

Written Statement of

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On behalf of

The Associated General Contractors of America

to the

United States House of Representatives

Committee on Transportation and Infrastructure

For a hearing on

“The State of Transportation Infrastructure and Supply Chain Challenges”

February 1, 2023



The Associated General Contractors of America (AGC) is the leading association in the construction industry representing more than 27,000 firms, including America's leading general contractors and specialty-contracting firms. Many of the nation's service providers and suppliers are associated with AGC through a nationwide network of chapters. AGC contractors are engaged in the construction of the nation's commercial buildings, shopping centers, factories, warehouses, highways, bridges, tunnels, airports, waterworks facilities, waste treatment facilities, levees, locks, dams, water conservation projects, defense facilities, multi-family housing projects, and more.

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## I. Introduction

Chairman Graves, Ranking Member Larsen, and members of the Committee on Transportation and Infrastructure, thank you for inviting me to testify on this vitally important topic. My name is Jeff Firth, and I am the Vice President of Hamilton Construction Company and a board member of the Associated General Contractors of America (AGC) where I serve as Vice Chair of the Highways and Transportation Division.

AGC is the leading association in the construction industry representing more than 27,000 firms, including America's leading general contractors and specialty-contracting firms, many of which are small businesses. Many of the nation's service providers and suppliers are also associated with AGC through a nationwide network of chapters. AGC contractors are both union and open shop and are engaged in the construction of the nation's commercial buildings, shopping centers, factories, warehouses, highways, bridges, tunnels, airports, waterworks facilities, waste treatment facilities, levees, locks, dams, water conservation projects, defense facilities, multi-family housing projects, and more. In 2020, 91% of firms within the construction industry had 20 or fewer employees.<sup>1</sup>

Hamilton Construction Co. (Hamilton) has been building bridges and highways as a heavy civil contractor since 1939. Hamilton has partnered with owners to deliver numerous award-winning, complex bridges, highways, dams, and other critical infrastructure projects. Hamilton has four divisions and operates throughout the West. The divisional organization allows Hamilton to better serve our clients and employees from local offices in Oregon, Washington, and Alaska.

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<sup>1</sup><https://data.census.gov/table?q=CB2000CBP:+All+Sectors:+County+Business+Patterns,+including+ZIP+Code+Business+Patterns,+by+Legal+Form+of+Organization+and+Employment+Size+Class+for+the+U.S.,+States,+and+Selected+Geographies:+2020>

In my testimony today, I will discuss the status of the construction industry including the challenges that lie ahead for rebuilding our nation's infrastructure. The Infrastructure Investment and Jobs Act (IIJA) represents the most significant infusion of investment, including over \$350 billion dedicated to roads and bridges, in our infrastructure since the enactment of the Interstate Highway System in the mid-1950's. However, inflation and supply chain constraints have threatened the success of the IIJA. In my testimony today I will discuss the challenges that have emerged for the industry, even as some conditions improve.

## **II. Provide Flexibility for States and Construction Companies**

### *States Need Flexibility to Meet their Transportation Needs*

AGC believes that the Federal Highway Administration (FHWA) must continue to provide state and local governments with the flexibility to address and prioritize their unique transportation needs as Congress intends. Secretary Buttigieg recently<sup>2</sup> stated, "No one understands a community's needs better than those who live there," and AGC could not agree more. As each area of our country is diverse and unique, so are the transportation needs of each community. When standardized transportation solutions do not work in a community, too often the contractor gets blamed despite often not being involved in project selection or the design of a project.

Historically, the federal-aid highway program has been federally funded and state administered with over 90 percent of the highway funding going to states via formula. This ensures maximum flexibility for states to address their transportation needs and allows them to "flex" funding between

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<sup>2</sup> <https://content.govdelivery.com/accounts/USDOT/bulletins/330d4ed>

programs when necessary. We ask that Congress continue to prioritize formula funds and state flexibility in future surface transportation reauthorizations.

