



The California Asphalt Pavement Association

The BIG Fix

“California’s \$50 Billion road repair campaign that almost wasn’t”
16th Arizona Pavements / Materials Conference
Nov. 20-21, 2019 – Tempe, AZ



The BIG Fix

- About CalAPA
- Making the case for investment
- The “three-legged stool” of funding in CA
- The run-up to SB1 passage in 2017
- What SB1 does
- The ballot fight to keep SB1 in 2018
- Lessons learned



The BIG Fix

- The California Asphalt Pavement Association:
 - Founded in 1953
 - Non-profit 501(c)6 Trade Association
 - 180 member companies
 - Asphalt producers, refiners, paving contractors, binder suppliers, engineering firms, equipment manufacturers & others
 - Statewide voice for the asphalt pavement industry in California



The BIG Fix

- Nationally, and in California, asphalt covers about 95 percent of paved surfaces.
- Asphalt is 100 percent recyclable & is the most recycled product worldwide
- Smooth, quiet, safe, durable and a good value
- Asphalt pavements continue to evolve, with new research, technology and techniques

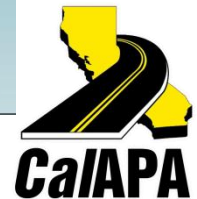


The BIG Fix

U.S. Asphalt Pavement Tons Produced Annually*



* Source: National Asphalt Pavement Association



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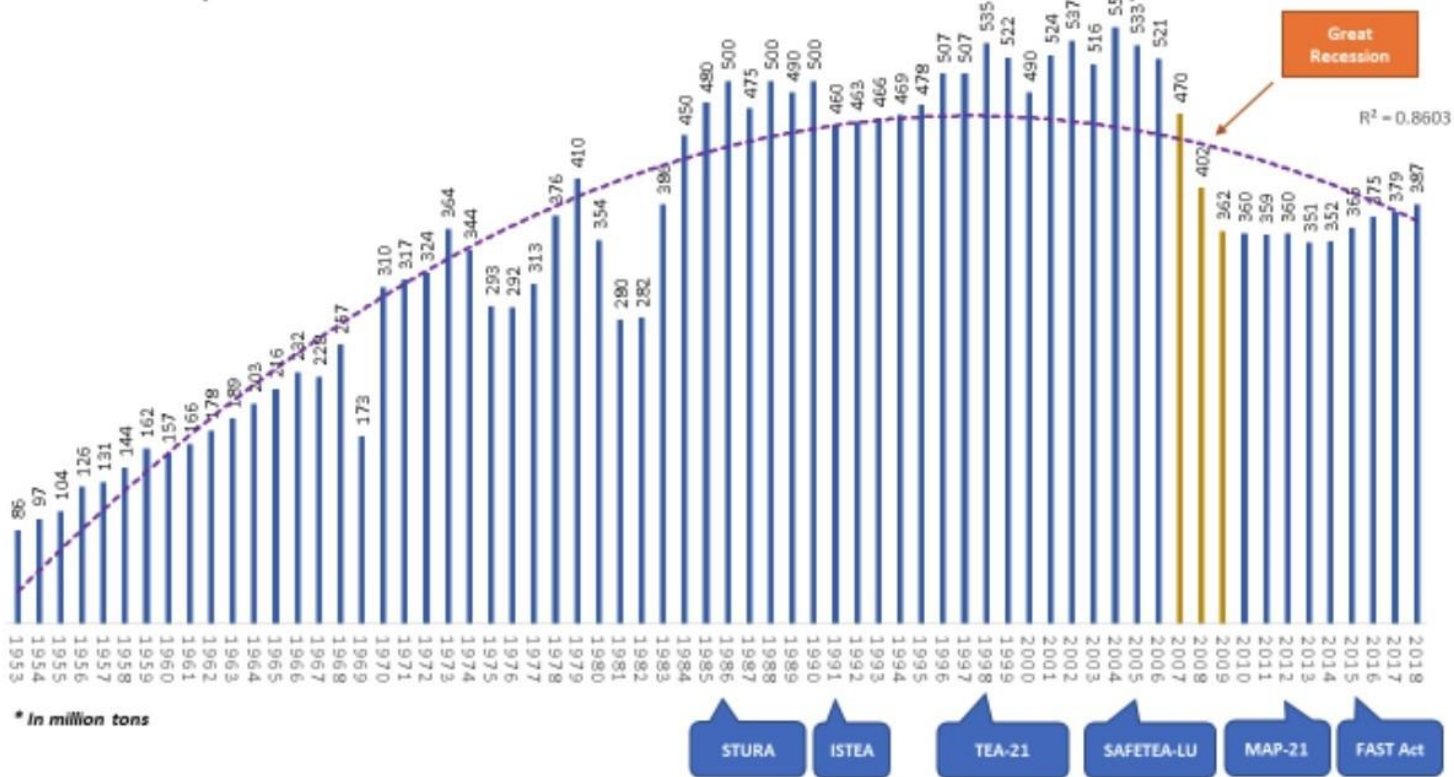
HMA PRODUCED IN CA PER YEAR (U.S. Tons)



Source: California Asphalt Pavement Association estimate

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Asphalt Pavement Tons Produced Annually*



Source: National Asphalt Pavement Association

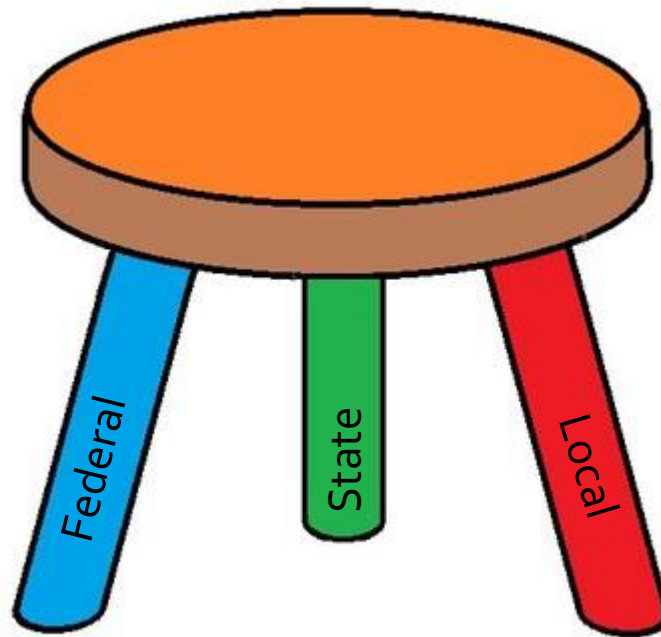
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The Three-legged Stool of funding:

