

CALIFORNIA ASPHALT INSIDER

The latest news and views from the California Asphalt Pavement Association
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www.calapa.net

IN THIS ISSUE

[The year in review](#)

[Industry, agency leaders to be honored at CalAPA's Annual Dinner Jan. 10 at the Jonathan Club in Los Angeles](#)

[Tech Term of the Week: AR binder](#)

[Pavement Pointer of the Week: Calculating tonnage](#)

[Quote of the Week: Elon Musk](#)

CALENDAR

(Always on-line [HERE](#))

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FREE WEBINAR

'Environmental Product Declarations and Asphalt in CA'

Tuesday, Jan. 8, 2019

10 a.m. to 11:30 a.m.

Click [HERE](#) for flier. Click

[HERE](#) to register.

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REGISTRATION OPEN!

CalAPA Annual Dinner

Thursday, Jan. 10, 2019

5:30 p.m. to 10 p.m.

Jonathan Club, 545 S.

Figueroa St., Los Angeles

Details [HERE](#).

Contact: Sophie You (916)

791-5044

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Greetings!

This weekly bulletin contains the latest news and information of interest to the asphalt pavement industry in California. Please feel free to distribute this newsletter to others who may be interested in asphalt pavements.

→ The year in review: Our picks for the Top 10 news stories that impacted the asphalt pavement industry in California in 2018

Editor's Note: As 2018 draws to a close, we highlight our choices for the Top 10 stories that impacted the asphalt industry in California over the past year. Click [HERE](#) for our Top 10 stories of 2017. Look for our 2019 predictions in next week's "California Asphalt Insider" newsletter.

1. An epic battle to preserve road funding in California

A decades-long fight to secure adequate funds for road maintenance in California culminated in 2017 with the passage by the Legislature of SB1, which promised to generate more than \$5 billion per year to repair crumbling roads and bridges. Deemed the top story of 2017, that was almost eclipsed in 2018 by an effort to repeal the fuel taxes and other fee hikes that were integral to SB1. A signature-gathering effort bankrolled by

Republican political operatives placed Prop. 6 on the Nov. 6 ballot. Proponents portrayed it as an anti-tax measure, but media coverage ultimately revealed Prop. 6 to be a gimmick intended to

motivate conservative voters to the polls and improve the prospects of GOP candidates. An impressive anti-repeal campaign rose up against Prop. 6, led by Democratic Gov. Jerry Brown and fueled by more than \$46 million in campaign donations by a broad coalition of groups. The measure was soundly defeated at the polls. A post-election report in *Asphalt Insider* is [HERE](#). The defeat had disastrous repercussions for the Republican Party in the Golden State. The hoped-for boost for GOP candidates at the ballot box never

materialized as Democrats swept all statewide offices and gained two-third "super majorities" in both the Assembly and the state Senate. But nowhere was the defeat more stark, and the impact more consequential, than in California's 53-member Congressional delegation. Seven Republican seats flipped to Democratic control, contributing to a

"blue wave" of 40 seats changing parties nationally, and handing control of the U.S. House of Representatives to a Democrat-controlled majority. In 2019, California will send only seven Republicans to Congress (compared to 46 Democrats), and significantly, none from the former GOP stronghold of Orange County that once helped propel Richard Nixon and Ronald Reagan to the White House. State and local agencies, meanwhile, continued to churn out SB1-funded road-improvement projects throughout the year in every corner of the state, helping



'Asphalt Pavement 101' training class

Tuesday, Jan. 22, 8:00 a.m. to Noon

City of Antioch Department of Public Works, 1201 W. 4th Street, Antioch Register [HERE](#).

Contact: Sophie You (916) 791-5044

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SAVE THE DATES!

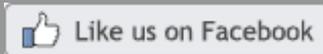
Spring Asphalt Pavement Conference & Equipment Expo

Wednesday & Thursday, March 20-21, 2019

DoubleTree Hotel, 222 N. Vineyard Ave., Ontario Details soon!

For exhibitor and sponsorship information, contact Sophie You at (916) 791-5044

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Asphalt is used on about 93 percent of paved roads in California and across the U.S. Why? Because it's smooth, quiet, safe, durable and 100 percent recyclable. Visit the [Asphalt Pavement Alliance](#) website learn more about why asphalt is the right choice now more than ever.

voters see tangible evidence of their tax dollars at work.

