



**Testimony of
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**Submitted to the
Committee on Transportation and Infrastructure
U.S. House of Representatives**

**Hearing
Recovery Act: Progress Report for Transportation
Infrastructure Investments**

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Chairman Oberstar, Ranking Member Mica, Members of the Committee, and distinguished guests, thank you for the opportunity to contribute to this progress report for transportation infrastructure investments.

My name is Jim Duit, and I am the President of Duit Construction Co., Inc., located in Edmond, Oklahoma. It is my pleasure and privilege to share with you some perspectives today about the *American Recovery and Reinvestment Act* of 2009, and more specifically, about the \$27.5 billion invested in our nation's highways, roadways, and bridges.

To frame my comments, I would like to share with you some information about Duit Construction Company and others we have worked with closely on ARRA projects.

Duit Construction is a heavy highway contractor specializing in the construction and rehabilitation of the nation's Interstate and other highways, turnpikes, airport taxiways and runways; and intermodal and distribution-center parking lots. We believe successful construction requires working closely with owners and engineers to determine the best construction methods and designs, which in turn, give owners and the traveling public cost-effective and safe, efficient, and long-lasting pavements.

Today, I am speaking on behalf of Duit Construction, as well as a company we partnered with in a joint venture, TTK Construction, a highway and roadway contractor also located in Edmond, Oklahoma.

In addition to my role with Duit Construction, I have served as the 2001 Chairman of the American Concrete Pavement Association, as well as similar leadership roles with the ACPA-affiliated Oklahoma/Arkansas Chapter. So, in addition to presenting my views about the impact of ARRA on the state of Oklahoma and on these companies, I also am pleased to present a few national perspectives as an at-large contractor member of the American Concrete Pavement Association.

As a starting point, the concrete pavement industry, and certainly we in Oklahoma, welcomed the arrival of the *American Recovery and Reinvestment Act* or ARRA. At one of the lowest points in the recent economic downturn, we were very pleased to see the newly-elected President and his Administration bring this legislation to bear at a time when our nation needed it most. Of course, it also took the will of Congress, and a remarkable bipartisan effort, to make this legislation a reality.

In addition to the President and Congress, the U.S. Department of Transportation also deserves credit for implementing the transportation component of ARRA. Within the U.S. DOT, the Federal Highway Administration was also very quick to issue guidelines for use of the ARRA funds.

A great deal of credit goes to the State of Oklahoma's Secretary of Transportation, Mr. Gary M. Ridley, P.E. You may remember Mr. Ridley's appearance before this Committee in December 2009, but you may not know that his leadership and determination, along with the focus, hard work, and extra effort of his staff at the Oklahoma Department of Transportation, or ODOT, were key factors in bringing ARRA to life in Oklahoma.

Of course, the private sector also played an important role. Companies such as Duit Construction, TTK, and a host of other contractors, suppliers, consultants, trade associations, and others in the industry stepped up to the plate to get the work done quickly, efficiently, and with a focus on quality and safety.

From my perspective, ARRA has been successful in Oklahoma in terms of providing much needed relief and promoting economic recovery, while at the same time providing long-life infrastructure for future economic growth. I believe where ARRA has been successful across the nation, that success has been in direct proportion to the cooperation between the public and private sectors. I will comment more about that shortly, but first, let me provide a sense of the impact we have seen in Oklahoma.

As you know, the transportation portion of the federal economic stimulus bill was \$27.5 billion nationwide. Of that amount, Oklahoma's share for transportation projects was \$465 million. Of that amount, more than \$100 million was set aside for local governments, counties, and towns with highway improvement needs related to the *Americans with Disabilities Act*.

Oklahoma has led nearly every state in putting its transportation stimulus money to work. To date, 100 percent of the projects in Oklahoma have been obligated.

Oklahoma also has led the way in applying a high percentage of stimulus funds to highway-related projects. All told, there have been 274 ARRA-funded highway and bridge projects contracted in Oklahoma. An impressive 70 percent of the work is completed and all these finished projects have been paid for.

As you heard from ODOT Secretary Ridley, many of these projects were bridge and highway rehabilitation projects, which ranged from pavement resurfacing to full-scale reconstruction, along with a considerable number of bridge and bridge-approach improvements. These were significant, highly impactful projects that have directly benefited the traveling public.

The Duit/TTK joint venture has been awarded five major ARRA projects, totaling \$140 million, of which \$88 million worth of work is complete. These included two projects on Interstate-40, two on Interstate-35, and one on U.S. 69.

To give you a sense of how dire these sections were in need of rehabilitation, you may recall hearing from Secretary Ridley that *Parade*¹ magazine last year called Interstate-40 one of the “worst roads in America,” and further described it as “broken and potholed pretty badly.” The other sections for which we were awarded contracts were in about the same condition.

