

CALIFORNIA ASPHALT INSIDER

The latest news and views from the California Asphalt Pavement Association

Dec. 19, 2016



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CALENDAR

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

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REGISTER NOW!
CalAPA Annual Dinner
Thursday, Jan. 19, 2017
5:30 p.m. to 9 p.m.
Jonathan Club
545 S. Figueroa St.
Los Angeles, CA
Contact Sophie You at (916)
791-5044 for sponsorship
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Details [HERE](#).

*

Greetings!

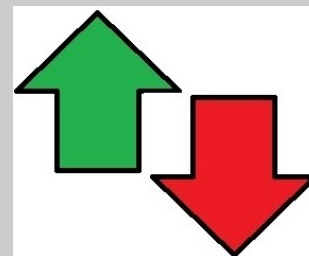
This weekly bulletin contains the latest news and information of interest to the asphalt pavement industry in California. Please feel free to distribute this newsletter to others who may be interested in asphalt pavements.

→ **EXCLUSIVE:** Optimism slips in our 7th annual 'better-worse' survey; road funding, workforce are among chief concerns

The results are in. The seventh annual CalAPA "Better or Worse" survey shows respondents are generally optimistic about the coming year even though positive opinions about the future continue to be replaced by negative ones for many.

The brief, non-scientific poll of more than 2,700 "Asphalt Insider" newsletter subscribers, conducted over the past month, indicated the optimism continues to slide from its peak in 2014, with pessimists slowly growing in number. The number of respondents who said next year would be better than 2016 was 43 percent, compared to 47 percent last year and a record 51 percent the year prior.

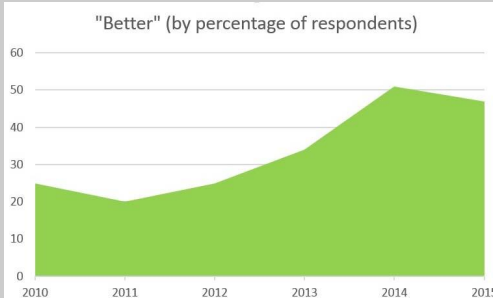
On the negative side, 21 percent of respondents said next year would be worse than 2016, compared to only 14 percent who took that view last year and 14 percent in 2014. The "about the same" contingent was 41 percent this year, compared to 34 percent last year and 31 percent in 2014.



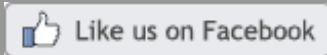
Of the overall respondents, about 30 percent were public agency representatives, with the rest comprising asphalt producers, refiners, paving contractors and other companies that are part of the industry plus a smattering of others.

For the first time, the survey added a question, "What is the No. 1 challenge where you work?" That question elicited more than 100 written responses, with lack of being able to attract and retain qualified workers the top issue (28 written responses), followed by lack of funding (18 written responses).

"Fluctuations in transportation funding make it difficult to maintain a qualified workforce," said one industry respondent, while a local agency representative offered, "Retirements of longtime employees leaving a knowledge gap in the workforce." Yet another industry respondent editorialized that it was a



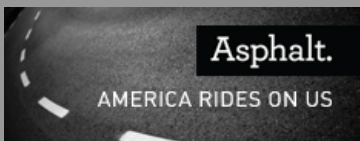
SOCIALIZE



CHOOSE ASPHALT

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.



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.



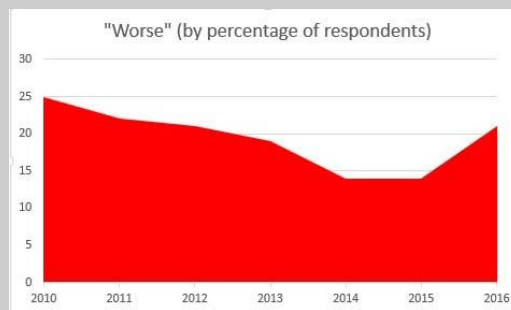
CalAPA

challenge "finding people entering the industry with a work ethic and no sense of entitlement."

The main survey question is purposefully vague: "For your company or organization, how do you think 2017 will compare to 2016?" The choices were "better," "worse" or "about the same / don't know." However, most of the voluntary comments offered up by survey respondents centered around how much work is expected in the coming year. The answer varied by company, agency and region, reflecting the size and diversity of California's massive economy and the many economic micro-climates that are spread across the state.

As in previous surveys, the weather largely depends upon where you are standing. Some respondents commented that work was booming, while others were very disappointed. "Not much has changed so far," said one local agency representative, while an industry representative said, "More work is coming out to bid and we seem to be more competitive and picking up more work." Economists similarly note that California's economic recovery has been uneven around the state.

"2016 was the best year we have had in 20 years," one Northern California industry comment read, while another from Southern California noted "we had a tremendous 2016." Elsewhere, however, an industry respondent lamented, "No funding source means no projects = no revenue!"



