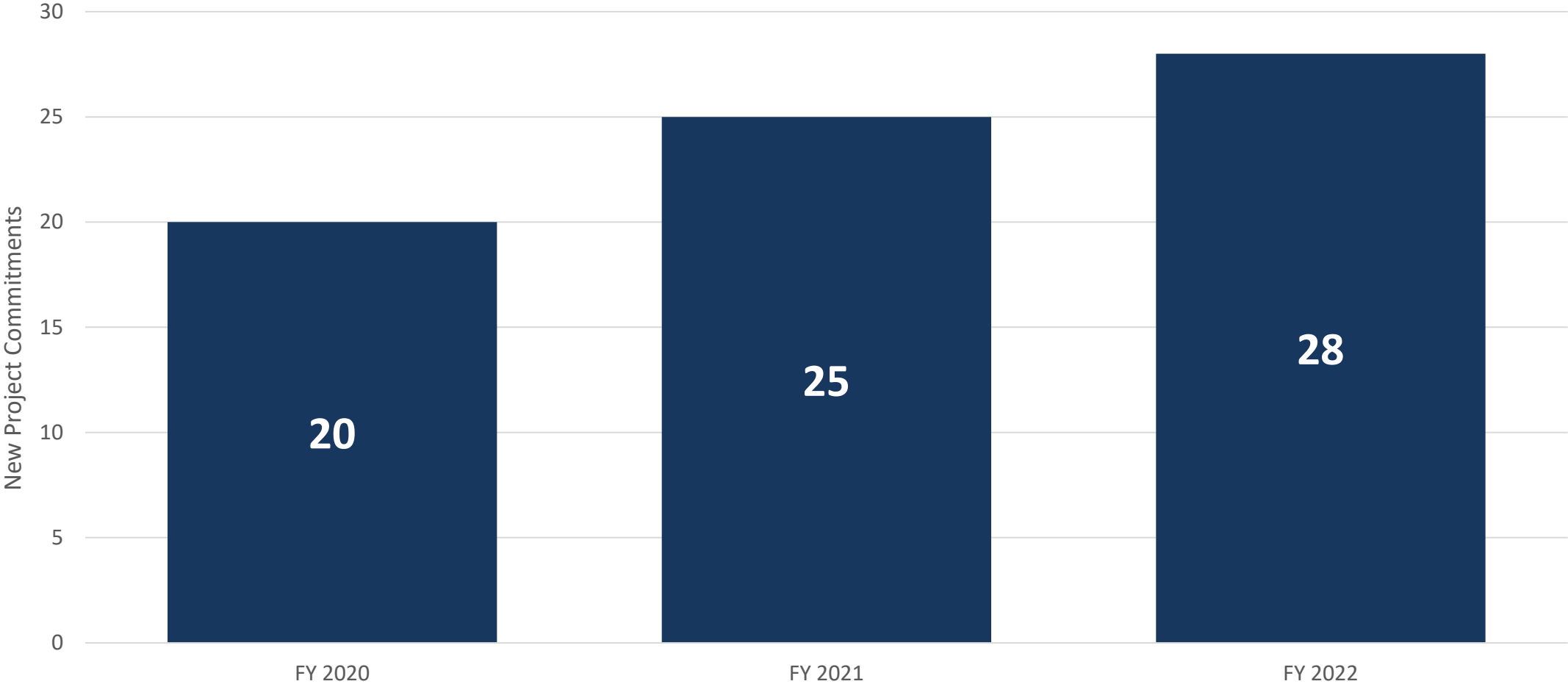
Arizona New Projects Supported By Federal Investment

Number of New Projects



Source: U.S. Treasury data, Treasury accounts for federal aid formula funds. Projects classified as new by the base award year. Includes formula bridge money, other federal-aid highway programs, and discretionary project commitments, but does NOT appropriations funds, penalty funds, funds flexed to transit or other projects, or other federal funding sources.

Number of New Federal-Aid Highway Formula Fund Projects in Pima County



Source: U.S. Treasury data, Treasury accounts for federal aid formula funds that must be obligated within the federal fiscal year, based on state and project descriptions. Multiple obligations for one project in a year have been consolidated. Does not include Discretionary Funds, COVID funds, appropriations funds or other federal funding sources. Includes projects using FY 2022 bridge formula funds.



