



ROCK TALK

KENTUCKY CRUSHED STONE ASSOCIATION NEWSLETTER

- October 2009 -

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Government Affairs/Safety & Health Joint MSHA Task Force

You might recall that, as reported several weeks ago, Labor Department Secretary Hilda Solis has already written to House Education and Labor Committee chairman, George Miller (D-Calif.) about various ways in which she believes laws concerning mine safety can be strengthened (read S-MINER bill). In anticipation of legislative activity on this issue, NSSGA decided to establish a task force composed of members of both the Government Affairs and Safety and Health committees to ensure that the aggregates industry is suitably positioned for this dialogue. Accordingly, NSSGA staff held a conference call with the two committees' chairs, Hal Williford of Memphis Stone & Gravel, and Anne Kelhart of Martin Stone, respectively. NSSGA is now looking to develop a list of priority areas that should be addressed in any legislative activity. NSSGA seeks up to four additional members from the Government Affairs Committee who might want to participate in this long-range effort. Please let me know if you have an interest in participating on this task force.

Pamela Whitted

National Stone, Sand & Gravel Association

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TRANSPORTATION: Durbin Suggests Frontloading Infrastructure Spending

Congress should frontload surface transportation investment in the wake of high unemployment numbers and a potentially long road until a deal on a new six-year reauthorization bill is reached, Senate Majority Whip Durbin said Thursday.

Durbin said discussion on doing this -- including how much money would be frontloaded and financing -- would come after debate on health care is over.

"I will predict that after healthcare reform, we will be focusing even more on the economy and jobs and the conversation we had today is going to be part of the conversation all across Capitol Hill in a few weeks to come," Durbin said after a meeting he had with Pennsylvania Democratic Gov. Ed Rendell.

Rendell co-founded the Building America's Future infrastructure coalition with California GOP Gov. Arnold Schwarzenegger and New York Mayor Michael Loomberg, an independent. He said Durbin's "suggestion is a good way to go forward."

Rendell suggested maybe frontloading \$150 billion out of the \$500 billion authorized in a six-year surface transportation reauthorization bill introduced by House Transportation and Infrastructure leaders in both parties. "The states have proven that we can spend infrastructure dollars quickly, and we can make an impact on jobs and ... on construction and manufacturing," Rendell said.

He said those funds can be moved from the Treasury directly to the Highway Trust Fund. "Let's go; let's move," Rendell said.

The Durbin idea comes amid a tug-of-war between the House and Senate on how long to extend current surface transportation law and delay work and implementation of a six-year reauthorization bill.

Senate Environment and Public Works Committee leaders were pushing a six-month extension -- a compromise on an initial extension through March 2011 they and the Obama administration advocated. House Transportation and Infrastructure Chairman James Oberstar wants an extension only until the end of the year to keep pressure on lawmakers to act on a six-year bill. A transportation law extension is included in a continuing resolution the Senate approved Thursday that runs until Dec. 18, which would in effect be what Oberstar is seeking.

Environment and Public Works ranking member James Inhofe said there was nothing that could be done to prevent that extension in the CR at the Moment. We're throwing in the towel right now, because we're out of time, but we're going to make sure this doesn't happen a month from now," Inhofe said before Thursday's vote. He was not yet familiar with Durbin's idea.

Durbin, who emphasized he was speaking only for himself, said while using a national infrastructure bank could be an option to finance any frontloaded spending, there is no financing plan. "It's a question we have to address," Durbin said. "I really believe we are going to be looking for the most bang for the buck, as quickly as possible."

The House Ways and Means Committee has not introduced a financing plan for a six-year bill, and there is no pending six-year Senate legislation. Inhofe and Environment and Public Works Chairwoman Barbara Boxer are struggling with financing a reauthorization plan, Durbin said. Finance Chairman Max Baucus, Durbin said, "has come up with enough money to take us through the next year."

KENTUCKY AGGREGATE TECHNICIAN PROGRAM

Deadlines:

Requalification Exam Deadline: **Friday, November 20, 2009**

Sampling & Aggregate Technicians Deadline: **Friday, December 18, 2009**

Please click on the link below to download an application:

[2010 KATP Program Information and Course Registration](#)

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KHI CONVENTION INFORMATION

El Conquistador Golf Resort & Casino

Fajardo, Puerto Rico

January 29 – February 5, 2010

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Slight Recovery Predicted, But Not Enough for “New” Projects

After severe reductions in Road Fund revenue for FY 09 and FY 10, the Consensus Forecasting Group predicts a slight upturn for FY 11 and FY 12. However, the increase in revenue will not be adequate to undertake new projects, according to Tammy Branham, executive director of the KYTC Office of Budget and Fiscal Management, in comments last week to the General Assembly’s Interim Joint Budget Review Subcommittee on Transportation.

