

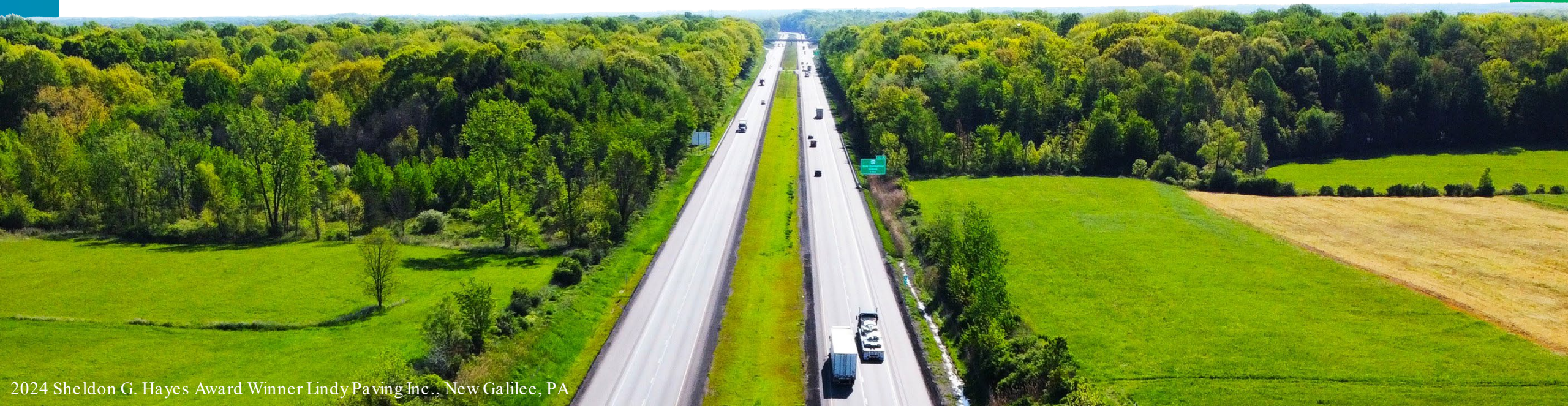
Wisconsin Asphalt Pavement Association | December 2, 2025

# THE ROAD AHEAD: NATIONAL ADVOCACY



Nile Elam

Director, Vice President of Government Affairs, NAPA





# Agenda

- Introduction and NAPA overview
- EPDs & Hey NAPA!
- OBB Overview
- T&I Stakeholder Portal submission
  - NAPA's legislative priorities and highway bill timing
  - WZS, BABA, formula funding & more...
- NAPA's T&I testimony on the HTF and highway funding
- NAPA and tariffs
- NAPA meeting with Secretary Duffy
- EH&S / Regulatory Update
- Get involved!!
- Q/A





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## OUR MISSION:

To advance the asphalt pavement industry through leadership, stewardship, and member engagement.

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## OUR VISION:

Sustainable transportation infrastructure that paves the way for thriving communities and commerce.

# WISCONSIN MEMBERS



## Gold Club (50+ Years)



## 30-Plus Club



- Antigo Construction
- Rock Road Companies

## Members



- Adams Asphalt Plant Services
- American Asphalt of Wisconsin
- Benchmark
- CORRE
- H.G. Meigs LLC
- IRONMARKETS
- Iverson Construction
- Mathy Construction Co.
- Monarch Paving Co.
- Motion Engineering
- MTE
- Northeast Asphalt, a Walbec Group Co.
- Northwoods Paving
- Parisi Construction Co., a Walbec Group Co.
- River City Paving
- Wis-Coat
- Wolf Paving Co.

**State Advisor**  
Jacob Mrugacz, Rock Road Companies



# Industry Pillars of Success

Strategic Plan for 2023-2025



1

## LEADERSHIP



Foster increased Federal investment



Advocate for and achieve fair, competitive, science-based legislation and policies



Be the trusted, go-to organization for members, decision makers, and stakeholders

