

# Impact of COVID-19 on the Aggregates Industry

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NATIONAL STONE, SAND  
& GRAVEL ASSOCIATION

# Who is NSSGA?

Leading voice and advocate for the aggregates industry





# NSSGA Priorities in COVID 19 Response

## 1. Ensure America Continues to Operate

- It is imperative that the construction industry and those that produce essential building materials are able to perform the work necessary to build and maintain our nation's critical infrastructure.



## DHS **Updated** Guidance on Identification of Essential Critical Infrastructure Workers During COVID-19

**The updated guidance states:** *If you work in a critical infrastructure industry, as defined by the Department of Homeland Security, such as healthcare services and pharmaceutical and food supply, you have a special responsibility to maintain your normal work schedule.”* and includes:

- **“workers necessary for mining and production of critical minerals, materials and associated essential supply chains, and workers engaged in the manufacture and maintenance of equipment and other infrastructure necessary for mining production and distribution.”**



# Essential Business Advocacy

- PA delegation letter led by Rep. Guy Reschenthaler to Gov. Wolf on opening construction
- “Urge your Governor to Declare the Construction Industry Essential Service”



# Priorities Cont.

## 2. Provide Necessary and Targeted Relief that will Allow our Economy to Spring Back to Action

- NSSGA calls on Congress to establish a Manufacturing Resiliency Fund.
- We support efforts to stabilizing our nation's energy industry markets.
- Congress should enact Small Business Interruption Loans.
- The Administration and Congress should thoroughly review all tax polices and provide immediate relief through our tax code.



# Priorities Cont.

## 3. Guarantee Long-term and Sustainable Economic Growth through Investments in Infrastructure

- NSSGA strongly urges Congress and the Administration to provide a long term and sustainable reauthorization of our nation’s surface transportation programs and robust funding to improve our waterways, ports, airports, rail and transit networks and energy infrastructure.
- “Urge Lawmakers to pass an economic relief package that includes much needed infrastructure investment”
  - 260 letters sent and is still [open](#) for activating.
  - 62 Legislators contacted

# NSSGA Actions

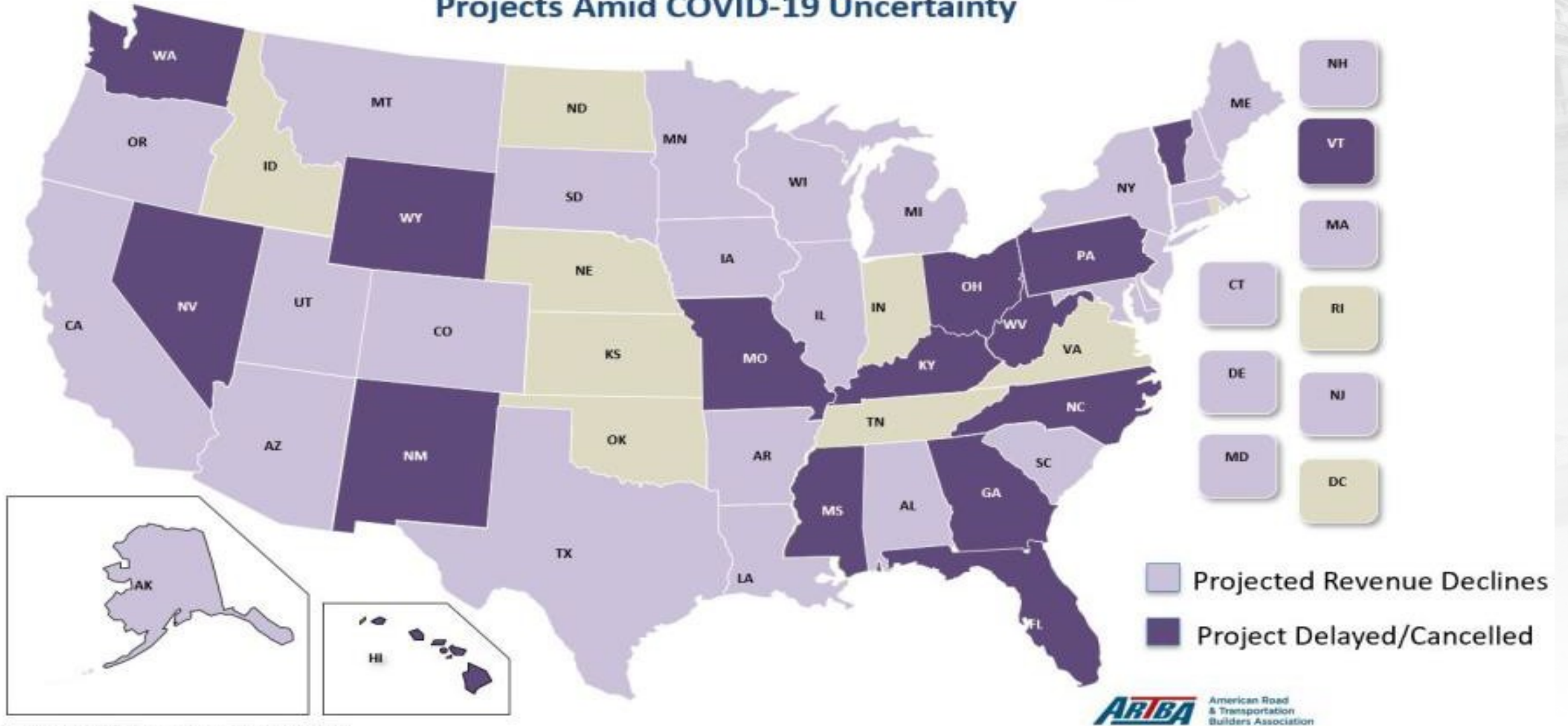
- [NSSGA partnered with HMG and NRMCA to support changes](#) to the Paycheck Protection Program
- Worked with HMG to send [letter in support of liability protections](#)
- Joined the Job's and Career Coalition to [support investments in workforce development](#)
- NSSGA sent a [letter to DOE and Treasury to support industrial sand](#) in any administration relief effort of the energy sector
- Joined hundreds of organizations to [help push Congressional Leadership to include liability](#) safe harbors for businesses
- Through Clean Water Council urged [support and recommendations](#) for water infrastructure reauthorization
- Broad [coalition letter](#) supporting reauthorization of surface transportation programs.
- Advocated support for recapitalizing the Paycheck Protection Program through coalition.



