



Natural building blocks for quality of life

March 1, 2005

The Honorable Richard Pombo
Chairman
Committee on Resources
U.S. House of Representatives
1324 Longworth Building
Washington, DC 20515

Dear Chairman Pombo:

Recognizing the tight budget constraints on all federal programs this year, I write out of concern for the U.S. Geological Survey (USGS) Minerals Information Team. The reports the Team compiles are relied upon heavily by the aggregates industry, among many others, and I urge the Resources Committee to call for sufficient funding for this important and essential government service.

The National Stone, Sand & Gravel Association's member companies produce 90 percent of the crushed stone, and 70 percent of the sand and gravel consumed annually in the United States. Aggregates are the largest component of both asphalt and concrete. Nearly three billion metric tons of aggregates valued at approximately \$14.5 billion are estimated by the U.S. Geological Survey to have been sold in the U.S. in 2003. Without these important commodities, the nation's infrastructure could not be built or maintained, and the commerce and quality of life would be severely reduced. In 29 of the 50 states, crushed stone, sand and gravel are the principal nonfuel minerals produced, and in another 15 states, our product is the second most valuable nonfuel mineral produced. With over 11,000 sites nationwide and a workforce of 110,000 men and women, most Congressional Districts are home to multiple operations.

It has come to our attention that proposed budgetary reductions in the Administration's USGS FY 2006 budget would drastically affect the Minerals Information Team by eliminating data collection and analyses for 100 mineral commodities in 180 countries and eliminating collection of nationwide basic geologic, geo-chemical, geophysical and mineral deposit data. Specifically, the USGS would cease collection of minerals data outside the United States. In this era of global markets, essentially closing our eyes to these important facts and figures is inadvisable. In 2004, according to the Minerals Information Team, domestic businesses imported 2/3rds or more of 36 minerals and 1/3rd or more of another 14 minerals to meet manufacturing requirements. These minerals are used in the following industries: aviation, medical, automotive, construction, steel, computer, mining, among many others. Not knowing what is happening in foreign countries in regard to mineral production will cause great consternation to American businesses who use the materials, banks who may be lending to companies based on the availability of those minerals, and analysts who review companies' business plans based on the public information produced by the Minerals Information Team.

In short, both the public and private sectors use the information in the reports issued by the USGS Minerals Information Team to better understand supply, demand and end use of these materials. This data is essential for effective use of our natural resources and for accurate forecasting. The information for a number of the reports is derived from proprietary information given by our members precisely because the government is a trusted third party. This is a role only the government can fulfill. In fact, a number of the reports are predictors of economic activity and utilized by the Federal Reserve. Other users of these important reports include the Central Intelligence Agency, the State Department, and the Department of Interior, Wall Street analysts, and many types of businesses. To state the obvious, this information is extremely important for both policy makers and the private sector and is a service only the government can provide.

For these reasons I urge you to call for sufficient funding for the Minerals Information Team so it may continue to produce the reports that help guide the use of the critical material across the nation. I would be pleased to answer any questions you may have. Please contact me at 703-525-8788.

Sincerely,

Jennifer Joy Wilson
President & CEO

Cc: The Honorable Nick Rahall
The Honorable Jim Gibbons
The Honorable Raul Grijalva