

Testimony of

Ready-Mix USA – a CEMEX Company

submitted to the

U.S. House of Representatives

Committee on Energy and Commerce

Subcommittee on Commerce, Manufacturing and Trade

for its hearing on

“HR 985, Concrete Masonry Products Research, Education and Promotion Act of 2015”

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On behalf of:

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Good morning, my name is Major Ogilvie and I work out of Birmingham, Alabama as a member of the Ready Mix & Block USA Family of Companies – A CEMEX Company. I am involved in many parts of our business - primarily in our concrete masonry operations but also in other parts of our business which include cement plants, aggregate quarries, ready-mix concrete plants, and other concrete product manufacturing. Previously, I served as a General Manager for our concrete masonry business, Block USA.

My testimony today is as a representative of our US concrete masonry industry. In October 2010, and after 2 years of study by members of our industry to determine the best way to better and more consistently fund initiatives that are important to our success and future, I was honored to be asked to lead our industry's effort to pursue the creation of a commodity check-off program; a program that would support much needed research, education and promotion efforts related to our products and future.

And I am honored to be here with you today to address the merits of HR 985. I would like to thank Chairman Burgess and Rep. Schakowsky for their role in making this hearing possible. And I would like to thank the lead sponsors of the bill, Rep. Brett Guthrie and Rep. Kathy Castor for their leadership.

For those that are not familiar with our industry, I would like to briefly outline the nature of our industry and the role that our product plays in construction. Concrete masonry is not just an American industry; it is truly a local industry. There are concrete masonry block manufacturing plants located in every state and territory in the U.S. and in most congressional districts. While our industry continues to experience a challenging marketplace, particularly since the 2008 financial crisis, the vast majority of our 350 or so U.S. concrete masonry producing companies remain as they have for more than 100 years – as family-owned operations, many carrying into their fourth generation. Well over 90% of these companies are classified as small businesses, with annual sales revenues of concrete masonry products in the \$2 to \$3 million range.

It was for industries like ours that commodity check-off programs were originally created. And this legislation does nothing to change the bid process or the way our products are sold in the marketplace.

The jobs created by our domestic concrete masonry companies are not outsourced overseas. All of our plants are truly local businesses that support high paying local jobs and local tax revenues for our cities, counties and states. The concrete products that we manufacture are used directly in the construction of local schools, homes, hospitals, hotels, apartments, office buildings, shopping centers, and municipal buildings – mostly within a 75-mile radius of their plant. And our local impact goes well beyond the manufacturing plant. We create jobs and revenues for our suppliers of raw materials as well the craft-workers (masons) who install our product, both of which are also local and within a 75-mile radius of our plants.

Like other segments of the construction industry, our businesses have been slow to rebound. Gone are the boom days of the early 2000's. Over the past 7 to 9 years, many plants have closed their doors and others are still fighting to return to profitability. A national study by CNBC says the concrete products industry is still among the 10 hardest hit by the recession. Demand for our products has declined and is still soft. Layoffs in our industry hit hard, directly affecting our local economies.

How do we turn it around? That is why we are here today. We believe this program will spur and stimulate jobs as well as create new innovations in our industry which will help our construction industry partners and ultimately, the American consumer.

The public will benefit from successful implementation of this program through the construction of more energy efficient, more durable, more cost-effective, and stronger buildings. I personally observed the devastation to homes and structures in the 2011 Alabama tornados and many members of this committee have personally observed the impacts of devastating natural disasters in their own states and home districts. The research and education coming from this check-off program will help minimize the impact on communities from these events and reduce economic losses by helping designers, owners and builders to make better use of concrete masonry's attributes.

The members of our industry have worked hard to share the need for this legislation to their local congressional representatives. Over the last 2 years, hundreds of our industry members including our suppliers and customers have traveled to Washington to tell their story and have met with over 500 House and Senate offices. We have hosted over 50 members of Congress and staff at plant tours in their districts. The effectiveness of their stories is evidenced by the 267 co-sponsors in the 113th Congress and the more than 150 co-sponsors so far here in the 114th.

Thank you for considering HR 985 and its ability to enable our industry to "help ourselves", to create new high-wage jobs here at home, and ultimately improve our communities.