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VTCA

THE VIRGINIA TRANSPORTATION CONSTRUCTION ALLIANCE

January 2012

The Time To Index The Gas Tax Has Come

Virginia's gas tax rate of 17.5 cents per gallon hasn't been increased since 1986. Only Alaska has gone longer than Virginia and Oklahoma since their last gas tax increase.

A new study suggests Virginia lost billions in revenue over the past two decades by not adjusting the state gas tax to account for inflation.

The Washington D.C.-based Institute on Taxation and Economic Policy's report, "Building a Better Gas Tax: How to Fix One of State Government's Least Sustainable Revenue Sources" was released Wednesday December 14. www.itepnet.org/bettergastax/bettergastax.pdf.

The non-partisan group's analysis of gas taxes in all 50 states found, "most state gas taxes are built to fail, and cannot generate sufficient transportation revenue today or in the long-term." According to the report, 36 states - including Virginia - rely exclusively on a fixed-rate per gallon tax.

The buying power of Virginia's gas tax revenue has declined 45 percent in the 24 years since the gas tax was last raised and it would take a 14.5 cent increase to recapture that buying power. But if that were to happen, the rate change would generate \$580.3 million annually, the report stated.

The \$580.3 represents what drivers on Virginia's roads have "underpaid" to utilize the system. Think about it...if we had indexed the gas tax in 1986 Virginia would not be in the situation it is now where VDOT has to take over \$400 million a year from construction to pay for basic maintenance. In fact, we probably wouldn't even be debating how to deal with sustainable funding for transportation.

"If every state updated its gas tax rate to match the level of purchasing power it had the last time it was raised, state gas tax revenues would be roughly \$10 billion higher per year," the report stated. "Put another way, states have seen their gas taxes plummet by a combined \$10 billion due to their failure to plan for inevitable increases in the cost of transportation construction."

The report warned against "lawmakers' shortsightedness" that has increased pressure on other areas of state budgets. It noted, in 2011, Nebraska, Utah and Wisconsin passed legislation "authorizing long-term raids on their general funds in order to finance transportation" and listed Virginia and Oklahoma as two states where governors are "pushing for lawmakers to enact similar legislation in 2012."

That appears to reference Gov. Bob McDonnell's recent proposal to increase the amount of revenue paid into transportation funds through several initiatives that included diverting a portion of year-end government surpluses and increasing contributions from general sales tax revenues, among others.

Recommendations in the report included: Increasing the gas tax; reforming the system so the gas tax is linked to the rate of transportation cost growth, consumer-based inflation, or the price of gas; and reducing the in-equal burden of an increase on low-income families through tax credits or similar programs.

For years the General Assembly has considered indexing the gas tax...and for years it has rejected it. The gas tax is the method that people pay to use our system of highways. The idea that we haven't increased what we charge them to do so in 26 years unconscionable.

While indexing the gas to match the rate of inflation this year will not make up for the billions Virginia has lost, it will put us on the right path of charging users of the highway system a reasonable price.

Dedicated to Advancing the Interests of the Transportation Construction Industries

MSHA To Start Using Pre-Assessment Conferencing Procedures

The U.S. Department of Labor's Mine Safety and Health Administration will begin implementing pre-assessment conferencing procedures in January 2012 to help reduce any backlog of future violations before the Federal Mine Safety and Health Review Commission. Under the procedures in most MSHA districts, a mine operator and miners' representative may request a conference regarding a contested citation or order only after MSHA proposes a penalty assessment, and any settlements require approval by the commission. The new procedures are based on the results of a pilot program launched by MSHA Assistant Secretary Joseph A. Main in August 2010 that evaluated the effect of the pre-assessment conference on contested citations. The evaluation incorporated input from industry stakeholders, including mine operators and miners' representatives.

"This new conferencing process will help reduce the backlog of cases that go before the commission by resolving disputes before litigation ever occurs," said Main. "We are implementing a process that will provide early resolution of disputes, reduce the number of contested citations and orders, increase accuracy and consistency, and improve communication among mine operators, miners and MSHA."