2

## STEWARDSHIP



Champion the advantages of asphalt pavements



Shepherd the industry's commitment to net zero carbon emissions pavement



Demonstrate members' commitment to value and excellence

3

## MEMBERSHIP



Engage and grow membership

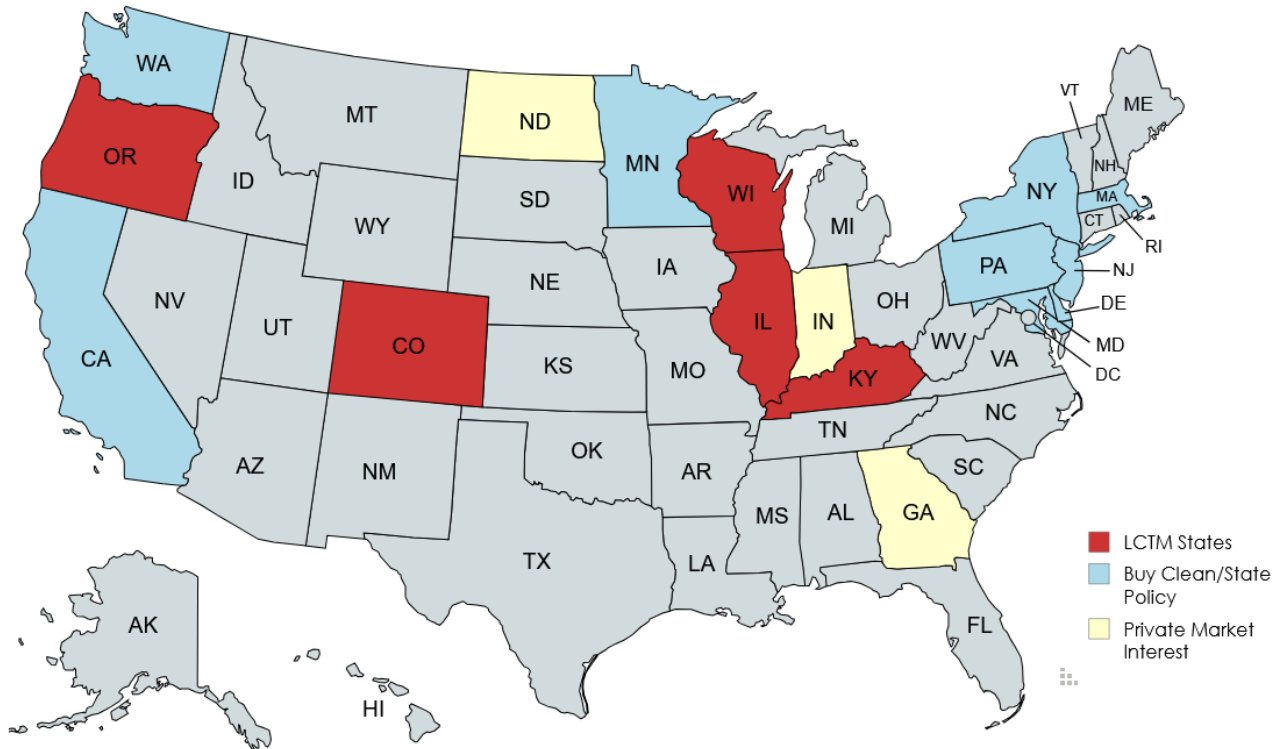


Facilitate member advancement



Improve and streamline association governance and operations

# Cradle-to-Gate EPD: Meeting Market Demand



- Buy Clean Requirements – States in Blue
- Low Carbon Transportation Materials Grants – States in Red
- Private Markets – specifically data center construction
- Publicly Traded Contractors: Seeking to track Scope 3 emissions





# Hey NAPA!

## How to get the most out your personal industry expert







## Hey NAPA top keywords used:

- **Asphalt Production:** The process of producing asphalt mixtures.
- **Hot Mix Asphalt:** Traditional asphalt mixture produced at high temperatures.
- **Balanced Mix Design:** A method of designing asphalt mixtures that considers both performance and cost.
- **Best Practices:** Could refer to recommended methods in various asphalt-related processes.
- **Hey NAPA:** Direct references to the chatbot or possibly the National Asphalt Pavement Association.
- **Asphalt Binder:** The sticky, black, and highly viscous liquid or semi-solid form of petroleum used in asphalt.





## Hey NAPA Popular Topics:

- **Industry Operations and Training:** asphalt, industry, training, production, paving, reduction, plant, development, process, curriculum
- **Mix Design and Materials:** asphalt, mix, explanation, paving, plant, pavement, vs, design, warm, concrete
- **Technical Aspects and Standards:** napa, asphalt, hey, air, voids, explanation, vs, ideal, values, course
- **Best Practices and Specific Techniques:** best, practices, explanation, sma, coat, tack, meaning, mix, rap, identity
- **Pavement Performance and Research:** pavement, definition, understanding, impact, research, hma, rap, request, vma, performance

