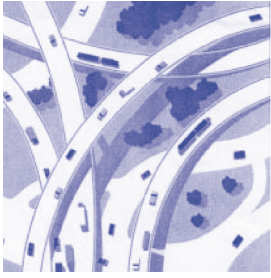


15th Annual Conference of the
National Association of State Highway
and Transportation Unions (NASHTU)

WE BUILD THE ROADS 2014

April 28-30, 2014

Washington, D.C.



WE BUILD THE ROADS

15th Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) 2014

The 15th Annual NASHTU Conference was held April 28-30, 2014 in Washington, D.C. Conference participants discussed efforts to fight wasteful outsourcing policies at local, state, and federal levels. NASHTU attendees also heard remarks from Rep. Eleanor Holmes Norton (D-D.C.), Ranking Member of the Highways and Transit Subcommittee, Rep. Michael Capuano (D-MA), Member of the Transportation and Infrastructure Committee, and Rep. Earl Blumenauer (D-OR), Member of the Ways and Means Committee. In addition, NASHTU members met with their state's Representatives and Senators in their Capitol offices to advocate safe and cost effective transportation solutions. Other conference speakers included representatives of AASHTO, Transportation Trades Department, AFL-CIO, American Traffic Safety Services Association, In the Public Interest, Food and Water Watch, and many other public interest organizations.

NASHTU is advocating two legislative proposals that are designed to protect public safety and tax dollars as states undertake federally-funded transportation improvement programs.

The first would require public employees to perform the construction inspection on all state and local transportation projects that utilize federal funds. Public inspectors ensure that construction standards are met, that projects meet safety requirements and that the

materials used will stand the test of time. When the construction inspection function is outsourced, there is no representative of the public on the job site and private companies are responsible for inspecting the work of other private companies. Examples of defective outsourced inspection include Boston's \$24 billion "Big Dig" (a concrete slab from a tunnel ceiling fell and killed a woman), the Los Angeles Red Line Subway (Hollywood Boulevard collapsed), the 8-805 Interchange in San Diego (10,000 defective welds on a seismic retrofit project), the Connecticut I-84 project (hundreds of drains that lead nowhere), and many other projects.

NASHTU's second legislative proposal would ensure taxpayers safe, high quality transportation services at the best possible price by requiring state and local transportation agencies to prepare a simple **cost comparison** prior to contracting for transportation services. Increasingly, transportation agencies are spending hundreds of millions of federal dollars on private contracts for architectural, engineering, construction inspection and related transportation services without determining if these contracts are cost effective, result in the construction of safe projects, or in any way serve the public interest. In state after state, independent and comparative analyses have determined that outsourcing engineering work and other transportation functions costs significantly more than doing the work with public employees.

About NASHTU

NASHTU's roots extend back to 1999 when a number of unions and employee associations representing engineers and related transportation workers employed by state transportation departments began to share information and discuss how to address common issues. NASHTU, the National Association of State Highway and Transportation Unions, has now grown into **a coalition of 38 unions and affiliates from 20 states and the District of Columbia representing hundreds of thousands of state and locally employed public transportation workers throughout the United States.**

The annual conferences have demonstrated that outsourcing for engineering, technical, and other transportation services is a problem in nearly every state. By coming together and sharing strategies and perspectives, NASHTU can help each member union be more successful in its fight to limit wasteful, overpriced outsourcing.

NASHTU Conference attendees have heard from a variety of speakers over the years including: Secretary of Transportation Ray LaHood, Former Transportation Secretary Norm Mineta, Deputy Secretary of Transportation John Porcari, Representatives John Mica, James Oberstar, Nick Rahall, Peter DeFazio, Don Young, Stephen Lynch, Elijah Cummings, Robert Filner, Earl Blumenauer, William

Pascrell, Donna Edwards, Timothy Walz, Judy Chu, John Garamendi, and Senators Amy Klobuchar, James Jeffords and Robert Menendez. John Horsley, Executive Director of AASHTO, and Ed Wytkind, President of the AFL-CIO Transportation Trades Department have also addressed our Conference.

In 2002, NASHTU produced a highly acclaimed report, Highway Robbery, which focused on the problems of outsourcing (fraud, inefficiency, and waste) from around the country and brought them together in one document.