→ Federal

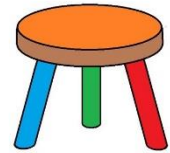
→ State

→ Local

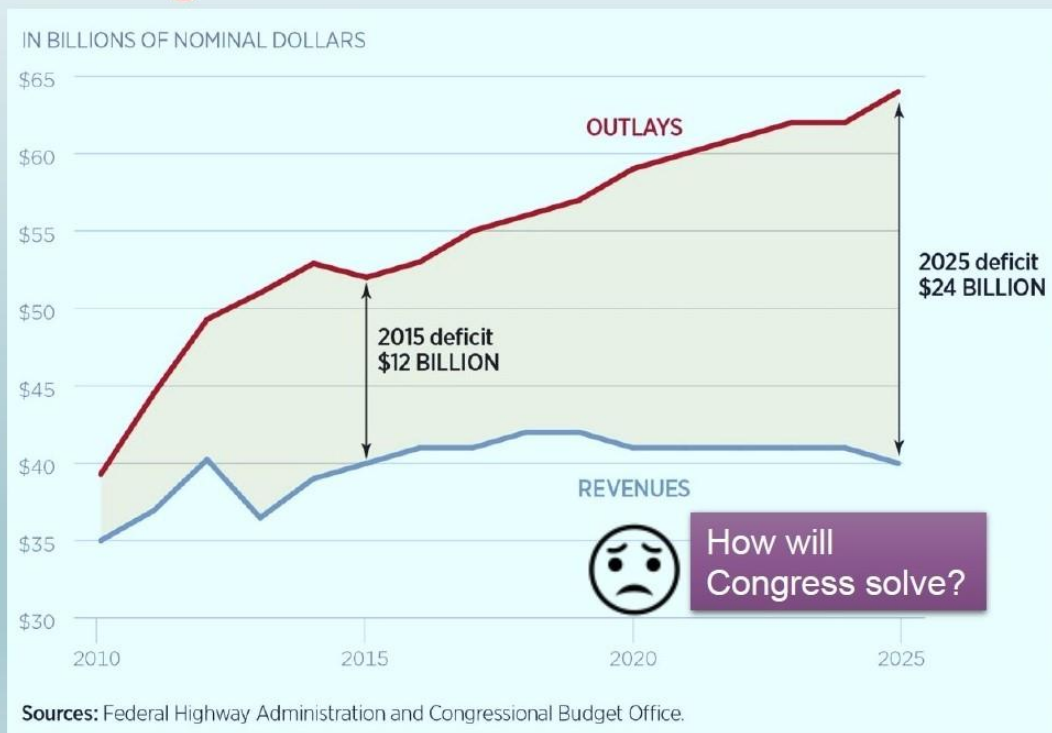


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➡ FEDERAL Funding:



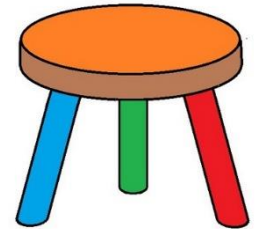
The Looming Crisis



Source: National Asphalt Pavement Association

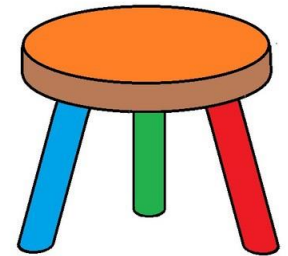
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- “Self-Help” Counties → (LOCAL):
 - 25 of 58 California Counties
 - Have passed sales-tax increases devoted to transportation
 - 2/3 “super majority” required for passage per the California Constitution
 - Counties cover more than 34 million residents
 - \$194 billion over the next 30-40 years