FY 2022 Top IJA Highway & Bridge Projects

State	Description	Federal Funds (in millions)
Arizona	I-17 Split- I-10 SR 202L Santan ^o Roadway Widening	\$223.9
Arizona	I-10; Ina Road Ti to Ruthrauff Rd Ti, Tucson, Interstate Reconstruction & Capactiy Additions	\$77.8
Arizona	Tribal Transportation Program	\$65.5
Arizona	I-10; MP 105.95 to SR 85 (MP 112.33), W of Buckeye, Pavement Rehabilitation	\$51.3
Arizona	I-10; 443Rd Ave - E of Wintersburg Rd, Pavement Rehabilitation	\$51.0
Arizona	State Route (Sr) 30: SR 303L to SR 202L, in Phoenix, Right of Way Acquisition	\$39.6
Arizona	I-17; NB MP 311.27-Mp340.34 to SB MP 322.79-MP 323.11 & SB MP 401.95-MP 402.05 (Sr89A), S of Flagstaff, Pavement Rehabilitation	\$29.8
Arizona	I-8; W of Aztec Rd - E of County Line, Yuma, Pavement Rehabilitation	\$29.1
Arizona	US 95; Rifle Range Rd - Wellton-Mohawk, Yuma, Roadway Widening	\$28.5

Source: ARTBA Highway Dashboard, data from Federal Highway Administration for FY 2022. Does not include project using advance construction funding.

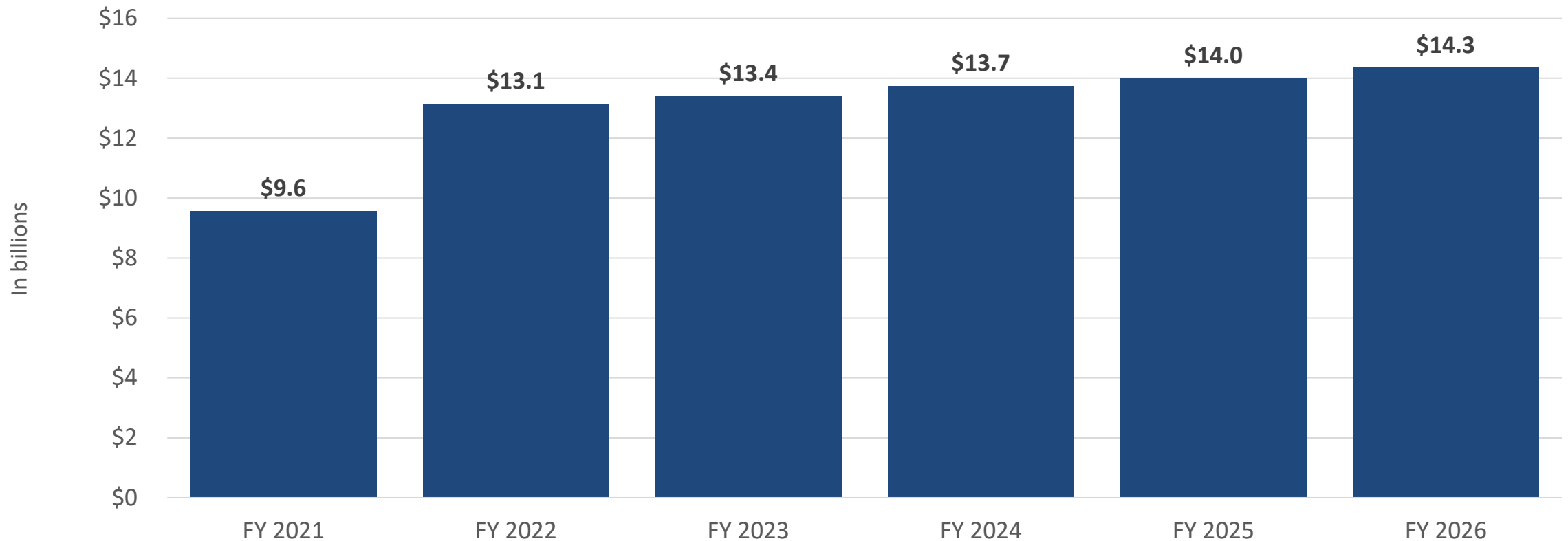
FY 2022 Top IJA Highway & Bridge Projects in Pima County