# NAPA Government Affairs Team



**Nile Elam**

**Vice President**  
Government Affairs



**Mitch  
Baldwin**

**Director**  
Government Affairs



**Howard  
Marks**

**Vice President**  
Environment,  
Health & Safety



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**Paul Sass**  
Consultant

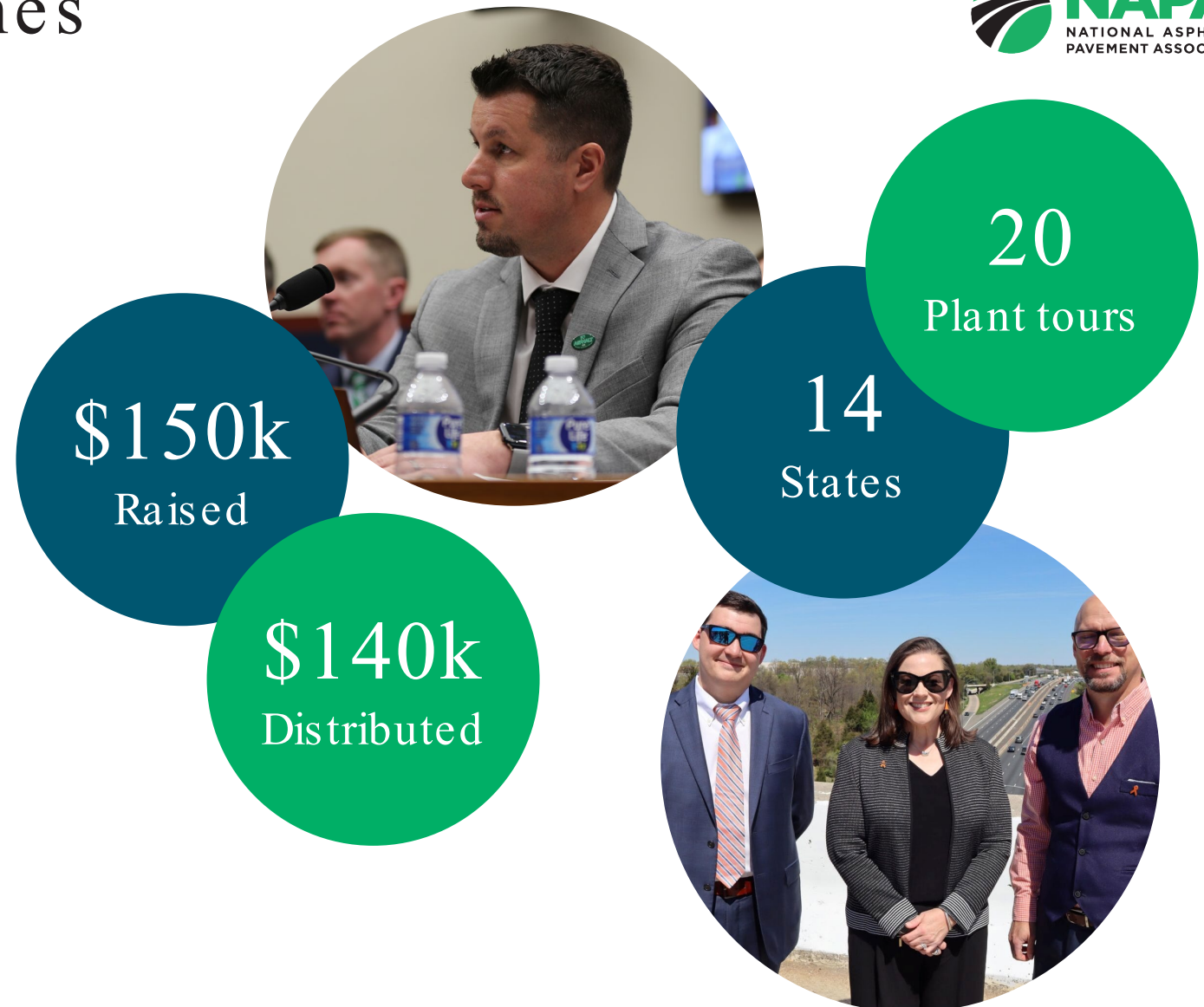


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**Chris McCannell**  
Consultant



# Advocacy 2024 Milestones



# Congress Passes One Big, Beautiful Bill

- This summer Congress passed the OBB via budget reconciliation regarding various tax reforms
  - Builds upon the Tax Cut & Jobs Act from 2017 under Trump 1.0
- NAPAled on various items benefitting asphalt producers; including Section 199A reform, extension of R&D tax credits, updating “death” tax and bonus depreciation
- Biggest bill out of the 119th Congress to date



May 13<sup>th</sup>, 2025

The Honorable Jason Smith  
Chairman  
House Ways & Means Committee  
1100 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Ways & Means Committee  
372 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

The National Asphalt Pavement Association (NAPA) appreciates the Committee's work assembling its portion of tax reform under the Budget Reconciliation process, and endorses the *"One, Big, Beautiful Bill"* as introduced this week ahead of today's markup. While there are many tax reforms outlined in your bill, the asphalt industry's would like to share a few policies we had flagged previously that support our industry's growth and ensures viable long-term federal infrastructure investment. As you know, the asphalt industry is ubiquitous with the economic health and competitiveness of our country, as our pavements literally pave the way for domestic manufacturing expansion, energy production growth and connected communities via our national roadway network.

NAPA is the only national trade association representing over 1,100 companies associated with the production and application of over 400M tons of asphalt pavement mixtures annually. NAPA members operate pavement mix plants in virtually every Congressional district, coast to coast, border to border. More than 94% of America's roadways and over 80% of airfields are surfaced with asphalt, and our members employ over 350,000 hard working men and women across the country.