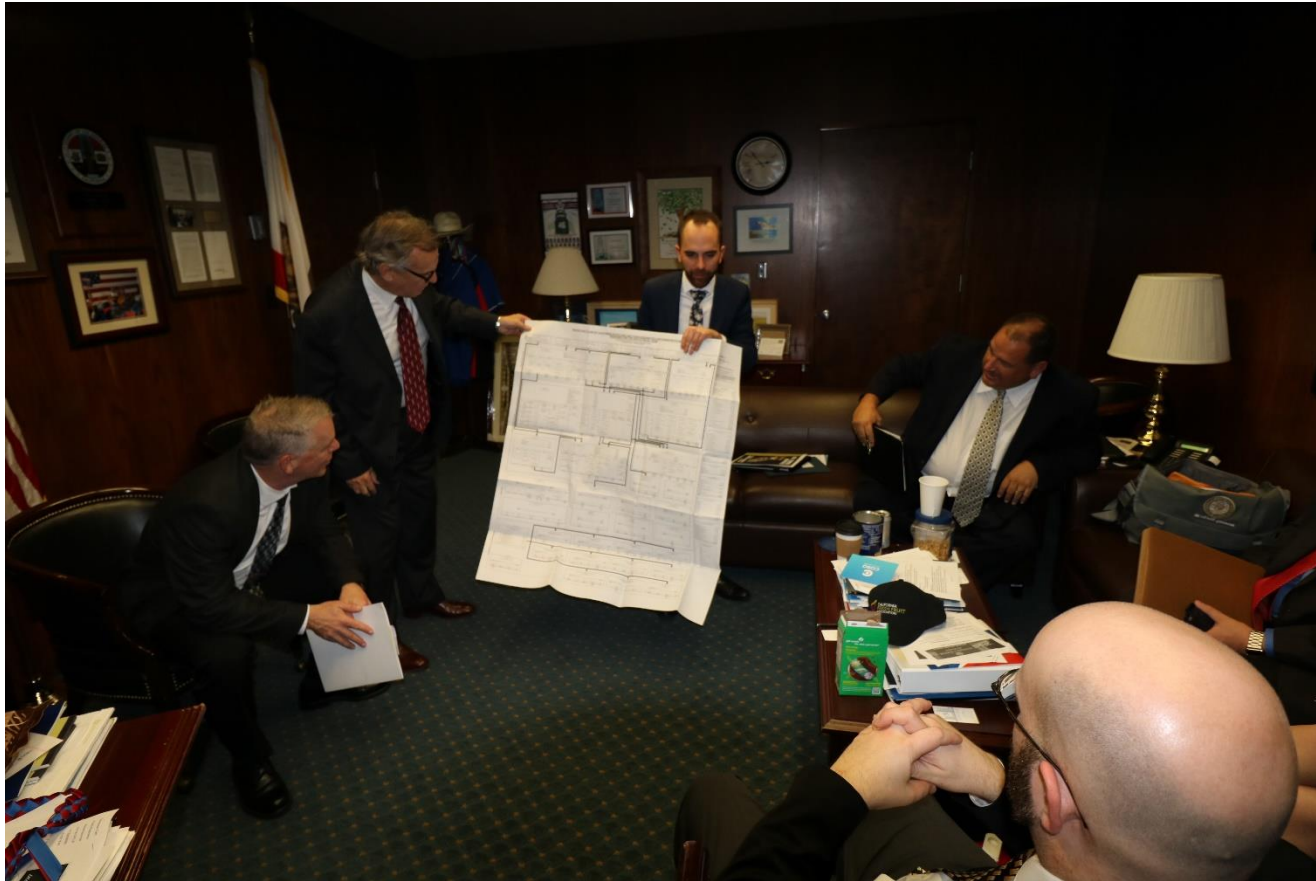


The BIG Fix

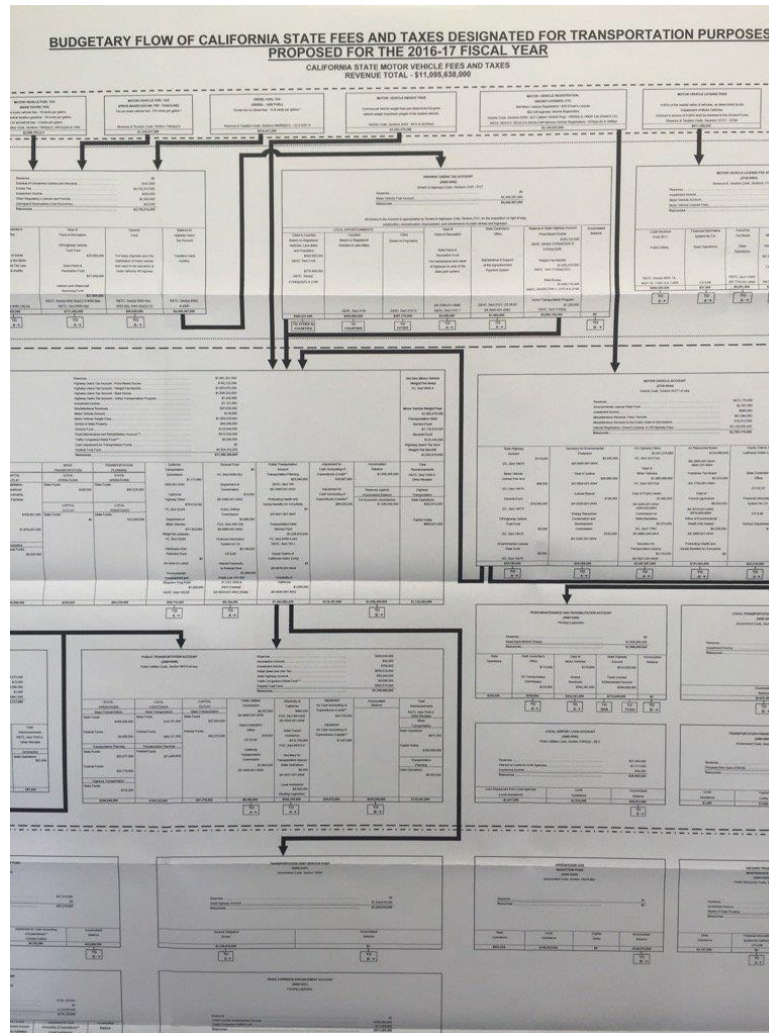
- → STATE funding:
 - Last state gas tax increase: 1991
 - Lost 50 percent of buying power
 - Loan transfers during 'Great Recession'
 - \$171 BILLION in unmet needs statewide



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The BIG Fix



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- 1909 the California Legislature passed the first state highway bond, approved by voters in 1910 (Proposition 2) for \$18 million for the construction of a state highway system.
- The first fuel tax (2 cents per gallon) was created in 1923.



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- Proposition 111 (1990) gas tax increase (5 cents per gallon increase in 1990, and 1 penny per year in each of the next four years).
- Prop. 2 (1998) allowed for loans to be made to the General Fund from the transportation fund.
- Prop. 42 (2002) Constitutional amendment on allocation of gas tax revenues for transportation



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Prop. 1B:

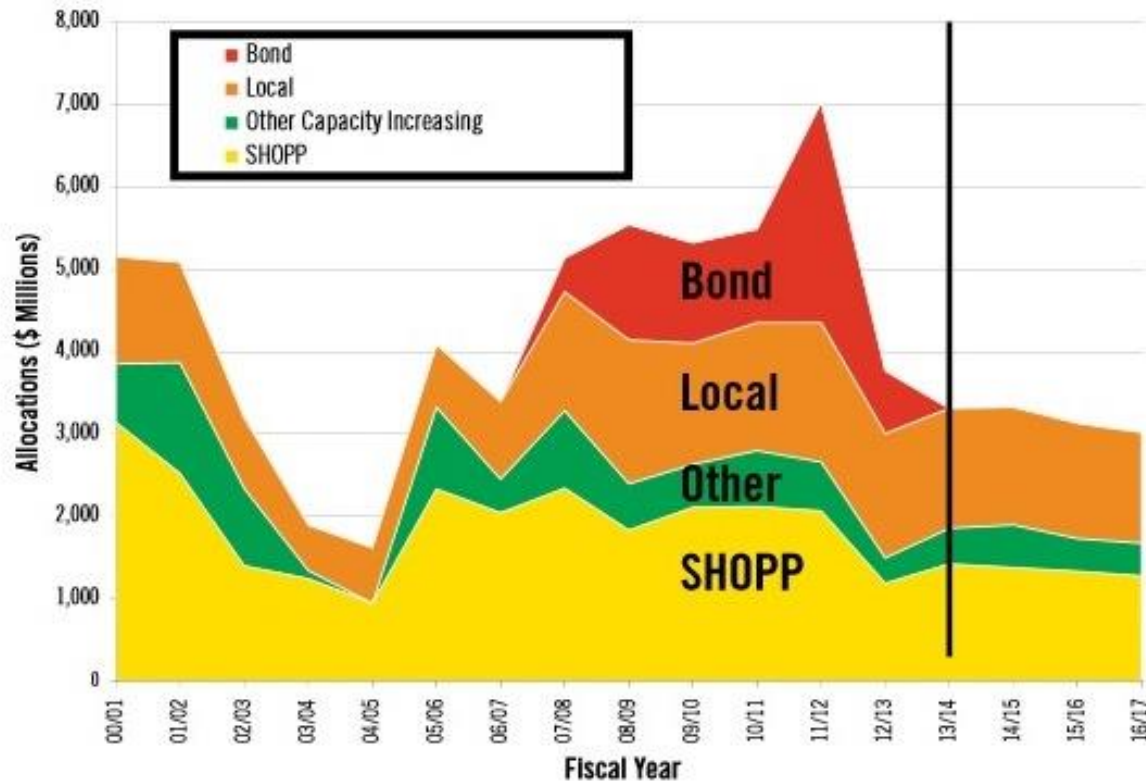
- Approved by voters on the November 2006 ballot
- Authorized California to sell \$19.925 billion in general obligation bonds to fund transportation projects “to relieve congestion, improve the movement of goods, improve air quality and enhance the safety and security of the transportation system.”



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DECLINING TRANSPORTATION FUNDING

On-System Construction Allocations and Projected Construction Allocations
Actual dollars through 2013-14; projected numbers going forward



NOTE: STIP Augmentation Included in "Other Capacity Increasing".