FHWA released a guidance memo highlighting, among other things, that states should focus exclusively on maintenance and repair work on existing roadways before building more or new roads.<sup>3</sup> This memo has caused confusion with state DOTs about the mismatch between this guidance and the lack of corresponding requirements for such measures by the IIJA. This policy, which was rejected by Congress in IIJA negotiations, paints a false narrative based upon FHWA's own data which states that 80% of roadway construction projects already repair existing roads and bridges.<sup>4</sup> States are already fixing it first, thanks to the policies like performance management requirements – put in place by Congress. Our nation's interstate system was built and designed over 50 years ago, and it is past time that states modernize them to meet the current needs of the cities and populations they serve. Flexibility to add new capacity to meet these changed needs is crucial.

AGC led a coalition<sup>5</sup> effort requesting that FHWA rescind the “Policy on Using Bipartisan Infrastructure Law Resources to Build a Better America” memorandum issued on December 16, 2021. The recent December 15 U.S. Government Accountability Office determination that this memo is a rule under the Administrative Procedures Act (APA) further underscores two of our concerns.<sup>6</sup> First, if the memo articulated a valid rule, the regulated community – including state and local transportation agencies – must comply with its parameters. Second, formulation of the rule

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<sup>3</sup> [https://www.fhwa.dot.gov/bipartisan-infrastructure-law/building\\_a\\_better\\_america-policy\\_framework.cfm](https://www.fhwa.dot.gov/bipartisan-infrastructure-law/building_a_better_america-policy_framework.cfm)

<sup>4</sup> See Appendix Figure 1 and Figure 2

<sup>5</sup> <https://www.agc.org/sites/default/files/Files/Govt%20Regulations%20and%20Executive%20Orders/Coalition%20Letter%20-%20FHWA%20Memo%201.18.2023.pdf>

<sup>6</sup> <https://www.gao.gov/products/b-334032>

must comply with the APA, requiring public notice and comment which did not occur in this case. If FHWA wishes to prioritize certain types of programmatic policy changes, then the agency should work with Congress to legislate such changes or follow the notice and comment rulemaking process as required under the APA. Here, FHWA did neither.

Putting policy priorities aside, AGC is also concerned about the precedent that this policy memo sets. We fear the potential policies that future administrations could prioritize without undertaking a formal notice and comment rulemaking.

### **III. Challenges to Rebuilding the Nation's Infrastructure**

#### *Supply Chain Constraints*

Infrastructure project costs continue to climb amid rising construction materials prices and shortages. Material price increases have doubled or even tripled in some cases<sup>7</sup>. The construction industry is facing material challenges that reach far and wide. In fact, a recent survey of AGC members found that 93 percent of construction companies are experiencing long lead times and/or allocations (less-than-full shipments) for construction materials.<sup>8</sup> Supply chain disruptions from the pandemic have inflated the cost of construction materials and made project delivery schedules and product availability more uncertain.

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<sup>7</sup>[https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Cover\\_Jul2022\\_V4.pdf](https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Cover_Jul2022_V4.pdf)

<sup>8</sup><https://www.agc.org/sites/default/files/users/user33405/Buy%20America/2022%20Materials%20Survey%20Results%20Data.pdf>

Infrastructure projects across the country have been delayed and more could be jeopardized.

Construction firms, in situations where they are able to, will pass along the rising materials prices in order to remain successful. Unfortunately, the lead time in bidding these projects is so long that they are unable to predict the availability and price of some of these materials. We are experiencing an unprecedented burden with bidding and procurement of new projects. Specifically, some of these challenges for Hamilton include:

- **Steel Pricing** – We receive a price the day of bid but are required to let the supplier know anywhere from that same day up to one week if we will place an order. As a result, we have to decide in an incredibly short time period whether we will buy materials for a project that we do not know if we will be awarded, placing significant risk on our business.
- **Concrete Shortages** – Suppliers have been putting us on a weekly allocation (or rationing) for concrete. This is a challenge when you might have a 300+ cubic yard pour, can only get 50-75 cubic yards and have a set schedule to meet.
- **Lattice Boom Crawler Cranes** – The supplier we use only has six available on the west coast.
- **Other Construction Equipment** – The forecast for air compressors, light plants, generators, manlifts, forklifts is 40-50 weeks at a minimum.