We are pleased the bill includes various priorities NAPA had flagged to the Committee during its internal work over the last year, and these tax policies will have real benefits to the myriad of small business and family-owned producer companies who make up a bulk of the asphalt industry's annual production. We welcome the inclusion of the following tax reforms in today's markup:

**Small Business Deduction Extension:**

NAPA supports the extension of Section 199A as outlined in the bill with a 23% deduction for qualified business income. This is an increase of 3% compared to the *Tax Cut and Jobs Act* policies, and given the program was set to expire, providing a new lease on this program for an additional five years is critical to the vast majority of our industry; in fact, over 96 percent of NAPA's asphalt producers are either a small business, or family





# Where Surface Transportation Reauthorization Stands Today

- IIJA will expire September 30<sup>th</sup>, 2026 – less than a year out
  - Roughly \$350B is the “floor”
  - 90% distributed via state formula funds
- NAPA has been working on our priorities since mid-2024 – submitted policy priorities to House T&I, Senate EPW and DOT
  - Testified before T&I in April
- We hope to see T&I’s package sometime in early Q1 – perhaps by mid-February
  - TBD on Senate – likely by Q2 – but T&I is starting to finalize certain titles by EOY

## NAPA T&I Stakeholder Portal Submission

**Introduction to NAPA:** The National Asphalt Pavement Association (NAPA) is the lone trade association representing over 1,100 companies involved in asphalt pavement production and application (paving) across the nation. Our members produce over 400 million tons of asphalt pavement every year, supporting close to 350,000 employees nationwide. Asphalt comprises 94% of the highway and roadway market, being the most flexible, recycled and sustainable pavement material.

### NAPA’s Highway Bill Reauthorization Policy Priorities

**Work zone safety:** Keeping construction workers safe while they pave our nation’s critical road network.

**Background:** In 2022, 891 people, including motorists and workers died in roadway work zones. These senseless tragedies are often in large part due to erratic and distracted driving, speeding, driving under the influence and failure to abide by other traffic laws. Although most of the jurisdiction related to work zone policy is at the state level, FHWA provides much-needed resources and support as states seek to implement new policies and best practices. Without these investments and resources, workers’ safety will be compromised. Learn more about NAPA’s work zone safety summary [here](#).

### Legislative recommendations:

#### *Expand implementation and flexibility of Work Zone Safety Contingency Funds*

Section 120(c)(3)(B)(vi) of Title 23, United States Code – Included in IIJA under “innovative contracting mechanism”

- IIJA authorized the use and deployment of work zone safety contingency funds (WZSCF) that acts as a plus-up on state DOT contracts, as opposed to requiring a change order for work zone safety enhancements. However, only three states have currently implemented the program, due to certain constraints and limitations. We encourage Congress to expand the use of these funds to include proven technologies and best practices in work zones.
  - Change the requirement for increased federal share to include all work zone safety enhancements via the WZSCF, including but not limited to: police presence, barriers, lane closures, technology deployment, and maintenance of traffic changes.
  - Require FHWA to submit annually, a report identifying the use and deployment of WZSCF, including which states have implemented, and recommendations to improve the program.

# Legislative Priorities



- **Highway Trust Fund solvency**
  - Capture EV & hybrid users
  - Address HTF structural issues
- **RAP deployment**
  - Increase RAP utilization / reimbursement
- **Work Zone Safety**
  - Expand Contingency Fund utilization and police presence
- **Increasing formula funding**
  - Increase flexibility for states and speed-up project delivery timelines
- **Permitting reform**
  - Enhance state env. authority
- **PFAS – contractor liability**
  - Expand existing Recycled Materials exemption vs. Passive Receiver
- **Workforce development**
  - Support trade work development
- **Material neutrality**
  - Let engineers dictate material choice
- **Buy America**
  - Protect critical infrastructure material supply chains



# Funding Timeline

## Milestones for Reauthorization



NOW!

