

NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life

March 27, 2006

The Honorable Jim Nussle
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

The Honorable John Spratt
Ranking Member
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Nussle and Congressman Spratt:

As Congress begins to consider the FY 2007 Budget Resolution, the National Stone, Sand & Gravel Association (NSSGA) is very interested in the nation's infrastructure funding. Specifically, NSSGA urges the Committee to continue the past practice of including budgetary protections, or "firewalls" as they relate to the Highway Trust Fund (HTF) to ensure all transportation excise taxes collected are spent solely on transportation programs. While some in Congress favor tearing down the firewalls, NSSGA believes this would be unwise policy and opposes any such effort.

NSSGA's member companies produce 90 percent of the crushed stone and more than 70 percent of the sand and gravel consumed annually in the U.S. Aggregates are the largest component of asphalt and concrete. Nearly three billion metric tons of aggregates valued at over \$17.4 billion are estimated by the U.S Geological Survey to have been sold in the U.S. in 2005. Without these important natural products, the nation's infrastructure could not be built or maintained, and commerce and quality of life would be severely reduced. With over 11,000 operations nationwide and a workforce of more than 117,000 men and women, most Congressional Districts are home to multiple aggregate operations.

In 1956 President Dwight D. Eisenhower signed the Federal-Aid Highway Act, which created the Interstate Highway System, and the Highway Revenue Act, which created a HTF to pay for its construction. Since then federal highway and transit investments have been financed by user fees collected in the HTF. Unfortunately, years of under spending HTF revenues left a large balance in the HTF while masking additional spending elsewhere. To combat this problem and ensure HTF revenues were spent on transportation projects, special budgetary protections were enacted in 1998 when Congress passed the Transportation Equity Act for the 21st Century (TEA 21).

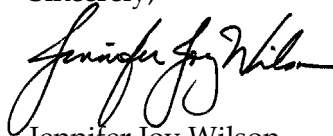
TEA 21 put trust back in the Highway Trust Fund by ensuring that federal gasoline tax and other highway user fees were exclusively dedicated to improving the nation's surface transportation infrastructure and invested for that purpose in a timely manner. Numerous polls indicate strong support for transportation user fees when consumers know their hard earned dollars are being reinvested into the transportation system. Last year's Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) simply continues this practice.

Without authorizing use of virtually all HTF revenues, SAFETEA-LU could not have addressed such contentious issues as the formula for distributing federal highway funds among the states.

SAFETEA-LU was the product of almost three years of high profile and transparent debate. The funding firewalls were discussed by Congress during the reauthorization process and overwhelmingly continued. We disagree with those who would divert funds obtained from the use of the nation's roads and highways, critical to the country's economic vitality and competitiveness, to other national priorities. The funding of the surface transportation system is truly one where the user pays for the use of the system. To divert the gasoline user fee to non-transportation programs would subvert the trust of the people who believe this to be an essential user-fee program - their gas taxes are supposed to go for repair and improvement of our national highway system, as Congress re-recognized in 1998 by passing TEA 21 and the HTF budgetary protections.

NSSGA strongly urges you to keep the trust in the Highway Trust Fund by continuing the practice of including budgetary protections of the HTF in the FY 2007 Budget Resolution. I will be happy to respond to any questions you may have or to provide additional information if that would be helpful.

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

cc: Members of the Budget Committee