Companies are also unable to foresee things like world events that cause a spike in oil prices or soaring inflation and therefore, in some instances, are forced to absorb these increases because there is no price adjustment clause available to them. At Hamilton Construction we have had experiences that vary state to state:

- Some of our owners have fuel adjustment clauses but only for certain scope of work performed on the project.

- Some owners have adjustment clauses for steel and asphalt, however, only for certain scopes of work within the project and the adjustment clauses do not cover all materials that will be used on a project.
- Some owners that we work with do not have any type of adjustment clauses at all.
- At Hamilton Construction fuel escalations were helpful, but not enough. Our fuel bill for the year overran close to \$1 million dollars from what was budgeted.

While contractors are in the business of managing risk, the events and circumstances of the last two years have led to such unparalleled unpredictability in the supply chain and market that contracting firms of all sizes are at greater risk now than in recent history of business failure. As you can imagine the impacts are especially devastating to small and DBE construction firms that lack the resources to absorb these unexpected costs.

#### *Implementation of the Build America, Buy America Act (BABAA)*

The industry is also facing new uncertainty around Buy America requirements. I want to be clear, AGC supports sensible efforts to incentivize the growth of America's domestic manufacturing capacity to restore balance to the supply chain. As you know, the IIJA included the Build America, Buy America Act (BABAA) which expands domestic sourcing requirements to all construction materials on federally assisted projects such as affordable housing, drinking water, transportation projects and more.

The Office of Management & Budget (OMB), who oversees implementation of BABAA, issued preliminary guidance defining construction materials on April 18, 2022, and told agencies to include BABAA requirements in all new contracts on May 14. OMB issued these "rules" before conducting significant research on the supply chain, as it put forth a request for information within the guidance

and has yet to issue final guidance. The Department of Transportation (U.S. DOT) initially issued a transitional waiver for six months which has since expired. We believe that U.S. DOT should issue another transitional waiver of six months to a year, or until the Department can provide clarifying guidance and ensure there is adequate time for public owners and contractors to understand these new requirements.

There is still significant confusion among industry, federal, state and local agencies remain regarding the difference between a construction material and a manufactured product and what manufacturing processes must occur domestically for construction materials. For example, there is still no guidance from OMB or U.S. DOT about asphalt and concrete which has created confusion among industry and state DOT's about whether they are exempt from these new requirements – even though the statute is clear. To address this issue, U.S. DOT must identify a specific list of which construction materials will have to be Buy America compliant and which materials will be considered a manufactured product. To date, they have not done this.

In addition, OMB has also added new uncertainty for the construction industry. For example, their April 18, 2022, Memo<sup>9</sup> requires the Federal Highway Administration (FHWA) to reevaluate its existing 1983 manufactured products waiver. To date, FHWA has not issued a request for comment on such waiver.

There is also heartburn within the construction industry about needing a Buy America waiver in the future and the low likelihood in being granted one based on history. To make the waiver process even more problematic, because of an executive order, federal agencies must submit waivers for

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<sup>9</sup> <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>



items not made in America to OMB. They assure us though that OMB must approve or deny the waiver within 15 days. However, this does not detail when U.S. DOT or another agency received the waiver request first and only starts the 15-day deadline when the agency actually transmits the waiver request to OMB. We ask that the Committee conduct thorough oversight to ensure that the waiver process is transparent and does not get caught up in politics of the White House and OMB.

At Hamilton Construction this new requirement has caused confusion. Owners should have a better handle on what is being specified on their projects and ensure that these materials are available to meet Buy America requirements. Most owners simply pass the onus onto the contractor, and then stipulate that they will not pay the contractor until they find something that works. As you can imagine, this is hard to do if there is nothing that qualifies as an equivalent.

