



NEW YORK STATE
COUNTY HIGHWAY SUPERINTENDENTS ASSOCIATION

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July 5, 2022

Hon. Kathy Hochul
Governor of New York State
Executive Chamber
NYS State Capitol Building
Albany, NY 12224

Re: Request to Veto A.7919-A/S.9441:
New York State Buy American Salt Act

Dear Governor Hochul:

The above captioned bill passed both houses of the Legislature and will be sent to you soon for consideration. The legislation will be costly to local highway departments by substantially raising the price of road salt and potentially result in supply shortages which is why the **New York State County Highway Superintendents Association (NYSCHSA)** opposes this bill.

While the sponsors are to be commended for their efforts to support domestic companies, if enacted, this bill will increase the price of road salt for local highway departments that now source salt from competitively priced, low bidder, US and non-US companies.

Under the bill, the state or municipality can only award a bid for salt from a foreign competitor if it is determined that using salt mined or hand harvested in the United States does not “result in unreasonable costs” or if domestic salt “cannot be produced in sufficient and reasonably available quantities.”

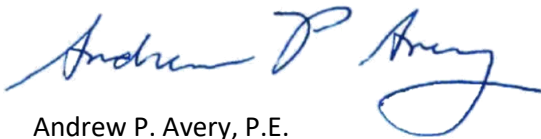
It is not at all clear how these determinations would be made and by whom, exposing municipalities’ award decisions to challenges or litigation by both domestic and foreign bidders. This liability would limit local highway officials’ ability to protect taxpayers by selecting the lowest or best value bidder on salt contracts. Not only will some municipalities be forced to pay an unnecessarily higher premium for salt but acquiring supplies from a greater distance from where it is needed could jeopardize the ability to rapidly re-supply when necessary. It is easy to see how an artificial reduction in competition could lead to shortages, and potentially compromise public safety.

The market for road salt in this state is constrained. New York has two mines, and there are some Canadian and other foreign sources. This bill will add to the already mounting cost pressures from construction materials inflation. Local highway departments are bracing for further price increases. In the absence of meaningful competition, highway departments could see monopolistic prices for road salt and shortages at critical times during the winter season. Since 2015, the OGS average road salt price has increased 43 percent; from \$44.55 per ton to \$63.90 per ton! Even without this legislation, road salt prices will most certainly spike again this year.

New York has two companies that benefit from this legislation, one owned by Cargill, a Minnesota-based company, and the other is American Rock Salt. We have seen no evidence that either one needs this legislation to profit in New York's tight salt market. Taxpayers will be the losers and travelers will be at risk if there are disruptions in the supply of salt and should highway departments have to divert resources from critical road and bridge safety projects to cover the legislatively caused higher salt prices.

Therefore, we are requesting the bill be vetoed so that county highway departments can continue to assure the safety of motorists during times of frequent ice and snowstorms so prevalent in the Northeast. Vetoing this bill will also help minimize the rising cost of road maintenance to local taxpayers.

Sincerely,

A handwritten signature in blue ink that reads "Andrew P. Avery". The signature is fluid and cursive, with a large, stylized initial "A" and "P".

Andrew P. Avery, P.E.
President