The Cabinet’s cash flow model, “using all of the positives we know,” said Branham, will allow “no new projects.”

CFG’s planning estimate for the Road Fund predicts revenue for FY 11 will be \$1.222 billion – almost back to the FY 07 level. And, for FY 12, it will be \$1.303 billion. Actual revenue for FY 09 was \$1.192 billion, down from the estimated \$1.325 billion estimate at the time the FY 09-10 budget was adopted. The CFG estimate in August for FY 10 is \$1.141 billion, down from the original estimate of \$1.405 billion. The CFG will issue an official estimate for the next biennium in December.

The State Construction Account has been a major casualty of declining revenue. State Construction, budgeted at \$161.4 million for FY 09, was reduced to \$100 million earlier this year. For FY 10, to help meet the \$264 million budget reduction, debt service totaling \$106 million was postponed through restructuring and not issuing bonds. (Bonds are not sold until revenue is needed to pay for projects to be funded with bonds.) State Construction for FY 10 has been reduced to \$94.6 million from the original \$196.4 million.

Branham noted that the budget enacted in 2008 had authorized \$60 million in revenue bonds for aviation projects with debt service to be paid from the Road Fund. She said \$9 million in bonds had been sold to help fund the Bluegrass Field runway extension. The debt service on these bonds will be \$1 million annually. In view of the Cabinet’s financial situation, she said the Cabinet has no intent to sell the \$51 million authorized, which would cost the Road Fund \$6.4 million annually in debt service.

Road Fund -- Where It Goes
FY 08 - FY 10
(millions of dollars)

	FY 08 Enacted	FY 09 Enacted	FY 10 Enacted	FY 09 Revised	FY 10 Revised
State Police and Other Non KTC Agencies	67.2 ¹	77.8 ²	77.8 ²	77.8 ²	77.8 ²
Aviation Admin. /Grants	4.0	11.4	11.3	8.7	6.6
General Admin. & Support	70.1	74.4	74.8	70.0	66.4
<i>Revenue Sharing</i>					
Rural Secondary	111.9	131.8	145.8	127.2	124.7
County Road Aid	92.3	108.6	120.2	104.8	102.9
Municipal Aid	38.8	45.7	50.6	44.1	43.4
Debt Service	181.1	148.5	136.6	129.0	54.3
Federal Aid Match	40.2 ³	40.2 ³	40.2 ³	40.2 ³	40.2 ³
Maintenance	285.8	311.6	338.0	311.6	328.0
State Construction	175.2 ⁴	161.4 ⁴	196.4 ⁴	100.7 ⁴	94.6 ⁴
Contingency Account	37.7 ⁴	31.0 ³	31.0 ³	31.0 ⁵	31.0 ⁵
Resurfacing	87.3	97.0	107.0	97.0	97.0
Vehicle Regulation	18.3	26.4	27.3	23.6	22.8
Highway Operations	24.9	21.5	22.1	21.2	24.8
Capital Construction	6.8	18.0 ⁶	4.2	18.0 ⁶	4.2
Judgments and Other	20.3	19.5 ⁷	20.9 ⁷	15.2 ⁷	22.3 ⁷
Total	1,261.9	1,324.8	1,405.1	1,220.1	1,141.0

¹Includes \$50 million for State Police; \$13.9 million for Vehicle Enforcement.

²Includes \$60 million for State Police; \$13.9 million for Vehicle Enforcement.

³Toll road credits will be used to match the bulk of federal funds, but Federal law does not allow their use in all situations.

⁴Includes \$2.5 million for Kentucky Pride. (Pride funds go to local government to clean up litter and dumps.)

⁵Includes \$2.5 million for Kentucky Pride and \$4 million for the Industrial Road Access Account.

⁶Includes \$10.3 million for Kentucky Horse Park roads and pedways; \$600,000 for Ryder Cup parking. The Blue Grass Airport runway is funded in the \$60 million Road Bond issue.

⁷Judgments will be paid out of State Construction.

Notes: Federal funds and bond funds are not included. Actual expenditures for FY 09 were unavailable at press time.

While Branham did not mention it, the authorization of Road Fund revenue for airports is patently unconstitutional. In addition to authorizing bonds for airports, the 2008 session continued diversion of the Aviation Economic Development Fund proceeds (usage tax on jet fuel) to the General Fund and funded the Department of Aviation from the Road Fund. The Fletcher Administration started the practice of using the Road Fund for the aviation program.

Section 230 of the Kentucky Constitution provides that highway user revenues are to be used for highway purposes. KBT supports a strong aviation program, but the Road Fund has no ability to fund the aviation program considering the unmet needs on the state's highways.