We have heard that one DOT is going through and creating a product list that meets the new Buy America requirements and distributing it amongst their contractors. As contractors, we only bid and build what is on the plans, meaning substitutions can also be very difficult to obtain.

A more responsible way to implement these new requirements would be for OMB and U.S. DOT to implement them on a product-by-product basis, after identifying manufacturing capacity. However, it appears as though they are choosing to charge full speed ahead amidst supply chain woes – like long lead times and material allocations.

One thing FHWA has done is a Request for Information on the availability of Buy America compliant electric vehicle (EV) charges and then subsequently a proposed waiver for them. AGC

offered support for such waiver.<sup>10</sup> However, it is disappointing that the agency did not undertake outreach and research to a similar degree of rigor on other manufactured products and construction materials subject to BABAA.<sup>11</sup> While this waiver will address the challenges present with EV charging stations, the manufactured product is merely one example of a much larger industry-wide problem when it comes to meeting these new requirements. Put nicely, implementation of the new Buy America requirements is off to a rocky start and the construction industry is very concerned and confused.

### Greenhouse Gas Performance Measure

Last summer, FHWA proposed a rule to establish a greenhouse gas performance measure. During debate of the IIJA and prior surface transportation laws, Congress considered proposals that would provide FHWA with the authority to create a performance measure on greenhouse gas emissions but ultimately rejected them. AGC [believes](#) that this greenhouse gas performance measure would be a one-size-fits-all mandate that would limit a state's ability to choose transportation projects that fit its unique needs. We believe FHWA should follow congressional intent and refrain from reviving policy ideas that Congress considered and ultimately rejected.

A greenhouse gas performance measure will limit a state's options to connect people to jobs, healthcare, and education. The transportation needs faced by Americans living in urban areas are not the same as those living in rural parts of the country. Requiring New York to invest in the New York City subway rather than a roadway project might work for the transportation needs of their

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<sup>10</sup> <https://www.regulations.gov/comment/FHWA-2022-0023-0037>

<sup>11</sup> On November 24, 2021—14 days after President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law—USDOT and the Department of Energy published an RFI seeking comments within 47 days to discern whether EV charging stations could meet BABAA requirements. FHWA, on the other hand, issued an RFI to help understand the possible impacts of BABAA requirements on the vast field of construction materials utilized on federal-aid highway projects on July 28, 2022—225 days after IIJA enactment—and sought comments within 21 days.

state. However, factors like climate and population density may limit some states' transportation options.

If the Administration insists on moving forward with this rulemaking, AGC believes that they should provide an exemption for low-population density states and focus on the states with the highest greenhouse gas emissions. Likewise, we believe that FHWA should not penalize states for not meeting their greenhouse gas emissions targets.

#### *Waters of the United States (WOTUS) Rule*

The Clean Water Act (CWA) grants the U.S. Army Corps of Engineers (Corps) and the Environmental Protection Agency (EPA) jurisdiction over “navigable waters,” defined in the act as “Waters of the United States” (WOTUS) without further clarification. Both the federal agencies and the courts have long struggled to define WOTUS: establishing which waters are regulated by the federal government and which fall under the jurisdiction of state and local governments for protection. Federal jurisdiction affects all CWA programs (not just dredge and fill/wetlands permits) and determines when a construction site must obtain a federal permit.

The administration released its new WOTUS rule despite the fact the U.S. Supreme Court is currently weighing the scope of the Clean Water Act as part of the *Sackett v. EPA* case. A ruling in that case could render elements of the new rule irrelevant, adding further regulatory confusion for a large section of the economy. AGC urged the Biden Administration to wait for the Supreme Court to issue a ruling on the Sackett case before proceeding. We also urged the administration to focus its regulatory efforts on implementing the environmental streamlining provisions that were included in the IIJA the president signed into law over a year ago.