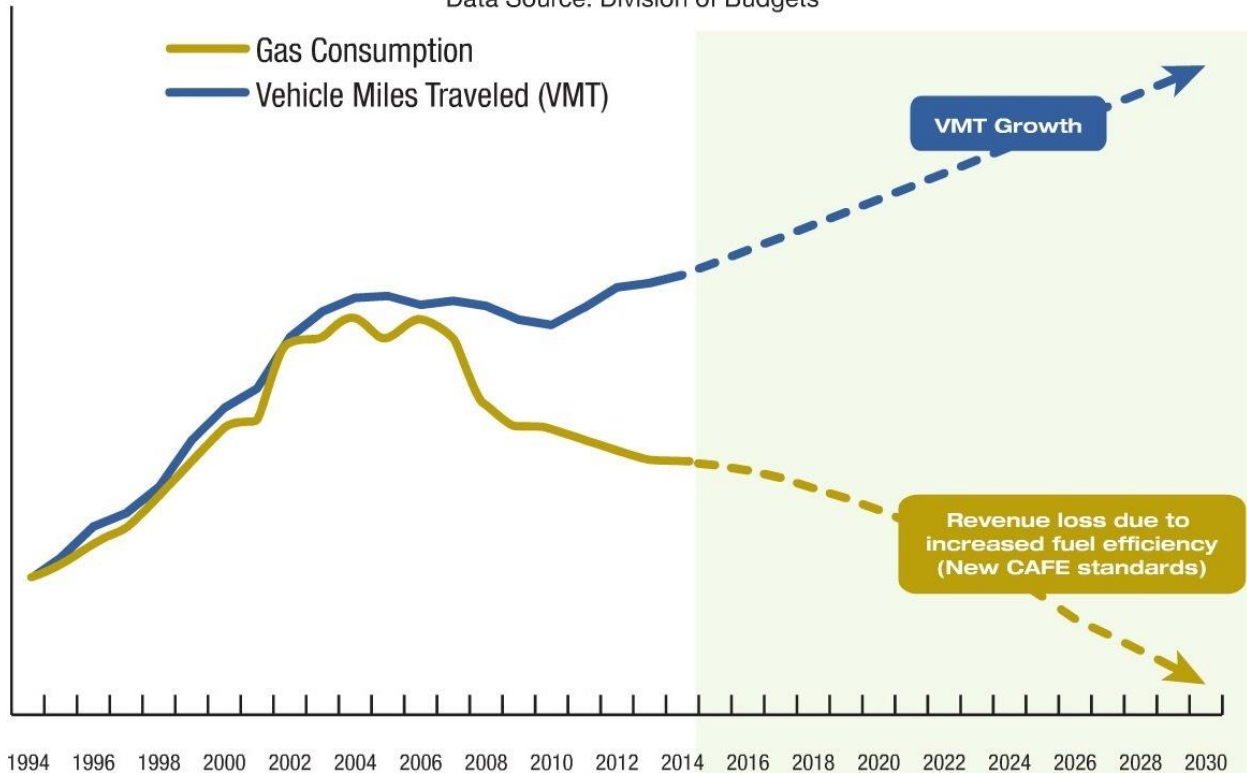
Source: Caltrans



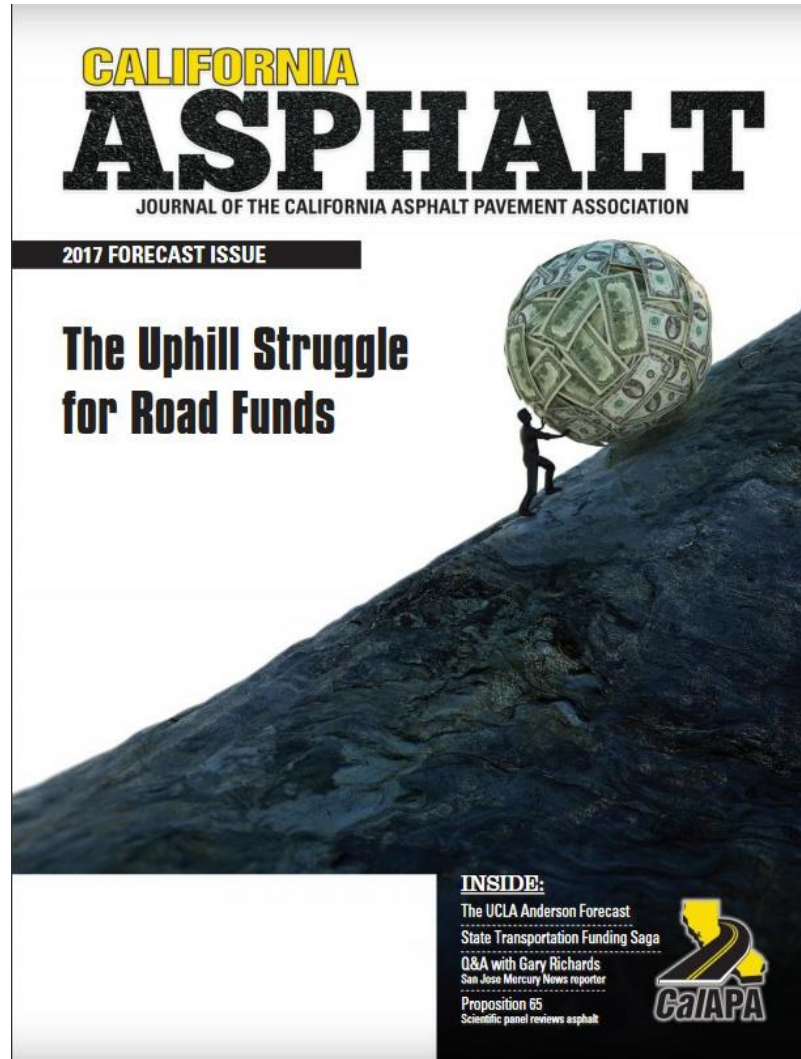
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REVENUE LOSS Due to Increased Fuel Efficiency

Data Source: Division of Budgets



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TIP:

- Make the case clear and compelling



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- 70 percent of California's major roads are in poor or mediocre condition.
- Driving on roads in need of repair costs California motorists \$22.6 BILLION a year in extra vehicle repairs and operating costs -- \$882 per motorist.
- Six percent of California's bridges are structurally deficient, meaning there is significant deterioration.



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- 85 percent of California's urban interstates experience congestion during peak hours. Traffic costs American motorists \$170 BILLION a year in wasted time and fuel costs.
- Vehicle travel on California's highways increased by 12 percent from 2000 to 2017.



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TIP:

- Recruit others to help tell your story



The BIG Fix

- 43 percent of Arizona's major roads are in poor or mediocre condition. Driving on roads in need of repair costs Arizona motorists \$2.9 billion a year in extra vehicle repairs and operating costs -- \$577 per motorist.
- Vehicle travel on Arizona's highways increased by 32 percent from 2000 to 2017.



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- 69 percent of the \$331 billion worth of commodities shipped to and from sites in Arizona is transported by trucks on the state's highways. An additional 18 percent is delivered by parcel, U.S. Postal Service or courier, which use multiple modes, including highways.



The BIG Fix

KEY FACTS ABOUT ARIZONA'S SURFACE TRANSPORTATION SYSTEM AND FEDERAL FUNDING

May 2019

Roads and highways are the backbone of the U.S. transportation system, allowing Americans to travel more than two trillion miles annually. But, conditions on the system are deteriorating, as the need for transportation improvements far outpaces the amount of state and federal funding available. Making needed improvements to roads, bridges and public transit could stimulate long-term economic growth as a result of enhanced mobility and access.

Federal funding for surface transportation is provided through the five-year, \$305 billion [Fixing America's Surface Transportation Act \(FAST Act\)](#), which expires in 2020. Funding provided by the FAST Act falls short of the level needed to improve conditions and meet the nation's mobility needs, and does not provide an adequate, sustainable, long-term source of revenue for the federal Highway Trust Fund. At a time when growing passenger vehicle and commercial truck traffic is increasing wear and tear and traffic congestion on the nation's roadways, the balance in the federal Highway Trust Fund is decreasing. According to the Congressional Budget Office, the Highway Trust Fund's current \$33 billion balance is projected to decrease to a \$12 billion deficit in 2022, because current spending levels exceed revenues from taxes on motor fuels, heavy trucks and tires.

Federal Funding for Our Nation's Surface Transportation System Generates Jobs; Making Needed Highway Improvements Assures Economic Recovery and Growth

- Enhancing critical transportation assets will boost the economy in the short-term by creating jobs in construction and related fields. In the long-term these improvements will enhance economic competitiveness and improve the quality of life for the state's residents and visitors by reducing travel delays and transportation costs, improving access and mobility, improving safety, and stimulating sustained job growth.
- The [2015 AASHTO Transportation Bottom Line Report](#) found that annual investment in the nation's roads, highways and bridges needs to increase from \$88 billion to \$120 billion and from \$17 billion to \$43 billion in the nation's public transit systems, to improve conditions and meet the nation's mobility needs. The report also found that the current backlog in needed road, highway and bridge improvements is \$740 billion.
- Highway accessibility was ranked the number one site selection factor in a 2017 survey of corporate executives by [Area Development Magazine](#). Labor costs and the availability of skilled labor, which are both impacted by a site's level of accessibility, were rated second and third, respectively.
- Sixty-nine percent of the \$331 billion worth of commodities shipped to and from sites in Arizona is transported by trucks on the state's highways. An additional 18 percent is delivered by parcel, U.S. Postal Service or courier, which use multiple modes, including highways.

