

OIL SUPPLIES vs. ASPHALT COSTS

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June 25, 2007

New England Construction

Chevron expert explains link to NEPPP group at Glastonbury, Conn., meeting

Liquid asphalt demands, supplies and possible prices for the 2007 construction season were among the topics presented to over 50 federal and state transportation officials, contractors, consultants, and material suppliers gathered in Glastonbury, Conn., recently for the second and final organizational meeting of the Northeast Pavement Preservation Partnership (NEPPP).

The brainchild of the Federal Highway Administration (FHWA), NEPPP is a model for the proposed establishment of regional organizations across the U.S. to promote a uniform approach to pavement preservation.

FHWA is contracting with the National Center for Pavement Preservation, housed at Michigan State University, to assist state transportation agencies in developing regional standards for pavement preservation surface treatments. NEPPP consists of public transportation officials from each of the six New England states, New Jersey, New York, Delaware, and Maryland. The goal is to work cooperatively with industry to enact pavement management plans that include and highlight pavement maintenance programs utilizing pavement preservation surface treatments that extend the functional user life of public roads. This is a national priority for FHWA.

The Connecticut meeting is a follow-up to the 2006 initial gathering in Marlborough, Mass., in an effort to put the final touches to the partnership agreement (see NEC 04/10/06 issue). Patte Hahn and Larry Galehouse from the National Center for Pavement Preservation were present to provide continuity between the two meetings. The Connecticut DOT acted as host while New York DOT remains the lead agency for NEPPP.

Participants were treated to a review of current liquid asphalt market conditions by invited speaker, Luke Stango of Chevron Products Company. A 30-year-plus veteran of liquid asphalt sales and marketing for Chevron, Stango started with an overview of world crude oil dynamics. He then walked the audience through the typical crude oil refinery process. Stango speculated on the economic consequences of disruptions to finished product supplies (gas, home heating oil, aviation fuels, etc.) caused by weather events, political instability and government regulations.

He concluded his presentation with a detailed look at U.S. East Coast liquid asphalt demand, current market players and possible liquid asphalt retail pricing scenarios for the 2007 construction season.