In 2007, NASHTU released Highway Robbery II, an update of the 2002 report that highlights the enormous problems, including delays in project delivery, cost overruns, and reduced project safety that have been created in recent years when transportation agencies unnecessarily outsource design, construction management, and inspection on transportation projects.

In recent years, NASHTU has sponsored legislative proposals designed to improve safety and reduce costs of surface transportation projects throughout the nation.

For more information, please visit NASHTU's website at www.nashtu.us or call 916-446-0584.

Fifteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU)

Monday, April 28 through Wednesday, April 30, 2014
Hyatt Regency Washington Capitol Hill

AGENDA

Monday, April 28, 2014 – Capitol Room A

- 8:30 a.m. Breakfast - Hosted
- 9:00 a.m. Welcome Remarks – **Cathrina Barros** - Professional Engineers in CA Government (PECG)
- 9:15 a.m. **Larry Willis** – Secretary-Treasurer of the Transportation Trades Department
Introduction: Dennis Houlihan, AFSCME
- 9:45 a.m. **Targeting Proponents of Outsourcing**
Moderator: Nadine Westcott, PECG
- **Lisa Graves**, Center for Media and Democracy
- 11:00 a.m. **Congressional Staff Discussion: MAP-21, Transportation Funding, and Outsourcing Transportation Services**
Moderator: Nadine Westcott, PECG
- **Steve Carlson**, Legislative Director for Rep. Michael Capuano (D-MA)
 - **Joseph Wender**, Legislative Director for Senator Edward Markey (D-MA)
 - **Jeff Pavlak**, Transportation Trades Department, AFL-CIO
- 12:00 p.m. Lunch - Hosted
- 1:00 p.m. **Rep. Eleanor Holmes Norton (D-DC)**, Member, Transportation and Infrastructure Committee
Introduction: Dennis Houlihan, AFSCME
- 1:30 p.m. **Toward Zero Deaths on America's Roadways**
Moderator: Amy Turner, OCSEA/AFSCME Local 11
- **Nathan Smith**, Associate Director of Government Relations, American Traffic Safety Services Association
- 2:30 p.m. **Bud Wright**, Executive Director, AASHTO
Introduction: Bruce Blanning, PECG
- 3:00 p.m. BREAK
- 6:30 p.m. NASHTU Group Dinner – *We, The Pizza* (305 Pennsylvania Avenue, SE)



AGENDA

Tuesday, April 29, 2014 – Capitol Room A

- 8:00 a.m. Breakfast – Hosted
- 8:30 a.m. **Rep. Earl Blumenauer** (D-OR), House Ways and Means Committee
Introduction: Ken Patterson, AEEO
- 9:30 a.m. **Rep. Michael Capuano** (D-MA), Ranking Member, House T&I Special Panel on Public-Private Partnerships, Member House Transportation and Infrastructure Committee
Introduction: Joe Dorant, MOSES
- 10:00 a.m. ***Panel and Discussion: Fighting Outsourcing Efforts***
Moderator: Dennis Houlihan, AFSCME
- **Shar Habibi**, In the Public Interest
 - **Emily Wurth**, Food and Water Watch
- 11:00 a.m. ***Upcoming Transportation Authorization Battles: Outsourcing Incentives/Mandates***
- **Dennis Houlihan**, AFSCME
 - **Nadine Westcott**, PEGC
- 11:30 a.m. ***Lobbying NASHTU's Legislative Agenda***
- **Mary Richards** - MOSES
 - **Ted Toppin** - PEGC
- 12:00 p.m. Lunch - On your own
- 1:00-5:00 p.m. Lobbying on Capitol Hill
- 5:30-7:30 p.m. Congressional Reception – Rayburn House Office Building, Room B-354

Wednesday, April 30, 2014 – Columbia Room A

- 8:30 a.m. Breakfast - Hosted
- 9:00 a.m. Lobby Day Reports
- 9:30 a.m. ***Panel and Discussion: Developments at Highway Departments Throughout the Nation***
Moderator: Dennis Houlihan - AFSCME
- **Joe Dorant**, MOSES
 - **Bruce Blanning**, PEGC
 - **Ned Statchen**, CSEA-SEIU 2001
 - **Gary Apanasewicz**, OCSEA/AFSCME Local 11
 - **James Garity**, AFSCME Council 40
- 10:45 a.m. ***Action Plan for NASHTU for 2014-2015***
- **Dennis Houlihan** – AFSCME
 - **Mary Richards** – MOSES
 - **Jimmy Tarlau** – CWA
 - **Ted Toppin** - PEGC
- 11:30 a.m. Adjournment

2014

Fifteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) PROCEEDINGS

Introductions and Welcomes

Ted Toppin, Professional Engineers in California Government (PECG) welcomed everyone to the 15th Annual NASHTU Conference and introductions were made around the room.