Each MSHA district must determine when to implement the procedures based on available resources. Implementation may occur slowly, or not at all in some districts, until other backlog reduction strategies take hold and make the caseloads more manageable. Mike Davis, Southeastern District Manager, has stated that the process will be re-instituted in the Southeastern District and reminded everyone that:

- ◆ The mine operator/contractor should contact the field office supervisors as a first step as in the pre-assessment conferencing procedure as was previously tested in the SE District.
- ◆ There continues to be a 10 day timeframe to submit written justification for conferencing citations and orders;
- ◆ The District reserves the right, based on written justification and available resources, to grant the conference request.

During the pilot program, operators frequently opted not to request pre-assessment conferences, but there was a high resolution rate for those that did. "Although no single strategy will reduce the backlog of contested cases before the commission, this is one aspect of a larger plan, taking advantage of reduction opportunities where they can be found and implemented," said Main.

Safety Seminars A Huge Success

The annual Safety Seminars, held in Roanoke and Fredericksburg, were a huge success in 2011. With the focus centered mainly on contractor training and safety, this was the perfect format to introduce the newly completed Contractor DVD. The DVD, a brainchild of VTCA's Aggregate Producer Safety Committee, was produced in conjunction with the MSHA Training Academy and a number of VTCA's mine operators. If your company did not receive a DVD and would like one, please contact Sam Hollins at sam@vtca.org.

Our thanks go out again to those companies who served as lunch/break sponsors for the seminars: **James River Equipment, Salem Stone, Boxley, Rockydale, Vulcan Materials** and **Rish Equipment**.

MSHA Announces Results Of November Impact Inspections

The U.S. Department of Labor's Mine Safety and Health Administration has announced that federal inspectors issued 315 citations, orders and safeguards during special impact inspections conducted at 10 coal mines and six metal/nonmetal mines in November. Coal mines were issued 200 citations, 50 orders and one safeguard, while the metal/nonmetal operations were issued 62 citations and two orders.

These inspections, which began in force in April 2010 following the explosion at the Upper Big Branch Mine, involve mines that merit increased agency attention and enforcement due to their poor compliance history or particular compliance concerns, including: high numbers of violations or closure orders; frequent hazard complaints or hotline calls; plan compliance issues; inadequate workplace examinations; a high number of accidents, injuries or illnesses; fatalities; and adverse conditions such as increased methane liberation, faulty roof conditions and inadequate ventilation.

Transportation Construction Management Institute – Exclusive Scholarships For VTCA Members

Virginia's transportation contractors and consultants enjoy an exclusive benefit by being a member of the largest organization dedicated to the advancement of the industry. VTCA is proud to offer its members a \$500 tuition rebate for employees who attend the 2012 TCMI program.

The Transportation Construction Management Institute (TCMI) at Virginia Tech is designed specifically for transportation construction industry professionals – particularly those who are responsible and actively engaged in the project's management.

The 2012 curriculum will continue to focus on the preparation and management of Design-Build contracts and information on building and maintaining a safe working culture. The rigorous and rewarding Institute will improve participants' ability to:

- Administer contracts, make decisions;
- Establish effective teams and maintain strong relationships and high trust levels with and within VDOT and the road building industry;
- Resolve disputes on-site and complete projects in a more cost-effective and competitive manner;
- Apply newly acquired leadership, management and interpersonal skills to areas of increased responsibility and authority.

TCMI will be held February 15-24, 2012 on Virginia Tech's campus in Blacksburg. Registration is now open and space is limited. TCMI's 30 participants will include 15 VDOT staff members so industry space is limited and available on a first-come, first-served basis. Don't delay and register now at www.cpe.vt.edu/tcmi.

VTCA is a proud supporter of TCMI and is offering member companies a \$500 scholarship, in the form of a tuition rebate, for each employee who attends the 2012 Institute. Just by being a member of VTCA you will save \$500! For details please contact VTCA's Tom Witt.

