

NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life

TESTIMONY OF

**JENNIFER JOY WILSON
PRESIDENT & CEO
NATIONAL STONE, SAND & GRAVEL ASSOCIATION**

Submitted to the

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

**For a Hearing On
INVESTING IN INFRASTRUCTURE: THE ROAD TO RECOVERY**

October 29, 2008

Mr. Chairman, Ranking Member Mica and Members of the Committee:

Thank you for the opportunity to offer testimony on behalf of the members of the National Stone, Sand & Gravel Association (NSSGA) to the Committee on Transportation and Infrastructure on the very important issue of how investment in our nation's infrastructure is essential to the nation's economic stability and growth. Our members support a second economic stimulus with inclusion of a significant transportation infrastructure component. We thank you, Mr. Chairman, for your continued advocacy for including transportation infrastructure investment in economic stimulus packages.

NSSGA represents the crushed stone, sand and gravel – or construction aggregates – industries. Our member companies produce more than 90 percent of the crushed stone and 70 percent of the sand and gravel consumed annually in the United States. Nearly 3 billion metric tons of aggregates were produced in 2007 at a value of approximately \$21 billion, contributing \$38 billion to the GDP of the country. Every \$1 million in aggregate sales creates 19.5 jobs, and every dollar of industry output returns \$1.58 to the economy. The aggregates industry workforce is composed of 118,000 dedicated and hard-working men and women.

There are more than 10,000 construction aggregate operations nationwide. Virtually every congressional district is home to a crushed stone, sand or gravel operation. Proximity to market is critical due to high transportation costs, so 70 percent of our nation's counties include an aggregates operation.

Aggregates are a base material that mostly we don't think about, but which is essential to the built environment, whether horizontal or vertical. Construction aggregates are used primarily in asphalt and concrete. Ninety-four percent of asphalt pavement is aggregate; 80 percent of concrete is aggregate, whether pavement or buildings, dams, and sewage treatment plants. Every person uses about 10 tons of aggregates annually in America. Every mile of interstate contains 38,000 tons of aggregates; about 400 tons of aggregates are used in construction of the average home.

Like other construction industries, the economic downturn has rippled outward and affected our members. Aggregate production is down double digits in some areas of the country and many are having to lay-off employees for the first time in their history. Because the economic health of the country relies heavily on a transportation system to move people and products and for every \$1 billion

invested it is estimated 35,000 jobs are created, it is imperative that Congress pass a second economic stimulus package that includes a transportation component.

The bridge collapse last year in Minneapolis was a vivid and tragic example of our nation's crumbling infrastructure and a potential economic growth barrier as people and product delivery were impaired. The National Surface Transportation Policy and Revenue Study Commission report issue in Jan. chronicled the increasing needs of the nation's surface transportation infrastructure. As our transportation system chokes on congestion, costing the economy \$78 billion annually in lost time, fuel and crashes -- approximately one-third of which are attributable to road conditions draining an additional \$220 billion -- the long-term health of the economy is in jeopardy.

Earlier this year, the state departments of transportation identified more than 3,000 highway projects totaling approximately \$18 billion that could be implemented in 30 to 90 days from enactment of federal economic stimulus legislation. By targeting economic stimulus funding to these "ready-to-go" projects, as well as resurfacing projects, the Committee will get money to the states which will provide short-term economic boost by putting thousands of people to work. Also, we must ensure as the package is developed that the states are consulted to determine if the federal/state matching requirement is an impediment to project initiation.

To those who argue that transportation infrastructure investment will not provide economic stimulus because it takes too long to get projects started, I refer you to the testimony presented to the committee by a member of NSSGA and the third largest aggregate producer in the U.S., Doug Black, CEO, Oldcastle Materials, who testified to the Committee that highway projects can be bid, let and work initiated very quickly. Mr. Black cited a \$3.5 million two-lane highway mill and fill resurfacing project in Utah that his company completed in 75 days. This project involved repaving 4.4 miles of road with 30,000 tons of asphalt. An almost five-mile stretch of highway in Utah is now has a new, smoother, and most importantly, safer stretch of highway. And, Oldcastle completed another similar \$3.8 million project in Utah this summer. Just imagine if projects like this were begun across the nation. These short-term projects would provide needed improvements to our nation's transportation infrastructure at the same time providing jobs and long-term economic value.

Our surface transportation system is the backbone of the nation's economy. It is, however, old and at capacity. According to figures released this year, 33 percent of America's major roads are in poor or mediocre condition. Twenty-six percent of

America's bridges are structurally deficient or functionally obsolete. It is time for Congress to address this growing problem before the economy is irreparably harmed.

Roads, however, do not just allow motorists to travel from one point to another. A smooth flowing transportation system allows Americans to go where they want to go and live where they want to live – the freedom of mobility that we all hold dear. Unfortunately, too many Americans lose their lives on the roads each year. According to The Road Information Project, one-third of all highway deaths are attributable to poor road conditions. This means that in 2006 over 12,900 moms, dads, sons, daughters, brothers and sisters did not make it home safe and sound. The tragic part is we can fix road conditions. While the total number of deaths has remained level over the past few years, still too many people die. It is time for Congress to be a part of the solution and help fix our roadways to make them safer.

The expiration of the current surface transportation law next year offers an opportunity to develop a new vision of transportation for the 21st Century. In the meantime, Congress can begin by investing in transportation infrastructure as part of a second economic stimulus package which will create jobs, make needed improvements in roads and highways, boost the economy and provide long-term economic value.

Thank you for the opportunity to comment on this very important issue.

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