

Testimony for the House Taxation Committee

BY: Ash Grove Cement Company, Overland Park and Chanute, Kansas

Charles T. Sunderland, Chairman

RE: HB 2747

Feb. 16, 2012

House Taxation
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Attachment: 35

Mr. Chairman and members of the committee, on behalf of the 2,500 Ash Grove Cement Company employees, we oppose the provisions of HB 2747 that would negatively affect the state's transportation funding plan, which was passed two years ago.

We oppose those provisions because interrupting the funding stream would harm the State of Kansas' ability to build and maintain the quality roads and bridges Kansans expect for safe transportation. At a time of uncertain federal funding streams, this bill would create uncertainty around Kansas' plan for infrastructure.

These provisions also concern Ash Grove because, as a company that has operated a cement plant in Chanute, Neosho County for 104 years, we have experienced three consecutive years of furloughs for dozens of our 137 employees there. Those furloughs are a direct result of the lack of demand for cement, which is caused by the poor economic conditions we face. Construction sector unemployment rates are higher than in most any other industry. We hope that the state of Kansas follows through on the commitment it made in 2010 to invest in roads and bridges. And, it makes economic sense to do it now when construction material prices are low, which means project prices are lower.

While Kansas has had a rich history of supporting transportation funding, since we made this investment in 2010, we have seen Nebraska pass a plan in 2011. Oklahoma's legislature passed its plan in 2009 and is actively implementing it.

The state of Kansas will always have competing demands for its limited tax dollars. However, once the state commits to a program, we strongly believe it should follow through on its commitment.

We urge you to remove any language that would adversely affect the Kansas transportation plan from HB 2747.

Thank you for considering Ash Grove's concerns.