2025

T&I Committee  
Engagement  
Senate EPW Outreach



SEPTEMBER

2026

IIJA Authorization  
Expires



SEPTEMBER

2027

Formula Funding  
Runs Dry



FISCAL YEAR

2028

Highway Trust Fund  
Insolvent



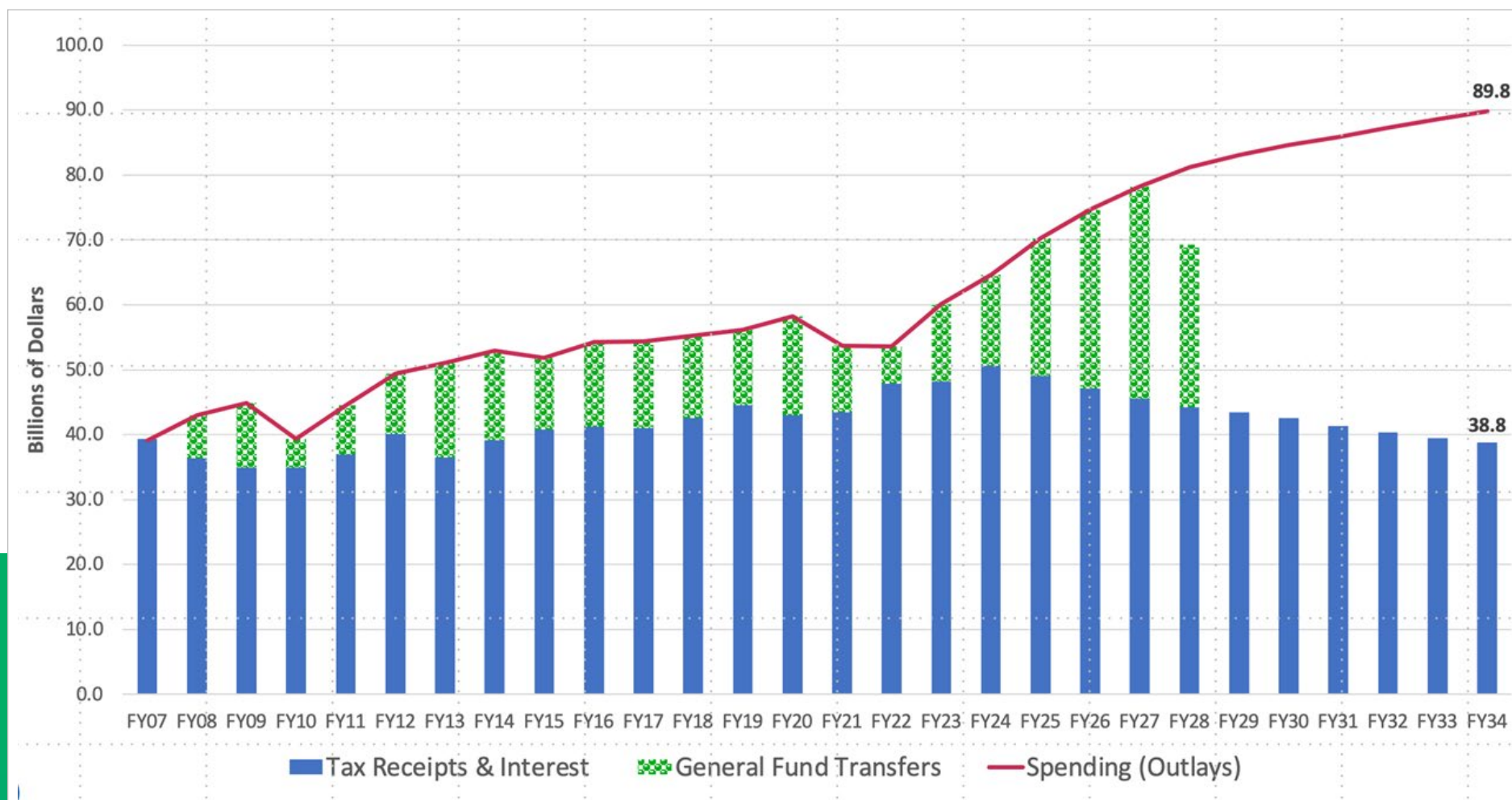
\$250 BILLION

Next 10 Years

Required to  
maintain existing  
funding levels



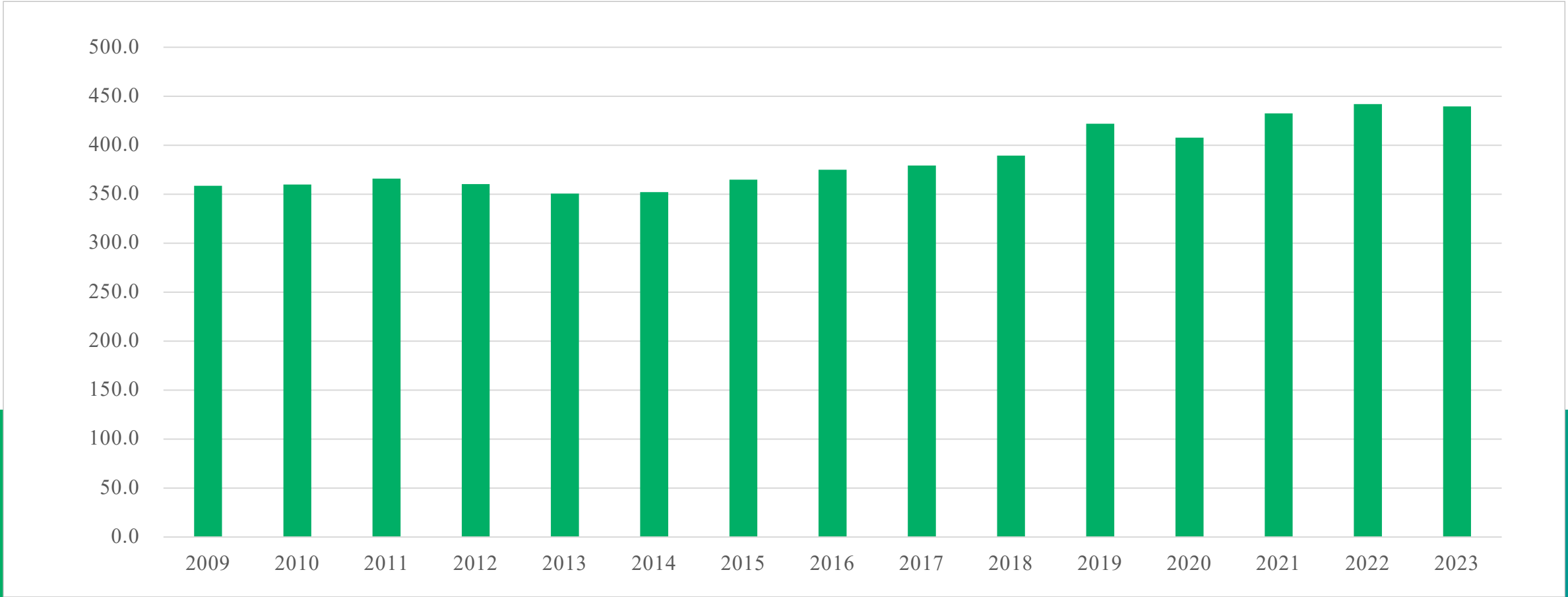
# HTF: FY2007-2023 Actual, FY2024-2034 CBO 6/24 Baseline



