

# UPDATE



ILLINOIS ASSOCIATION OF AGGREGATE PRODUCERS

1115 S. 2nd Street • Springfield, IL 62704 • Phone: 217-241-1639 • Fax: 217-241-1641 • Email: iaap@hansoninfosys.com

John C. Henriksen, *Executive Director*

Glenda Schoening, *Office Manager*

December 2005

## Looking Forward to 2006

As we prepare for the New Year, it is important to review the Illinois Association of Aggregate Producer's many accomplishments during 2005.

**On the National level**, the IAAP, as part of the Transportation for Illinois Coalition (TFIC), traveled to Washington, D.C. during March and April to lobby the Illinois Congressional delegation for a well-funded, multi-year federal highway bill. On both occasions, **Illinois AFL-CIO President Margaret Blackshere** and **Illinois State Chamber of Commerce President Doug Whitley** lead a broad array of TFIC members representing labor, business and industry.

Due to our Coalition's relentless lobbying efforts, Illinois did extremely well under SAFETEA-LU, the new federal highway funding bill. Illinois is receiving the 10<sup>th</sup> largest percentage increase and the 5<sup>th</sup> largest net increase in guaranteed federal highway funding. Moreover, Illinois will receive approximately \$662 million in **additional** federal highway funding beyond these guaranteed levels – "discretionary" funds distributed over the life of SAFETEA-LU earmarked for key State highway and bridge projects.

**On the State level**, the IAAP briefed General Assembly leadership and key appropriations and transportation committee members on infrastructure issues via the TFIC publication entitled Rough Roads Ahead. This "White Paper" describes the importance of adequate transportation infrastructure funding and outlines the actions necessary to restore the vitality of Illinois' road program. The IAAP also lobbied the General Assembly in support of legislation seeking to eliminate various Road Fund diversions. Finally, a large contingent of IAAP members participated in the April Transportation Day Rally at the Capitol. This well-attended event focused on the importance of maintaining and improving the state's roadways and the need to use safeguard highway user fees. TFIC lobbying efforts resulted in the passage of legislation eliminating the CMS "efficiency" diversion, thereby returning \$21 million to the Road Fund.

The IAAP also helped derail a number of bad State bills. For example, the IAAP helped defeat legislation designating a number of Illinois streams as permanently protected rivers, legislation assessing fees for above-ground storage tanks, legislation extending Prevailing Wage Act coverage well beyond public works projects and legislation that would have eliminated the Manufacturing Machinery & Equipment tax exemption for machinery and equipment used to produce aggregate. **An extremely busy legislative session.**

**Environmental Committee** members worked with the Illinois Environmental Protection Agency (IEPA) to develop new lifetime general operating permit for both small and large aggregate processing plants. Thanks to this very productive IAAP/IEPA partnership, more IAAP members will be eligible for these streamlined operating permits -- permits that will save aggregate producers time and money. Committee members also worked with the IEPA on NPDES permit changes as well as proposed regulations for operations that accept clean construction or demolition debris. Finally, the Committee developed and conducted an Environmental Seminar this past November focusing on environmental issues of most concern to Illinois aggregate producers.

**Legislative Committee** members developed and expanded communication links with state legislative officials to promote uniform, proactive communication about aggregate issues. The Committee also developed a political action rapid response process to quickly respond to potentially adverse legislative actions. Finally, Legislative Committee members were extremely active during the DC Fly-Ins as well as during the April Transportation Day Rally at the Capitol in support of highway funding issues.

Members of the **Public Information and Education Committee** participated in a number of outreach activities: Earth Stewardship Day; the Ninth Annual Science Teachers Workshop; the National Science Teachers Association Midwest Conference and a number of well-attended mine tours. **(Check out the photos from the Midwest Conference printed on page 5).**

**Safety Committee** members conducted the IAAP's Third Annual Rock Solid Safety Awards program -- 28 IAAP members received awards for 112 operations for safety and health achievements during calendar year 2004. The Committee helped plan the IDNR/MSHA Starved Rock Safety Conference and are working on next year's event. Finally, Committee members finalized plans for the Northern Illinois Mine Rescue Station as well as an IAAP Safety Resource Library.

