



2010

Transportation Market Outlook Report

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About Onvia

Onvia (Nasdaq: ONVIA) is a leading Business solutions provider with the broadest set of services in the industry, serving a wide range of the public and private sectors. For more information, visit www.onvia.com. Onvia has an unparalleled track record of activity and client satisfaction in a variety of

- Architecture
- Consulting
- IT/Telecommunications
- Healthcare
- Operations and Maintenance
- Professional Services
- Transportation
- Water
- Energy/Alternative Energy

United States and international markets. Onvia's deep understanding of these markets, combined with its expertise, has enabled it to be a leader in the industry since its founding in 1987.

Onvia is a leading provider of American Recovery and Reinvestment Act of 2009 (ARRA) funds to states and municipalities. From the moment ARRA funds are approved, to a government agency's issuance of a Bid or RFP, through contract award to a business, Onvia provides the expertise and resources needed to ensure successful outcomes.

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TRANSPORTATION MARKET

2010 is proving to be a strong year for government contractors who serve the infrastructure market. Although 2009 saw considerable activity with the obligation of ARRA dollars, a significant amount of the actual spending on those ARRA-funded projects will happen in 2010.

Of the more than 16,000 transportation infrastructure projects Onvia tracked throughout 2009 only 31 percent, or 5,000, had been awarded to contractors by the end of 2009.

is expected to support the most jobs with the Great Lakes region setting the pace for average salaries.

Thus far in 2010, Onvia has tracked over 2,800 projects across 2,800 counties, up from 2,000 projects to its ARRA cutoff date of 9/30/09. This represents a 40% increase in the infrastructure market, which is important to the transportation industry. Projects in construction programs.

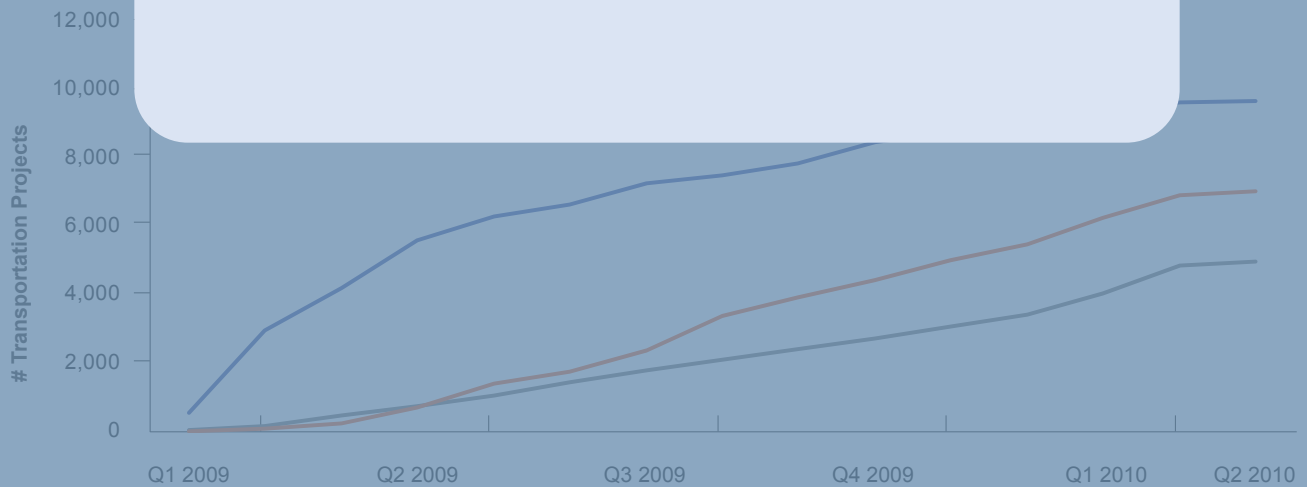
As these opportunities increase, we expect to see a significant increase in jobs supported by these programs over \$150 billion.

investment in infrastructure initiatives, particularly in regional transportation programs.

transportation infrastructure has increased significantly since 2009. The same time period saw awards for infrastructure projects to nearly 10,000 contractors, an important

ARRA Transportation Projects

Onvia tracks all



Source: Onvia 2010

TRANSPORTATION MARKET

leading indicator for the 2010 construction season. Expect these trends to carry into 2010 as more contractors vie for government projects

Spurred by record federal investment in surface transportation and increased spending through the ARRA, the highway construction market is expected to grow 8 percent in 2010 as only two states, New Hampshire and Wyoming, obligated all of their transportation stimulus funds by the end of 2009. As of March 2010,

ARRA-funded projects of which are upgrades the

According to the condition of In their December [of State Highways](#) improved, such the findings the board pro of ARRA fund 2010, are tar

of the nation's transportation infrastructure. The study also found wide variations among the states in road performance, and an increasing concentration of problems:

- About 53 percent of the poor-condition urban interstate mileage is in just four states (California, New York, New Jersey and Texas).

