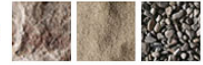


December 22, 2009

National Stone, Sand & Gravel Association



PMD Exec Com approves new structure, date for Spring Meeting

PMD's Executive Committee has made some exciting changes to the 2010 PMD Spring Meeting that will enhance its value and make it easier for more Division members to participate.

The meeting was originally scheduled for Monday, Feb. 15 at the Hilton Cincinnati Netherland Plaza Hotel in conjunction with AGG1 and the NSSGA 2010 Annual Convention. However, the Division has accepted an invitation from Omya, Inc. to hold the meeting later in the week (on Thursday, Feb. 18) at Omya's Cincinnati headquarters. Changing the meeting date to Feb. 18 means that PMD members won't have to travel on a Sunday or miss the Presidents Day holiday (Feb. 15) to attend. However, because the meeting is still being held in conjunction with the NSSGA convention, Division members will still be able to participate in AGG1 activities in the days leading up to the PMD meeting. Additionally, the meeting at Omya hearkens back to the earlier tradition of PMD members hosting the Spring Meeting at their facilities.

The Executive Committee has also directed staff to include more "member driven" content in the meeting agenda. Thus, the meeting will include a "best practices" panel discussion during which senior personnel from leading Division member companies will discuss creative approaches their companies took to addressing common industry challenges.

The draft meeting agenda also includes extensive updates on recent environmental and workplace safety regulatory developments; a briefing from a University of Cincinnati economist on the outlook for the national economy; a discussion of the results of the PMD member survey (scheduled to take place in January); and a briefing on the new tool NSSGA has developed to help members measure their local economic impact. NSSGA President & CEO Joy Wilson and Tony Colak, Omya's CEO for Region Americas are also scheduled to participate in the meeting.

"We know times are tough and money is tight. That's why we've worked hard to design an agenda that will deliver outstanding value to meeting attendees," PMD Chairman Mike Gollither (Pete Lien & Sons) said. "There's no doubt that, in addition to being one of the year's premier networking opportunities for calcium carbonate industry leaders, our meeting will also be a great educational opportunity and allow us to better coordinate our industry's advocacy on regulatory and legislative issues."

Registration information will be emailed to PMD members in early January. For now, mark your calendars for Feb. 18, plan to be with us, and enjoy the holidays!

Oberstar suspends efforts to expand water law

In the wake of media criticism of the effort to expand the Clean Water Act to all intrastate and interstate water, House Transportation and Infrastructure Committee Chairman and chief bill sponsor Rep. Jim Oberstar (D-Minn.) acknowledged the political difficulties the legislation faces and stated he will not push for its passage this year. While there are only a few weeks left in the calendar year, the statement makes it clear that the chairman understands many of his fellow committee members, from both sides of the aisle, have enough concern with the bill that if he did bring it up for a vote he might lose.

NSSGA has been leading the fight to educate members of Congress about the potential negative outcomes of removing the term 'navigable' from the CWA and redefining "water of the U.S." as all intrastate and interstate waters. Recently NSSGA submitted a blog on the www.protectmywater.org/blog/ Web site highlighting a number of concerns with the legislation. NSSGA urges you to visit the Web site and sign up to receive news updates.

Further, NSSGA has been a leader in the Waters Advocacy Coalition, which formed from the agriculture and regulated industries associations that are concerned with the bill. The group has strived to keep the debate about the bill bipartisan, honest and with the highest sense of regard for the chairman. The WAC has briefed national and local reporters and leaders located in key states. The result has been a building wave of letters, opinion pieces and editorials expressing concern with the legislation. The stories have even filtered up to the national FOX News network.

While there may be a few weeks of respite from fighting the legislation, Oberstar is expected to renew his quest for passage next year. The journey, however, will be more difficult due to the sheer number of items on Congress' agenda, and the committee's agenda, which include a highway bill, an aviation bill and water infrastructure bill, among other things. In addition, the looming election season makes controversial environmental votes more difficult.

NSSGA will continue to educate Congress about the issue.