Winter-Spring Contractor Erosion Control Classes Scheduled

VTCA has scheduled six ESCCC classes through June of 2012. The class dates and locations are:

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|--------------------------|---------------------|
| ◆ January 27, Richmond | ◆ April 27, Fairfax |
| ◆ February 10, Roanoke | ◆ May 11, Richmond |
| ◆ March 16, Newport News | ◆ June 8, Abingdon |

Registration is now open for all classes. Details and online registration are available at www.vtca.org.

This ESCCC course is intended to train individuals involved in implementing Erosion and Sediment Control Plans on VDOT projects and rights-of-way. Participants who complete the course and pass the examination will receive a certificate of completion. This program meets VDOT's E&S certification requirements for contractors.

VDOT Modifies Access Management Spacing Standards

Access management spacing standards seek to reduce the potential for traffic crashes and maintain capacity while assuring that residential and business developments have reasonable access to a roadway.

VDOT has been continuously evaluating the Access Management Regulations entrance and intersection spacing standards in VDOT's Road Design Manual, Appendix F, Tables 2-2, 2-3, & 2-4. Following the evaluation of over 60 spacing exemptions and recommendations from VDOT district staff and consultants, the need for some reductions were identified to assure the spacing standards remain reasonable without losing their effectiveness.

The resulting changes to the regulations and standards will take effect in early January when the January 2012 edition of the Road Design Manual is posted on the VDOT web site. The new Appendix F will also be available on the Access Management web page, www.virginiadot.org/business/locdes/rdmanual-index.asp.

A summary of the regulatory changes as well as an overview of the revised signal/intersection/entrance spacing standards with an explanation of the changes to the spacing standard revisions are available on VDOT's web site at www.virginiadot.org/projects/accessmgt/default.asp.

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Sawyer Paving, a Boxley company, has earned the Diamond Achievement Commendation for Excellence in Asphalt Plant/Site Operations from the National Asphalt Pavement Association. The award recognizes companies who have demonstrated a dedication to responsible operational practices and continuous improvement. "The Commendation is a great honor that underscores our ongoing commitment to excellence," said company president Stan Puckett.

Brown Edwards is pleased to announce three members of its staff have earned the Certified Construction Industry Financial Professional (CCIFP). This distinguished certification is earned through competency testing administered in construction accounting and reporting, income recognition methods, budgeting and planning, risk management, taxes, human resource, legal, information technology, and joint ventures. Those earning this recognition are: Russell Hicks, CPA, Sonny Walker Morris, CPA, and Robert Ryan, CPA.

The HAKS Group is pleased to announce the appointment of Elliot G. "Lee" Sander as President and Chief Executive Officer. He has over 30 years experience successfully delivering world-class infrastructure projects and programs, particularly in the field of transportation. Sander is the former CEO of the Metropolitan Transportation Authority of New York and former Commissioner of the New York City Department of Transportation.

Gannett Fleming is pleased to announce that Larry W. Moore has re-joined the firm as the Transportation Program Manager for Virginia operations. Based in the Hampton Roads office, Larry manages the transportation program and develops client relationships, market strategies, and business development activities. He also provides management support and assistance for alternative delivery projects such as design-build and public-private ventures. Moore is experienced in designing interstate, primary, secondary, and urban roadway projects and establishing coordination among state and federal regulatory agencies. He previously worked for GF as Transportation Section Manager.

Welcome To Our New Member

Keville Enterprises Inc. specializes in providing a full spectrum of construction management and support services as an owner's representative on public and private projects.

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Positions Sought

- ❖ Engineering Manager experienced in the geotechnical and construction materials testing and inspections industry is seeking a position. Responsibilities have included branch management, team management, inspection, safety program oversight, business development and public relations. B.S. in Geological Engineering.
- ❖ Environmental Engineer with varied experience is seeking a new position. Holding a B.S. in Bioenvironmental Science, this professional has served as staff scientist, lab technician, researcher, remediation project staff and project representative. Holds OSHA 40-Hour HAZWOPER certification and asbestos inspector license.

For a copy of these resumes, contact Stephanie at the VTCA office.