

Making North Carolina & America Cement Independent



Concrete is society's second most used material, surpassed only by water. In 2006 alone, every man, woman and child in America used about 4,000 pounds of it, on average. Every home, road, school, hospital, office, bridge, water system and hundreds of other buildings and structures have it. It is the foundation on which our society is built.

Concrete cannot be made without cement, the 'glue' that holds it together. Cement is produced in high volume facilities, but only at locations where suitable limestone and clay can be found in the right quantities and qualities. For economic reasons, because these materials are heavy and bulky, they must be located less than a few miles from the plant.

Some other things you may not be aware of:

- 1** The U.S. has about 115 cement plants, but for the last two decades has been unable to produce enough cement. In 2006, America imported a quarter of its cement from overseas.
- 2** North Carolina is America's 10th largest cement consumer, using 3.8 million tons in 2006. However, of all the top ten states, it is the only one lacking its own cement production facility. It depends on cement travelling from other states and overseas for 100% of its needs.
- 3** In 2004-2006 America experienced a cement shortage driven by surging demand both in the U.S. and overseas, as well as a lack of ships. In fact, for most of the decade the cost to ship cement to the U.S. from overseas has exceeded the cost of making it. The shortage was even worse in non-producing states like North Carolina, as imports were constrained and surrounding states (including our plant in Virginia) found it more attractive to satisfy demand closer to home. Many residential, commercial and public projects in North Carolina were severely impacted.
- 4** America has the world's most stringent and comprehensive environmental rules for producing cement. During the recent Olympics, the press highlighted China shutting down many industries to control pollution. The irony not mentioned is that America played a part in facilitating China's pollution, by importing more than a third of its cement from the country in recent years.
- 5** Currently, the economy is experiencing a downturn, which has reduced the cement demand. However, cement plants are built for the long term and the Portland Cement Association predicts that America will need an additional 50 million tons annually of cement by 2030. That is equal to the output of more than 20 additional cement plants the size of the proposed Carolinas Cement facility in Castle Hayne. Shouldn't North Carolina be home to at least one?
- 6** Cement, like oil, is a strategic material. In fact, when Venezuela's president, Hugo Chavez, recently turned against America, the first material he cut off was oil. The second was cement (about two million tons were imported by the U.S.). Can America afford to let cement follow the road of OPEC?

Before proposing to modernize and reopen the Castle Hayne site, we looked extensively for potential sites throughout the state of North Carolina. Castle Hayne was the only location that had both sufficient quantity and quality of raw materials.

Of course, we and others could build a plant overseas and just import more cement to North Carolina. Our sister companies are already building plants in Albania and Egypt to serve those growing economies. No vocal opposition there. Less stringent environmental regulations too. Our critics would celebrate.

Does sending more manufacturing investment abroad and exchanging stricter American rules for less strict elsewhere really benefit the planet environmentally? Can America's economy afford to keep exporting jobs overseas in yet another industry? Is dependence on overseas plants and shipping for strategic materials in America's best interest? Maybe these are questions to ask those seeking or already holding a public office.

We know we are doing the right thing. That's why we are proceeding along the very diligent and detailed process prescribed by government authorities responsible for permitting. We appreciate and draw energy from the warm support of those in the community, who have taken the time to collect information, communicate with us and keep an open mind.

Call or come visit our Castle Hayne Information and Recruiting Office at 4312 Henson Drive. Our next community workshop will take place on October 27 from 4 p.m. to 8 p.m. at the UNCW Executive Development Center on Military Cutoff Road. We hope to see you soon.

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Carolinas Cement Company