2. 8 in 10 voters endorse measure to protect road funds

Overshadowed by the high-stakes political battle over the repeal of SB1 funding, which resulted in the ultimate defeat of Proposition 6 on the November ballot, another transportation-related measure also went before voters with a very different outcome. Proposition 69 was placed on the June primary ballot by the Legislature, as part of the SB1 package of legislative proposals enacted in 2017. The measure proposed to add language in the California Constitution protecting transportation dollars from being used for other purposes.

Proposition 69 won in a landslide, with 80 percent "yes" votes, and ultimately diminished a key argument of SB1-repeal backers. An *Asphalt Insider* report on the election is [HERE](#).

3. A roller-coaster ride for oil prices

Crude oil prices, a key influencer of the price of asphalt, as well as diesel fuel and other energy consumed by the construction industry, dominated the headlines in 2018. As prices drifted higher as the year progressed, there were fears that sticker shock at the pump could motivate voters in November to repeal SB1 fuel taxes. Ultimately, Prop. 6 was defeated, and transportation funding was preserved. Meanwhile, crude prices, which appeared to be heading toward \$100 a barrel, did an about-face, and in the last three months of the year traded around \$50 a barrel. Analysts pegged the price swing to strong production and weakening oil cartel alliances. The trend brought welcome relieve to consumers but contributed to the roiling of equity markets and creating geopolitical agita. Complexities of refinery capacity, shipping and environmental regulations made it difficult to directly correlate global crude prices with local asphalt and fuel supplies, although the influences were unmistakable. A more thorough examination of this and other economic trends will be featured in the upcoming forecast issue of CalAPA's association magazine, *California Asphalt*.

4. Changes in Caltrans personnel, specifications

The California Department of Transportation went through major personnel changes during 2018 and reworked how it interacts with the construction industry in reviewing and updating its influential construction standards, specifications and test methods. Caltrans Director Malcolm Dougherty and Chief Deputy Kome Ajise left the department and were replaced by regional directors Laurie Berman and Ryan Chamberlain just as a new charter was put in place articulating industry-agency interactions on specification reviews. Much of the year was consumed with meetings by industry and agency subject-matter experts, which resulted in increasing recycled content in asphalt mixes and proposed changes to the department's pavement smoothness specifications. Buffeted by a wave of retirements, many senior jobs at the department were filled for lengthy periods by acting personnel and Caltrans embarked on a hiring spree with a stated goal to fill some 2,000 positions.



5. Responding to the industry workforce challenge

Worker availability in the construction industry in general, and the asphalt pavement industry specifically, continued to be a growing concern for the industry in 2018. A number of initiatives sought to bolster the industry's recruitment and retention efforts rose to prominence during the year. "Project Cornerstone," launched by a CalAPA-member firm EnviroMINE and supported by several other member companies, sought to educate school children and teachers about careers in the construction materials industry and also help highlight the connection between careers in the industry and science, technology, engineering & math (STEM) curriculum. The initiative made the cover of *California Asphalt* magazine, which can be viewed [HERE](#). A national "Women of Asphalt" initiative also gained prominence in California, highlighting successful women in an industry where they have been historically underrepresented. A panel



GET TECHNICAL

Are you an engineer, designer or technical professional who makes decisions on pavement type selection? The DriveAsphalt website has technical reports and other resources may be just what you're looking for. Click [HERE](#) for more information.



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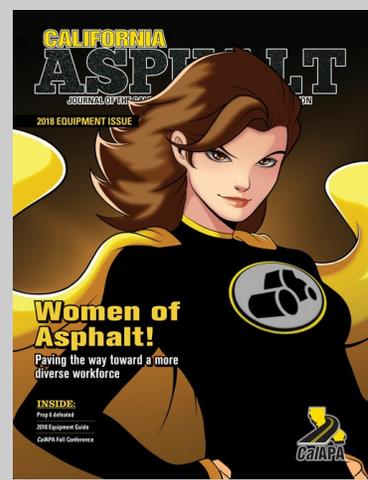
(916) 791-5044 (phone)

BACK ISSUES

Did you miss an issue of the *California Asphalt Insider*? No problem! Past editions of the newsletter are available at the CalAPA newsletter [archive page](#).