Cathrina Barros, PECG, gave the formal opening remarks. NASHTU is the united voice for tens of thousands of state and local workers who provide cost-effective, safe transportation projects for taxpayers. The timing of this year's NASHTU conference is particularly fortuitous. It brings us to Washington at the same time that both Houses of Congress are drafting the upcoming surface transportation authorization. It allows us to help shape the debate and ensure that our important work isn't outsourced to the private sector. We are expecting another great battle over the inclusion of outsourcing mandates and incentives and it is important that NASHTU members let their Members of Congress know about their concerns.



Cathrina Barros



Larry Willis

Larry Willis, Secretary-Treasurer of the Transportation Trades Department, AFL-CIO: Larry gave an overview of the Transportation Trades Department, AFL-CIO and its role in shaping federal legislation. Having a transportation system that serves the public interest is the gold standard and having a robust public sector workforce is essential to creating such a system. He discussed the state of transportation and transportation funding challenges. The current transportation authorization, MAP-21, expires in September but the bigger problem is that the Highway Trust Fund is estimated to run out of funding in August. It will be difficult to raise the gas tax, which is primarily how transportation programs are funded, but we believe it is the most practical method to meeting our transportation needs and TTD will work toward getting the gas tax increased. The gas tax hasn't been raised since 1993. We are essentially running a 2014 transportation system on a 1993 budget. Congress is going to have to figure out a solution to the funding gap prior to leaving for their summer recess at the end of July. There is some hope that a full six year transportation bill can be passed but it remains to be seen whether that can truly be realized.

Regarding funding, there has been some momentum toward using the savings from corporate tax reform as a new revenue source for transportation but the problem with this is that even if there is agreement on a corporate tax reform proposal, the savings that could be a revenue source cannot be relied on year after year.

On the MAP-21 reauthorization, the Senate Environment and Public Works Committee is expected to release their draft bill in the next couple of weeks. The EPW Committee is responsible for drafting transportation policy so their work is incredibly important to NASHTU's priorities in terms of curtailing outsourcing. TTD, AFSCME, and others have been meeting with EPW staff about the mapping and surveying provisions that were problematic in MAP-21 and other privatization efforts. On the House side, there is a new Chairman of the Transportation and Infrastructure Committee. Rep. Bill Shuster (R-PA) has at least taken some steps that have many believing that he will seek a bipartisan approach for the next reauthorization, unlike his predecessor. As such, it is of utmost importance that NASHTU members talk to Democratic members of the House T&I Committee about the outsourcing mandates that were included in H.R. 7, so they don't reappear in the upcoming authorization.

Larry ended his remarks by stressing the importance of the grassroots efforts made by NASHTU representatives. Nothing gets a legislator's attention like meeting with a constituent. He thanked NASHTU attendees for coming to Washington to discuss issues important to NASHTU.



Lisa Graves

Lisa Graves, Executive Director of the Center for Media and Democracy: The Center for Media and Democracy is an investigative research and reporting group. CMD specializes in investigating and exposing the inappropriate influence of corporations on public policy, including public relations campaigns, lobbying and electioneering. Their work investigating the American Legislative Exchange Council (ALEC) was featured in the documentary, *The United States of ALEC* (which can be viewed at <http://billmoyers.com/segment/united-states-of-alec/>), which was screened for NASHTU attendees. Lisa spoke briefly before the film. She was surprised that corporate representatives voted alongside state legislators at ALEC Conferences on ALEC boilerplate legislation to achieve conservative proposals such as Voter ID, Stand Your Ground, Climate Change denials, and union-busting measures. Lisa also discussed the problematic trend of privatizing transportation public works through public-private partnerships.

Congressional Panel: Congressional Panel participants were Steve Carlson of Rep. Michael Capuano's office, Joseph Wender of Senator Edward Markey's office, and Jeff Pavlak of the Transportation Trades Department, AFL-CIO. **Nadine Westcott, PEGG**, moderated the discussion.