The following descriptions will provide a broad sense of the project scope, as well as some of the sustainability aspects of these projects.

There were four important hallmarks that were common to each of these projects. First, each of them used sustainable construction or environmentally-friendly methods. Second, these are not quick-fixes, but 30 year pavement design solutions. Third, we worked very closely with the Oklahoma DOT to streamline the plans and expedite the projects. The fourth point is that the research provision in SAFETEA-LU had a direct impact on the successful implementation of these ARRA projects.

The projects included:

- US-69 pavement rehabilitation in Pittsburg and Atoka Counties, a pavement rehabilitation project comprised of a total of 18 lane miles. Sections of US-69 in both counties were originally built in the 1950’s. In Atoka County, the pavement was originally 6 inches of asphalt on select base, and over the years, numerous asphalt overlays were placed over the original asphalt structure. In Pittsburg County, the roadway was widened in the early 1980’s from two to four lanes, also using asphalt pavement. Over time, the asphalt pavement had become

¹ Swift, E., “How We Can Save Our Roads: America’s highway infrastructure needs money, manpower — and a new vision,” *PARADE* magazine, March 8, 2009.

badly distressed, so the rehabilitation project involved first milling off the top few inches of asphalt, which will be recycled and reused on a future construction project. Next, bonded, fiber-reinforced concrete overlays were placed atop the existing asphalt structural layers. This roadway now has 4-inch concrete overlays in the driving and passing lanes, and 6 inches in the truck lane. This is significant, because the thicknesses are less than what would be required in a full-scale reconstruction, thereby saving natural resources, fuel, and money.

- Interstate-40 at Yukon (in Canadian County), a 41 year old pavement and bridge rehabilitation project originally constructed with concrete pavement in 1969. The most recent work prior to the current rehabilitation project was some diamond grinding to restore the driving surface in 1992. This section of the Interstate carries an average 39,500 vehicles per day, including an average of 11,060 trucks per day. The pavements and bridge decks were deteriorated extensively. This 10-mile project included pavement restoration and 8 miles of full concrete reconstruction, along with replacement of six bridges. On the first of two sections, we placed a 9-inch unbonded concrete overlay over the existing two lanes, and for the second, we placed 12 inches of new concrete pavement for the widening lane. The project also called for bridge widening to improve capacity and ease congestion throughout the area. Where we needed to remove existing concrete pavements, we recycled the material and used it for the roadway shoulders. Also, as the project progressed, we also removed and recycled some of the temporary concrete pavements used to create temporary detours. Another unique aspect is that we are employing some innovative technology by using a filter fabric interlayer, which was the direct result of technology transfer that came from a European scanning tour led by the Federal Highway Administration. The filter fabric technology is used on this and the following three projects described below.
- Interstate-40 in Muskogee County, a highway and bridge reconstruction project. Originally constructed in 1968, the concrete pavement had exceeded its 20-year design life by a factor of more than two. The most recent repair was diamond-grinding to restore the smoothness and texture, as well as some age-related slab repairs. One of the unique aspects of this project was that 100 percent of the concrete pavement was recycled and then used for base material.
- Interstate-35 in Noble County, a five-mile long unbonded concrete overlay over existing concrete pavement. Originally built in 1963, the concrete had far exceeded its 20-year design life, and along the way, was overlaid with asphalt in 1980, and then again, in 1991. The section used a 9-inch thick concrete overlay, and once again, where we removed concrete, we

were able to crush and recycle it, and use it in the cement-treated base materials to create a firm foundation.

- Interstate-35 south of Oklahoma City in Garvin County, a total pavement reconstruction project. Originally built in two sections in 1970 and 1971, the highway was constructed using a 9-inch concrete pavement. The original sections required only minor resealing of joints in 1981, and then, 2-inch asphalt overlays were placed in 1992 on the second section, and in 1995 on the first section. The current project called for the removal and replacement of the existing, distressed concrete pavement with a long-lasting 11-inch concrete pavement. Once again, the concrete was removed and recycled into the cement-treated base.

At the present time, the projects range from 100 percent complete to slightly more than halfway finished. More specifically, the US 69 project is 100 percent complete, the I-40 projects are more than 58 and 51 percent complete. The I-35 project in Noble County is 100 percent complete, and the remaining I-35 project is more than 64 percent complete. With the exception of the I-40 in Muskogee, which we expect to finish by March 1, 2011, all of the project work has been or will be completed in calendar year 2010.