Road Fund -- Where It Comes From
FY 07 - FY 10
(millions of dollars)

	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Estimated*
Motor Fuels & MF Use/Surtax	563.2**	608.5**	622.5**	635.1**
Motor Vehicle Usage & Rental	411.2	405.8	336.3	289.4
Truck License (state share)	21.3	15.6	15.5	15.9
Truck Proportional Registration	42.7	30.6	38.0	37.4
Passenger Car License	26.6	44.6	42.5	33.0
Weight Distance Tax	85.4	84.4	75.4	71.2
Tolls	3.7	0	0	0
Investment	16.1	19.5	10.7	3.0
Other	55.7	53.8	51.1	56.0
Total Road Fund	1,225.9	1,262.8	1,192.0	1,141.0

* FY 10 total is based on August 2009 Consensus Forecasting Group Estimate. Truck License, Proportional Registration and Passenger Car License is based on the May 2009 Consensus Forecasting Group Estimate.

**Does not include \$44 million diverted to the Petroleum Storage Tank Assurance Fund.

SAFETY SEMINAR FOR UNDERGROUND STONE MINES

**December 8-9, 2009
Fern Valley Hotel
Louisville, Kentucky**

Sponsored by

**National Institute for Occupational Safety
and Health
Mine Safety and Health Administration
National Stone, Sand and Gravel
Association
Kentucky Crushed Stone Association**

**Download Registration form:
[2009 Safety Seminar for Underground Mines](#)**

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2010 KENTUCKY AGC/SIF SAFETY & EDUCATIONAL PROGRAM

It is the unanimous recommendation of the Safety Committee that the 2010 Kentucky AGC/SIF's Safety & Educational Program policy remain unchanged from the 2009 policy.

Proposed 2010 Safety & Educational Program policy: Annual Requirement

The Fund's Safety & Educational Program for 2010 shall require all policies with an effective date through 12/31/2009 to have 1 or more "Company Representative", by 10/31/2010, attend a 2 hour safety seminar offered by one of the Fund's seven Trade Associations or by the Fund's loss control provider, JV Resources, Inc., when it provides its quarterly safety training pursuant to its loss control contract with the Fund. The type of safety training shall be determined by the individual Associations or John VanDyke of JV Resources, whichever is applicable. "Company representatives" can comply with the training through an Association of which they are not a member.

Communication about the Fund's 2010 Safety & Educational Program from the Fund is limited to one letter in December, 2009 regarding the upcoming requirement and said communication will advise the membership that they will be receiving information about opportunities to attend seminars from their Associations, or they can obtain it as it is available on the Fund's website. Communications in the Fund Scripts shall be in the same manner, and the only other Fund to individual member (policy) communication shall be the cancellation notices at the program's deadline of 10/31/2010.

New Member Requirement:

New members joining the Fund shall be required to view the Fund's new member education video, "Avoiding Jeopardy - Safety Pays!" within 30 days of receiving their new member packet.

P.R.O.W.L. (Personal Review of Watch List) Requirement

Members with a loss ratio above the trigger ratio set for 2010 will continue to be required to participate in P.R.O.W.L.

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KY OPERATION GETS TOP SAFETY AWARD

The awards were given in various operational categories to sites representing the largest and smallest mines in those categories. Recognized were operations achieving the greatest number of employee work hours in 2008 without a fatal injury or an injury that resulted in lost workdays (NFDL). The winners also had no-workdays lost (NDL) incidence rate below the national average for their respective groups.

“These awards winners are leading by an example, and they are leading the way to a safer mining industry,” said Joseph A. Main in a press release. “Recognizing these operations for outstanding safety programs shows the rest of the industry that it is possible to run mining operations safely every day of the year.” Main took over as Assistant Secretary at MSHA on Monday.

Sentinels of Safety is the oldest established award for occupational safety. The first award was announced in 1925 by President Herbert Hoover, a former mining engineer, when he was Secretary of Commerce.

The program is co-sponsored by MSHA and the National Mining Association. The awards were formally presented at a luncheon on October 28 in Washington D.C. MSHA was represented at the event by Michael Davis, Deputy Assistant Secretary of Operations.

In the large quarry group the award went to the Three Rivers Quarry, Martin Marietta Inc., Smithland, KY with 197,795 hours.

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Congratulations Three Rivers Quarry from KCSA!!!!

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New Members 2009

Aggregate Processing Inc.

Apollo Oil, LLC

Clarke Power Services

JFT Precision Fabrication, Inc.

Kentuckiana Seismic & Survey, Inc.

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Meeting Information

2010 KHI Winter Convention

El Conquistador, Puerto Rico

January 29- February 5, 2010

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- Let us know if your company has news to be included in the KCSA newsletter, info@kycsa.org.

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