General Fund transfers shown in the year the transferred funds are spent / Source: Eno Center for Transportation

# Estimated Total Asphalt Mixture Production

Millions of tons



Source: NAPAIS-138

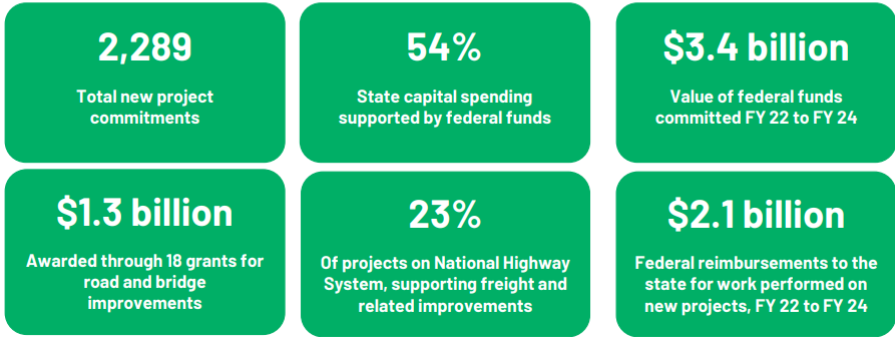


# Asphalt Market in Wisconsin & Nationally

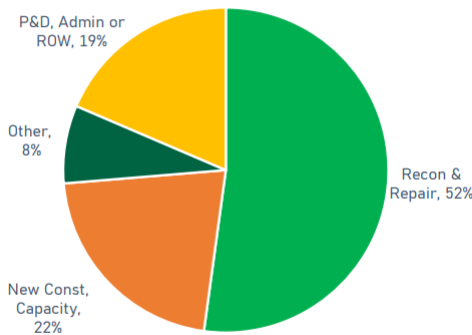


## WISCONSIN

Federal-Aid Highway Program and the Asphalt Market



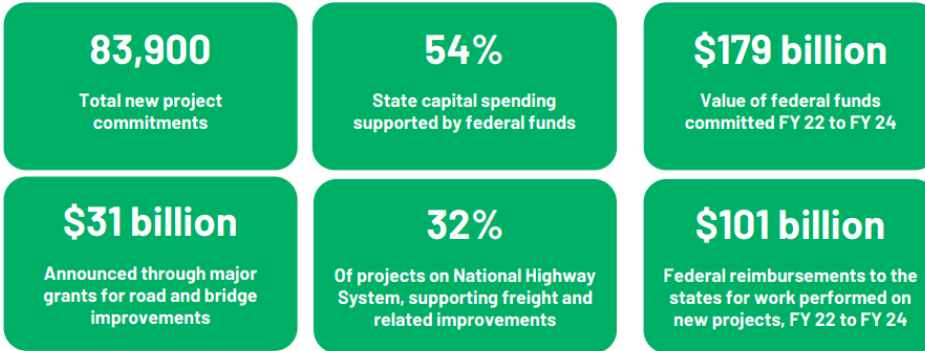
Value of Federal-Aid Highway Projects by Type of Work, FY 22 to FY 24



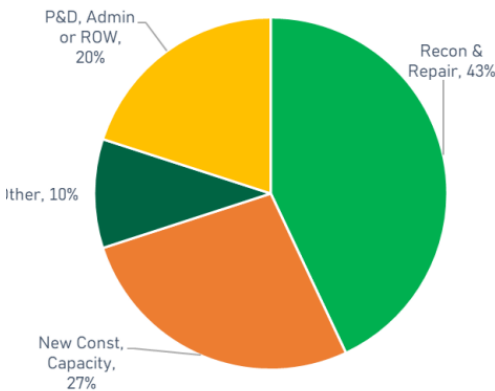
- The 2021 federal infrastructure law provides Wisconsin with \$5.49 billion to improve its roadway and bridge infrastructure network. The fourth installment of that five-year commitment is expected to be \$944.27 million in FY 2025, which began October 1, 2024.
- Construction activity from the federal program, along with state investments, drives demand for asphalt materials and related services.
- Since 2022, the value of asphalt materials and related services has totaled \$1.1 billion for projects put out to bid by the state. This amount does not include direct purchases or local highway work.
- Across the U.S., asphalt materials and related services accounted for about **25 percent** of the value of all state Department of Transportation (DOT) projects bids.