Location	Description	Federal Funds (in millions)
Pima County	I-10; Ina Road Ti to Ruthrauff Rd Ti, Tucson, Interstate Reconstruction & Capacity Additions	\$77.8
Pima County	I-10, Ruthrauff Rd to Prince Rd in Tucson, Widen/Reconstruct Freeway & Interchange	\$8.0
Pima County	I-19; Valencia Road (MP 58.50) to SR 86 (MP 61.01), S Tucson, Pavement Rehabilitation	\$6.6
Pima County	SFY 2022/SFY 2023 Pima Association of Governments (Pag) Work Program (Stbgp), Work Program Activities (2 Year Work Program Cycle)	\$5.5
Pima County	Sunset Rd: Santa Cruz River to River Rd, in Tucson, Az, Roadway Construction	\$5.4
Pima County	SR 86; Tribal Route 232 - Sells MP 105, Sw of Tucson, Pavement Preservation	\$2.3
Pima County	I-19- Irvington Road Ti, Tucson, Reconstruct Traffic Interchange	\$1.7
Pima County	I-10, Cienega Creek (MP 288) to Marsh Station (MP 290.33), Roadway Reconstruction	\$1.2
Pima County	SFY 2022 / SFY 2023 Pima Association of Governments (Pag) Work Program (PI), Work Program Activities (2 Year Work Program Cycle)	\$0.9

Source: ARTBA Highway Dashboard, data from Federal Highway Administration for FY 2022. Does not include project using advance construction funding.

U.S. Transit Apportionments Under Infrastructure Investment and Jobs Act (IIJA)

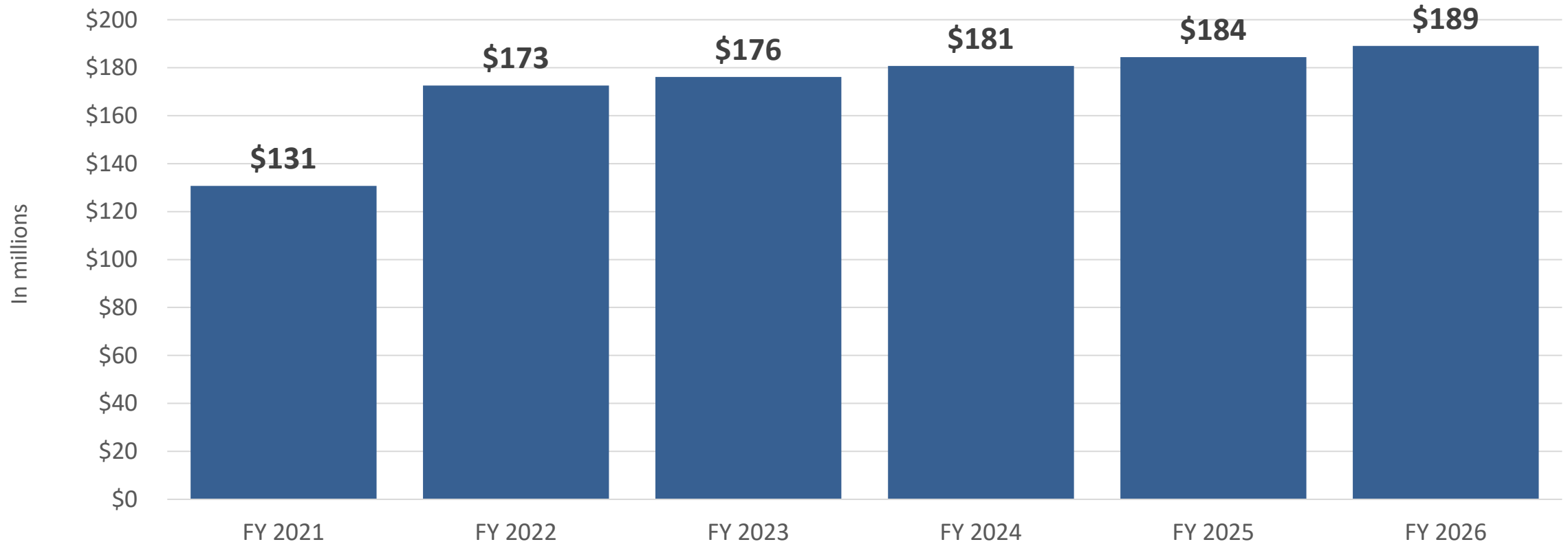
Total State Transit Apportionments Under Continuing Appropriations Act, 2021,
Estimated for Proposed IIJA



Source: Data is for state appropriations, does not include additional discretionary programs, programs appropriated from the General Fund (including Capital Investment Grants), or other programs that are authorized to be appropriated.