MAGAZINE

discussion at the CalAPA Fall Conference featured accomplished women leaders in the asphalt industry, and also merited the cover of *California Asphalt* magazine [HERE](#).



6. Statewide Joint Training & Certification program takes off
Holding industry and agency materials technicians to the same standards of competence, including independent certification, got off the drawing board and into widespread practice in 2018. The Joint Training & Certification Program, launched by Caltrans with an inter-agency agreement with California State University, Long Beach, trained and certified hundreds of technicians on the campuses of Long Beach and at California State University, San Jose. Similar in concept to successful programs in more than 20 other states, the California JTCP program earned praise for its robust curriculum and superb execution, and its success paved the way for other industry-agency collaboration initiatives. A June 25 *Asphalt Insider* report on the program is [HERE](#).



Dr. Shadi Shadi of CSULB outlines the Joint Training & Certification Program at the CalAPA Spring Conference in Ontario while Caltrans contract manager Jeremy Peterson-Self looks on.

7. Environmental regulations are omnipresent
California's well-deserved reputation for strict environmental regulations continue to manifest itself in many ways in 2018, including new air quality regulations covering diesel engines, ramping up of enforcement for water quality violations, and the emergence of Environmental Product Declarations. EPDs for asphalt, although removed from proposed state legislation before it was signed by the governor, nonetheless were being planned for including in a few pilot projects by Caltrans and were being evaluated by other public works agencies. New signage regulations took effect in 2018 as part of California's landmark Proposition 65 toxic substance reporting law. California's environmental laws, backed by Democrat-controlled statehouse, were increasingly in conflict with Washington, controlled by Republican majorities in Congress and a Republican president committed to halting or rolling back environmental regulations.

8. Court ruling hits independent contractors, truckers
A court ruling in a lawsuit over how independent contractors are classified in California caused major disruption in many industries, including construction. The ruling, *Dynamex West Operations vs. Superior Court of Los Angeles*, resulted in a new criteria to determine if a worker is an employee or an independent contractor. The case had major implications for numerous industries, including the asphalt pavement and construction industries, which rely heavily on independent contractors for trucking and other services.

9. Political blue wave spreads across California, U.S.
California voters colored the state a deeper shade of blue on Nov. 6, electing Democrats to all statewide offices, including governor and U.S. Senator, and giving Democrats "super-majorities" of more than two-thirds of the seats in both the Assembly and state Senate heading into 2019. The once mighty California GOP was shut out in its former stronghold of Orange County, and seven GOP-held seats in



CalAPA produces a highly regarded magazine, *California Asphalt*, and an annual membership directory. To view current and past issues of the magazine, click [HERE](#). For advertising sales information, click [HERE](#) or call Kerry Hoover with Construction Marketing Services at (909) 772-3121.

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GET CERTIFIED!



The Caltrans-industry Joint Training & Certification Program (JTCP) for materials technicians is holding classes in Northern and Southern California. Click [HERE](#) to visit our JTCP resource page to learn more.

California's congressional delegation switched over to Democrats. In 2019, California's allocation of 53 seats in Congress will include only seven Republicans, joined by 46 Democrats, which contributed to control of the U.S. House of Representatives from Republican to Democratic. Former San Francisco Mayor Gavin Newsom, the current lieutenant governor, easily won election as governor to succeed Jerry Brown, who served a record 16 years as the state's chief executive in two stints. Returning to the Capitol in 2011 with the state mired in a recession and the state running a massive budget deficit, Brown helped steer a centrist fiscal path and leaves office with a multibillion-dollar budget surplus.



10. Washington drama derails federal infrastructure plans

Partisan bickering and turmoil roiled the federal government in 2018 under the administration of President Donald Trump, which cast a pall over any plan to address the chronic shortfalls in the federal Highway Trust Fund and any comprehensive infrastructure deal. A tax reduction measure, which reduced corporate tax rate from 35 percent to 21 percent, was cheered by the business community and was the signature legislative achievement of the Trump administration. But numerous investigations and cabinet-level staff changes, a federal government shutdown, plus a looming Democratic takeover of the U.S. House of Representatives, gave little hope that stability would return to the federal government anytime soon.

