



Members of the House Transportation and Policy Committees, good afternoon, my name is Kenneth Smith and I am the manager of Engineering, formerly responsible for environmental affairs, at the Buzzi-Unicem cement manufacturing plant located in Stockertown. With me today is Raymond Seipp, who is our Vice President of Marketing, Promotion and Government Affairs. My company is also represented on the Board of Directors of the Pennsylvania Chapter of the American Concrete Pavement Association.

The Pennsylvania cement industry produces Portland cement, a commodity whose primary component, limestone, is plentiful and readily mined in our state. Cement, which when mixed with sand, rocks, and water, makes concrete. One could say that cement is to concrete what flour is to cake. Each year, Pennsylvania's eight cement plants manufacture over eight million tons of cement; that's enough cement to build a four-lane road from Scranton to San Francisco! Pennsylvania is the third largest producer of cement in the United States, with over four million tons typically exported out of state annually.

The processes that are used to manufacture cement have improved greatly in recent years. The cement industry in the United State consumes almost one-third less energy per ton of cement than it did 35 years ago. Today, the cement industry accounts for only 1.5% of man-made carbon dioxide greenhouse gas emissions; this impact is reduced even further when you consider that 92% of the volume of concrete is comprised of materials with very low carbon footprint. However, we won't rest there and will continue to further reduce our impact on the environment with new technologies and innovative manufacturing processes. The cement industry is committed to achieving an additional reduction in energy consumption of ten percent by 2020.

Buzzi-Unicem, formerly known as the Hercules Cement Company, has been manufacturing cement in Stockertown since 1918. Our company now provides good-paying union and non-union jobs for almost 200 people at this plant and at our corporate office in Bethlehem. Unfortunately, the downturn in the economy has resulted in less use of concrete for both public and private sector work. Concrete product manufacturers and contractors have been forced to reduce their work forces. Over the past three years, approximately 20 percent of the people that my company previously employed directly or under direct contract with us have lost their jobs.

Because of this economic downturn, we have also put on hold two capital improvement projects totaling \$40 million to modernize our Stockertown plant. These projects, when completed, will allow us to improve operating efficiencies by constructing a new mill, and to improve environmental features by allowing us, for example, to take advantage of alternative fuel burning by consuming over half a million scrap tires annually that would otherwise end up in landfills.

The members of the concrete paving and cement industries, as members of the Transportation Construction Industries and the Keystone Coalition, support a \$4.8 billion annual transportation infrastructure program to address unmet infrastructure needs. The industry supports traditional and innovative methods to solve this funding crisis. This level of investment will increase the demand for construction materials such as cement, it will allow us and other companies to more rapidly invest in cleaner and more efficient equipment and technologies, it will put people back to work, and it will restore the economic health of the Commonwealth.

Thank you for giving me the opportunity to testify. I would be happy to answer any questions.