

REBUILDING MICHIGAN'S INFRASTRUCTURE

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Executive Director

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BUILD IT
MICHIGAN
STRONG

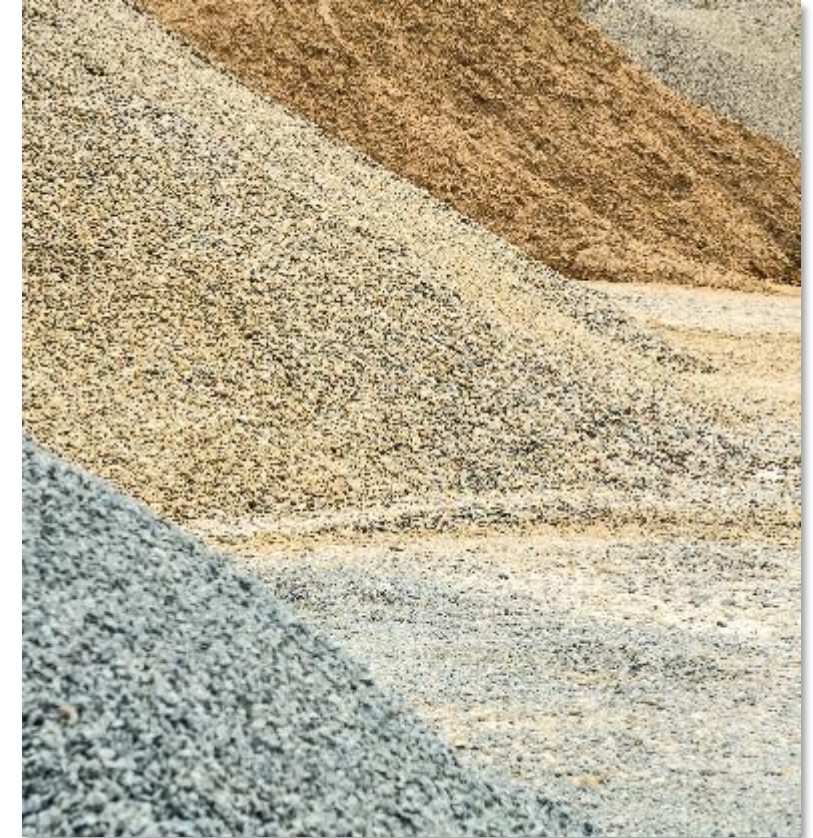


MICHIGAN AGGREGATES ASSOCIATION

REBUILDING MICHIGAN'S INFRASTRUCTURE



- Michigan's infrastructure rebuild begins with us.
- We employ about 8,000 highly-skilled women and men.
- We produce and deliver the essential raw materials used to build roads, bridges, public works and private construction.
- Stone, sand, gravel, slag, recycled materials.
- Equipment manufacturers and service providers.



THE BUILD IT MICHIGAN STRONG COALITION

LABOR AND BUSINESS AGREE

MICHIGAN CHAMBER OF COMMERCE

OPERATING ENGINEERS 324

MICHIGAN TEAMSTERS

MICHIGAN MANUFACTURERS ASSOCIATION

HOME BUILDERS ASSOCIATION OF MI

MICHIGAN LABORERS

GRAND RAPIDS CHAMBER

ASPHALT PAVEMENT ASSOCIATION

MICHIGAN AGGREGATES ASSOCIATION

MICHIGAN CONCRETE ASSOCIATION

MITA



MICHIGAN
CHAMBER
of Commerce



GRAND
RAPIDS
CHAMBER



WHY MICHIGAN NEEDS REFORM



- Crumbling roads are driving strong demand for limited, permitted aggregate supplies.
- Aggregates are difficult to access because local governments and activists are effectively blocking new mining permits close to the busiest areas.
- “Very Serious Consequences” under the Michigan Zoning Enabling Act is abused to stop mining.
- Result: Building demand and limited new sources drive up prices and trucking costs due to longer hauls
- Result: Taxpayers and private sector pay more per mile.

