

April 3, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-221 U.S. Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, D.C. 20515

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

On behalf of the Portland Cement Association (PCA) and the larger cement manufacturing industry, we would like to thank you for your leadership in our nation's response to the global crisis arising from the COVID-19 pandemic. PCA appreciates Congress and the Administration working in a bipartisan manner to address the challenges that individuals, families, businesses, and state and local government are facing as a result of COVID-19. As the challenges continue to grow, the need for future bipartisan legislation will become even greater.

Annually, the United States uses approximately 260 million cubic yards of concrete to build and repair a variety of types of transportation and infrastructure. This number will be significantly impacted by the economic slowdown caused by the COVID-19 virus. During the 2008 economic recession, the cement industry suffered a 44.5% decline in shipments and saw the closure of 18 plants. (There are currently 97 cement plants in the U.S.) As the economy recovered, cement shipments have steadily increased but volumes remain 20 million metric tons **below** pre-recession levels and the industry struggled to achieve 80 percent utilization.

The impact of the COVID-19 pandemic will negatively impact the cement industry as a result of construction work being halted—some states have stopped letting projects and others have postponed transportation construction—and as a result of the dire economic fallout resulting in the slashing of state and local transportation spending. PCA is predicting a 17.4% decrease in cement consumption from March through June compared to 2019 levels. As more information comes in, it is likely the declines could be significantly greater. Unfortunately, all indications lead to a prolonged period of disruption to our economy. The fallout from the pandemic and related uncertainty we are facing as a nation could have a devastating and long-lasting impact on the cement industry.

As Congress and the Administration remain nimble in leading our nation through these trying times, PCA provides the following recommendations for your consideration in future COVID-19 relief legislation:

- Immediate financial assistance for highway contractors and highway materials manufacturers to reimburse them for the cost of any local, state or federally mandated halt in construction of a federal-aid highway or transit project.
- Increased investments to replace the steep decline in fuel taxes and other user fees. PCA supports efforts by the American State Highway and Transportation Officials (AASHTO) in requesting a substantial increase in federal funding for fiscal years 2020-2021 to be distributed to state departments of transportation at a 100 percent federal share.
- Significant long-term infrastructure investments for surface transportation projects. Our nation's economy will continue to suffer through the COVID-19 pandemic. Ensuring long-term, stable funding helps states and metropolitan planning organizations continue to plan and start a range of much needed road, bridge and transit projects.
- As Congress and the Administration consider significant new investments, those investments should be targeted to major reconstruction and capacity expansion to address freight bottlenecks, fix structurally deficient bridges, and advance transit projects to expand transportation options. Focusing on major projects will not only help provide for the efficient movement of goods, including medical supplies and food, but also create jobs, directly and indirectly, and put more people back to work as our nation's unemployment rate continues to spike. Every \$1 billion invested in transportation, creates approximately 30,000 jobs.
- Significant investment in water infrastructure, including drinking and wastewater systems, ports, harbors, and inland waterways, is important to advancing critical public health projects as well as ensuring the efficient movement of goods through our ports, harbors and waterways. For example, funding for established water infrastructure programs like the SRFs and WIFIA will ensure access to safe and reliable water while advancing critical infrastructure projects. The cement industry supports the language included in the CARES Act to unlock the Harbor Maintenance Trust Fund. Future legislation should build on this by investing more in the Army Corps of Engineers construction account and the life-saving projects it would fund.

Again, thank you for your continued leadership as our country responds to this crisis. PCA members look forward to working with you to ensure that you have the support necessary to enact critical economic recovery efforts. If you have any questions regarding this request, please feel free to contact Sean O'Neill, PCA's Senior Vice President of Government Affairs at 703-321-6792 or soneill@cement.org.

Sincerely,



Michael (Mike) Ireland
President and CEO

CC: The Honorable John Barrasso, Chair, Senate Environment and Public Works Committee
The Honorable Thomas R. Carper, Ranking Member, Senate Environment and Public Works Committee
The Honorable Michael Crapo, Chair, Senate Banking, Housing, and Urban Affairs Committee
The Honorable Sherrod Brown, Ranking Member, Senate Banking, Housing, and Urban Affairs Committee
The Honorable Roger Wicker, Chair, Senate Commerce, Science, and Transportation Committee
The Honorable Maria Cantwell, Ranking Member, Senate Commerce, Science, and Transportation Committee
The Honorable Chuck Grassley, Chair, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Peter A. DeFazio, Chair, House Transportation and Infrastructure Committee
The Honorable Sam Graves, Ranking Member, House Transportation and Infrastructure Committee
The Honorable Richard Neal, Chair, House Ways and Means Committee
The Honorable Kevin Brady, Ranking Member, House Ways and Means Committee