Members of the **Specifications/Technical Committee** finished work on IDOT's Riprap Policy as well as the recent proposal to require the designation of aggregate properties on shipping tickets. Committee members also worked with IDOT to conduct a series of statewide informational meetings focusing on: Quality Testing Criteria, Freeze-Thaw Testing Criteria, Aggregate Gradation Control System, IDOT Material Codes and Upcoming Policy Changes. The AgLime Sub-Committee was also very active -- members manned a booth during the University of Illinois' Agronomy Day and during the Farm Progress Show.

Last, but certainly not least, the **Associate's Division** supported the IAAP's Annual Convention and Golf Outing at record levels, thereby ensuring that these key Association events were enjoyable and profitable.

As you can see, 2005 has been a challenging yet productive year for our Association. And to ensure the continued success of the Illinois aggregates industry, the IAAP will focus on two key legislative issues as we begin the New Year: **reducing NPDES fees and increasing funding for State transportation infrastructure.**

## **HB 4206 -- NPDES fee reduction bill**

Aggregate producers obtain National Pollutant Discharge Elimination System (NPDES) Permits from the IEPA to ensure that water discharged from pits and quarries does not harm the environment. Section 12.5 of the Illinois Environmental Protection Act (Act) requires aggregate producers to pay the State of Illinois a \$5,000 annual fee for every NPDES discharge permit in force. Given that this industry currently holds over 200 of these permits, this fee generates over \$1,000,000 annually. Some of the annual fees collected from the aggregates industry go to support the NPDES program implemented by the IEPA; the majority of these fees go into the State's General Revenue Fund.

The IAAP's lawsuit challenging the legality of these fees was unsuccessful. However, a roadblock in one arena does not end our fight. Although the State's current annual NPDES fee system may not be illegal, these fees are an unfair burden on the aggregates industry, a burden that can and should be eased by our State legislature. And thanks to the efforts of **IAAP Member Ron Koehler, Nokomis Quarry Company of Illinois, Inc.**, we now have a champion in the General Assembly regarding the NPDES issue.

**House Deputy Majority Leader Gary Hannig (D-98, Litchfield)** has agreed to sponsor legislation that reduces the annual NPDES fees paid by our members. **HB 4206** amends Section 12.5 of the Act in order to reduce the annual NPDES permit fees paid by aggregate mines, coal mines and publicly owned treatment works. (For aggregate mines, HB 4206 reduces these NPDES fee payments from \$5,000 to \$1,000 annually). HB 4206 reduces these NPDES fees to reasonable levels yet ensures that the State continues to receive the annual revenues necessary to implement the IEPA's clean water regulatory program for aggregate mines. As set forth below, our three arguments in support of HB 4206 focus on fairness.

**First**, the current NPDES fee set by Section 12.5 of the Act is, on its face, an unfair burden on our industry given that the aggregate mine NPDES permit program costs the State much less than the \$1,000,000 collected each year. Reducing the annual aggregate mine NPDES permit fee from \$5,000 to \$1,000 will pay for this IEPA program, along with reasonable overhead.

**Second**, the Illinois NPDES permit fee scheme for aggregate mines is much higher than the fee structure for the aggregate mining industry in all surrounding States. For example,

- Kentucky: \$240/year
- Missouri: \$150/year
- Iowa: \$300/year
- Wisconsin: \$250/year
- Indiana: \$750/year

It is fundamentally unfair to charge our industry five times what it costs to implement the aggregate mine NPDES permit program. It is equally unfair to charge this industry a fee that is well in excess of the fees paid by aggregate producers in neighboring States, mines in direct competition with Illinois producers.

