

NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life

January 7, 2011

The Honorable Darrell E. Issa
Chairman
House Committee on Oversight &
Government Reform
2157 RHOB
Washington, DC 20515-6143

Dear Mr. Chairman:

Thank you for the opportunity to identify existing and proposed regulations that are especially burdensome and have adversely affected job growth in the aggregates, or stone, sand and gravel industries. The number one legislative priority of the aggregates industry is passage of a multi-year surface transportation reauthorization. We cannot, however, ignore the potential impacts of environmental, labor or other federal regulations that have or could impose increased costs and regulatory burden on the industry which is the foundation of America's built environment.

The National Stone, Sand and Gravel Association (NSSGA) is the largest mining association in the world by product volume according to the U.S. Geological Survey. During 2009 nearly two billion metric tons of aggregates valued at roughly \$17.2 billion were produced and sold in the U.S. There are more than 10,000 construction aggregates operations nationwide. Almost 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 markets have changed considerably in the past four years. At a 3 billion metric ton production peak in 2006, the combined markets for aggregates by residential, commercial and non-road public construction projects formed around 60 percent of the aggregates market. Highways and other surface transportation projects continued as the single largest market for aggregates at roughly 40 percent.

The ongoing recession has resulted in a dramatic shift in the aggregates market. We believe that the road, highway and surface transportation segment is now by far the dominant market for aggregates products nationwide, but it is a higher percentage of much reduced total tonnage produced ó 1.9 billion tons in 2009, a 37 percent decrease from 2006. This has put tremendous pressure on our members and our association to what already has been our top legislative goal: to secure a well-funded, long-term surface transportation law.

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To provide further perspective, the 2009 average value of an aggregates operation as calculated by USGS is \$1.6 million, whereas an average coal mine is valued at \$25.1 million. That is one of many differences between the aggregates sector and other mining sectors regulated by MSHA.

Further challenging NSSGA members has been the proliferation of federal regulations from EPA and the Mine Safety & Health Administration which are the primary regulatory agencies of jurisdiction over the aggregates industry. While the aggregates industry has set safety and health records in ten consecutive years of reducing national accident incidence rates beyond prior year (most closely now approximating the incidence rate of the motion picture production industry), and while there are many environmental benefits to using stone, sand and gravel as well as a strong industry commitment to sustainability and environment, safety and health guiding principles, the number and impact of new regulatory proposals on top of existing heavily regulated operations seem to continue unabated.

In the enclosed document, we have attempted to focus on those rules, regulations and agency actions that are the most burdensome, unnecessary, and have the greatest potential to further depress an industry that is the vascular system of the country and imperative to economic growth and maintaining our country's global competitiveness as well as the freedom of mobility which is valued by every American.

Again, thank you for this opportunity and please call on me with any questions. We would be happy to provide a witness at any future hearings on this issue to discuss our concerns about these regulations and their impacts in more depth.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Joy Wilson". The signature is fluid and cursive, with the first name being the most prominent.

Jennifer Joy Wilson
President and CEO

Enclosure