Arizona Transit Apportionments Under Infrastructure Investment and Jobs Act (IIJA)

State Transit Apportionments



Source: Data is for state appropriations, does not include additional discretionary programs, programs appropriated from the General Fund (including Capital Investment Grants), or other programs that are authorized to be appropriated.

ARTBA
Bill
Analysis
at
artba.org

INFRASTRUCTURE INVESTMENT & JOBS ACT

Analysis & Timeline of ARTBA Leadership
on the Road to Reauthorization



Transportation Makes America Work
TMAW

ARTBA American Road
& Transportation
Builders Association

New!

“America's Infrastructure At-A-Glance”

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Mobility

Goods Movement

Safety

Highway Funding

Transit Funding

Airport Funding

More Information

Arizona Transportation Facts

Scope of Infrastructure Network

Highways, Roads & Bridges		Airports	
Total Road Mileage	66,968	Military Facilities & Other Aerodromes	1,006
Total Rural Miles	40,390	Primary and Commercial Airports	15
Total Urban Miles	26,578	Public Use Airports, Seaplane Bases	177
Number of Bridges	8,467	Number of Airports	1,198
Transit & Rail		Ports & Waterways	
Miles of Freight Railroad	5,225	Docks	0

Select District

Download


Informing Arizona's Congressional Delegation



Implementing the IJA: Some Key Issues

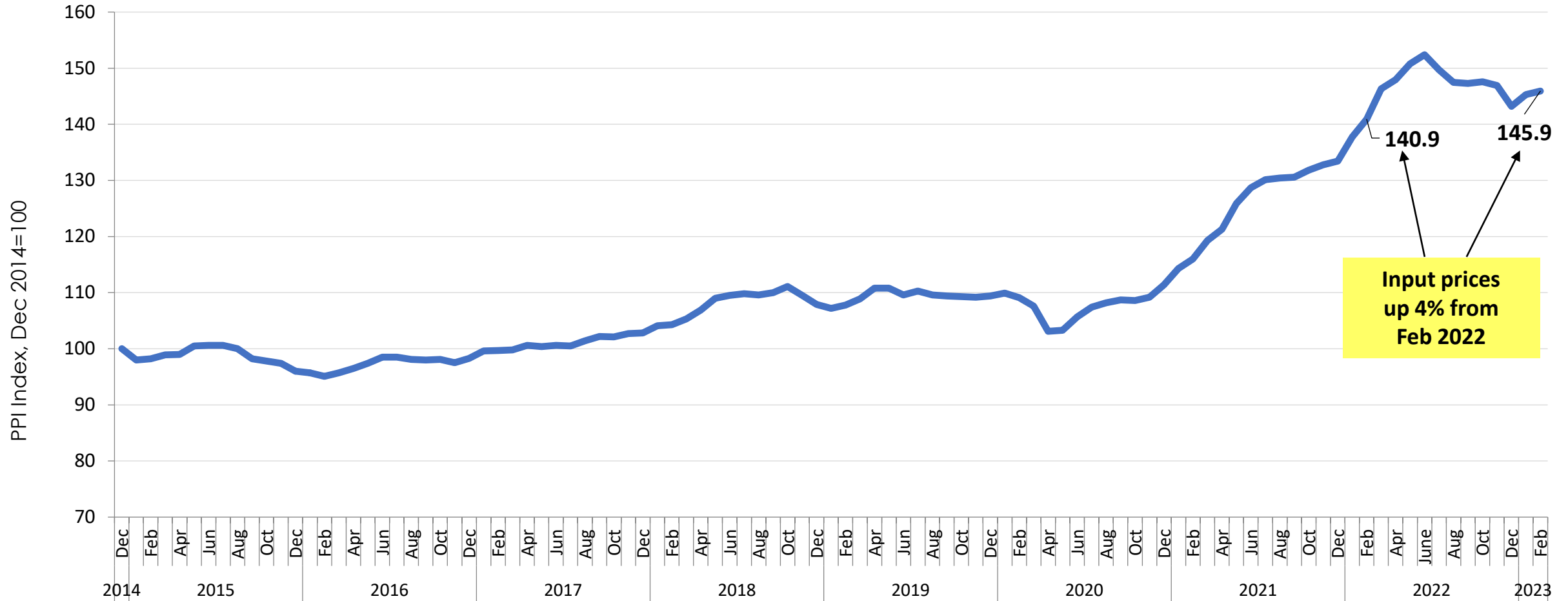
- Materials Costs and Availability
- Buy America
- DBE Program
- Davis-Bacon
- Project Labor Agreements
- One Federal Decision
- Waters of the U.S. (WOTUS)