PROBLEM: STATEWIDE OPPOSITION COSTS TAXPAYERS MORE



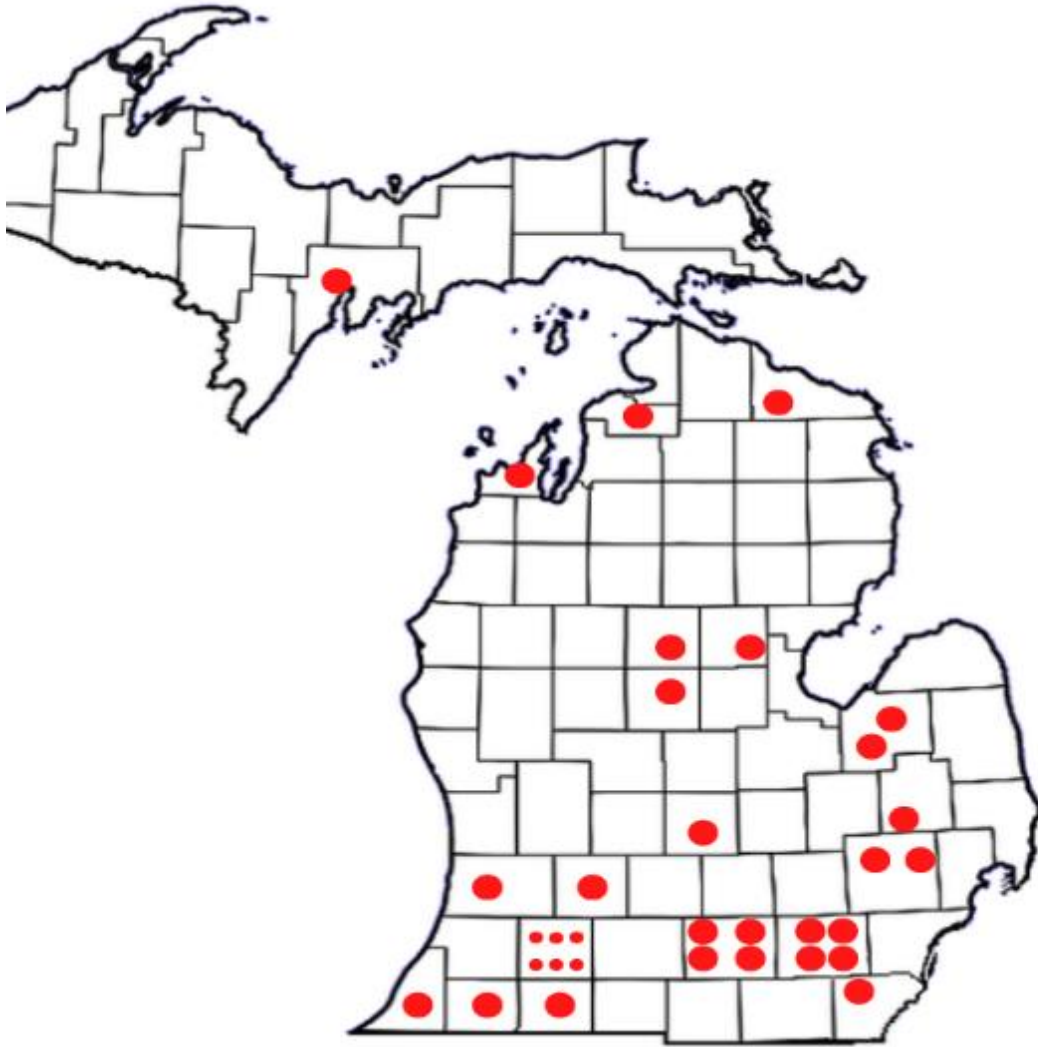
NO PIT on Millbrook Road
Community



Richland Against Gravel Pits
@RichlandAgainstGravelPits - Community



PROBLEM: STATEWIDE OPPOSITION COST TAXPAYERS MORE



30+ CONTESTED PERMITS	
Alamo	Lyndon
Chelsea	Metamora
Concord	Norwood
DeWitt	Oronoko
Exeter	Ostemo
Freedom	Otsego
Gladwin	Portage
Grass Lake	Presque Isle
Groveland	Rapid River
Gull Lake	Richland
Hayes	Sturgis
Holly	Tuscola
Hope	Vassar
Kalamazoo	Waterloo
Kasson	Union
Sharon	Norvell