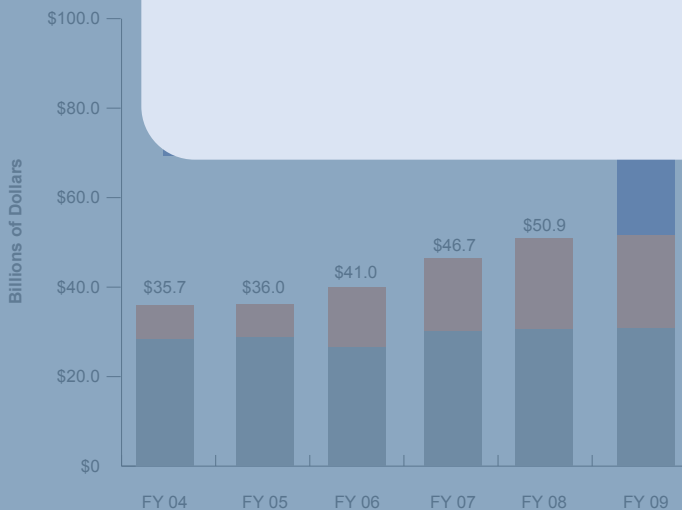
- About 64 percent of all the poor-condition is in just

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Impact of ARRA

ARRA funding p



Source: ARTBA based on FHWA and U.S. Government Budget for FY 2010 data

TRANSPORTATION MARKET

through 2015, while the Department of Transportation's ITS strategy for 2010-2014 keeps intelligent transport funding at about \$100 million per year. In September 2009, the Utah Department of Transportation announced a \$14 million electronic tolling system project on sections of I-15. Drivers willing to pay to use the high-occupancy lanes without carpooling would pay for the privilege. This system would use RFID tags to track usage. Antenna boxes placed above the lanes will send radio signals to transponders that are mounted on vehicles. Entrances to the lanes will have cameras and sensors that monitor rates, with the toll rates increasing as occupancy decreases. Lower occupancy rates will increase the cost of using the lanes. The cost of such systems is a significant portion of the current transportation budget.

Transit

In the face of high unemployment, transit ridership has gone down as fewer people have jobs. Similar to the highway market, transit

is a lagging economic indicator. As a result, the majority of transit systems have seen a decrease in funding from state, local and regional programs. But aided by the significant transit funding through the ARRA as well as the Hiring Incentives to Restore Employment (HIRE) Act, prospects are strong for new light rail systems as we continue to see the benefit of economic regeneration of transit corridors such as those in Washington, D.C., Denver, Colorado and Portland, Oregon. Moving into 2010, less than half of the



AASHTO Survey

Q4 2009 summary

MODE

Highway		
Transit		
Rail	234	\$3.49 billion
Port	80	\$0.58 billion
Aviation	528	\$1.81 billion
Intermodal	266	\$6.63 billion
TOTAL	9,588	\$69.55 BILLION

Source: AASHTO 2010

TRANSPORTATION MARKET

Legislative Impacts

In support of an expected jobs bill in 2010, an American Association of State of Highway Transportation Officials (AASHTO) survey in late 2009 captured a summary view of the 9,588 ready-to-go (formerly known as “Shovel Ready”) highway, transit, rail, port and aviation projects across the U.S. awaiting funding. These projects, valued at \$70 billion, are ready to break ground within 120 days of funding. (See Appendix)

On March 11, 2010, a new jobs bill was signed into law. The American Recovery and Reinvestment Act of 2009 provides for \$44 billion in investments over the next two years. At the end of 2009, \$10 billion with funding from the American Recovery and Reinvestment Act of 2009 was transferred into 2011. The American Recovery and Reinvestment Act of 2009 provides for \$44 billion in investments over the next two years. At the end of 2009, \$10 billion with funding from the American Recovery and Reinvestment Act of 2009 was transferred into 2011. The American Recovery and Reinvestment Act of 2009 provides for \$44 billion in investments over the next two years. At the end of 2009, \$10 billion with funding from the American Recovery and Reinvestment Act of 2009 was transferred into 2011.

- The HIRE Act also expands the Building and Construction Trades Dept. created by the American Recovery Act of 2009 to include municipalities issuing bonds to finance infrastructure projects. The HIRE Act also expands the Building and Construction Trades Dept. created by the American Recovery Act of 2009 to include municipalities issuing bonds to finance infrastructure projects.

