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Committee Bill No. 351

An Act Establishing A Preference For The Siting And Licensing Of Completely Enclosed Asphalt Plants

The Environment Committee

February 27, 2015

CCIA Position: Opposed

The Connecticut Construction Industries Association (CCIA) is comprised of companies in various sectors of the construction industry that have a long history of providing quality work for the public benefit. The Connecticut Asphalt & Aggregate Producers Association (CAAPA) is the division of CCIA that has members with a great deal of experience with the operation of asphalt plants and providing material to projects across the state. Those companies have been operating under and complying with the current rules and regulations in Connecticut for years.

As drafted, this bill proposes to amend the general statutes to prohibit the Commissioner of Energy and Environmental Protection from issuing a permit for an asphalt batching or continuous mix facility unless such facility is fully enclosed.

CCIA and CAAPA oppose this bill because:

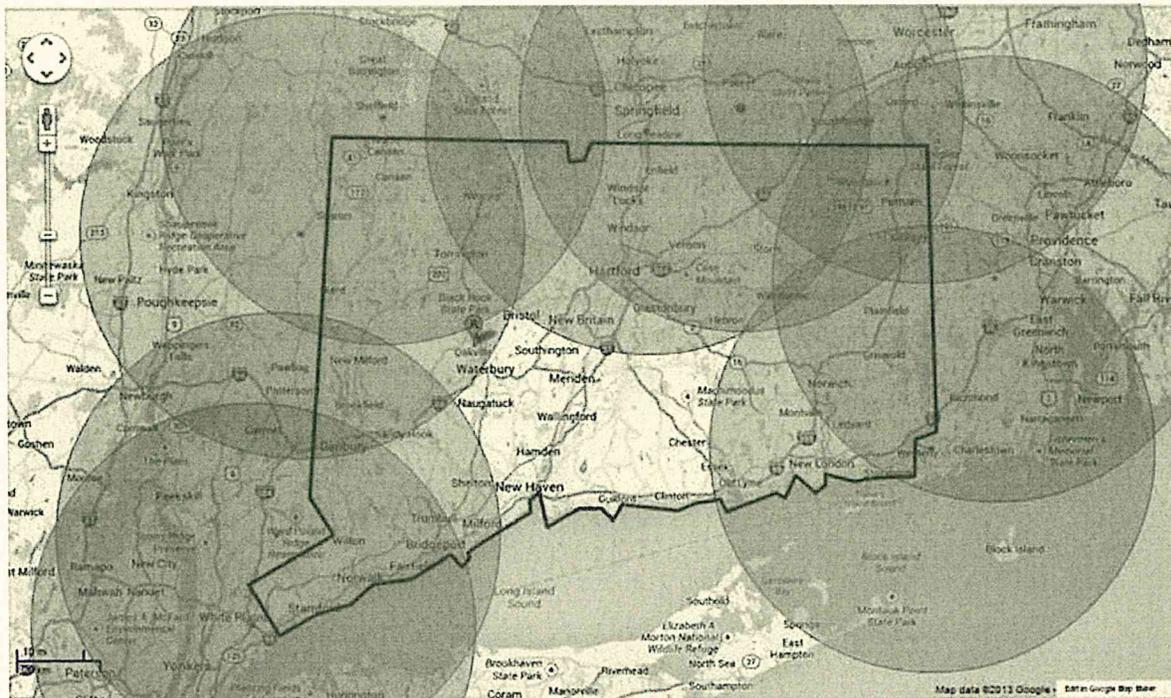
- there is no science or study conducted that demonstrates a need for these costly new requirements;
- it takes away any incentive to improve, upgrade, modernize or replace existing facilities in Connecticut by creating an economic barrier to applying for a permit;
- it will exacerbate the dramatic cost disadvantage that currently exists for Connecticut companies that are already competing in an unbalanced market against asphalt producers just beyond the states borders;
- it will harm the environment, compromise safe travel, and place additional burdens on the state's deteriorating roads and bridges by placing more trucks, that will be making longer hauls, throughout the state.

There has been no indication of a change, incident, exposure, or hazard identified and proven in Connecticut to warrant this legislative change. Far more in-depth research must be conducted to weigh possible exposure and risks associated with current operations against the potential costs and benefits of this measure. The costs associated with this proposal are extreme and a need for this costly measure has not been identified in any meaningful way to warrant this change.



Besides placing additional requirements on existing producers seeking new facilities, this bill takes away any incentive to upgrade or modernize an existing plant in the state. Few producers have the resources or can afford to completely enclose an asphalt facility in order to make meaningful upgrades. In some cases, the physical constraints of the property will not allow a full enclosure of a facility.

Asphalt producers located in Connecticut are already operating in an unbalanced marketplace against the out-of-state competition that has an advantage under the state's tax structure. The illustration below, which was prepared by the Federal Highway Administration, identifies the out-of-state producers and the infiltration those producers have into Connecticut. This results from the Connecticut producers having to pay the Gross Receipts Tax on Petroleum Products that does not apply to the out-of-state companies. It is already very difficult for Connecticut companies to compete in this marketplace.



Due to the cost advantage, the over-the-border producers are taking on more-and-more Connecticut work shipping products into the state. This bill will exacerbate

the unbalanced marketplace by adding crippling costs to any Connecticut producer that seeks to obtain a permit to improve its operations.

As out-of-state producers ship more material into Connecticut, they will place more trucks – loaded with asphalt – on Connecticut’s already deteriorating roads and bridges, increasing congestion, compromising safety, and pumping exhaust into the environment.

Requiring complete enclosure of an asphalt facility before issuing a permit has a potential cost that far outweighs a speculative-at-best need. The passage of this bill will not create public policy that is in the best interest of the state or its businesses. CCIA and CAAPA strongly urge this committee to not act on this bill.

For questions and further information, please contact Don Shubert at 860-529-6855 or dshubert@ctconstruction.org.

For more than 80 years, CCIA has represented the commercial construction industry in Connecticut, carrying on its founding members’ belief in the power of collective action and cooperation to grow the industry. One of the Association’s oldest entities, the Connecticut Road Builders Association, was formed in 1933. CCIA is an organization of associations, where various segments of the commercial construction industry work together to advance and promote their shared interests. CCIA is comprised of over 300 members, including contractors, subcontractors, material producers, equipment and material suppliers, professionals such as accountants, attorneys, engineers, surety and insurance companies, as well as other professionals allied with the state’s construction industry.