

Strategic Aggregates Study



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“Strategic”

Highly important to or an integral part of a plan

FDOT has undertaken a study documenting the importance of aggregate materials and to evaluate ways to insure the quantity and quality of materials essential to the economic well-being of the state.



“Aggregates”



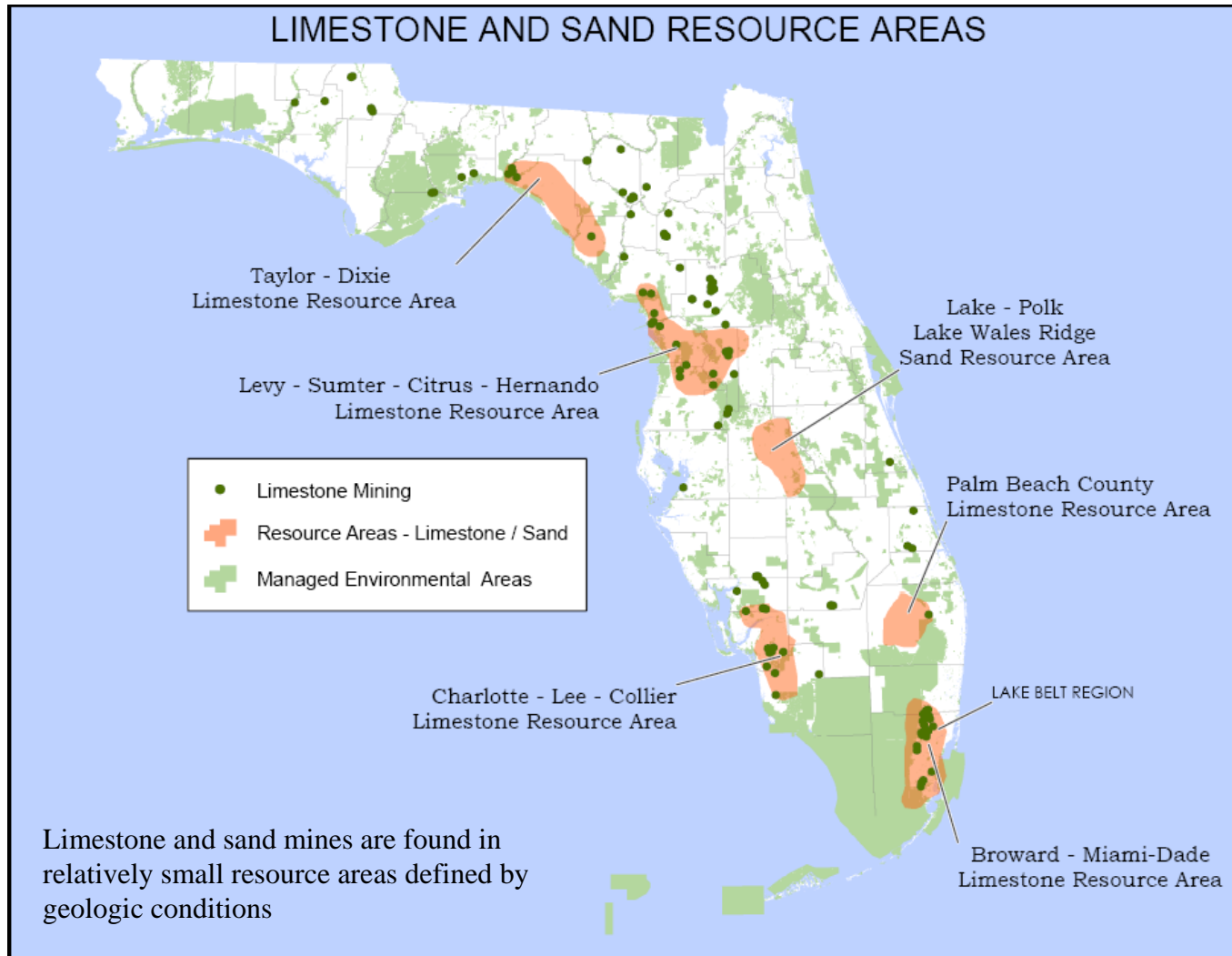
Rock and high quality sand mined and processed for construction of roads, bridges, and buildings.





Mining, processing, and transportation of aggregates

LIMESTONE AND SAND RESOURCE AREAS



Aggregates

- 143 million tons used in Florida each year (est. 2007)
 - 120 million tons produced in state, 8 million tons imported domestically, and 5 million tons imported internationally.
 - 10 million tons are recycled.
 - Housing and commercial construction use 86 million tons.
 - Roads and infrastructure use 42 million tons.
- 55 million tons of highest quality aggregate are from Lake Belt
- FDOT as largest single user contracts for about 10% of supply
- FDOT sets the standards for engineering properties of aggregates
- FDOT is in the role as the entity speaking on behalf of strategic materials such as aggregates



Lake Belt Dilemma

- High probability of temporary mine closures for 60-180 days even on appeal with stay granted
- Emergency permit with Corps of Engineers has potential 90-150 day delay
- FDOT has independently verified 30 days of stockpiled reserves
- Independent economic modeling conducted using all data sources to verify industry predictions from Federal lawsuit
- Economic impacts will begin to be felt in 30-45 days
- Losses in construction output and labor income (roads, housing, commercial construction)
- Worst case of prolonged complete shutdown scenario (annual):
 - \$28.6 billion in lost economic output (total statewide)
 - \$11.2 billion in lost wages (total statewide)
 - 288,000 jobs



What are the current problems in Florida?

- Existing mine permits are routinely challenged and seriously delayed.
 - Output from permitted mines continues but quality is declining for many engineering applications
- Temporary Bans on mining at local level.
- Developments, particularly large DRI's in rural counties, are impinging on mining and future expansions.
 - One can chose where land development occurs but one cannot chose where rock is found.
- Infrastructure for increasing imports is not in place



Study Overview

- Demonstrated scope of aggregates issues
- Identified regulatory and operating conditions
- Identified resource areas where new mines could be located
- Evaluated options for change to imported sources as in-state aggregate sources decline
- Identified some preliminary mechanisms for change e.g. legislation, rule changes, and public/private investment needs



Economic Modeling

- Demonstrated value of aggregate materials to state
- Demonstrated how materials are strategic and linked to:
 - Transportation
 - Highway safety
 - Construction / Maintenance
 - Continued economic growth
 - Affordable housing/school construction
- Has helped understand movement of materials into and around Florida
- Has documented direct/indirect impacts to sectors of economy
- Has clearly underscored the need for immediate action



Preliminary Findings

- Known in-state aggregate reserves to produce 150 million tons per year do not appear to be adequate for 5-10 year growth period and beyond.
 - Florida is heavily dependent on sources from a single area: the Lake Belt of Miami-Dade County
- Regulatory changes will be needed to continue to mine existing reserves efficiently and cost effectively.
 - Local Governments may not be viewing this from the “Big Picture” perspective.
- Port capacities will need to be increased 5-10 fold.
- Rail infrastructure improvements needed for imports and efficient intra-state distribution of aggregates.



Recommended Next Steps

- Present preliminary findings to Governor/Legislature and other stakeholders
- Governor/Legislature should direct follow up review by a task force to seek solutions.
 - Task force should explore potential remedies and recommend overall strategy to:
 - Enhance in-state aggregate reserves
 - Inventory aggregate handling needs and required investment for imports by ports and rail
 - Coordinate public investments in port and rail infrastructure
 - Explore public/private investment options
 - Task force should make recommendations to the Governor/Legislature in Fall of 2007.
- Role of FDOT in aggregate issues.