## National Overview

Federal-Aid Highway Program and the Asphalt Market



Value of Federal-Aid Highway Projects by Type of Work, FY 22 to FY 24



- The 2021 federal infrastructure law provides \$347.5 billion to improve the nation's roadway and bridge infrastructure network. The fourth installment of that five-year commitment is \$71 billion in FY 2025, which began October 1, 2024.
- Construction activity from the federal program, along with state investments, drives demand for asphalt materials and related services.
- Since 2022, the value of asphalt materials and related services has totaled \$47.7 billion for projects put out to bid by the states. This amount does not include direct purchases or local highway work.
- Across the U.S., asphalt materials and related services accounted for about **25 percent** of the value of all state Department of Transportation (DOT) projects bids.

Ty Johnson, Fred Smith Company,  
Congressional  
testimony, April 29  
Transportation &  
Infrastructure  
Subcommittee on  
Highways



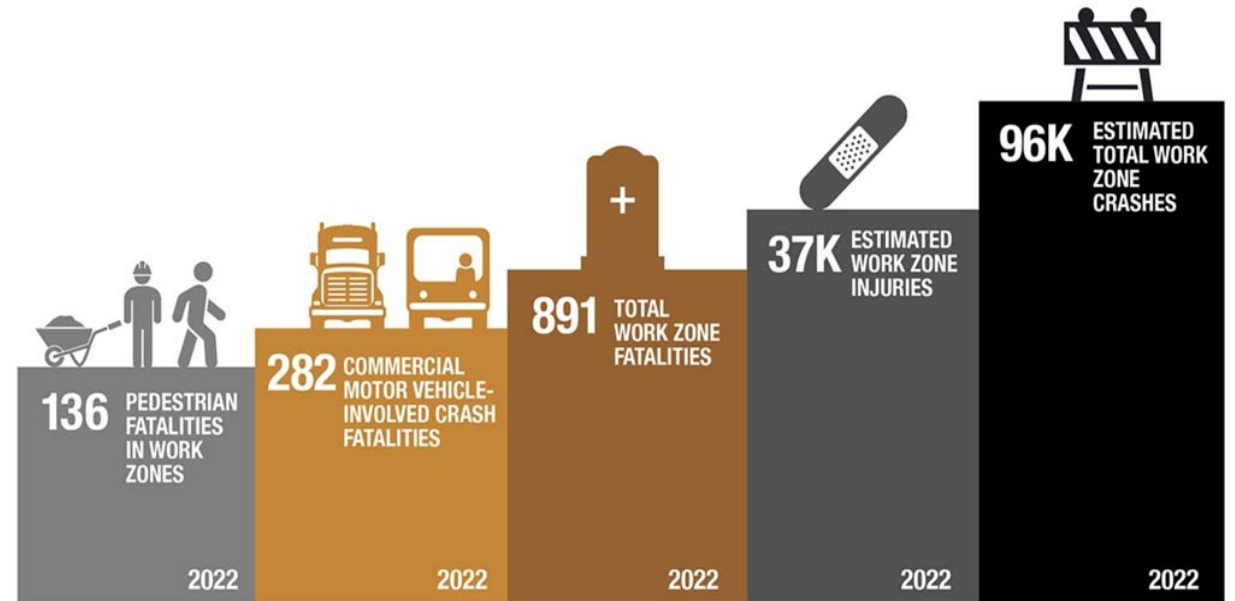
[Watch the highlights](#)





# How We Got Here

- Increasing number of WZ crashes and intrusions
  - COVID impacts
  - Driver behavior
- Awareness
  - Making our voices heard!
- Policy changes
  - States taking WZS seriously
  - Multifaceted approach
- Education
  - Work Zone Safe
- Technology
  - Improving but slow to deploy



# Coalition Partners





# Work Zone Safety Policy Solutions

- Enhance the implementation of WZSCFs
  - Require FHWA to report on the use
  - Encourage broader eligibility
- Make police presence in WZ's eligible for federal participation
- Create a WZS working group with FHWA, industry and labor
- Incentivize state DOTs to close roads during active construction



# Tariffs Scope and What Is NAPA Following



While countless industries and products may be captured – NAPA’s core focus is asphalt production:

- **Aggregates and asphalt binder**

- Similar to the Buy America policy fight leading into IIJA: protecting the construction supply chain



## **Buy America Impacts on Asphalt**

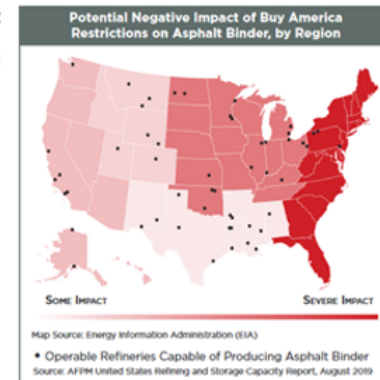
**Intro to NAPA:** The National Asphalt Pavement Association (NAPA) is the lone trade association representing over 1,100 asphalt pavement producers and lay down contractors across all 50 states. These plants produce over 400 million tons of asphalt pavement every year and employ 350,000 people nationwide. Asphalt comprises 94% of the highway pavement market and 80% of the airfield pavement market. 100% of the asphalt pavement used in our national roadway market is produced in the United States, with only some key raw materials coming from outside our borders. Asphalt pavement is primarily made from 2 ingredients: roughly 5% is [asphalt binder](#) (Bitumen-black sticky residue left over from processing crude oil) and 95% is aggregate (sand and gravel).