Many local agency representatives offered comments such as "not much has changed so far" and some without a strong local source of transportation funds predicted dire consequences for the road network. "Downturn in gas tax revenue, and lack of action by the state, is drastically shrinking the road budget," wrote one local agency representative.

Industry respondents had roughly the same level of optimism for the coming year as agency personnel, the survey found. A total of 160 people took part in the voluntary on-line survey, which was conducted from Nov. 14 to Dec. 12.

To read the story about last year's survey results, click [HERE](#). More detailed economic forecast information will be featured in the 2017 Forecast Issue of CalAPA's official magazine, *California Asphalt*, which will hit mailboxes in January.

→ Obituary: Wendell G. Reed

The asphalt industry mourned the loss of one of its towering figures, Wendell G. Reed, who passed away at his Modesto home Dec. 11 with his wife, Norma, his children and grandchildren at his side. He was 88.

Mr. Reed had been President of George Reed, Inc., a California-based construction materials and heavy highway contracting firm and Chairman of the Board of Basic Resources, Inc., its parent firm, which owns many other construction and construction-related companies including Reed International, 7-11 Materials, and VSS International. He had been in construction management for 66 years.

California Asphalt Pavement Association (CalAPA)

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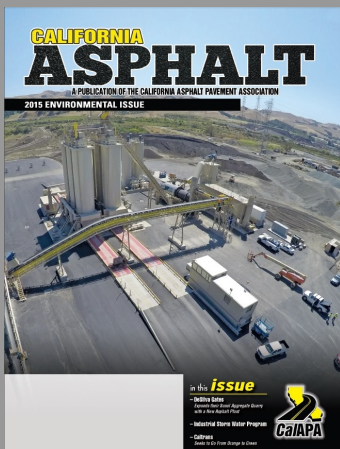
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BACK ISSUES

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



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.

STAY INFORMED

"He was an icon in our industry," said Bill Darnell of Valero Energy. "He set such a high standard for character and dignity. He was cordial with everyone but he was also a businessman and an entrepreneur. You never got any gobbledygook from him."



Wendell G. Reed

Darnell said Mr. Reed was a visionary industry leader. "He knew which direction the industry was heading. He made good moves at the right time, which benefited his company but also the industry. He left a positive imprint on the entire construction industry in California."

Mr. Reed was a former chairman of the Northern California Asphalt Producers Association (NCAPA), which eventually became known as the California Asphalt Pavement Association (CalAPA). "He was always there when you needed him," said former association Executive Director Roger Smith, a CalAPA Life Member. "He was a big supporter of the association and the industry."

"He was an incredible son, brother, father colleague, mentor and boss," said his son, Jeff Reed, who eventually took over as president of the family business. "His door was always open to everyone and he always had time to talk to everyone."

Mr. Reed was laid to rest following a funeral mass held Dec. 15 at the St. Stanislaus Catholic Church in Modesto attended by hundreds of family, friends and others who were touched by his life. The service included music from Dixieland jazz band honoring his love of music. His two sons and daughter took turns offering a eulogy that included personal stories and fond memories.

To read his full obituary, click [HERE](#).

→ Fact of the Week: Asphalt covers 93.61 percent of roads in California

According to the Asphalt Institute, a CalAPA partner, 93.61 percent of roads in California are paved with asphalt. The figure nationally is 93.99 percent. The data is compiled from information provided by the Federal Highway Administration. To view an infographic about the data, with state-by-state totals, click [HERE](#).



→ Fourth in a 5-part video series on asphalt: Building a road from the ground up

Our colleagues at the Plantmix Asphalt Industry Association of Kentucky (PAIKY) are producing an excellent series of on-line videos that provide brief explanations of various aspects of asphalt production and placement. The fourth in the series spotlights the basic elements of a road from foundation to driving surface. You can view the 3-minute

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Other videos in the series cover topics that frequently generate questions to the industry, such as where asphalt comes from and the basics of mix design and testing. As the videos are posted, we are adding direct links to them on our video resource page. You can view our video page [HERE](#).



We will spotlight other informative video releases in upcoming issues of *Asphalt Insider*. In the meantime, a tip of the hardhat to our colleagues in Kentucky for producing such an outstanding and accessible educational tool.

→ Tech Term of the Week

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

ADMIXTURE: That which is added and mixed. For example: Calcium or sodium chloride, clay, sand, etc., added to a gravel road surface.

→ Quote of the Week

"We become what we think about."

Earl Nightingales

→ CalAPA holiday hours

CalAPA offices will be closed on Monday, Dec. 26 in observance of the Christmas Day holiday. The offices also will be closed on Monday, Jan. 2 to mark the New Year's Day holiday.

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 and events 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)