EPA concludes greenhouse gases endanger public health and must be regulated

In a news conference on Dec. 7, the U.S. Environmental Protection Agency Administrator Lisa Jackson stated the agency has concluded greenhouse gases are endangering people's health and must be regulated, signaling that the Obama administration is prepared to contain global warming without congressional action if necessary. This endangerment finding was timed to boost the administration's arguments at the United Nations Conference on Climate Change in Copenhagen that the United States is aggressively taking actions to combat global warming, even though Congress has yet to act on climate legislation.

The EPA announcement is tied to President Obama's commitment that the United States will attempt to reduce greenhouse gas emissions 17 percent by the year 2020. This commitment is very similar to legislation sponsored by Reps. Henry Waxman (D-Calif.) and Edward Markey (D-Mass.), the American

Clean Energy and Security Act, which Congress considered earlier this year. The Waxman-Markey bill was a sweeping energy and greenhouse gas reduction bill that would impose increased costs and regulation upon American manufacturers and consumers. The Senate has yet to take up the controversial measure amid strong Republican opposition and reluctance from some centrist Democrats.

Under a Supreme Court ruling, the so-called endangerment finding is needed before the EPA can regulate carbon dioxide and five other greenhouse gases released from power plants, factories and automobiles under the federal Clean Air Act. The EPA signaled last April that it was inclined to view heat-trapping pollution as a threat to public health and welfare and took over 380,000 public comments under a formal rulemaking. The action marked a reversal from the Bush administration, which had declined to aggressively pursue the issue. Business groups have strongly argued against tackling global warming through the regulatory process of the Clean Air Act. Any such regulations are likely to spawn lawsuits and lengthy legal fights.

The EPA and the White House have said regulations on greenhouse gases will not be imminent even after the endangerment finding, saying that the administration would prefer that Congress act to limit such pollution through an economy-wide cap on carbon dioxide and other greenhouse gases. Nevertheless, the EPA has begun the early stages of developing permit requirements on carbon dioxide pollution from large emitters such as power plants. The administration also has said it will require automobile fuel economy to increase to a fleet average of 35 miles per gallon by 2016, another push to reduce carbon dioxide emissions.

Sen. John Kerry (D-Mass.), lead author of the Senate bill, has argued that if Congress doesn't act, the EPA will require greenhouse gas emissions to be regulated. He has called EPA regulation a "blunt instrument" that would pose a bigger problem for industry than legislation crafted to mitigate some of the costs of shifting away from carbon emitting fossil fuels.

The way was opened for the EPA to use the Clean Air Act to cut climate-changing emissions by the Supreme Court in 2007, when the court declared that carbon dioxide and other greenhouse gases are pollutants under the act. But the court said the EPA must determine if these pollutants pose a danger to public health and welfare before it can regulate them.

Information on EPA's findings is available at: <http://www.epa.gov/climatechange/endangerment.html>

Home purchase tax credit fuels big jump in home sales

There is more evidence that the housing market is getting back on track.

The National Association of Realtors reported Dec. 22 that existing-home sales – including single-family, townhomes, condominiums and co-ops – rose 7.4 percent to a seasonally adjusted annual rate of 6.54 million units in November from 6.09 million in October, and are 44.1 percent higher than the 4.54 million-unit pace in November 2008. Current sales remain at the highest level since February 2007 when they hit 6.55 million.

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That's good news for pulverized calcium carbonate producers, whose product is used extensively in new home construction. Recognizing the impact of the housing market on PMD members, NSSGA was an early supporter of the home purchase tax credit created by Congress last year.

Lawrence Yun, NAR's chief economist, said the tax credit had had a positive impact on the housing market and that the market would continue to see benefits next year. "This clearly is a rush of first-time buyers not wanting to miss out on the tax credit, but there are many more potential buyers who can enter the market in the months ahead," he said. "We expect a temporary sales drop while buying activity ramps up for another surge in the spring when buyers take advantage of the expanded tax credit, which hopefully will take us into a self-sustaining market in the second half of 2010. In all, 4.4 million households are expected to claim the tax credit before it expires and balance should be restored to the housing sector with inventories continuing to decline."