In all, some 2.1 million man-hours have been logged on ARRA projects in Oklahoma. Although I cannot speak for the whole heavy and highway construction industry of Oklahoma, I can relate that Duit and TTK have budgeted about 855,000 man-hours for ARRA projects in 2009 and 2010. This translates to about 342 people, based on certified payroll and man hour reports. Although we recognize that jobs creation was one of the purposes of ARRA, the funding for Duit and TTK was more about *retaining* personnel versus creating new jobs. Even so, the ability to retain workers in the current economic climate is certainly far more preferable than the prospect of laying off experienced workers.

My staff and many others of us in the construction industry have had the opportunity to weigh the impacts of ARRA, and in the state of Oklahoma, I would say it has been and continues to be a success, as measured by the rapid deployment of plans, the scope and magnitude of the projects, and the level of project contracts awarded and completed.

From a national perspective, I know that we have heard mixed results, and so relating the Oklahoma experience, I believe the critical success factors unique to the state were as follows:

- As early as October 2008, ODOT Secretary Ridley alerted his staff to prepare for stimulus funding.
- In the ensuing months, nine engineering firms assisted with plan preparations. When the bill was signed into law, ODOT had identified and readied plans for more than a billion dollars of projects. It is my understanding that many of these plans are still on the shelf and ready to bid at a moment's notice should additional funds become available
- Close communications among the DOT and the industry also factored heavily into the success we have seen in Oklahoma.
- Innovation and inventiveness were also to successful implementation in Oklahoma.
- As mentioned previously, research also played an important role in this. Because of the research provision in SAFETEA-LU, along with the contributions of industry and academia, we were able to complete the "*Guide to Concrete Overlays*,²" which has been distributed to state highway agencies across the country. This is one of the most comprehensive concrete pavement technology transfer initiatives in recent history, and it has already saved taxpayers untold millions of dollars.
- Streamlining also was a hallmark of these projects. These were not short-cuts, but thoroughly vetted plans that were made more efficient for all concerned. For example, on one of the Interstate-40 projects, we were able to submit a change order that allowed us to extend the concrete pavement overlay. This change order saved the taxpayers \$3.6 million, thanks to the efforts of ODOT, the design consultant, and FHWA.
- Finally, and for better or worse, there were contractors who were in dire need of work.

As you have heard from this report, concrete overlays were a pivotal technology used in some of the ARRA projects in Oklahoma, and indeed, in other projects across the nation. In fact, long life concrete

² Harrington, D., ed., "*Guide to Concrete Overlays*," Second Edition. National Concrete Pavement Technology Center, Ames, Iowa. <http://www.cptechcenter.org/publications/overlays/index.htm>. September 2008.

overlays are being used increasingly by budget-conscious, performance-driven agencies throughout the United States, because they can be placed over either distressed asphalt or concrete structures.

This rehabilitation technique, first used in 1981³, provides an alternative to full-scale reconstruction or short-term fixes. In addition to providing a long-term, durable solution, concrete overlays also conserve natural resources, reduce fuel consumption, and provide long-term value to agencies and the traveling public. The National Concrete Pavement Technology Center 's *"Guide to Concrete Overlays"* has been a key to the acceptance of concrete overlays, and combined with the training and technology transfer offered by the Center and the American Concrete Pavement Association, a growing number of agencies, consultants, and contractors are discovering both the performance and economic benefits.

It is accurate to say the Oklahoma experience with ARRA investment in highways and bridges has been generally positive. Words alone do not express the relief and gratitude of Duit Construction, TTK, and others in our industry who were fortunate to be part of this important initiative to "jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century."⁴