→ Tickets going fast for CalAPA's Annual Dinner Jan. 10 at the Jonathan Club in Los Angeles

Tickets are going fast for the most prestigious asphalt industry event of the year -- the CalAPA Annual Dinner, which will take place on Thursday, Jan. 10 at the elegant Jonathan Club in downtown Los Angeles. This exclusive event is open only to CalAPA members and invited guests. Click [HERE](#) for details and to register on-line.

The evening's program promises to be the most memorable yet, capping an eventful 2018 that saw a number of historic firsts for the industry, including the passage at the ballot box of a transportation funding protection measure and defeat of a potentially ruinous transportation funding repeal.



The historic Jonathan Club in downtown Los Angeles has been frequented over the years by heads of state, business titans, Hollywood luminaries, astronauts and other notable figures.

The evening program will also include an installation of association officers for 2019, recognition of industry leaders, and inductions into the CalAPA "Hall of Fame" of legendary industry figures as well as honors for longtime public agency representatives. Set to be inducted into the Hall of Fame as "honorary members" are Erik Updyke, recently retired from the Los Angeles County Department of Public Works, and Steve Healow, recently retired from the Federal Highway Administration. Legendary industry figures Jack Van Kirk, retired from George Reed Inc., and Rich Shaon, recently retired from Sully-Miller/Blue Diamond Materials, also will be inducted into the Hall of Fame. The program will also devote

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time to remember those leaders we lost in the past year, including former association executive Paul Rademacher, Wayne Church, formerly of Paramount Petroleum, and Frank C. Hermann of Hermann Equipment.

A reception begins at 5:30 p.m., followed by the dinner. A meeting of the CalAPA Board of Directors will also be held at the Jonathan Club starting at 12:30 p.m. the day of the event.



Lt. Gov. Gavin Newsom (second from left) was on hand to congratulate CalAPA Life Members (from left) Juan Forster, Paul Rademacher, Carlos Hernandez and Scott Lovejoy at the CalAPA Annual Dinner held Jan. 15, 2015 at the Jonathan Club in downtown Los Angeles.

The Jonathan Club is located at 545 S. Figueroa St. in downtown Los Angeles. There are a limited number of sleeping rooms available at the historic venue. Contact the Jonathan Club directly at (213) 624-0881 to make a reservation and mention "CalAPA." The Jonathan Club has a strict dress code and business attire is required and enforced. Click [HERE](#) for details about the dress code.

For more information and sponsorship opportunities, visit the CalAPA 2019 Annual Dinner website [HERE](#) or contact Sophie You at (916) 791-5044.

→ CalAPA holiday office hours

CalAPA offices will be closed on Tuesday, Jan. 1, in observance of the New Year's Day holiday.

→ Tech Term of the Week

Each week we highlight a word, acronym or other reference commonly used in the asphalt pavement industry in California.

AGED RESIDUE (AR) BINDERS: A system of grading asphalt binders by their physical properties. This system was replaced by Caltrans in 2006 by the Performance Grade (PG) binder grading system as part of the transition to the national Superpave™ initiative.

→ Paving Pointer of the Week

Each week we highlight a key point or best practice of interest to asphalt paving crews, inspectors and others working in the field. We welcome suggestions. More tips can be found in our Asphalt Parking Lot Construction Checklist [HERE](#).

TONNAGE CALCULATION: Are there enough trucks on the run to haul the mix needed to complete the job? If you have five trucks on the round each carrying 25 tons = 125 tons per round. If each round takes one hour to make, then the production rate is 125 tons per hour. If the job requires 1,000 tons at 125 tons per hour = eight hours to get the mix to the job.

→ Quote of the Week

"If things are not failing, you are not innovating enough."

Elon Musk

We hope you enjoy CalAPA's *Asphalt Insider*. We are committed to providing you with the most up-to-date information on technical issues, regulation, news, analysis, events and trends in California that may impact the asphalt pavement industry. Click [HERE](#) to contact us with any comments or suggestions.

Sincerely,

Russell W. Snyder, CAE

Executive Director

California Asphalt Pavement Association (CalAPA)®

The *California Asphalt Insider* is an official publication of the California Asphalt Pavement Association. For more information or to inquire about membership, call (916) 791-5044, or click [HERE](#) to send us an e-mail.

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