Implementing the IJA: Some Key Issues

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Monthly Price of Inputs for Highway & Street Construction

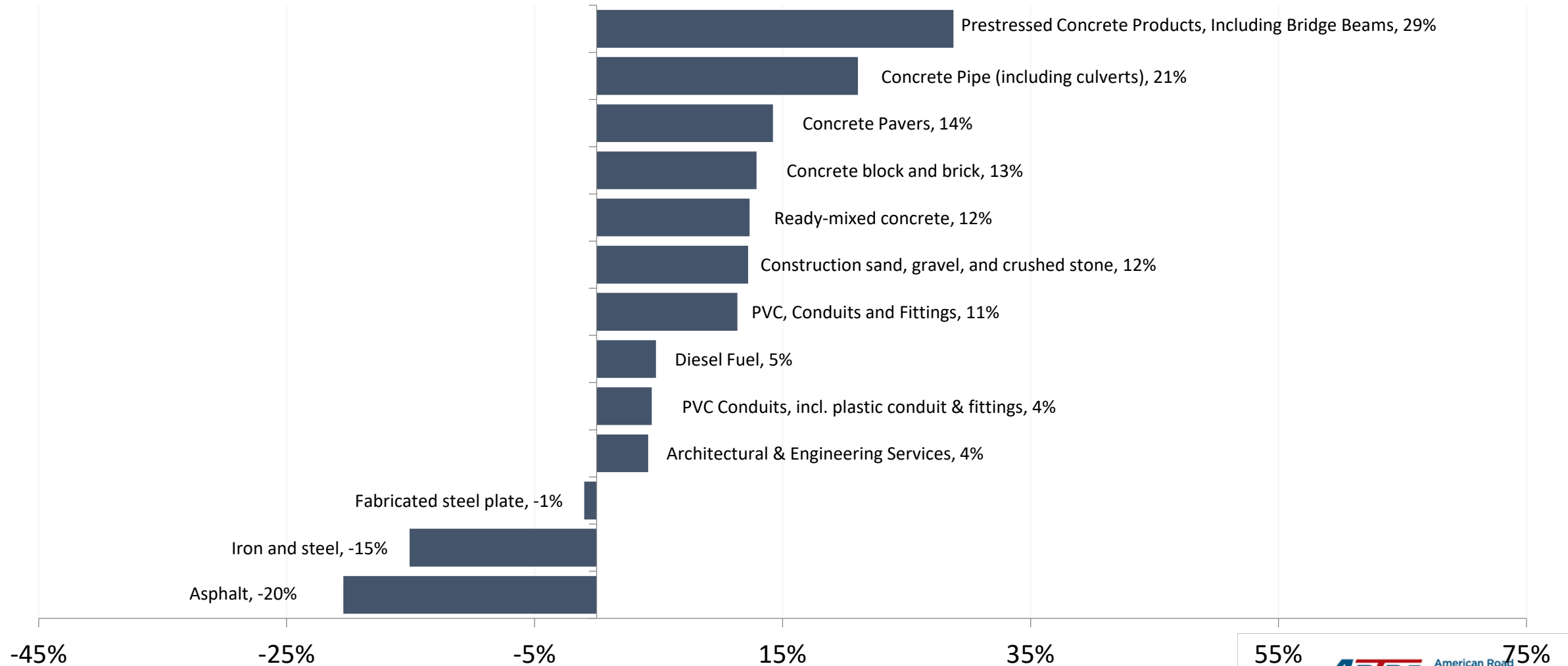
(excluding capital, labor and imports)



Input prices up 4% from Feb 2022

Source: U.S Bureau of Labor Statistics, PPI for Net inputs to highways and streets, excluding capital investment, labor and imports.

