

## Planning For 2009

With the price of crude oil, steel, cement and other commodities rising, it's not a surprise that the construction industry is facing funding issues. Department of Transportation (DOT) funds across the United States have been drastically decreased, which has had a tremendous impact on the amount of work being bid; meaning less work for the construction industry.

Many companies have already started the layoff process because they have very little work on the books for the 2009 construction season. Tony Garrett, executive director of the Mississippi Asphalt Pavement Association, explains, "Asphalt is a superior product and should be used more than concrete in road construction. It comes from the ground here and is refined, marketed, sold and exported to other states. You'd think we'd want to build with asphalt, a product we export." Additionally, he says, "asphalt is quieter, smoother, safer and more dependable than concrete. It absorbs sound; while concrete reflects it. That's why they have to build sound walls in large cities. Asphalt is easier to maintain and extends the overlay period. It also helps eliminate rutting." (Lofton, 2004).

Although liquid asphalt is one of the larger bid items on paving contracts, other factors have also contributed to the budget crunch. Energy costs and transportation costs have escalated just as much as asphalt prices. The best thing for both small and large construction companies to do is plan for next season by putting estimated demands together. Estimates allow suppliers to plan specific inventory builds, which helps create a more stable supply throughout the entire region.

### Sited Sources:

Lofton, Lynn. The Mississippi Business Journal. "Asphalt Industry Improving Product, Facing Funding Issues." Nov. 29. 2004