



March 17, 2017

Ash Grove Cement Company – Ernie J. Peterson: SUPPORT SB 224 WRITTEN ONLY

Chairman Tyson and members of the Senate Assessment & Taxation Committee:

Ash Grove Cement Company and its subsidiaries would like to be on record in support of SB 224, a motor fuel tax increase that would increase the state's gasoline tax by five cents per gallon of gasoline.

Ash Grove is the fifth largest cement manufacturer in the United States and operates one of the two remaining cement manufacturing plants in Kansas, which is located in Chanute, Kansas. Ash Grove has more than 400 employees with an annual payroll of \$31.5 million. In Kansas, cement and concrete industry related employment is nearly 6,100 with a payroll of \$296 million. Kansas cement and concrete industries contribute \$481.7 million to state revenues. (Source: US Bureau of Labor Statistics).

Infrastructure and transportation investment includes more than highway pavements. It includes bridges, drainage structures, curbs and gutters, median barriers, and grade, intersection and safety improvements. Transportation spending engages multiple industries and benefits many communities across the state, large and small.

Efficient and reliable transportation is vital to move commodities and keep Kansas competitive in a global economy. Adequate spending is necessary to maintain safe roads. Ash Grove supports increasing the Kansas gas tax. The gas tax is a user fee and the fairest way to pay for upkeep and improvement of Kansas roads. Ash Grove is in favor of the proposed 5-cent per gallon gas tax increase. This revenue mechanism is constitutionally protected to prevent shifts to other uses. It also is adequate to address the funding shortfall the Kansas transportation program has experienced during the last five years.

Ash Grove believes that building and maintaining the Kansas transportation system is a core role of state government. We urge the Senate Assessment & Taxation Committee to support SB 224.

Respectfully,

Ernest J. Peterson  
Vice President of Sales – Midwest