

Access to Mineral Resources

(updated 11/15/07)

The Issue:

The Department of Natural Resources has stated that there are not enough mineral resources from permitted sites to complete all of the construction projects currently on the books. Few new mines have come on-line, some important mines have been depleted, political battles rage over others, potential sites have been built over, and the price of aggregates has doubled in just a couple of years. The relatively limited supply, coupled with high demand, has been one of the drivers of the increased prices. Another is greater travel expenditures, which can be nearly half of the overall cost of the material. Studies show that an additional 25-mile haul adds \$500,000 to the cost of a retail center and \$190,000 to the cost of one mile of a four-lane interstate highway. These costs are in addition to the environmental and traffic impacts of extra miles driven by the trucks transporting the material from the mine to the construction site.

Why It Matters to Contractors:

Significant price increases for mineral resources, caused by diminishing numbers of permitted sites and greater hauling distances, is raising the cost of construction – particularly heavy/highway construction – considerably. Over time the cost increases will have a dampening effect on construction. In order to permit a typical cost-effective facility of 50 acres or more, it may cost as much as \$5 million.

AGC Position:

Resource Mapping: Under the Growth Management Act, counties are to designate and protect mineral resource areas. Counties are struggling with this responsibility because 1) much aggregate-rich land is now sitting under houses or farms; 2) counties often don't know where accessible deposits are; and 3) counties often lack the political will to designate and protect mineral lands anywhere near population centers. The State needs a stronger role to make sure mineral resources are identified and designated appropriately, as mineral resources represent a regional need. The Legislature should fund the Department of Natural Resources to do comprehensive mapping of mineral resources. The local jurisdictions would then designate based on those maps.

Streamlined Permitting: A collaborative, streamlined process could help bring additional aggregate supplies on-line, within reasonable proximity of the population centers they serve. One model for an approach is an innovative program within the Department of Transportation. The Transportation Permit Efficiency and Accountability Committee (TPEAC) process brings together state and local agencies and business groups as well as Tribal, labor, environmental interests and others to develop methods to increase the predictability, inclusiveness and efficiency of transportation permitting.

Preserve Existing Mines: For example, Glacier Northwest's Maury Island site's importance to the local construction market is undeniable, as is its ability to transport material efficiently via barge. The 250 barge trips per year from Maury Island save 675,000 gallons of fuel that would otherwise be expended through 93,750 truck trips.