**Third**, the Illinois General Assembly has previously reduced some NPDES fees to more reasonable levels. P.A. 93-840, effective July 30, 2004, reduced fees for publicly owned treatment works from \$1,500 to \$500 (for facilities with average flow rate of less than 100,000 gallons per day) and from \$5,000 to \$2,500 (for facilities with average flow rate of at least 100,000 gallons per day but less than 500,000 gallons per day). The Illinois General Assembly evidently recognized that these facilities were being overcharged for the services they received and made an appropriate adjustment. The aggregates industry is entitled to the same relief, as a matter of fundamental fairness.

The IAAP will work hard to advance HB 4206 – legislation that will fund the actual costs of the aggregate mine NPDES program. **Stay tuned for legislative alerts on this bill!**

### **TFIC 2006 State Goals**

On December 16, 2005, the TFIC Executive Committee convened to discuss a number of key policy issues confronting the highway construction industry. **IAAP Executive Director John Henriksen** represented the interests of the aggregates industry at this meeting. A summary of TFIC's short term and annual goals follows:

#### **Spring 2006 Goals:**

- **Highways:** TFIC will work on legislation returning the \$300 million in highway user fees paid annually by Illinois motorists that have been diverted in the past few years from the state's Road Fund to accommodate increased General Revenue Fund spending. TFIC will also support a bonding program dedicated to highway construction.
- **Transit / Airports:** TFIC will work to restore a level of state bond authorization that will meet the minimum annual capital requirements for the state's public transportation systems and keep the Illinois' airports in good condition.

#### **9-12 month goals:**

- **Highways:** TFIC will work to win approval of a constitutional amendment limiting diversions from the State's Road Fund to 8% of road fund monies and develop a consensus on Illinois' long-term highway capital needs. As part of this process, TFIC will be open to a discussion as to how the State's needs should be financed.
- **Transit:** Restore state matching funds so new federal funds can be utilized to their fullest extent, restore capital funding over and above limited federal funding, develop a consensus on Illinois transit capital needs and undertake a comprehensive review of operating needs and revenues for public transportation

The IAAP, as a key member of the Coalition, will be heavily engaged with these issues in 2006. **Stay tuned for TFIC alerts during the Spring 2006 Legislative Session.**

## National Science Teachers Association Conference

On November 10-12, 2005, Chicago's Navy Pier hosted the National Science Teachers Association Midwestern Area Conference. Approximately 3,000 teachers were in attendance at this regional event. And the IAAP PIE Committee was there!



Linda Hiltabrand (IDNR, Office of Mines and Minerals), Mike Boyda (Vulcan Materials Co.), Susan Daniels (Rogers Group, Inc.) and Becky Kazmierski (Meyer Material Co.) helped staff the IAAP booth at Navy Pier.



Science teachers from all over the Midwest visited the IAAP booth to receive free earth science teaching materials, pick out a fossil sample, and to learn more about the 2006 IAAP Science Teachers Workshop. Several IAAP Workshop alums stopped by our booth to say how useful that information has been in their classrooms.

## NSSGA Announces 2005 About Face Award Winners

The About Face Program is the National Stone, Sand & Gravel Association's oldest awards program. Created in 1975, this nationally acclaimed program recognizes and rewards aggregate producers who have made constructive and positive efforts to enhance the aesthetic appearance of their operations. **Vulcan Materials Company's Bolingbrook Quarry, Naperville, Illinois,** is a 2005 winner of this prestigious award and will be honored on March 10, 2006 at the NSSGA's Annual Convention in Tampa, Florida. **Congratulations to Vulcan Materials Company.**

## **USEPA to Extend Compliance Deadlines for Oil Spill Rule**

The United States Environmental Protection Agency (USEPA) oil pollution prevention regulations are found in Part 112 of Title 40 of the Code of Federal Regulations – the “SPCC Rule”. The SPCC Rule applies to owners or operators of facilities that store, use or consume oil and oil products that could reasonably be expected to discharge oil into navigable U.S. waters. (Many aggregate mines would fall under this definition). This rule requires each owner or operator of such a facility to have a Spill Prevention, Control, and Countermeasure (SPCC) plan certified by a professional engineer. The plan must address the facility's design, operation and maintenance procedures for preventing discharges (as well as countermeasures to mitigate effects in case of discharge) and was to be in place by February 17, 2006.