TRIP A National
Transportation
Research
Program

3000 Connecticut Avenue, NW, Suite 208 • Washington, DC 20008 • Phone: (202) 466-6706 • tripnet.org



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TIP:

- Simplify your message



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- Crumbling infrastructure
- Safety
- Cost to do nothing (Maintenance vs. rehabilitation)
- Jobs, economy & quality of life
- Local impact.



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TIP:

- Have counter-arguments ready



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SB 1: Debunking the Myths



The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation solution that will provide new revenues for road safety improvements, fill potholes and repair local streets, highways, and bridges. SB 1 will provide transportation investments in every community, improving the quality of life for all Californians. SB 1 includes strict accountability provisions to reduce waste and bureaucracy and dedicates all funds to transportation improvements. Opponents of SB 1 are spreading false information and flat-out untruths full of potholes.

We want to cement the facts.

1. MYTH— *Practically none of the SB 1 funds will be used to fix our roads.*

FACT

SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, and bridges. SB 1 also provides investments in mass transit to help relieve congestion. In total, SB 1 will provide:

- \$1.5 billion for the State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$275 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access on streets, roads and highways for bicyclists and pedestrians.
- \$750 million for mass transit

2. MYTH— *SB 1 will cost California families upwards of \$700 a year*

FACT

The California Department of Finance calculated that the average cost to motorists is roughly \$10/month. Here's the math:

- **Registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.

Get the Facts @ fixcarroads.com | #RebuildingCA

1



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TIP:

- Build broad coalitions



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Nearly 700 organizations opposed Prop 6:



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TIP:

- Get expert help.



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The “No on 6” Campaign Team:

- **Bicker, Castillo & Fairbanks:** Campaign Management
- **Dana Williamson:** Strategy
- **SCN Strategies:** Paid Media
- **Burton and the Brains:** Fundraising
- **Swanson Communications:** Earned Media/Press
- **JPM&M:** Direct Mail
- **BASK:** Digital
- **FM3 and David Binder:** Polling and Tracking
- **Remcho Johansen & Purcell:** Legal



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TIP:

- Enlist credible spokespersons



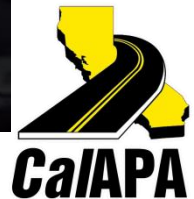
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DARREL ROBERTS
California Professional Firefighters



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TIP:

- Engage stakeholders for grassroots activity



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CALIFORNIA
ASPHALT
A PUBLICATION OF THE CALIFORNIA ASPHALT PAVEMENT ASSOCIATION

2015 SPECIAL GRASS-ROOTS ADVOCACY ISSUE

**UNDERSTANDING
ASPHALT**
EDUCATING POLICY-MAKERS ON ASPHALT
AND THE CONSTRUCTION INDUSTRY



in this **issue**

- CalAPA Steps-up Grass-roots Advocacy to Tell Asphalt's Story
- Pavement Coatings Co.
- George Weir Asphalt, Inc.



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Lt. Gov. Gavin Newsom at CalAPA Annual Dinner 2015

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Lt. Gov. Gavin Newsom touring a Vulcan Materials plant in 2015

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Lt. Gov. Gavin Newsom touring a Vulcan Materials plant in 2015



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TIP:

- Be persistent



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Walking the halls of the state Capitol during a “Fly-in.”



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Meeting with Sen. Jim Beall, D-San Jose, author of SB1



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Meeting with Assemblywoman Melissa Melendez, R-Lake Elsinore

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Meeting with Sen. Bill Dodd, D-Napa (center) at the Capitol.



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Meeting with Assemblyman Vince Fong, R-Bakersfield.



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Meeting with Sen. Richard Roth, D-Riverside.



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Plant tour for Assemblywoman Catharine Baker, R-Dublin.



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Plant tour for Sen. Bill Dodd, D-Napa



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Plant tour for Assemblyman Scott Wilk, R-Santa Clarita.



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TIP:

- Repetition,
Repetition,
Repetition



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Assemblyman Patrick O'Donnell, D-Long Beach.



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Assemblyman Patrick O'Donnell, D-Long Beach.



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Assemblyman Patrick O'Donnell, D-Long Beach.



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Assemblyman Patrick O'Donnell, D-Long Beach.

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- **Senate Bill 1:**
- “The Road Repair & Accountability Act of 2017”
- Raises gas taxes 12 cents per gallon; Diesel taxes 20 cents per gallon.
- Increases vehicle registration fees, including for electric cars
- Generates an estimated \$5 billion per year
- Indexed to inflation



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- Funds devoted primarily to “fix it first” maintenance.
- 50 percent to state; 50 percent to cities & counties.
- Passed by 2/3 “super-majority of the Legislature on April 6, 2017
- Signed into law by Gov. Jerry Brown on April 28, 2017.



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Gov. Jerry Brown and other SB1 backers at Capitol Press Conference on March 29, 2017. Photo courtesy of John Larimore, Governor's Office of Emergency Services.



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“It ain’t over till it’s over.”

– Yogi Berra



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Stop the Attack on Bridge & Road Safety!



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- Proposition 6:
 - Repeal the gas tax measure on the November 2018 ballot.
 - “All hands on deck”
 - \$42 million campaign to defeat
 - “Difficult” but “Winnable”



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Framing



- Can't Trust Politicians
- Save Upwards of \$700/year
- Funding NOT going towards roads
- Right to Vote



- Focus on Public Safety
- Emphasize Diverse Coalition
- Local Projects, Local Impacts
- Accountability
- Don't Stop the Progress



Courtesy of the "No on 6" campaign.

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- Campaign emphasized local benefits:
 - Safety
 - Potholes
 - Congestion Relief
- Highly targeted, localized campaigns
- Advertising, mail, media, grassroots and digital
- High-level support from Gov. Brown



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No on 6 banner being hoisted at CalAPA offices in West Sacramento.

