

Policy Committee Event in 130th District with Rep. Maloney

DATE: August 21, 2012

TIME: 10:00 AM – Noon

PLACE: Exeter Community Library, 4569 Prestwick Rd., Reading, PA 19606

Written testimony of Rod Martin, Vice President of Martin Stone Quarries, Inc.

Martin Stone Quarries, Inc. is a family owned company located in Bechtelsville Pennsylvania. We have been producing crushed stone for the local and tri state region since 1953. There were actually people crushing stone at our location in Bechtelsville since the late 1800's.

Currently Martin Stone Quarries, Inc employs 53 people at our two locations. That is down from 65 in 2006 which is a drop of almost 20%. Much of our stone products go towards highway projects in the region, so efficient permitting of these projects is needed to get more people working. On the bright side the Department of Transportation has been working with our contractor industry to expedite "Waste and Borrow" permits which are critical for contractors working on large highway projects. That being said it does not mean anything unless we can get the highway program funded; the DOT is projecting their highway budget next year to drop from two billion dollars to 1.5 billion. That 500 million dollar decrease could cost the commonwealth 10,000 jobs. That number is based on an ARTBA report that says for every 2.5 billion in highway construction, 50,000 construction jobs are supported.

Our industry deals with the Department of Environmental Protection on a regular basis as well and we have been negatively affected by the changes in how the department funds itself. The "Non Coal" side of the D.E.P. is now going to 100% funding by the operators to the tune of \$2.5 million per year. By comparison, the coal industry is being asked to pay only \$400,000 per year to support the Commonwealth's cost of \$10.5 million to administer that program. There is simply no fairness in the process.

What that means for us is that all the costs of administering the noncoal program – staff salaries, benefits and overhead - are now being passed on to the operators. As an example the cost of a yearly permit that we renew every year has gone from a couple of hundred dollars to thousands of dollars. The cost of a new permit for a "large quarry" has gone from less than a thousand dollars to over \$20,000 dollars. These increases are astronomical especially in these difficult economic conditions.

That is just another barrier to entry for operators looking to open new sites to better serve the commonwealth. As an industry we have tried to work with the D.E.P. on this issue and the response we have gotten is that they need the funding and without it they may need to shut down the non coal sector. All we ask is that the D.E.P. works with industry to find a solution that is palatable with our distressed financial condition. We recognize that we need to increase our contribution but we can't afford this unfair taxation based on decisions made at the Executive Offices of the agency. Industry has also pleaded for faster permit review and approvals by the agency. We eagerly anticipate the "meat" behind Mr. Corbett's recent Executive Order and have been told that DEP will be unveiling their permit review and approval gameplan by the end of August. Unfortunately, we don't hold much hope based on our past experiences and the ingrained culture at DEP.

In the end, our industry is the building block of the Commonwealth. Our products are used from road construction to commercial buildings to homes and hospitals. A healthy and vibrant aggregates industry is important to the long term growth of Pennsylvania.