Steve Carlson is the Legislative Director for Rep. Michael Capuano. Rep. Capuano is on the House Transportation and Infrastructure Committee. Steve discussed Rep. Capuano's goals on the reauthorization. Rep. Capuano would like to see more money for transportation in the next authorization. If more money is not provided, then he hopes the authorization will be similar to MAP-21 in that it was only a two-year bill. Authorizing a transportation program at current funding levels is inadequate for today's infrastructure needs.

He discussed the House T&I Special Panel on P3s. Rep. Capuano is the Ranking Member on the panel. He said he was encouraged by how the panel is proceeding and said both sides seem to agree that P3s are not a total solution to the transportation funding dilemma. The panel is working very hard to bring forward a bipartisan report on the value and drawbacks of P3s. The panel concludes its hearings in July and a report will follow shortly after.



Joseph Wender (Senator Ed Markey), Steve Carlson (Rep. Michael Capuano), Jeff Pavlak (TTD), and Nadine Westcott (left to right).

NOTE: The panel released its final P3 report in September 2014. You can access the final report at <http://transportation.house.gov/news/documentsingle.aspx?DocumentID=393762>.

Joseph Wender is the Senior Policy Advisor for Senator Edward Markey (D-MA), who sits on the Senate Environment and Public Works Committee. Joseph spoke about the committee's history of bipartisanship and said that would likely continue into the next authorization. The Chair of the committee, Senator Barbara Boxer (D-CA), has said that she is in favor of tackling both the highway trust fund gap and the reauthorization deadline in one big bill in the coming weeks and months. The Senate EPW Committee is hoping to have their draft of a bill complete and ready for committee markup in the next couple of weeks.

Senator Markey was opposed to the outsourcing mandates for transportation services in past bills. It is expected that similar language will reemerge as the transportation authorization debates continue but that it will be more in the form of an incentive than a mandate. Senator Markey will be on the lookout for any such provisions.

Jeff Pavlak is the Legislative Representative for the Transportation Trades Department, AFL-CIO. Jeff gave a detailed presentation about the current issues facing Congress. He discussed TTD's goals for the next surface transportation authorization and the need for new revenue for transportation programs even as a gas tax increase continues to be a politically difficult task in this Congress.

He discussed the outsourcing mandate proposals that were included in H.R. 7 (2012) and the ones that exist in current law for mapping and surveying services. Any upcoming battles on this topic will be more complicated because future provisions will likely be in the form of an incentive rather than a mandate. This could likely lessen the opposition of some in our coalition.

Jeff also discussed the upcoming authorization, bipartisanship on the House and Senate transportation committees, the Highway Trust Fund funding gap, devolution, public-private partnerships, and a number of other transportation-related issues that Congress is facing this year.

Congresswoman Eleanor Holmes Norton (D-DC), Ranking Member of the Highways and Transit Subcommittee, House Transportation and Infrastructure Committee:

Congresswoman Eleanor Holmes Norton talked about the value of NASHTU and its member unions as the nation faces an unprecedented transportation funding challenge. She reminded NASHTU members that although, as delegate, she does not have a vote on the floor, she has a full vote in committees, where most legislative language, policy decisions, and/or compromises are made.

Congresswoman Norton was critical of transportation public-private partnerships throughout her presentation. She is one of five Democrats who were appointed to the House T&I Special Panel on P3s for Transportation. She gave a summary of the work that the panel is doing and some of the hearings that have been held to date. Some P3s have gone badly around the country. She questioned if we were returning to a highways version of contracting out or outsourcing government services without regard to whether we get anything out of it. She said that no matter what the mechanism is to finance road and bridge construction, the public always pays – either through tolls or taxes. Congresswoman Norton stressed that there is no substitute for investing in our transportation infrastructure, and P3s have yet to prove they have a funding contribution to make.



