Analysis of Existing Regulation in the Cement Industry

Advocates for pollution-intensive industries frequently claim that environmental regulations kill jobs, most often as a justification of their efforts to weaken or overturn existing environmental regulations that protect human health and critical water resources. The cement industry in particular has devoted considerable time and money to dismantling environmental regulations, efforts spearheaded by the Portland Cement Association (PCA), an industry lobbying group recently chaired by Titan America's CEO. However, a wealth of data to the contrary demonstrates that environmental regulations have actually created jobs. Besides jobs created by pollution control technology, avoided health care costs to residents and reduced economic damage to industries such as tourism, outdoor recreation, fishing, and agriculture are also major benefits of policies requiring stricter pollution control.

The cement industry's lobbying efforts nationally and within North Carolina have resulted in inadequate regulation of this heavily-polluting industry, with resulting degradation of our air, soil, and water resources. According to the EPA's 2011 Toxic Release Inventory (TRI), North Carolina already ranks 18th in the nation for overall toxic releases, with New Hanover County ranking the highest in the state.[1]

- A 2011 study by the University of Massachusetts found that two new rules proposed by the EPA in 2011 to regulate toxic emissions would create an estimated 1.46 million jobs between 2010 and 2015. They found that clean air safeguards in the US provide $4 to $8 in public benefits for every $1 spent on compliance. Additionally, the study estimated that North Carolina would gain 76,966 jobs from the new air toxics rules.[2]
- A 2011 study published in *American Economic Review* found that coal-fired power plants produced $53 billion worth of pollution-related economic damages in 2002, more than twice the value they created. Stone quarries, such as that which Titan plans to operate alongside their coal-fired kiln, also produce nearly twice as much pollution damage as the value they generate. In other words, if those businesses were required to pay for their pollution's cost to the surrounding community, environment, and existing businesses, those payments would significantly exceed their income.[3]
- In a 2011 letter to the editor of the *Wall Street Journal*, titled "We're okay with the EPA's new air-quality regulations", the CEOs of eight major energy companies in the US embraced the rollout of new air toxics rules, stating that "regulations can yield important economic benefits, including job creation, while maintaining reliability." They added that polluting industries have recognized the need to comply with the Clean Air Act's toxicity requirements for over a decade.[4] The cement industry, however, responded to the proposed changes by suing the EPA to weaken the toxics rules and extend their compliance deadline.[5]
- Advocates of scaled-back environmental protections often complain that regulations are already too burdensome in the United States, compared to other countries. Neundorfer, an Ohio-based pollution technology firm, released a 2011 report that analyzed the differences in cement plant

pollution control between the US and the European Union. It concluded that "compared with plants in the U.S., European cement kilns emit very small amounts of regulated pollutants."[6]

- Titan states that their Castle Hayne plant will be the "most efficient, environmentally safe cement plant in the world," and that they "will meet every applicable federal and state guideline in place now and in the future."[7] These statements were directly undermined by the extensive lobbying and litigation efforts of the Portland Cement Association, led at the time by Titan Cement's CEO, to prevent the EPA from effectively cutting cement plants' allowable mercury emissions by over 80 percent.[8]

- In 2011, ICF International published the only health-based assessment of Titan's impacts on regional air quality to date. They found that for the five-month study period alone, up to $13.5 million in additional health care costs to the surrounding population could be generated by the plant.[9]

- Affected industries often exaggerate the potential for job losses when arguing for less environmental regulations. When the EPA first proposed the 1990 Clean Air Act Amendments, providing the first major update to the law for over a decade, the electric utility industry warned that provisions to curb acid rain would cost $7.5 billion and tens of thousands of jobs. But the cost of the program has been closer to $1 billion, according to Resources for the Future, a nonprofit environmental research group.[10]

- The EPA estimates that by 2020, the costs of the Clean Air Act to the cement industry will be less than 1% of the industry's total economic output. When health benefits for their labor pool are taken into account, those costs shrinks to less than half of a percent, while the electricity industry would still spend over 3 percent of its output on required pollution mitigation.[11] According to their financial reports, some individual cement companies generate more profits in six months than the EPA's air toxics rules were projected to cost the entire cement industry in a year.[12]

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[4] Darbee, et al. We're OK With the EPA's New Air-Quality Regulations. *The Wall Street Journal*. 4 September 2010.

[5] Portland Cement Association, 2012. PCA Statement Regarding the Repurposed Portland Cement NESHAP and NSPS. http://www.cement.org/newsroom/EPA_NESHAP_June2012.asp

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[8] Mazzolini, Chris. EPA rules would slash Titan's mercury emissions. The Star News. 9 August 2010.

[9] ICF International, 2011. Air Quality and Health Impacts Assessment for Southeastern North Carolina.

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[11] US EPA, Office of Air and Radiation, 2011. The Benefits and Costs of the Clean Air Act from 1990 to 2020.

[12] Earthjustice and the Environmental Integrity Project, 2011. Dirty air is Not the Key to Economic Growth.