Change in Prices for Highway Construction Inputs, Feb 2023 vs. 2022



Materials Costs and Availability: ARTBA Dashboard

National Materials Dashboard

Economics & Market Analysis

Highway Dashboard

Market Intelligence

National Materials Dashboard

Deficient U.S. Bridges

Annual Market Forecast

CONTACT US

Home / Economics & Market Analysis / National Materials Dashboard



National Commodity and Material Prices for Transportation Construction

Since late 2020, the transportation construction industry has confronted unprecedented pandemic-related cost increases and often-limited availability for key commodities and materials. As a result, ARTBA's Construction Forum launched a work group to raise awareness of these market forces, share strategies for addressing the problem and advocate for equitable solutions. To help ensure all project partners – whether public or private – better understand the extent of these dynamics, ARTBA's economics team has centralized national cost data for key inputs and commodities used by the transportation construction industry.

The national data in the dashboard below includes a series of indices from the U.S. Bureau of Labor Statistics to measure relative price changes in the economy:

- The **Consumer Price Index (CPI)** is a measure of the average changes in consumer prices over time and is widely cited as a measure of general inflation.
- The **Producer Price Index (PPI)** series measures specific goods, services, and commodities. They are a family of indices quantifying the average change over time in the prices received by producers for domestically-produced goods, services, and construction.
- The **PPI for Highway & Street Construction** includes weighted prices for the different components used to deliver highway and bridge projects. It does not include labor, capital investment, or imports. The main index is also broken out into energy, service, and goods, highlighted below. The PPI index for different inputs for transportation construction are included separately in the "Major Commodities" and "Select Your Input" options below.

The data are presented in index form and measure relative changes. As an example, if the index is 100 in the base year and increases to 110, prices for that commodity have risen 10 percent over that time period. Dashboard users can view overall trends or filter for specific inputs using data since 2011.

Finally, it is important to emphasize the dashboard incorporates **national** cost data. Many states and regions are experiencing even more exaggerated cost spikes for certain commodities. Also, this data does not measure any shortages or delivery times for materials, another troublesome recent trend. Nevertheless, ARTBA believes this information portrays the extraordinary nature of the current market and hopes it will help facilitate cooperative solutions to preserve the economic benefits from transportation infrastructure investment.

For questions, please contact ARTBA's Chief Economist Dr. Alison Black (alblack@artba.org) or Senior Economist Dr. Josh Livovits (jlivovits@artba.org).

Consumer Price Index

299.2

General Construction Inputs

147.5

Highway & Street Construction Inputs

144.6

Buy America

- Bipartisan support
- Requires domestic manufacturing process
- Iron and Steel still covered
- Adds “construction materials”
 - Non-ferrous metals, PVC/plastics, lumber, glass, drywall
 - Exempts aggregates and related paving materials
 - Took effect Nov. 10
- White House Made in America Office
 - Guidance for all of federal government
 - Reviews all waivers
- FHWA Waiver for Manufactured Products
- Coalition with ARTBA and others

Implementing the IJA: Some Key Issues

- Materials Costs and Availability
- Buy America
- DBE Program
- Davis-Bacon
- Project Labor Agreements
- One Federal Decision
- Waters of the U.S. (WOTUS)

Implementing the IIJA: Some Key Issues

- Potential Litigation, Administrative Action, Coalitions – 2023 Outlook
- ARTBA “Transportation Makes America Work!” (TMAW) Program

COVID Relief Funds

- American Rescue Plan Act (ARPA - 2021)
- State and local government relief funds
- Cornyn-Padilla Amendment clarifies eligibility of transportation infrastructure projects

ARTBA Policy Initiative Recognized by White House



ARTBA American Road & Transportation Builders Association

Risk Factors in Design-Build: Recommendations for Consideration

American Road & Transportation Builders Association
Construction Forum

Approved by Board of Directors
May 16, 2022

• The American Road and Transportation Builders Association's Construction Forum has issued guidance for parties on design-build projects to better assess and allocate risk. Building on diverse experience with innovative contracting methods, ARTBA's work will help maximize cost and time savings on transportation infrastructure projects when public agencies choose to utilize design-build.



ARTBA Annual Bridge Report



Arizona

State Bridge Profile

Highlights from FHWA's 2022 National Bridge Inventory Data

- Of the 8,497 bridges in the state, 107, or 1.3 percent, are classified as structurally deficient. This means one of the key elements is in poor or worse condition.
- This is down from 150 bridges classified as structurally deficient in 2018.
- 9 of the structurally deficient bridges are on the Interstate Highway System. A total of 86.9 percent of the structurally deficient bridges are not on the National Highway System, which includes the Interstate and other key roads linking major airports, ports, rail and truck terminals.
- 224 bridges are posted for load, which may restrict the size and weight of vehicles crossing the structure.
- The state has identified needed repairs on 1,675 bridges at an estimated cost of \$2.6 billion.