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No on Prop 6
1787 Tribute Road
Sacramento, CA 95832
www.NoProp6.com

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JULY 1998

Firefighters, Highway Patrol Officers,
Civil Engineers, and Earthquake Safety Experts
ALL OPPOSE PROP 6



"If Prop 6 passes, the Sacramento region will lose \$1.1 billion in critical funding and stop hundreds of local bridge and road safety projects in cities and communities across the county!"

Mark Ghilarducci
Director, California Office of Emergency Services
Title for identification purposes only



"This dangerous measure attacks the safety of our freeways and roads, putting millions of drivers, passengers, and pedestrians in the Sacramento region at greater risk."

Robert Carter
California Association of Highway Patrolmen



"Prop 6 will eliminate funding for critical projects, including those currently under repair and replacement or structurally deficient."

Kristina Swallow
American Society of Engineers

Central Coast Public Safety Leaders Urge No on Prop 6

Prop 6 threatens public safety in the Central Coast

Prop 6 is opposed by the California Association of Highway Patrolmen and the California Professional Firefighters because it puts public safety at risk by eliminating transportation funds dedicated to our region. Voters passed Prop 69 in June, prohibiting politicians from diverting these funds and dedicating them to fixing local roads and bridges.

Current Central Coast Projects **AT RISK**

- ✗ 147 bridge and road safety projects
- ✗ 225 projects fixing crumbling roads and potholes
- ✗ \$1.1 billion in existing funding dedicated to the Central Coast

See for yourself at NoProp6.com/Local-Projects

Protect critical funding for bridges and road safety in the Central Coast.

VOTE-BY-MAIL NO ON 6



Paid for by No on Prop 6: Stop the Attack on Bridge & Road Safety, sponsored by business, labor, local governments and transportation advocates. Committee Major Funding from California Alliance for Jobs
State Building and Construction Trades Council of California
Laborers' Pacific Southwest Regional Organizing Coalition
Funding details at www.tbpc.ca.gov

Prop 6 attacks bridge and road safety

Firefighters and Emergency Responders Oppose Prop 6

The California Professional Firefighters and the California Association of Highway Patrolmen strongly oppose Prop 6 because it makes our local roads, highways, and bridges less safe.

Prop 6 is Dangerous. Get the Facts:

- ✗ Jeopardizes public safety for millions of drivers, passengers, and pedestrians
- ✗ Eliminates \$5 billion in annual funds dedicated to fixing crumbling roads, freeways, bridge safety, and tunnels

local bridge and road safety improvement underway
good-paying jobs and \$183 billion in

response by making road conditions and traffic

please visit NoProp6.com

**ack on road safety
No on Prop 6**



La proposición 6 atenta contra la seguridad de nuestros puentes y caminos

Los bomberos y primeros respondedores se oponen a la Proposición 6. Los Bomberos Profesionales de California y la Asociación de Patrullas de Autopistas de California se oponen firmemente a la Proposición 6 porque hace que nuestros caminos locales y las autopistas sean menos seguros.

La Proposición 6 es peligrosa. Para que se entienda bien:

- ✗ Atenta contra la seguridad vial de millones de conductores, pasajeros y peatones
- ✗ Elimina \$5,000 millones por año del financiamiento dedicado a arreglar las rutas, autopistas, puentes y túneles
- ✗ Detiene cientos de proyectos que mejoran la seguridad de autopistas y puentes locales que están en curso
- ✗ Nos deja sin 68,000 empleos bien pagos e inversiones por \$183 mil millones
- ✗ Demora la respuesta ante emergencias al empeorar las condiciones de las calles y la congestión de tránsito

Más información en
NoProp6.com/Espanol

**Frenemos el ataque a la seguridad en los caminos y los puentes
Vote NO a la Proposición 6**

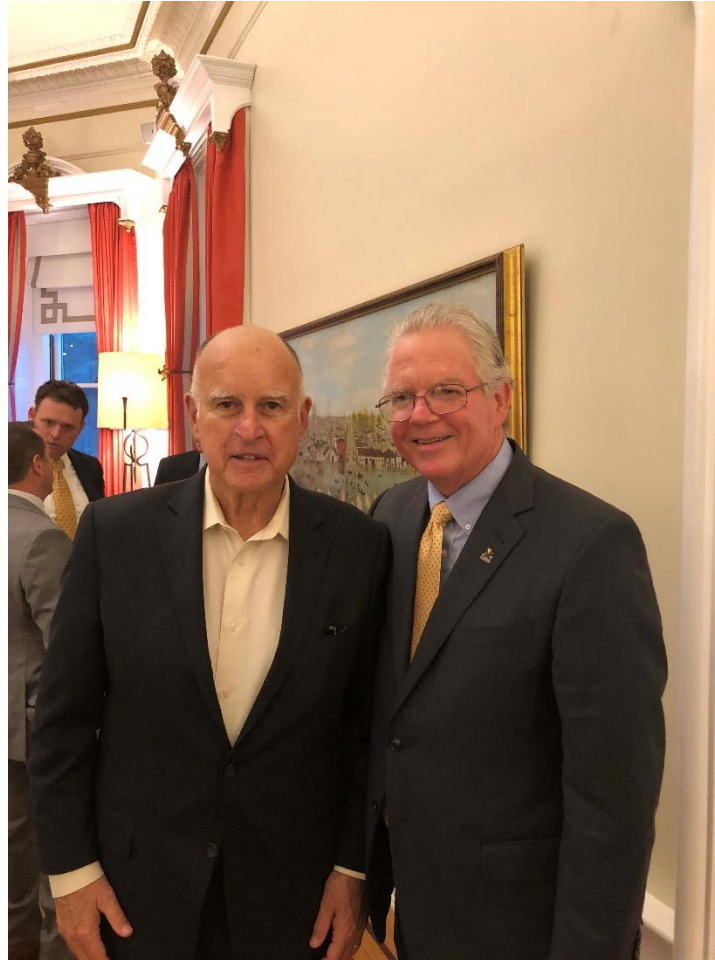


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Don L. Daley III (left) and Brian Handshoe at the Governor's Mansion.