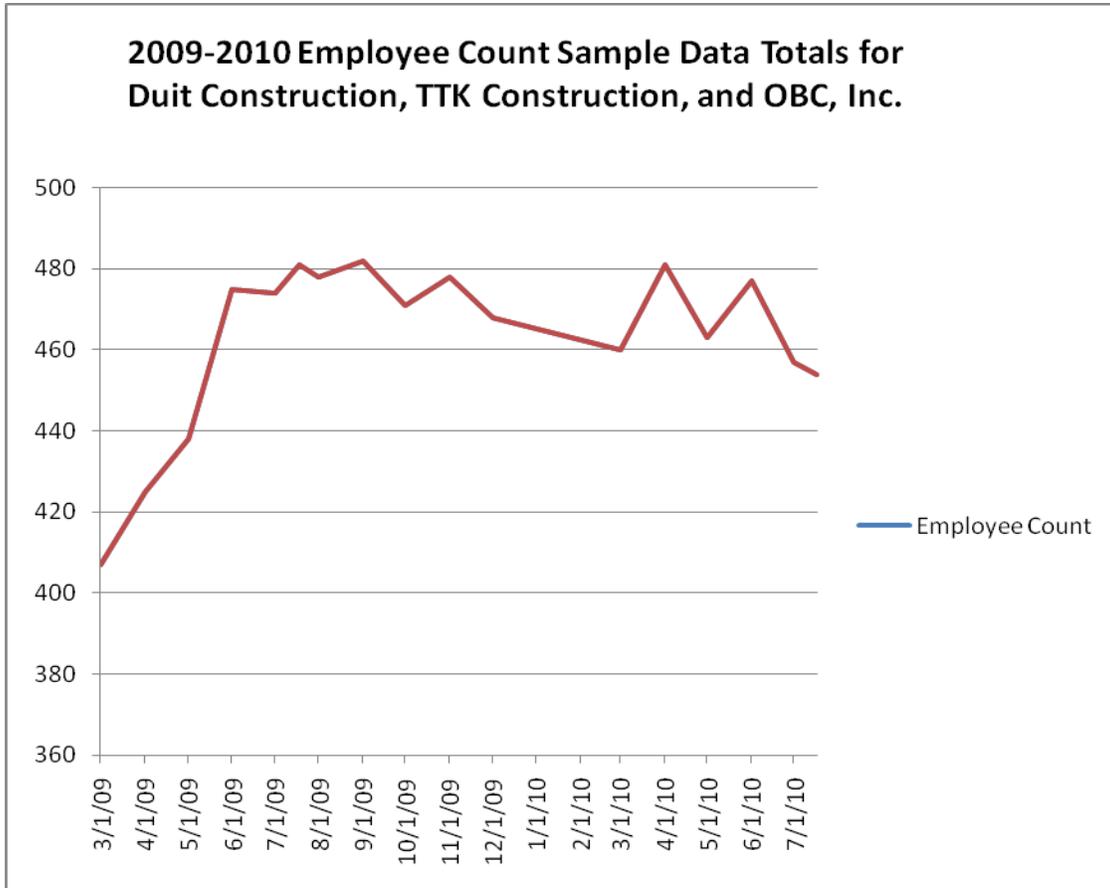
Notwithstanding the positive experiences we have had in Oklahoma, we are concerned about the future of our nation's surface transportation infrastructure, and we are of course, extremely worried about the proverbial storm clouds that continue to amass on the horizon.

In Oklahoma, we are witnessing a large number of talented, experienced design engineers being laid off or otherwise unable to find work. History has shown this to be a strong indicator that current funding for highway and bridge construction and rehabilitation is diminishing, and without a clear view of the future, it gives us all great pause about our future.

³ "Concrete overlay offers cost-effective alternative to asphalt," Highways for Life website (Innovations subsection), Federal Highway Administration, last modified 06/14/2010.
<http://www.fhwa.dot.gov/hfl/innovations/whitetopping.cfm>

⁴ "DOT Information Related to the American Recovery and Reinvestment Act of 2009 (Recovery Act)," U.S. Department of Transportation website, <http://www.dot.gov/recovery>.

I also want to be clear in my characterization of the jobs. As noted previously, the ARRA projects enabled us to retain many good employees, and indeed, among the three companies employee counts increased from about 407 to as many as 482 during 2009 and 2010, but the numbers have started to fall as a function of completing projects and having no clear idea of future work.



Retaining experienced workers is extremely important to our business, as I believe it is with most businesses. Duit Construction currently has 75 employees that have been with the company for five years or more, which in our case adds up to more than 1,000 years of experience with in the highway construction industry. This is a tremendous amount of experience that we do not want to lose.

Also, right now Duit Construction and TTK, like many other companies in the construction industry, are simply not comfortable investing in long-term capital expenditures. The reason for this is that our businesses simply cannot make such investments without having a solid plan for future infrastructure investments.

Extensions to the current program—although keeping dollars moving to states—have an unintended consequence of slowing the momentum from the ARRA because of the lack of a long-term plan, and as a result, may actually impede businesses’ efforts to plan for the future. This creates an unfortunate, but predictable cycle of deferring capital investments, which means factories and machine tools sit idle; consumable products and value-added services go unsold; and good workers get furloughed or laid off. This, of course, ekes away at the nation’s collective pride and productivity; it reduces our tax rolls at the federal; state; and local levels; and threatens people’s standard of living.

In the absence of a robust, multi-year highway and transit program; a timeline for passage; or durable solutions to the funding issues, many in our industry are concerned that the gains realized from the ARRA will be lost without a robust highway bill now.

Mr. Chairman, the concrete pavement industry is urging quick passage of a multi-year highway bill, as well as the required funding mechanism, such as an increase in the federal motor fuels tax. The concrete pavement industry stands ready and willing to assist you and your T&I Committee colleagues and staffers in finding and advocating for workable solutions. We also are receptive to ways that we can work together to advance the surface transportation bill, and to ensure that it receives the attention it deserves. Re-investment in this nation’s transportation infrastructure is desperately needed – our future is in the balance.

Thank you Mr. Chairman and members of the Committee. I will be happy to entertain any questions you may have.

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