Bridge Inventory

Type of Bridge	All Bridges			Structurally Deficient Bridges		
	Total Number	Area (sq. meters)	Daily Crossings	Total Number	Area (sq. meters)	Daily Crossings
Rural Bridges						
Interstate	1,226	583,975	19,908,653	8	13,186	124,883
Other principal arterial	930	585,823	8,293,055	4	2,860	23,546
Minor arterial	702	267,163	5,727,350	9	4,231	19,903
Major collector	1,089	466,840	2,682,759	15	8,906	21,374
Minor collector	346	109,263	458,514	16	6,851	7,566
Local	833	242,762	736,310	41	8,498	8,574
Urban Bridges						
Interstate	320	642,306	18,136,520	1	10,977	8,350
Freeway/expressway	444	1,101,090	27,982,551	0	0	0
Other principal arterial	736	796,127	16,885,836	1	2,126	34,003
Minor arterial	681	734,918	10,652,644	3	10,381	47,167
Collector	449	319,509	2,900,379	1	61	660
Local	741	266,866	2,004,011	8	2,138	9,108
Total	8,497	6,116,642	116,368,584	107	70,213	305,134

Proposed Bridge Work

Type of Work	Number	Cost (millions)	Daily Crossings	Area (sq. meters)
Bridge replacement	1,230	\$1,949.9	21,586,402	695,741
Widening & rehabilitation	185	\$139.4	4,414,767	73,260
Rehabilitation	147	\$299.4	2,212,917	156,854
Deck rehabilitation/replacement	18	\$29.4	213,326	15,463
Other work	95	\$195.2	3,107,779	102,147
Total	1,675	\$2,613.2	31,535,191	1,043,465

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Arizona

State Bridge Profile

Top Most Traveled Structurally Deficient Bridges in Arizona

County	Year Built	Daily Crossings	Type of Bridge	Location
Pima	1966	38,365	Urban minor arterial	22nd Street over SPRR; Aviation Hwy
Maricopa	1976	34,003	Urban other principal arterial	Shea Boulevard over Indian Bend Wash
Mohave	1964	27,997	Rural Interstate	I 15 over Virgin River
Mohave	1967	21,051	Rural Interstate	I 15 over Virgin River
Mohave	1972	20,007	Rural Interstate	I 15; NB over Virgin River
Mohave	1973	20,007	Rural Interstate	I 15; SB over Virgin River
Navajo	1969	13,297	Rural Interstate	I-40 WB over SB 40
Apache	1964	9,700	Rural Interstate	IRR 140; WB over Window Rock Rd
Yuma	1978	8,350	Urban Interstate	I 8 EB over Colo R Pentnry Av Sptco
Pinal	1929	8,250	Rural arterial	US 60 over Waterfall Canyon

About the data: Data is from the Federal Highway Administration (FHWA) National Bridge Inventory (NBI), downloaded on February 1, 2023. Note that specific conditions on bridges may have changed because of recent work or updated inspections.

Effective January 1, 2018, FHWA changed the definition of structurally deficient as part of the final rule on highway and bridge performance measures, published May 20, 2017 pursuant to the 2012 surface transportation law Moving Ahead for Progress in the 21st Century Act (MAP-21). Two measures that were previously used to classify bridges as structurally deficient are no longer used. This includes bridges where the overall structural evaluation was rated in poor or worse condition, or where the adequacy of waterway openings was insufficient.