The construction industry invests a significant amount of time and cost in compliance with the Clean Water Act and to avoid or reduce potential impacts on the environment. The new rule is the sixth time the requirements have changed in seven years, compounding the existing uncertainty in an area of law that can not only significantly delay and increase costs on projects but also bring criminal as well as civil penalties. AGC would support any congressional efforts to halt implementation of this new rule, especially given how any Supreme Court decision could lead to the seventh change to the rule in just as many years.

#### *Disadvantaged Business Enterprise (DBE) Program*

On July 21, 2022, the U.S. Department of Transportation announced a notice of proposed rulemaking on the Disadvantaged Business Enterprise (DBE) Program. AGC represents DBE and non-DBE firms and has [identified](#) many areas of agreement on how to improve the DBE program. For example, we are pleased that the Department is proposing to increase the personal net worth cap and exclude retirement assets from the calculation. DBE firms should be able to grow without punishing the owner of the company for planning for retirement. Likewise, we are pleased that the Department is taking steps to streamline the interstate certification process. This will enable these small companies to focus more of their time and resources on running their construction company and not forcing them to spend time on a duplicative paperwork process.

AGC supports better alignment of the DBE program with the federal small business program under the Small Business Act. However, AGC warns U.S. DOT against a wholesale substitution of the existing rules for DBE size determination with that of the U.S. Small Business Administration's (SBA) without careful consideration and study.

AGC believes that U.S. DOT should ensure that DBE availability and capacity in an area does not diminish, which would undermine efforts to achieve programmatic goals. That is why AGC supports aligning the DBE statutory size standard—currently capped at \$28.48 million gross annual revenue—with NAICS code 237310 (Highway, Street, and Bridge Construction) that sets a \$45 million cap and is revised for industry trends and inflation at least every five years by the SBA.

And, rather than limiting DBEs to certain sub-sizes as specialty contractors—as NAICS codes for specialty contractors are generally capped at a \$19 million gross annual revenue threshold—AGC supports maintaining just the one singular code and its accompanying threshold to avoid administrative confusion that could lead to DBEs being prematurely removed from the program. Also, DBE contractors can work as prime contractors on some transportation construction contracts and specialty contractors (i.e., subcontractors) on others. That flexibility maximizes their opportunity to bid on and win federally assisted transportation construction contracts.

Such a change is not unprecedented. In fact, Congress enacted this approach in section 150 of the Federal Aviation Administration Act of 2018 for the mode's DBE program.

As it stands, however, NAICS codes for the specialty construction sector were designed for vertical building construction, not transportation construction contractors. These codes do not account for the fact that in transportation construction, jobsites can span many miles and require more heavy equipment than for constructing a building. For example, to face a cap of \$19 million can be especially challenging for a structural steel contractor that specializes in bridge work, as steel remains

at elevated prices, is a ubiquitous material in bridges and whose placement requires significant investment in heavy equipment.

Instead of allowing room for DBE contractors to grow, the program is further handicapping their success. Instead of making it easier for prime contractors to utilize specialty DBE firms, it is making it more difficult. Finally, it is making it harder for states to meet or even exceed their DBE goals by limiting the work these DBE firms are able to perform. AGC looks forward to working with Congress and U.S. DOT to address the unintended consequences of the use of NAICS codes in transportation construction.

At Hamilton we have had very positive experiences in working with DBEs. The main challenge we see is that the pool of DBE's is not growing. As a prime contractor, we want to have options available. We also want to ensure that when the time comes to perform the work, the DBE has the capacity to perform the job and isn't trying to work on 10 jobs concurrently with limited resources.

We utilize DBEs for various types of jobs. For example, one good experience with a DBE firm was on a Washington State DOT project. They performed the traffic control for us and did a great job. It was one of the more difficult jobsite conditions where there are 3-5 lanes of traffic in each direction, on/off-ramps to contend with, and also challenges with the general public - not paying attention in work zones, driving too fast, not focusing on the road, etc.