# NSSGA Actions

- NSSGA, as part of the Highway Materials Group, [sent a letter to Congressional leadership requesting](#) federal support for state Department of Transportation (DoT) agencies. Also joined [TCC Coalition letter](#).
- NSSGA [signed onto energy infrastructure](#) letter urging Administration action to halt destructive dumping of crude oil on global markets. Deal limiting oil production was announced on April 12.
- Submitted [comments to DoL to ensure broad exemption](#) of paid family and medical leave for small businesses that were incorporated
- Worked [closely with DHS on further clarifying](#) essential business guidance that was included
- [Led construction coalition letter](#) to President to designate our work as “essential industry”
- [NSSGA letter to Administration and Congress](#) in support of infrastructure investment
- [Guided TCC letter](#) urging including surface transportation reauthorization in stimulus package
- [NSSGA letter to White House](#) supporting frac sand industry in any energy sector stimulus
- Coalition letter supporting Sen. Collins and Sen. Rubio [Small Business Relief program](#) which is included in CARES Act
- [Joined coalition to support suspending business tax](#) and allow businesses to carryback any net operating losses against previous year tax payments that were included in CARES Act.
- Successfully advocated for an additional [\\$10 billion in Airport Improvement Grants \(AIP\)](#) through coalition letter

## States That Have Reported Revenue Declines or Have Delayed or Cut Projects Amid COVID-19 Uncertainty



Source: ARTBA Update & Research as of June 23, 2020.

**ARTBA** American Road & Transportation Builders Association



# Kentucky Impacts

- \$83M cancelled in May/June
- 100 projects suspended = \$150M
- Receive roughly \$350M to \$600M
- Lane miles awarded are expected to be about 90% below target for 2020



# Other State DOT Impacts

## Alabama

- State legislature proposing diversion of \$100 million in gas tax revenue to boost small businesses

## California

- CalTrans planning for \$1.8 billion in revenue declines over 4 years

## Connecticut

- Expected revenue down \$800 million over the next five years
- Greenwich, CT cut \$4.9 million in road improvement projects

## Florida

- Gov. DeSantis vetoed \$37 million in transportation-related projects in the FY20-21 budget

## Illinois

- Motor vehicle related revenues down by roughly \$50 million
- Mount Prospect, IL reducing spending by \$7 million, including delaying projects like bridge repair

## Kentucky

- May and June lettings cancelled, totaling \$83 million in projects
- Work suspended on over 100 projects totaling \$150 million

## Louisiana

- State planning for \$249 million budget shortfall over the next 15 months
- The state has listed 236 projects highway and bridge projects that could be impacted through FY2021 due to state revenue declines

## Maine

- Maine forecasting \$128 million decline over next 18 months

## Maryland

- Secretary of Transportation reports a Highway Trust Fund revenue decline of approximately \$550MM in FY2020

## Missouri

- Estimating an awards reduction of \$2.6 billion in contractor awards, including no new awards 2021-2023

## New York

- NYC capital spending budget reduced by \$489 million over next 4 years
- Repair, maintenance and inspection budget reduced by \$42 million

## North Carolina

- NCDOT facing \$300 million budget shortfall
- 100 projects, valued at \$1.6 billion, will be delayed
- Greensboro MPO voted to delay \$71 million in construction projects