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Gov. Jerry Brown and CalAPA Executive Director Russell Snyder

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Proposition 6 Result
(Nov. 6, 2018 General Election):

- Yes: 43.2 percent
- No: 56.8 percent

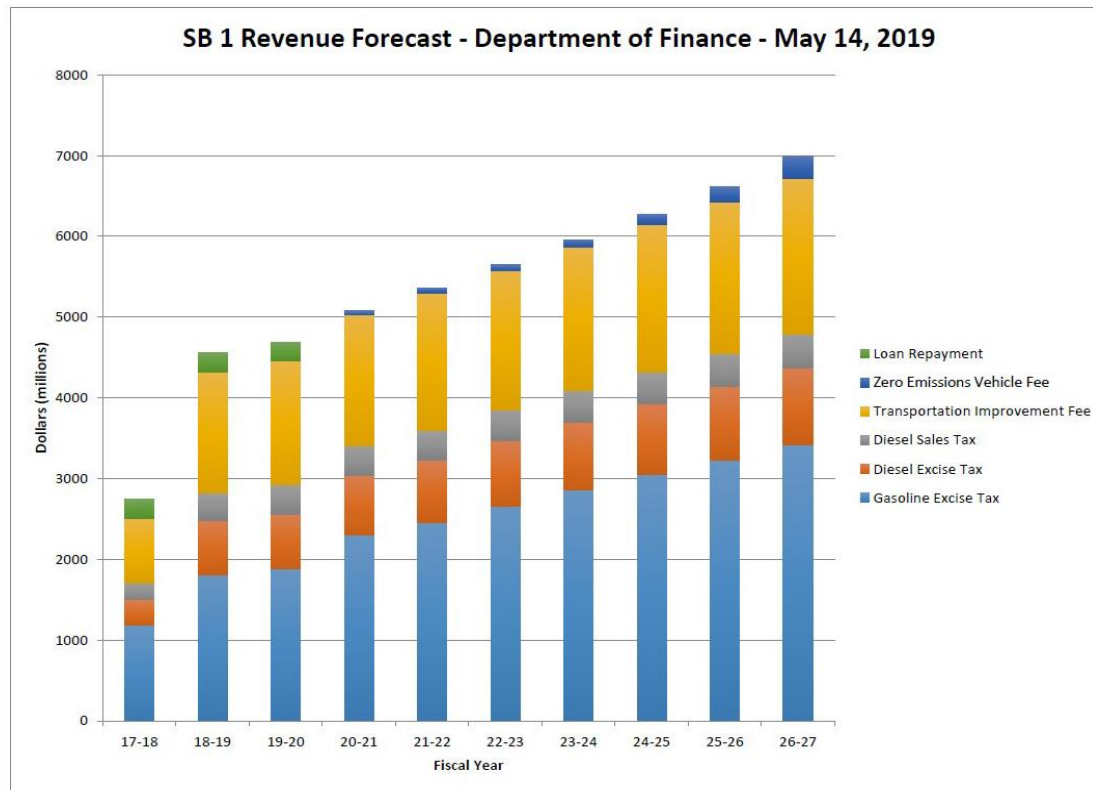
- 12.7 million votes cast



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State Sen. Jim Beall, D-San Jose, SB1 author, at 2018 CalAPA Fall Conference.

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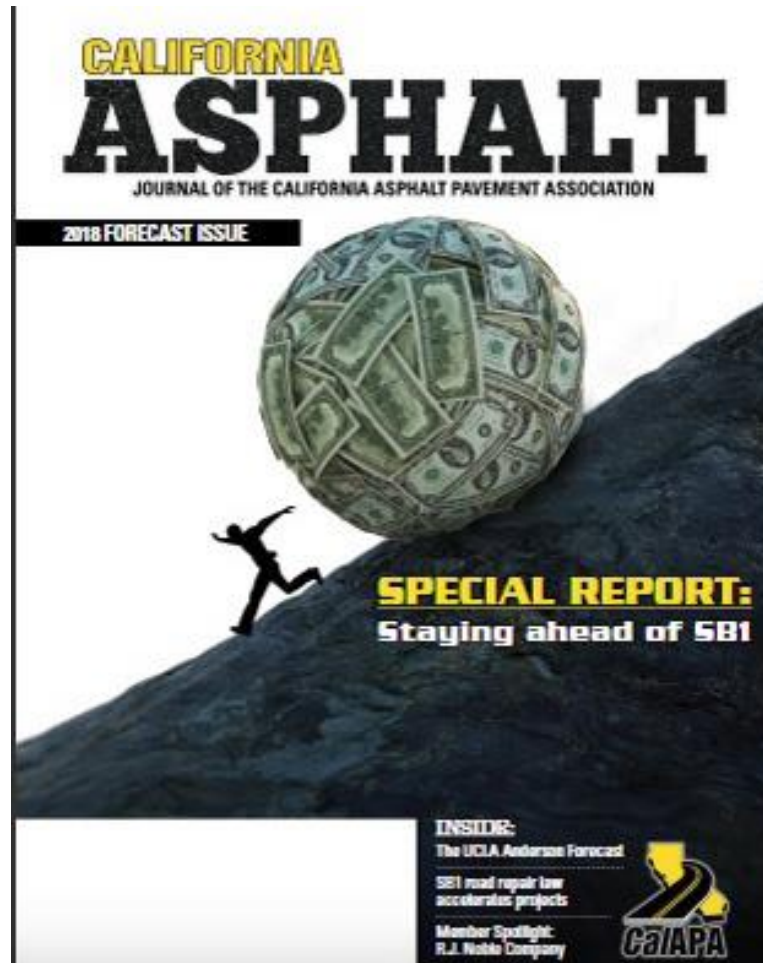
State Sen. Jim Beall, D-San Jose, with Toni Carroll of Graniterock.

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CalAPA Sacramento 'Fly-in' participants 2019.

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Recap of lessons learned:

- Make the case clear & compelling
- Recruit others to help tell the story
- Simplify the message
- Get expert help
- Enlist credible spokespersons
- Be persistent
- Repetition, repetition, repetition
- Engage stakeholders



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**WE'RE ALL
IN THIS
TOGETHER!**



Contact

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