#### *Facilitate Efficient Project Delivery*

AGC believes a great way to maximize the investment in IIJA would be to implement the environmental review and permitting reforms that were mandated in the bill. The complicated

operations of these current laws and the intersection of their requirements can delay projects that would improve the overall safety and efficiency of the surface transportation system. By implementing these provisions, we believe the costs associated with delivering projects will be reduced without jeopardizing environmental protections.

Specifically, we ask that the administration implement the provisions that would:

- Codify the One Federal Decision policy;
- Allow for utility relocation in the right of way prior to the National Environmental Policy Act (NEPA) review being completed; and
- Extend the time period for a state to assume the responsibility for small projects, that have little or no environmental impact, from a term of not more than three years, to a term of five years.

AGC also has concerns about recent changes to the National Environmental Policy Act (NEPA) in the Council on Environmental Quality's (CEQ) Phase I rulemaking. These changes add bureaucratic steps in an already onerous and slow process, require more time-consuming analyses, increase litigation risk for project decisions, and encourage agencies to impose requirements that go beyond CEQ regulations and would slow agency decision-making and discourage the transformational investments needed across the economy.

Federal agencies are not just making changes to NEPA, they are systematically reversing all streamlining reforms from recent years as well as introducing additional requirements that will delay projects. This can be seen in the major permitting programs such as Clean Water Act section 404

permitting, section 401 water quality certifications, threatened and endangered species, and migratory birds.

The promises to deliver timely and sorely needed infrastructure under the IIJA and the Inflation Reduction Act will be significantly challenged if projects are delayed and, in turn, face steep cost increases that block their construction. These delays will make it harder to achieve climate change goals, to make infrastructure more resilient, and to better prepare and protect communities from natural disasters, especially disadvantaged communities.

### Buy Clean

Under Executive Order 14057 and provisions of the Inflation Reduction Act, federal agencies are looking at “Buy Clean” programs that would force material/product choices based on embodied carbon using Environmental Product Declarations (EPD). EPDs were initiated by industry to present general information about the environmental attributes of a product, including the carbon emissions associated with its development.

While EPDs are a tool for measuring embodied carbon, they can be varied in their approach, do not provide a full life cycle assessment, and are not universal. In addition, EPDs have limited functionality for making or comparing important design choices (such as for safety or performance) or calculating the embodied carbon of an entire infrastructure project—and/or comparing it to another project.

Buy Clean programs are new and have not been fully implemented even in the limited states - including California - that have begun to utilize them. Their impact on the supply chain is unknown.



As is whether they will require more staff to administer and change traditional roles within the infrastructure development team - possibly resulting in new professional services or roles for the general contractor (e.g., a new environmental review akin to determining how to actually build a project) and introducing risk.

AGC asks that Congress and the Administration allow for an appropriate transition time to these new requirements and examine the impacts that these new requirements could have on small and DBE contractors and suppliers. The uncertainties associated with Buy Clean programs could have serious implications if approached in a rushed/haphazard manner. In addition, we ask that they work with industry to implement these requirements. Recognizing the proactive role that industry has played in the development and adoption of EPDs, AGC encourages market-based incentives associated with embodied carbon. Furthermore, the government should continue to include industry in the EPD process moving forward, reward private sector innovation, and recognize the importance of consensus-based processes for industry standards.

#### **IV. Support the Construction Workforce**

##### *State of the Construction Workforce*

The construction industry's labor shortages remain severe with most construction firms expecting labor conditions to remain tight. Despite firms increasing pay and benefits, the workforce shortage continues. A 2022 AGC [survey](#) found 93 percent of construction firms report they have open positions they are trying to fill. Among those firms, 91 percent are having trouble filling at least some of those positions – particularly among the craft workforce that performs the bulk of onsite

construction work. While finding qualified workers remains a challenge, the survey does show that contractors are optimistic, particularly with road, bridge, and transportation construction.