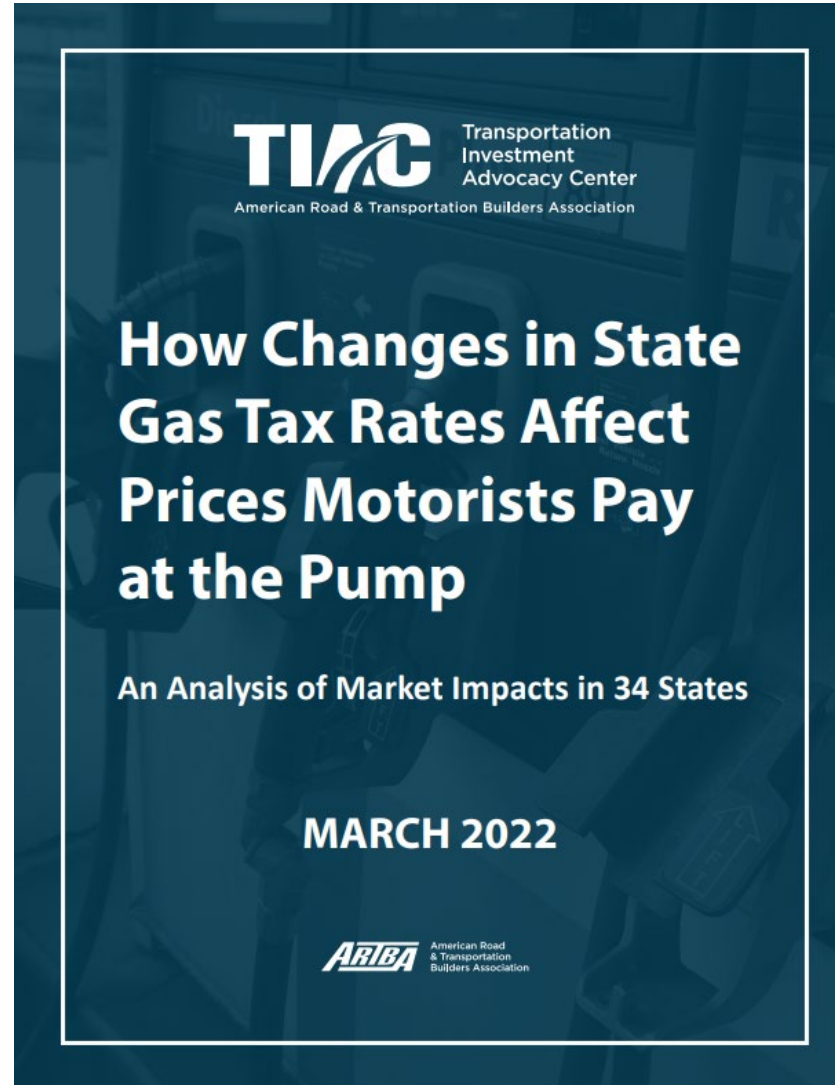
The new definition limits the classification to bridges where one of the key structural elements—the deck, superstructure, substructure or culverts, are rated in poor or worse condition. During inspection, the conditions of a variety of bridge elements are rated on a scale of 0 (failed condition) to 9 (excellent condition). A rating of 4 is considered "poor" condition.

Cost estimates have been derived by ARTBA, based on 2020 and average bridge replacement costs for structures on and off the National Highway System, published by FHWA. Bridge rehabilitation costs are estimated to be 68 percent of replacement costs. A bridge is considered to need repair if the structure has identified repairs as part of the NBI, a repair cost estimate is supplied by the bridge owner or the bridge is classified as structurally deficient. Please note that for a few states, the number of bridges needing to be repaired can vary significantly from year to year, and reflects the data entered by the state.

Bridges are classified by FHWA into types based on the functional classification of the roadway on the bridge. Interstates comprise routes officially designated by the Secretary of Transportation. Other principal arterials serve major centers of urban areas or provide mobility through rural areas. Freeways and expressways have directional lanes generally separated by a physical barrier, and access/egress points generally limited to on- and off-ramps. Minor arterials serve smaller areas and are used for trips of moderate length. Collectors funnel traffic from local roads to the arterial network; major collectors have higher speed limits and traffic volumes and are longer in length and spaced at greater intervals, while minor collectors are shorter and provide service to smaller communities. Local roads do not carry through traffic and are intended for short distance travel.

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Gas Tax Holidays?



Implementing the IIJA: Safety

- Work Zone Safety
- Automated Enforcement
- Safety Contingency Funds
- OSHA Heat Emphasis Program
- Legalization of Marijuana
- Mental Health

Suicide Awareness

ARTBA Urges Members to Sign Suicide Awareness
Proclamation

February 28, 2023 | [Safety](#), [Top Story](#)



Getting Involved

- ARTBA Western Region Webinars/Meetings
- Member Activities, News, Alerts
- Policy Forums
- Federal Issues Program and TCC Fly-in, DC, May 15-17, 2023
- Industry Leader Development Program
- More

**Thank You for
ATB's Support of ARTBA!**

**We Need Continued Help
from ATB and Your Companies!**

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