RESULT: 2015 ROAD MONEY WASTED ON TRANSPORT COSTS

- Higher demand and limited supplies creates longer hauls
- Construction of one mile of four-lane interstate highway requires 85,000 tons of aggregate
- Longer distances means higher costs:
 - 30 miles: $\$6.00/\text{ton} \times 85,000 \text{ tons} = \$510,000$
 - 60 miles: $\$12.00/\text{ton} \times 85,000 \text{ tons} = \$1,020,000$

\$510,000 WASTED ON EVERY MILE



RESULT: GOV. WHITMER'S \$3.5 BILLION WASTED ON TRANSPORT COSTS

- Average aggregate haul distances have expanded from around 30 miles to 60 miles or more, today.
- MDOT plans to spend \$3.5 billion over three years, rebuilding 1,370 miles of major roadways throughout Michigan.
- Under that plan, slashing haul distances from 60 miles to 30 miles by allowing aggregate mining closer to major jobs could save Michigan taxpayers up to \$698 million on a \$3.5 billion plan over three years.

HOW TO SAVE ON GOV'S BOND

- ✓ One mile of four lane reconstruction requires about 85,000 tons of aggregates.
- ✓ Transport 1 ton of aggregate 30 miles = ±\$6/ton
- ✓ Transport 1 ton of aggregate 60 miles = ±\$12/ton
- ✓ Save \$6/ton on 1,370 miles @ 85,000 tons/mile

= \$698,700,000

SOLUTION: ONE STATEWIDE PERMITTING STANDARD

- **One statewide standard** with new EGLE permitting process
- **Same permitting process** as other extractive industries
- **Local input** with required public hearings
- **Environmental oversight** protected
- **Reclamation requirements** included
- **Private property rights** protected
- **Litigation avoided**
- **Stop wasting tax dollars** on longer hauls
- **Fix more roads and infrastructure**

SOLUTION: ALIGNS AGGREGATES WITH OTHER MINERAL MINING

- SB 429 breaks the local permitting stalemate by placing permitting into the same EGLE process as similar mineral mining industries:
 - Sand dunes
 - Oil & gas
 - Iron ore
 - Nickel
 - Coal



SOLUTION: ENSURES LOCAL INPUT

- Empowers EGLE to hold public permitting hearings
- Requires EGLE to directly notify local government officials when aggregate permit applications are submitted
- Requires EGLE to make public notice of permit applications
- Encourages citizens and local governments to submit written comments and participate in public hearings



SOLUTION: PROTECTS LOCAL QUALITY OF LIFE



- Sound and vibration limitations
- Dust controls
- Truck loading hours of operation
- Minimum setback requirements
- Berming and screening to protect community aesthetics
- Stockpile height controls
- Post-mining reclamation requirements
- Haul routes

SOLUTION: MAINTAINS ENVIRONMENTAL PROTECTIONS

- Protects current standards that require producers to obtain permits from EGLE and EPA:
 - Air permits
 - Ground water withdrawal permits
 - Ground water discharge permits
 - NPDES
 - Inland lakes & streams permits
 - Wetlands
 - Soil erosion & sedimentation control
 - Local health departments for water withdrawal



SOLUTION: SIGNIFICANT CARBON EMISSIONS

- Longer hauls burn more fuel & create more CO₂
- If haul distances are cut by 50% on Gov. Whitmer 's \$3.5 billion plan (from 60 miles down to 30):
 - Michigan gravel trains average 2.5 miles/gallon
 - 85,000 aggregate tons per mile of road = 1,700 loads
 - 1,700 loads x 30 mile savings / 2.5 mpg = 20,400 gallons of diesel
 - 20,400 g x 22.4 lbs of CO₂/g = 456,960 lbs/CO₂
 - 456,960 lbs/CO₂ x 1,370 miles of road construction =



313,000 TONS OF CO₂ SAVINGS

EQUIVALENT TO TAKING 68,000 CARS OFF THE ROAD YEARLY

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