



Key AGC Policy Victories in SAFETEA-LU

AGC Goal	AGC Position	Result
Meet America's Transportation Funding Needs	AGC urged Congress to significantly increase the investment necessary to address the transportation funding deficit by spending the Highway Trust Fund (HTF) balance and increasing revenue for the HTF.	AGC made the case to Congress for the need to increase funding resulting in a 30 percent increase in over TEA-21.
Maintain Trust Fund Integrity	AGC urged Congress to maintain guarantees established in TEA-21 to ensure that all HTF revenue was invested in transportation.	AGC ensured that the legislation maximized HTF revenue and ensured those receipts are used for transportation by maintaining the funding guarantees.
Improve Work Zone Safety	AGC alone led industry efforts to improve work zone safety, taking our members' top safety concerns to Congress.	Congress responded by including in the bill AGC's top priorities such as: permitting greater use of law enforcement and positive barriers in work zones, and requiring unit pay items for traffic control.
Improve the Environmental Review Process	AGC encouraged Congress to streamline the highway planning and project delivery process to compete vital transportation projects more quickly.	Congress included provisions, recommended by AGC, that will streamline and improve the project delivery process.
Index Motor Fuels User Fee To Keep Pace with Inflation	AGC urged that the motor fuels user fee be both indexed for inflation into the future and indexed retroactively to address lost buying power since the fee was last raised in 1993.	While indexing the user fee had appeal for many in Congress, political pressure kept it from being enacted. AGC will continue to build support for indexing and identifying other alternatives.



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<p>Ensure Ethanol Users Pay Full Highway User Fee Just as Gasoline Users Pay</p>	<p>AGC believes that all road users, including those who use ethanol blended fuels, should pay an equal share to the HTF to maintain and improve the highway infrastructure.</p>	<p>AGC's efforts resulted in Congress directing that all ethanol user fees be paid to the HTF resulting in an annual \$2 billion per year increase.</p>
<p>Spend Down HTF Balance</p>	<p>AGC advocated that all HTF revenue should be invested in transportation and a balance should not be allowed to grow.</p>	<p>HTF balance will be eliminated over the life of SAFETEA-LU.</p>
<p>Eliminate Fuel Tax Evasion</p>	<p>AGC encouraged that Congress clamp down on fuel tax fraud and evasion to ensure that all highway users pay their fair share.</p>	<p>New provisions to reduce fuel tax evasion will provide additional HTF revenue of \$1.955 billion over the life of the bill.</p>
<p>Expand Bonding Options for Highway and Transit Capital Improvements</p>	<p>AGC encouraged Congress to look at new funding sources to supplement user fee revenue and was the first construction group to endorse a Federal bonding program.</p>	<p>Private activity bond expansion included in final package. Build America Bond Corporation was included in the Senate bill but later dropped. AGC will continue to press for its adoption in legislation to address future funding of program.</p>
<p>Expand use of Tolls to Finance Highways and Bridges</p>	<p>AGC worked to have States provided the most flexibility to use tolling to meet highway funding needs.</p>	<p>AGC's efforts paid off with states permitted to make greater use of tolling to add new capacity to interstate highways and for congestion pricing.</p>
<p>Create Future Program Direction and Sources of Funding</p>	<p>AGC urged Congress to identify all sources of revenue for the HTF and recommended that revenue collection mechanisms be created to address alternatively fueled vehicles, increased fuel efficiency in vehicles and the overall funding shortfall.</p>	<p>AGC pointed out that the highway program is at a significant cross road and future vision must be established. A National Commission was established to address future funding for highway, bridge and transit improvements.</p>



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<p>Eliminate Storm Water Projects Mandate</p>	<p>AGC worked to defeat a Senate bill provision that would have diverted a portion of Federal funds for storm water mitigation projects. AGC believed that due to the overwhelming transportation needs, funds should not be diverted to non-highway activities.</p>	<p>AGC succeeded. The Senate provision was dropped from final legislation, ensuring the money will be spent on most important transportation needs.</p>
<p>Exempt Interstate System from Historic Designation</p>	<p>AGC was concerned that the fifty year anniversary of the Interstate system could lead to it being designated an historic property and therefore alterations could prove difficult.</p>	<p>AGC was successful in getting the interstate exempted from historic designation.</p>
<p>Improve the Clean Air and Transportation Planning Process</p>	<p>AGC advocated meshing clean air and transportation reviews to speed transportation project approval and reducing the number of times conformity determinations need to be made.</p>	<p>AGC made the case that the conformity process needlessly prevented transportation projects from moving forward and the process was significantly reformed in the bill.</p>
<p>Eliminate \$15 million Liability Insurance Mandate for Subcontractors</p>	<p>AGC successfully fought a Senate provision that would have established a \$15 million dollar general liability insurance requirement for “<i>work zone safety services contractors, traffic control contractors, and trench safety and shoring contractors.</i>” Hundreds of AGC members contacted members of Congress in opposition to the provision.</p>	<p>The AGC groundswell was critical to ensuring the provision was defeated.</p>
<p>Eliminate Five Percent Work Zone Traffic Control Mandate</p>	<p>AGC opposed a Senate bill mandate that five percent of all construction contracts be directed to work zone traffic control.</p>	<p>The requirement was dropped after AGC, the leading advocate for increasing safety in highway construction work zones, made the case that setting an arbitrary percent was not the appropriate way to address work zone safety.</p>



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Oppose Federal Audits of Equipment Purchases by Construction Companies	AGC opposed the Senate provision requiring contractors and state DOTs to justify the decision to purchase equipment rather than rent it.	The provision was dropped after AGC made the case that a decision to purchase rather than rent equipment is a business decision, not a government decision.
Eliminate Efforts to Limit Contractor's Political Participation	House members included a provision that would allow a New Jersey law (and similar laws in other states) barring anyone who gives more than \$300 to political candidates or political parties in New Jersey from competing for federal aid highway and transit work in their state. The New Jersey law applies to competitive bid projects in violation of the Federal law.	AGC worked with its New Jersey chapters and key Senate leaders to defeat the effort. This is a significant victory for AGC members who participate in public contracting and the political process.
Defeat Mandatory Suspension and Debarment	The Senate included a provision that would have suspended contractors upon indictment and debarred contractors upon conviction. AGC members from around the country fought this effort that would have bypassed due process. AGC enlisted the assistance of the American Bar Association Public Contracts Law Committee in opposing this provision.	AGC's effort made the difference that had this provision dropped from final legislation.



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Eliminate Expansion of Warranty Roads Programs	AGC opposed House provision establishing a 15 project pilot program using 25-30 year pavement warranties.	Provision was dropped after AGC made the case that the risks involved in long term warranties allowed only a small number of very large companies to participate. States already have authority to require warranties.
Allow Use of Federal Funds for Contractors to Retrofit Diesel Equipment	AGC urged Congress to make Congestion Mitigation and Air Quality (CMAQ) program funds available for retrofit of diesel-powered off road construction equipment used on SAFETEA-LU funded projects. AGC urged that if contract specifications require the use of retrofitted equipment CMAQ funds should be provided to contractors to offset the expense of retrofitting their equipment.	This provision was included in the final legislation. For the first time, it will provide assistance to contractors faced with new demands to reduce emissions from diesel-powered equipment when stricter clean air requirements are implemented next year.
Eliminate Fuel Surcharge Mandate	AGC opposed House provision requiring automatic surcharge for shipping costs when fuel prices increases above \$1.10.	Provision was dropped after AGC made the case that this provision would have significant consequences for contractors who submit fixed-price bids based on product prices and shipping costs at the time of bid.