The USEPA has decided to amend the SPCC rule once again. The USEPA news release explaining this decision states: “In order to allow facilities that may be affected by the final rule the necessary time to apply the provisions, EPA is also proposing to extend the compliance deadline by which all facilities must prepare or amend and implement their SPCC Plan **to Oct. 31, 2007.**” In addition, the USEPA is streamlining the regulatory requirements for qualified facilities and equipment regulated by the SPCC rule. For links to these amendments go to [www.epa.gov/oilspill](http://www.epa.gov/oilspill).

The USEPA’s news release then goes on to say: “The agency also wants to provide members of the regulated community with sufficient time to understand the full impact offered in today's proposal in light of the information contained in the forthcoming ‘SPCC Guidance for Regional Inspectors’ document.” This agency document is available online as a guide to owners and operators of facilities that may be subject to the requirements of the SPCC rule and the general public on how the USEPA intends the SPCC rule to be implemented. To view this document, go to [SPCC Guidance for Regional Inspectors](#). (Note: this is a big file so you might want to pick and choose how much you download).

If you have any further questions, please contact **Kerry Humphrey, USEPA**, at: 202-564-4355/[humphrey.kerry@epa.gov](mailto:humphrey.kerry@epa.gov) or **John Hayden, NSSGA** at: 800-342-1415/[jhayden@nssga.org](mailto:jhayden@nssga.org).

### **New IAAP Associate Member**

ASSURANCE AGENCY, LTD.

One Century Centre

1750 E. Golf Road

Schaumburg, Illinois 60173

(847) 463-7183

FAX: (847) 440-9126

Email: [bbarrese@assuranceagency.com](mailto:bbarrese@assuranceagency.com)

Website: [www.assuranceagency.com](http://www.assuranceagency.com)

Anthony Chimino, President

Rob Marcocchio, Principal

Robert Barrese, Executive Vice President

**Products / Services:** Property, Casualty, Life & Health Insurance products for business and industry. Also provides specialized risk management, captive and consulting services for contractors, aggregate producers and affiliated industries.

## **IAAP Calendar**

January 18, 2006: Illinois Metro Recycling Group Meeting; Location TBD.

January 20, 2006: IDOT Bid Letting; Hanley Building, Springfield, Illinois.

January 25, 2006: TFIC Steering Committee Meeting; Illinois Municipal League, Springfield, Illinois.

February 9, 2006: Illinois Metro Recycling Group Meeting; Location TBD.

February 21, 2006: IAAP Safety Awards Sub-Committee Meeting; IAAP Office, Springfield, Illinois.

February 22, 2006: IAAP Safety Committee Meeting; IAAP Office, Springfield, Illinois.

February 22, 2006: TFIC Steering Committee Meeting; Illinois Municipal League, Springfield, Illinois.

February 27, 2006: IAAP Board of Director's Meeting; IAAP Office, Springfield, Illinois.

February 28, 2006: AGCI/IAAP Legislative Breakfast; Sangamo Club, Springfield, Illinois.

February 28, 2006: IAAP Environmental Committee Meeting; IAAP Office, Springfield, Illinois.

March 1-2, 2006, IDNR/MSHA Annual Safety Conference; Starved Rock Lodge, Utica, Illinois.

March 9, 2006: Illinois Metro Recycling Group Meeting; Location TBD.

March 10, 2006: IDOT Bid Letting; Hanley Building, Springfield, Illinois.

March 15, 2006: IAAP Public Information and Education Committee Meeting; IAAP Office, Springfield, Illinois.

March 15, 2006: IAAP Safety Awards Sub-Committee Meeting; IAAP Office, Springfield, Illinois.