



**NUCA**  
*We Dig America*

## Surface Transportation Reauthorization

### SURFACE TRANSPORTATION REQUIREMENTS



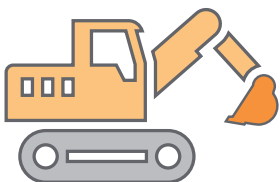
The Highway Trust Fund needs  
**\$94 billion** over the next  
5 years to avoid a shortfall

### 72% OF U.S. GOODS MOVE ON THE HIGHWAY SYSTEM

Decades of hard use has left **43%**  
of our public roadways in **poor**  
or **mediocre condition.**



### PLA MANDATES ARE A BAD DEAL FOR TAXPAYERS



Project labor agreements (PLA)  
increase construction costs by  
**12% to 20%.**

### Issue background:

The nation's surface transportation law (known as the Fixing America's Surface Transportation (FAST) Act) is set to expire on September 30, 2021, and must be reauthorized by Congress before that date.

The U.S. has been underfunding its roadway system for years, resulting in a \$786 billion backlog of road and bridge capital needs. In 2019, the Senate Environment & Public Works (EPW) Committee passed the "America's Transportation Infrastructure Act (S. 2302), which authorized \$287 billion in funding over five years. While that bill was never voted on by the full Senate, it has been viewed as the foundation for a new reauthorization bill in the 117th Congress.

The Highway Trust Fund (HTF) remains the primary vehicle used for funding highway projects. It uses the Federal gasoline excise tax for its \$41 billion in revenues (2018). The federal government charges a tax of 18.4 cents on every gallon of gasoline and 24.4 cents on every gallon of diesel. The tax was last raised in 1993 and is not indexed to inflation. An average of 55.2 cents in total state and federal taxes are collected on each gallon of gas, and 62.2 cents per gallon of diesel fuel.

## What is NUCA's position?

NUCA supports a long-term surface transportation bill to give contractors and state highway planning authorities dedicated funding for multi-year projects and their planning requirements. In 2018, highway fund outlays were \$55 billion.

NUCA members are involved in many aspects of highway construction and modernization projects. Underground utilities construction is a pre-cursor to all highway and roadway infrastructure. Our industry members design and build roadway drainage systems, storm and sanitary lines, water mains, excavate highway right-of-ways, provide trenches for buried electrical lines, and build many other critical underground subsystems found in modern highway and bridge construction.

NUCA supports an increase in the federal fuel tax supporting the Highway Trust Fund. The gap between revenue and expenses was just over \$8 billion in 2020 and is expected to grow to roughly \$13.5 billion by 2025. Given how COVID-19 has hurt the economy, actual shortfalls will most likely be larger. Without additional funding from other tax revenue sources, the deficit is expected to grow to \$70 billion over five years.

Inflation has also eroded the value of those maintenance dollars. The 1993 tax rate of 18.4 center per gallon would need to be today more than 30 center per gallon just to have the same purchasing ability.

Surface transportation infrastructure continues to face significant needs as well, and innovative ideas are needed as the transportation sector is ever changing. As a member of the Transportation Construction Coalition, NUCA supports strong investment in America's surface transportation infrastructure. An infusion of federal funding should be complemented with a bipartisan, robust reauthorization of the federal surface transportation program in a way that ensures the solvency of the Highway Trust Fund.

NUCA also support legislation that protects government construction contracts from project labor agreement (PLA) mandates and will allow all contractors, including small, women, and minority-owned businesses, to have a fair opportunity at competing to rebuild America. More than 87% of the private construction workforce chooses

not to belong to a union, and workforce capacity issues are already among the greatest difficulties our industry faces today. PLA mandates prevent experienced contractors from competing to win taxpayer-funded contracts and potentially locks out vast swathes of the workforce.

Considering the skilled workforce shortage facing the construction industry, any major highway infrastructure package cannot possibly be completed on schedule and under budget if a harmful PLA mandate is put into place. In the 116th Congress, NUCA supported the "Fair and Open Competition Act," (S. 403/H.R. 1284), which protected NUCA members against PLA mandates. We urge Congress to ensure that any surface transportation legislation is free of PLA mandates.

## What can Congress do to help?

Congress must reauthorize the nation's surface transportation law (FAST Act), which is slated to expire on Sept. 30, 2021. A reauthorization bill has yet to be introduced in either chamber of Congress. NUCA urges Congress to act without delay on this important legislative action.

- In the 116th Congress, NUCA supported the America's Transportation Infrastructure Act (ATIA), which authorized \$287 billion between FY2021-FY 2025.

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