## Texas

- Revenues are expected to be down \$527 million in FY 2020 and \$2.2 billion in FY 2021

## Washington

- Port of Seattle voted to cut over \$70 million in capital projects due to expected reductions in revenue

## West Virginia

- \$20 million spring paving program indefinitely postponed
- YTD revenues down \$38 million

## Wyoming

- State will delay 11 projects, totaling \$437.5 million to fill budget shortfall



# Lead Efforts for State DoT Relief

- \$37B needed to make whole
- Letters
- Meetings
- Staff briefing
- Grassroots



# Impact on Safety

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# MSHA Update

- NSSGA Resources & MSHA Guidance:
  - [Best Management Practices](#) for Operating during COVID-19
  - [Additional Health & Safety Resources](#)
  - No new MSHA written guidance ([MSHA COVID website](#))
- Virtual meeting & member discussion: "Preparing to Return to Office Life"

# Health & Safety Resources

## Best Management Practices

## Online Resources

### Best Management Practices, Resources, & Questions for Aggregate and Cement Operations during the COVID-19 Crisis

#### BEST MANAGEMENT PRACTICES

##### 1. Meetings & Communications

- Designate a COVID-19 leadership team; have that team communicate regularly (daily) at a set time to disseminate information and updates to senior leadership. Consider having representatives from various company departments on this team (e.g. HR, Finance, Operations, etc).
- Send communications via email (or app) to employees; include their personal emails and try to reach workers' families.
- Use conference call, virtual meeting, and other technology whenever possible (e.g. Skype, Zoom, Microsoft Teams and others).
- Provide best practices and regular communications to entire workforce; include Q&A and guidance based around various scenarios.
- Consider having the company President/CEO address the workforce and answer questions to share information and also relieve some anxiety.
- Be careful talking about others who may or may not be sick and spreading rumors.

##### 2. Workforce – General

- Run a skeleton crew and operate only essential functions to keep business going.
- Have those who can work remotely work from home.
- Develop a back-up schedule in case someone gets sick.
- Practice correct social distancing (6' minimum).
- Stop all non-essential travel, including between regional operations.
- Remind employees that they must be competent to mix their own chemicals; also remind employees to properly label all containers.
- Have anyone "on call" stay home until needed, rather than onsite.
- Have gloves available for anyone who has to sign documents or share common tools.

##### 3. Supplies

- Maintain an inventory of PPE and cleaning products, as available (e.g. dust masks, respirators, gloves, etc.)
- Consider potential supply chain issues. E.g., as commercial air travel decreases, cargo air will become a more common transportation method, which takes longer.
- Acquire bulk supplies (e.g. cleaning supplies) and share between operations within the company.

### Resources for Operators During the COVID-19 Crisis

#### NSSGA'S COVID-19 RESOURCES PAGE

##### GOVERNMENT WEBSITES

- **Center for Disease Control (CDC)**
  - [Coronavirus \(COVID-19\) Main Webpage](#) – An abundance of resources. If an employee or family member feels sick, this is a great place to start. Includes a map of confirmed cases, latest updates, resources on travel, schools & childcare, businesses & employers, and community & faith-based organizations. There is also information on how to protect yourself, what to do if you feel sick, what the symptoms of COVID-19 are, how to prepare your family, and resources for older adults and those with medical conditions.
- **Occupational Health & Safety Administration (OSHA)**
  - [OSHA Guidance on Preparing Workplaces for COVID-19](#) – Developed in collaboration with the U.S. Department of Health and Human Services to help employers respond in the event of coronavirus in the workplace.
  - [Temporary OSHA Guidance on Respiratory Protection Standard](#) – This guidance provides suggestions and options to help increase the availability of N95 filtering facepiece respirators for healthcare providers.
  - [COVID-19 Webpage](#) – Provides infection prevention information specifically for employers and workers.
- **Department of Labor**
  - [Coronavirus Resources](#) – A landing page of links, resources, and information on the workplace during the COVID-19 crisis. *\*Includes a small section on "Flexibilities for Mine Operators"*

##### GOVERNMENT AND REGULATORY INFORMATION & RESOURCES

- [NSSGA's Grassroots Campaigns](#) – It is imperative that policymakers hear from you about issues that are impacting the industry. Here you'll find advocacy tools that allow you to influence policymakers on policies that will affect your business – including COVID-19. Help by *urging your governor to declare the construction industry an essential service.*
- [MultiState COVID-19 Policy Tracker](#) – A collection of state and local government resources and responses to COVID-19 that help keep you updated on what is going on in your local area. Information for each state includes link to health department's website, key contacts, state of emergency documents, executive orders, session changes/capitol closures, travel restriction & information, official social media sources, and the tracker's last update.



# MSHA ETS

- Emergency Temporary Standard
- Hill Action – HR 7700
- UMWA petition
- Amicus Brief submitted





**QUESTIONS?**

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