Congresswoman
Eleanor Holmes Norton



Nathan Smith

Toward Zero Deaths on America's Roadways – Nathan Smith, Associate Director of Government Relations, American Traffic Safety Services Association (ATSSA):

Nathan Smith started his discussion by talking about the work of ATSSA, which represents the road safety, traffic safety, and highway safety industries. ATSSA's membership is comprised of the businesses who design, manufacture, and install road safety and traffic control devices. One of ATSSA's primary focuses is their campaign Toward Zero Deaths on America's Roadways. Nathan talked about the latest road safety statistics – in 2012, there were 33,561 people killed on U.S. roadways and 609 of those were in a work zone. ATSSA works with its members and public agencies to identify safety issues on roadways and implement improvements that make roadways safer. One of their strategies is to "put a face" on the statistics. For example, Nathan told the story of a woman whose car spun out on some ice and started to cross the center median into oncoming traffic. Luckily for the woman, the center median had a steel cable center barrier that stopped the progress of her car before it entered the oncoming lanes – thereby saving her life. This woman, who was not seriously injured, along with images of her

family and the accident and life-saving cable, is featured on an advertisement used to entice public agencies to utilize this type of safety barrier. ATSSA also uses PSAs, supports anti-distracted driving initiatives, builds safety coalitions, backs smart transportation (vehicle to vehicle and vehicle to infrastructure) technologies, and other strategies to help reach their goal of zero deaths on U.S. roadways.



Bruce Blanning, Bud Wright
(left to right)

Bud Wright, Executive Director, American Association of State Highway and Transportation Officials:

Bud Wright spoke about the current state of the Highway Trust Fund and the federal transportation program. The current authorization, MAP-21, might have only been a two year bill because of funding constraints, but policy-wise, it was a six year bill. In fact, some of the legislation's new policies are still in the process of being implemented even though the bill is set to expire in September. The most pressing problem facing transportation is funding. The Highway Trust Fund, generated mostly by fuel excise taxes, is not keeping up with transportation demand. The reasons for this gap include a federal gas tax that has not been raised since 1993 and is not indexed to inflation, a decline in vehicle miles traveled, increased fuel efficiency in vehicles, and rising construction costs. Since it is politically difficult to raise taxes, especially the gas tax, Congress has instead used unsustainable General Fund transfers to shore up

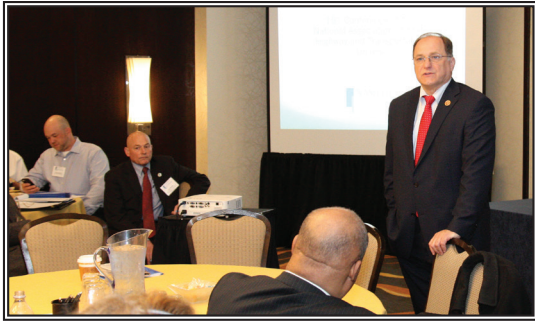
the Highway Trust Fund. The Highway Trust Fund is again almost depleted. FHWA estimates that the fund will get low enough in mid-August to no longer be able to reimburse states for federal-aid transportation program expenses in a timely matter. Bud urged NASHTU members to talk to the Members of Congress about this issue whether or not they were on the House Transportation and Infrastructure Committee or the Senate Environment and Public Works Committee. He discussed the need for Congress to support a long range, sustainable revenue stream for the Highway Trust Fund. While the easiest way to do this is to pass a gas tax increase and adjust the rate for inflation, it is not likely that there is the political will to see that type of proposal succeed on the Hill.

In response to questions from NASHTU participants, Bud said that AASHTO will continue to stand with NASHTU in opposing an outsourcing mandate like what proposed in the last House transportation reauthorization proposal (HR 7 – 2012). Bud said that AASHTO's membership is made up of 52 entities – the 50 states, District of Columbia, and Puerto Rico. All of these entities run their transportation departments differently and need the flexibility to choose how best to deliver their transportation program. Bud also indicated that AASHTO would not be inclined to change their position if the proposal changed from being a mandate to an incentive in the form of more federal money allocated to states that contract out more work.

Rep. Earl Blumenauer (D-OR), Member, House Ways and Means Committee: Rep. Blumenauer discussed his two transportation-related legislative proposals to raise the gas tax and allow states to voluntarily conduct pilot programs to raise transportation revenue by using a Road Usage Charge (RUC) system based on vehicle miles traveled. While he does not care for the gas tax, he is proposing the tax increase because the Highway Trust Fund needs new revenue now and a RUC-based revenue system would take years to implement. While we are waiting for a RUC system to be created, passed and implemented, we need to ensure our existing system doesn't fall apart. He urged NASHTU attendees to ask Members of Congress tough questions in our Capitol Hill meetings and not to be satisfied with a member or staff person telling them that they support infrastructure because that statement alone is not good enough. He asked that all Congressional meetings get two questions answered. What is the Member's position on raising the gas tax? And what is the Member's solution to the Highway Trust Fund revenue gap? Rep. Blumenauer favors a RUC-based revenue system because it fairly assesses users for the amount of road "use." It is a truer "user fee." He firmly believes that we need a system that charges users based on vehicle miles driven because of fuel efficiency standards and changing driving trends that have significantly impacted the amount of money generated for the Highway Trust Fund.



