

June 9, 2004

The Honorable Jim Inhofe
U.S. Senate
Washington, D.C. 20510

Dear Chairman Inhofe:

Your leadership on transportation reauthorization and recognition of the importance to our country of a sound and fully funded surface transportation infrastructure are deeply appreciated. As a member of the conference committee on TEA 21 reauthorization, you will be confronting the many complex issues involved in this critically important legislation. We offer not only input on the priorities of the National Stone, Sand & Gravel Association (NSSGA) for a final reauthorization bill but also our assistance as needed.

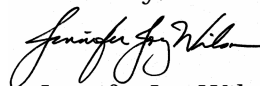
TEA 21 reauthorization is the chief legislative priority of NSSGA, by volume the largest mining association in the world. More than three billion tons of aggregate (crushed stone, sand and gravel) were estimated to have been produced in the U.S. in 2002 at a value of approximately \$14.6 billion, according to the U.S. Geological Survey. The aggregate workforce is comprised of about 120,000 men and women and there are more than 10,000 aggregate operations nationwide (in every state and virtually every Congressional District).

Aggregates comprise 94 percent of asphalt and 80 percent of concrete and, therefore, are an essential component of pavement and the nation's built environment. About 40% of aggregates produced are used for highway/road construction, 20% for residential construction, 20% for commercial construction and 20% for public works. The environmental benefits of crushed stone, sand and gravel are notable: aggregates are used for erosion control, for flue-gas desulfurization, for neutralization of acidity, for water and sewer treatment plants, and more. Reclamation of aggregate operations include wildlife refuges and parkland. The production of stone, sand and gravel is a basic domestic industry, but one not one well known to the American public, as few of our materials are sold directly to consumers. Our natural materials build the roads and structures essential for the safety, security, freedom of mobility and quality of life benefiting every single American.

NSSGA urges expeditious action by the conference committee to pass a fully funded, six-year transportation reauthorization bill. Our specific interests are detailed in the following pages.

Again, thank you for your leadership on this important issue. Please don't hesitate to contact me or the NSSGA Government Affairs advocacy team: Pam Whitted, Vice President of Government Affairs; John Boling, Director of Government Affairs; or Joe Colaneri, Director of Government Affairs, with any questions.

Sincerely,



Jennifer Joy Wilson
President & CEO

Enclosure

NSSGA Priorities for Surface Transportation Reauthorization Bill

- First, and foremost, without **adequate funding** resolving the many complexities of reauthorization will be impossible. NSSGA supports a **six-year reauthorization** at a funding level not less than provided in the Senate-passed reauthorization bill of **\$318 billion**. We believe the “**reopener**” provision contained in H.R. 3550 is important in that it will allow Congress to revisit the surface transportation funding levels during the reauthorization term.
- NSSGA urges maintenance of the **budget firewalls** that ensure gasoline user fees are used for transportation and not diverted elsewhere. We urge conferees to be extremely careful and judicious when allowing Highway Trust Fund (HTF) revenues to be used for any programs or initiatives that are not directly related to construction, maintenance, or improving the physical safety of our nation’s roads and highways.
- NSSGA believes the **Revenue Aligned Budget Authority (RABA)** should be adjusted based on current year HTF revenue projections, which should decrease the volatility of RABA.
- NSSGA supports provisions of both the Senate and House bills facilitating the use of **innovative financing tools**, e.g. TIFIA and State Infrastructure Banks.
- It is very important that alternative revenue sources to fund the highway program be considered in light of decreasing gasoline user fee revenues. NSSGA champions creation of a **Commission on Future Revenue Sources** to support the HTF and believes a report to Congress should be completed by January 1, 2006, in order that recommendations may be implemented in the next surface transportation reauthorization bill.
- NSSGA commends both chambers of Congress for including provisions in the reauthorization bills that ensure a robust, transparent, and accountable pavement research program. NSSGA’s chief interest in this area is assuring specific funding for **aggregates research** and stakeholder oversight and input in setting materials research priorities, selection of research projects, review of research results and the deployment of new technologies. Previous reauthorization bills have provided materials research funding, but generally ignored aggregates research even though these materials are the primary ingredient of both asphalt and concrete. NSSGA urges inclusion in the final reauthorization bill of \$5 million annually over the term of the six-year bill for aggregates research.
- NSSGA believes improving the **project delivery** process is essential. The Senate provisions appear to go further to rationalize the environmental permit approval and review process. NSSGA supports designating the U.S. Department of Transportation as the lead agency for environmental reviews, as well as supporting concurrent environmental reviews. Additionally, should an urban center fall out of compliance with the Clean Air Act, NSSGA endorses grandfathering of highway projects that have received environmental approvals prior to the conformity lapse.

- NSSGA is troubled by provisions of the Senate-passed bill that expand the planning factors that state and **Metropolitan Planning Organizations (MPOs)** must consider, as well as provisions that seem to require MPOs or statewide planners to follow the results of the public comment process to the detriment of some planning factors. Such provisions could result in MPOs or statewide planners focusing on the environment over other community imperatives. No one planning factor should receive priority consideration. NSSGA opposes additional planning mandates and increased consultations contained in S. 1072 that could mitigate the benefits derived from environmental streamlining provisions included in both bills. Further, NSSGA opposes the provision of S. 1072 requiring states to use two percent of their Federal Surface Transportation Program (STP) funds for storm water mitigation. This “set-aside” undermines state decision making on the best use of surface transportation dollars.
- Generally, NSSGA supports both bills’ inclusion of **safety program enhancements** but encourages restraint on diverting funds from construction to non-construction safety initiatives. Given the current backlog on safety projects and improvements, diverting money from construction could further jeopardize motorist safety. In addition, NSSGA believes increased capacity is another way of improving the safety of our roads. Highway capacity has not kept pace with the increase in our nation’s population, the number of licensed drivers, or the increase in the number of vehicle miles traveled. We believe increased capacity will enhance safety, and also help to reduce congestion and the pollution clogging our cities. NSSGA backs the House provisions creating a **High Risk Rural Safety** program, which we believe will save lives and ultimately put more money into roads by reducing the costs of dealing with vehicle accidents on rural roads.
- NSSGA backs the Senate bill’s creation of the **Infrastructure Performance and Maintenance Program**, designed to get “ready to go” projects out the door and supports the funding level for this program included in S. 1072.
- NSSGA has advocated for consideration of **dedicated truck lanes** and appreciates the inclusion of such a program in the House-passed bill.

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