Transit Account. These funds are based on the restoration of interest payments on balances to the HTF and ensure the solvency of the Mass Transit Account through the end of Fiscal Year (FY) 2011. The HTF is primarily financed by the motor fuel federal tax, which is 18.4 cents per gallon for gasoline and 24.4 percent for diesel, and has not been raised since 1993.

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PRIMARY INFRASTRUCTURE

Infrastructure

Transportation & Traffic Studies

Transit:

- Rapid Transit Vehicles
- Buses
- Specialty and Vocational Vehicles
- Fleet Operations and Maintenance
- CCTV
- Security Services

Source: Onvia 2010

TRANSPORTATION MARKET

Many states are concerned about the lukewarm prospects for a reauthorization spending bill in 2010. Although the Obama administration says states shouldn't be concerned that a new law is not yet in place, there is growing anxiety as transportation improvement plans are left in limbo. Planning for a new bridge, highway interchange or light rail line typically takes years, and states need early insight into how much the federal government will invest in transportation. Without a reauthorized transportation spending bill in place, many states are concerned that contractors will not be able to purchase equipment for the American Road & Transportation Builders Association.

Summary

However, the recovery plan includes long-term investments that have been implemented in the stimulus bill. According to the American Road & Transportation Builders Association, the needs between 2009 and 2015 are a \$565 billion

- Highway program funded at \$50 billion (2015 level = \$50 billion)
- Transit program funded at \$5 billion (2015 level = \$5 billion)
- Freight program funded at \$5 billion (2015 level = \$5.2 billion)
- Intercity passenger rail program funded at \$50 billion (2015 level = \$11.7 billion)

2010 Strategic Considerations

- Competition and pricing pressure will vary in major metropolitan areas vs. outlying areas. Businesses that have flexible geographic coverage areas should consider pursuing contracts in less populated places.
- Given the higher volume of smaller, less capital intensive projects, there is greater opportunity

2010 PROJECT AND COMPANY HIGHLIGHTS

TOP 2010 TRANSPORTATION PROJECTS	STATE	VALUE
Expansion of State Highways 114 and 121	TX	\$916,784,370
Rehabilitation of St. George Sift Ramps	NY	\$174,444,000
State Freeway 101 at Doyle Drive	CA	\$167,300,000
Construct HOV Lanes, Connectors And Replace Slabs.	CA	\$160,000,000
I-85 from 1800 Feet South of Nc 150 to Us 29-52-70/I-8	NC	\$143,000,000
Reconstruct & Widen 4 to 6 Lane to Reduce Congest & Saft	TX	\$135,790,603
Us		000,000
To		99,999
W		00,000
TO		VALUE
Co		4,000
Ok		30,000
JF		10,982
Be		53,000
Ar		73,000
Fl		23,992
Ki		76,000
Be		79,334
Ma		60,708
Br		00,000
TO		VALUE
Ne		00,000
Chicago - St Louis Corridor	IL	\$1,102,000,000
Bypass Tracks	WA	\$590,000,000
New York - Albany - Buffalo Corridor	OH	\$400,000,000
Empire Corridor Connects	NY	\$148,000,000
Chicago (Englewood) Flyover	IL	\$133,000,000
11 Mile Richmond - Washington, D.C Corridor	VA	\$75,000,000
Crossover and Signal System Improvements	IN	\$71,000,000
Implement Track, Passenger Stations and Signal Upgrades	MA	\$70,000,000
San Diego - LA - San Luis Obispo Corridor	CA	\$51,000,000

APPENDIX

Highways: Job Creation projects

An American Association of State of Highway Transportation Officials (AASHTO) survey in late 2009 captured a summary view of the 9,588 ready-to-go projects.

STATE	PROJECTS	STATE ESTIMATE	STATE	PROJECTS	STATE ESTIMATE
Alabama	105	\$1,065 million	Missouri	115	\$1,200 million
Alaska	20	\$200 million	Montana	160	\$450 million
Arizona	123	\$992 million	Nebraska	53	\$180 million
Arkansas	130	\$1,070 million	Nevada	21	\$257 million
California					\$427 million
Colorado					\$312 million
Connecticut					\$753 million
Delaware					1,200 million
District Of Co					2,059 million
Florida					\$200 million
Georgia					\$618 million
Hawaii					\$947 million
Idaho					\$522 million
Illinois					1,226 million
Indiana					\$281 million
Iowa					\$375 million
Kansas					\$146 million
Kentucky					\$800 million
Louisiana					3,834 million
Maine					7,776 million
Maryland					\$124 million
Massachuse					\$106 million
Michigan					\$751 million
Minnesota					1,556 million
Mississippi					\$350 million
					\$400 million
			TOTAL	7,497	\$47.26 BILLION

Source: AASHTO