Rep. Earl Blumenauer
(D-OR)



Rep. Michael Capuano

Rep. Michael Capuano (D-MA), Ranking Member, House Transportation & Infrastructure Committee's Special Panel on Public-Private Partnerships): Rep. Michael Capuano talked about the heavy opposition to a gas tax increase to fund transportation. To help illustrate his point, he reminded NASHTU attendees of Rep. John Mica's (R-FL) call to fire Tom Donohue, the president and CEO of the U.S. Chamber of Commerce, after Donohue spoke in favor of a gas tax increase at a transportation funding hearing. Rep. Capuano said there will be a new transportation bill but he is not optimistic that the funding challenges inherent with the Highway Trust Fund will be addressed. If a new

transportation authorization does not address the revenue shortfall, then the authorization should be another short term bill. Rep. Capuano also discussed the House Panel on P3s. He said he is skeptical on whether P3s are a good deal for taxpayers.



Rep. Michael Capuano with the Massachusetts NASHTU delegation

Panel and Discussion: Fighting Outsourcing Efforts

Dennis Houlihan, AFSMCE, moderated this panel.

Shar Habibi, In the Public Interest (ITPI), spoke about ITPI's Taxpayer Empowerment Agenda, which is a set of 11 policy proposals that focus on four main themes: transparency, accountability, shared prosperity, and competition. ITPI has been successful in having the Taxpayer Empowerment Agenda, or portions thereof, introduced in 20 states and several local government councils. Shar also spoke about ITPI's efforts to oppose public-private partnerships. ITPI has published a report called Infrastructure Justice, which calls for certain public interest provisions to be included in state P3 enabling legislation. It includes requirements such as public control over infrastructure and policy decisions, public participation, full transparency and accountability, and fair wage and benefits guarantees.

Emily Wurth, Food and Water Watch, said that Food and Water Watch is a non-profit, consumer advocacy group. While they do not operate in the transportation sector, they fight a lot of similar battles against privatization. They oppose the privatization of public water and sewer systems. When water and/or sewer systems are privatized, they can create harm to the public, such as unchecked rate increases and shutting off vital water service when the public cannot pay, lack of competition to provide an incentive for good service, and no motivation for private contractors to adequately maintain the water and sewer systems. Food and Water Watch is also active at the federal level including opposing the Water Infrastructure Finance and Innovation Authority, which is modeled after the similar TIFIA program that provides loans to finance roadways. The main problem with WIFIA is that it competes with the state revolving fund for water projects and creates incentives for these services to be privatized.

Upcoming Transportation Authorization Battles: Outsourcing Incentives/Mandates

Dennis Houlihan, AFSCME, and Nadine Westcott, PEGG, discussed the outsourcing mandate for engineering and design services that was included in the last House transportation reauthorization bill (H.R. 7-2012). H.R. 7 later stalled in the House and the language was not included in MAP-21. The Transportation Trades Department and NASHTU are pushing to change the existing federal law that strongly encourages outsourcing (Section 306 of U.S. Code Title 23) for mapping and surveying services. In addition, NASHTU, TTD and other unions and like-minded organizations recently banded together to oppose the unsuccessful attempt by Republican House members to add an outsourcing mandate for mapping and surveying services to a water resources reauthorization bill.



Nadine Westcott, Dennis Houlihan, Mary Richards, Ted Toppin (left to right)

Proponents of outsourcing are expected to push for pro-outsourcing language in the upcoming surface transportation authorization. We are hearing that these pro-outsourcing provisions will be written as an incentive for states to outsource rather than a mandate. It is important that NASHTU members speak to their House Representatives and Senators about these provisions and secure their opposition to outsourcing mandates and incentives.



The 15th Annual NASHTU Conference closed with NASHTU attendees reporting on their meetings on Capitol Hill. Dennis Houlihan, AFSCME, moderated a panel discussion during which several NASHTU attendees reported on state and local issues that were affecting their respective departments of transportation. There was also a discussion about the 2014-2015 NASHTU Action Plan.

