

## NCAA Comments at the House Transportation Committee

Chairman Torbett and members of the committee I would like to thank you for allowing me the opportunity to speak on behalf of NCs aggregate industry.

I am Jay Stem, Executive Director of the NC Aggregates Association. Before coming to the aggregates association, I worked in the construction industry for almost 2 decades - 8 years with NCDOT in the resident engineer's office and as a county maintenance engineer and 10 years for contractors that built highways.

Our member companies have 121 operations across NC and are located in 66 counties. The Aggregates industry has an economic impact of \$1.5 B per year on the state's economy.

Approximately 50% of all aggregate is used for publicly funded construction projects.

The Aggregates Industry which supplies materials to highway projects is concerned about the future of their businesses because

- The Highway Lettings have stopped. Last week's report showed that the NCDOT cash balance was still below the minimum threshold and we are not sure when it will be above that threshold.
- Recently Let projects are not being awarded because of the funding problems.
- It is very difficult for companies to operate, plan, and manage their people when projects are continuing to be delayed for months.
- The Maintenance Departments have stopped purchasing materials like aggregate, asphalt, and concrete to repair our roadways or for preventative maintenance.
- We are concerned that NCDOT may have to shut down active construction projects because of the lack of funding.
- Companies are laying off employees and furloughing employees because of the slowdown.
- The summer months are the time that we should be building roads and hiring more workers, not parking equipment, and laying them off.

Without immediate help, the financial outlook for the construction industry will be worst in FY21.

Many of the companies in the construction industry are small and family owned businesses that will not be able to withstand a long delay in awarding projects because of NCDOT's funding shortfall.

Public Investing in infrastructure will provide immediate job opportunities – there is a direct connection between a good transportation system and economic growth.

The Construction Industry asks for your support of providing additional funding for our Transportation system.

Thank-you for the opportunity to speak this morning.