The industry is facing the effects of decades of policies directing students to attend four-year institutions as the only career option. About 21 percent of all total federal education funding goes to career or workforce education with the majority going to traditional four-year colleges.<sup>12</sup> That is why AGC supports increased funding for Career and Technical Education funding (Perkins Act). Perkins is the primary federal program for developing and supporting career and technical education programs for secondary and post-secondary students. Exposing younger individuals to construction skills and careers is critical. However, these programs, especially construction focused ones, are expensive to operate and administer for local schools. And these programs face rising inflationary pressure and lingering pandemic impacts.

*The Jumpstart Our Businesses by Supporting Students (JOBS) Act of 2021*

Last Congress legislation was introduced, Jumpstart Our Businesses by Supporting Students (JOBS) Act of 2021, which is one legislative initiative that could help make a tangible impact on this problem. This bill would expand Pell Grants to all individuals seeking a career. These grants provide billions of federal aid to over seven million students in post-secondary programs of at least a semester in length. Currently, Pell Grant eligible programs must be a full-time semester in length which has largely limited student's ability to use Pell Grants to pursue short-term career education programs. Emphasizing competency and value of a program over instruction time metrics would allow for a host of craft worker industry-recognized certificate programs to become eligible for

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<sup>12</sup> <https://opportunityamericaonline.org/>

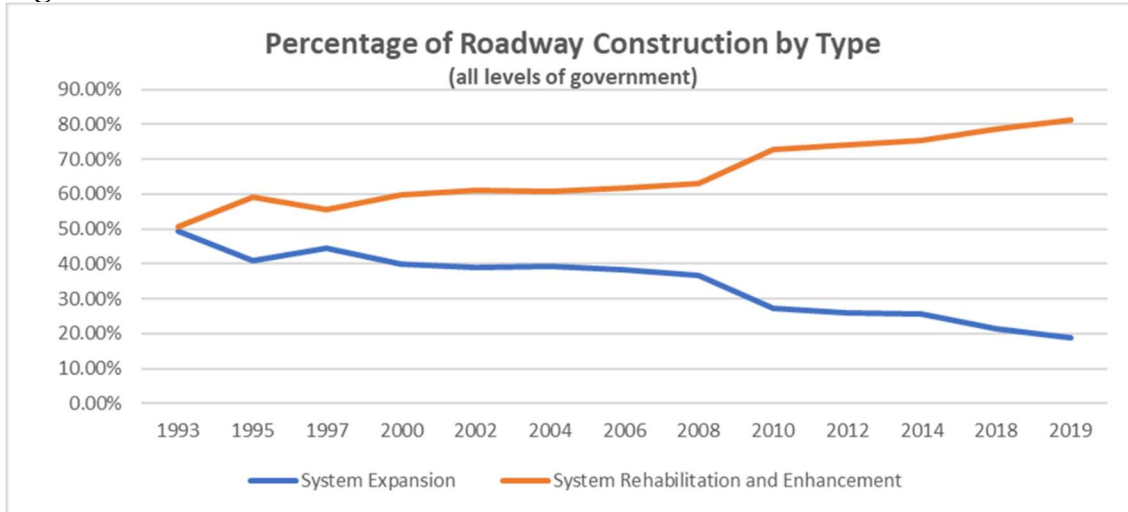
federal needs-based aid. I know many of you on this Committee have cosponsored this legislation in the past and we thank you for your support.

## **V. Conclusion**

The IIJA provides market opportunities for transportation contractors, heavy contractors, building contractors and utility contractors. And most importantly, it demonstrates to our existing and future workforce that there is sustainable work in the years to come. This historic level of funding in our infrastructure when combined with recovering from a global pandemic, addressing a supply chain crisis, and implementing new federal requirements that were a part of the IIJA has created challenges for those of us tasked with rebuilding our infrastructure. But let me be clear, if Congress did not pass the IIJA, the impacts on transportation contractors would have been significant with likely a cut of 20-30 percent in projects by the states. I thank the Committee for the opportunity to testify today. I appreciate its continued efforts to help improve our nation's infrastructure and enact policies that create good paying jobs in America. I look forward to answering any questions you may have.