## **Sourcing Raw Materials**

It is most cost effective to source aggregate as close as possible to the asphalt plant, for asphalt production, as transportation logistics are the highest variable costs. However, asphalt binder is typically sourced further away due to limited refining capacities throughout the country.

## **Challenges with Sourcing Materials**

- Some states, particularly coastal states across the Gulf of Mexico, do not have significant aggregate reserves because of their proximity to the ocean and sea level. For example, much of Florida's aggregate is shipped by barge from Canada and Mexico. While that seems extreme, barging aggregate into Florida removes significant financial and logistical challenges versus trucking aggregate from states with adequate reserves 200+ miles away.
- States in the Northeast and Midwest, like New York and Wisconsin, do not have access to asphalt binder locally due to limited refining capacities. Due to this, most asphalt producers in these areas import asphalt binder from Canada where refining capacity is greater.
- The Canadian crude has great properties for asphalt production: the viscosity of binder from the Canadian oil sands is ideal for asphalt production: NAPA has more info on this topic [here](#).
- Only 12% of all the asphalt binder used in the U.S. comes from Canada, and 88% is produced in the U.S. But in communities where Canadian binder is utilized, it is the majority source for this key raw material input.



## **Buy America History**

- "Construction Materials" such as aggregate and asphalt binder had been exempted from Buy America provisions since the inception of the provisions back in the 1980's
- During the passage of the Infrastructure and Jobs Act (IIJA), Congress included provisions from "Build America, Buy America" (BABA) that required all materials on transportation construction projects funded with IIJA to be sourced



# Trump's Goal Regarding His Tariffs

- ✓ Potentially raise upwards of two trillion or more
- ✓ A “backdoor” approach to revenue raisers
- ✓ Trump has a 50% tax on steel, aluminum and copper
- ✓ SCOTUS currently reviewing Presidential powers on tariffs
  - Debate between Congress and the White House – Congress usually holds authorities on revenue raisers and “purse strings”
  - Trump using tariffs under the International Emergency Economic Powers Act (IEEPA) and “emergency powers” over foreign trade deficits
  - Many think SCOTUS will overrule some of these tariffs





NAPA meeting with  
U.S Department of  
Transportation  
Secretary Sean  
Duffy in June and  
July



# EH&S / Regulatory Affairs



Protect our people and the environment,  
advocate for realistic regulation,  
assist with compliance obligations

- ✓ Administration changes only helping a bit
  - Federal OSHA uncertain | Trump/Zeldin cutting EPA departments/programs
  - But Zeldin's political aspirations in play re PFAS
- ✓ EPA released a flurry of regulations Nov. 5 through Jan. 19
  - Some difficult to strike or claw-back (CRA look-back)
- ✓ Both NAPA's EH&S Committee will meet at Midyear
  - Guest speakers and pointed updates: WZS, PFAS, zoning, TCE compliance



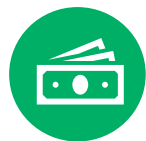


# EH&S / Regulatory Affairs

- Protect our people and the environment
- Advocate for realistic regulation
- Assist industry/members with managing risk & compliance
- ✓ Appropriately support environmental regulatory reform
  - Carbon | latest focus on WOTUS, TSCA, and permitting
- ✓ PRIORITIZE Work Zone Safety & FACILITATE Heat Illness Prevention
- ✓ Address, assist, and guide industry re Chlorinated Solvents Ban
  - Asphalt exemption NOT extended but changes in overall rules are likely
- ✓ Manage NIMBY/ EJ Impacts on Zoning & Permitting
- ✓ Advocate for PFAS ‘passive receiver’ liability relief
  - Superfund Recycling Act & research findings



# Funding National Advocacy – Support NAPA PAC!



\$200,000+

Raised in first half of 2025



30+ Plant Tours

Our goal in 2025



405 Members

Political Advocacy Member Council

## PAC GOAL

↑ **\$250,000**

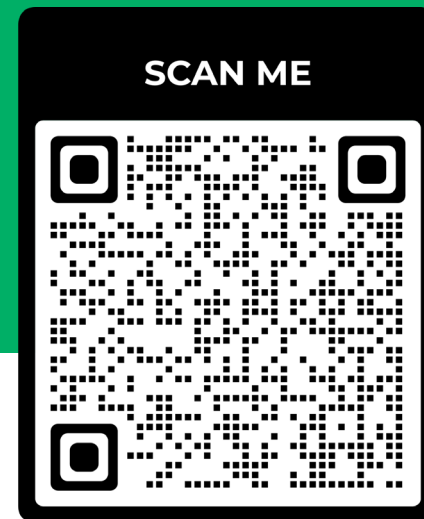
## JOIN TODAY

SCAN ME



**»» TAKE ACTION NOW!**

- ✓ Join NAPA's Political Advocacy Member Council and Legislative Committee
- ✓ Contact your Representatives about highway reauthorization
- ✓ Join us for our next PAC event – NAPA Annual, Jan. 27 in Scottsdale, AZ
- ✓ Attend our next Hill Day in September





# Questions?