## Appendix

Figure 1<sup>13</sup>



<sup>13</sup> (<https://www.transit.dot.gov/research-innovation/status-nations-highways-bridges-and-transit-condition-and-performance>  
<https://www.fhwa.dot.gov/policyinformation/statistics/2018/fa10.cfm>  
<https://www.fhwa.dot.gov/policyinformation/statistics/2019/fa10.cfm>)

**Figure 2<sup>14</sup>**  
(Spending in Thousands)

<b>STATE</b>	<b>New Capacity (New Construction, Added Capacity, Major Widen, Minor Widen, New Bridge)</b>	<b>Total Spending</b>	<b>New Capacity as Percent of Total</b>
Alabama	\$207,881	\$1,475,119	14.09%
Alaska	\$111,115	\$764,100	14.54%
Arizona	\$974,995	\$1,448,808	67.30%
Arkansas	\$273,295	\$924,723	29.55%
California	\$136,628	\$4,589,484	2.98%
Colorado	\$132,782	\$1,156,752	11.48%
Connecticut	\$63,088	\$924,960	6.82%
Delaware	\$72,776	\$586,608	12.41%
Dist. of Col.	\$0	\$456,835	0.00%
Florida	\$1,664,800	\$6,683,645	24.91%
Georgia	\$460,056	\$1,787,653	25.74%
Hawaii	\$88,266	\$239,670	36.83%
Idaho	\$21,725	\$660,149	3.29%
Illinois	\$320,062	\$3,186,325	10.04%
Indiana	\$329,653	\$1,552,336	21.24%
Iowa	\$353,418	\$1,009,846	35.00%
Kansas	\$111,455	\$557,572	19.99%
Kentucky	\$509,449	\$1,568,834	32.47%
Louisiana	\$264,211	\$887,562	29.77%
Maine	\$4,508	\$566,788	0.80%
Maryland	\$271,139	\$1,586,175	17.09%
Massachusetts	\$5,139	\$926,822	0.55%
Michigan	\$51,378	\$3,109,167	1.65%
Minnesota	\$165,889	\$1,191,844	13.92%
Mississippi	\$161,918	\$878,062	18.44%
Missouri	\$55,352	\$904,598	6.12%
Montana	\$60,821	\$524,006	11.61%
Nebraska	\$12,704	\$838,786	1.51%
Nevada	\$343,017	\$688,263	49.84%
New Hampshire	\$55,658	\$270,456	20.58%
New Jersey	\$355,568	\$2,941,537	12.09%
New Mexico	\$79,321	\$430,734	18.42%
New York	\$214,189	\$4,457,620	4.81%
North Carolina	\$2,470,163	\$4,843,286	51.00%
North Dakota	\$10,643	\$423,023	2.52%
Ohio	\$204,264	\$2,284,656	8.94%
Oklahoma	\$129,939	\$1,448,763	8.97%
Oregon	\$153,614	\$1,015,338	15.13%
Pennsylvania	\$309,475	\$4,007,533	7.72%
Rhode Island	\$0	\$46,702	0.00%
South Carolina	\$60,002	\$1,901,504	3.16%
South Dakota	\$27,635	\$310,987	8.89%
Tennessee	\$435,099	\$1,246,254	34.91%
Texas	\$3,056,287	\$9,843,960	31.05%
Utah	\$460,689	\$980,391	46.99%
Vermont	\$16,347	\$251,802	6.49%
Virginia	\$446,957	\$1,527,274	29.27%
Washington	\$441,481	\$2,084,743	21.18%
West Virginia	\$318,833	\$908,893	35.08%
Wisconsin	\$631,230	\$1,575,772	40.06%
Wyoming	\$34,647	\$368,914	9.39%
<b>Total</b>	<b>17,139,561</b>	<b>84,845,634</b>	<b>20.20%</b>

<sup>14</sup><https://www.fhwa.dot.gov/policyinformation/statistics/2019/sf12.cfm>