

**US Army Corps
of Engineers®**
Wilmington District

PUBLIC NOTICE

Issue Date: May 30, 2008
Comment Deadline: June 30, 2008
Corps Action ID #: SAW-2007-00073

**Scoping Meeting: Corps seeks comments on proposed Carolina Cement
Company's (Titan America) proposal to construct a cement
manufacturing facility and quarry**

Wilmington, NC- All interested parties are hereby advised that the Wilmington District, Corps of Engineers (Corps) is holding a scoping meeting on Carolinas Cement Company's (Castle Hayne Project) proposal to construct a cement manufacturing facility and quarry adjacent to the Northeast Cape Fear River and near Castle Hayne, in New Hanover County, North Carolina. The proposed project will require filling and excavation of jurisdictional wetlands and waters of the United States and will require a permit pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act. In accordance with the National Environmental Policy Act (NEPA), a Draft Environmental Impact Statement (DEIS) will be prepared to evaluate and compare alternatives for constructing a cement manufacturing facility and to assess associated impacts.

A scoping meeting for drafting the Environmental Impact Statement (EIS) will be held at the Emsley A. Laney High School, 2700 North College Road, Wilmington, North Carolina on June 12, 2008 at 6:00 P.M. The purpose of the scoping meeting is to solicit comments from the public; Federal, state and local agencies and officials; and other interested parties regarding the proposed project and identify issues and concerns they would like to see addressed in the EIS document.

The following description of the cement manufacturing facility and quarry is subject to change as analysis and additional designs are completed. The proposed Castle Hayne cement plant and quarry is located in Castle Hayne in New Hanover County.

The proposed Castle Hayne quarry and cement plant is located in Castle Hayne in New Hanover County, NC. The proposed project would be located on an approximately 1,868-acre site located at Ideal Cement Road approximately 2.6 miles east of Interstate 40 and north of Holly Shelter Road. The project site is bordered to the north by the Northeast Cape Fear River, to the east by Island Creek, and to the south by Holly Shelter Road. The proposed project site

includes undeveloped forested lands, an existing aggregate quarry pit currently operated by Martin Marietta Materials, as well as an inactive cement manufacturing plant, formerly operated by Ideal Cement. The proposed project is located in an area zoned as I-2 Industrial District and the quarrying and cement manufacturing would be compatible with the existing zoning.

The Carolinas Cement Company has provided the following information about the purpose of the proposed project:

The purpose of the proposed project is to establish a quarry from which it can extract marl and limestone that will support manufacturing Portland cement to supply the eastern North Carolina market in an economically viable fashion. To be economically viable the minable resource must be within a 3 mile radius of the manufacturing facility and must provide for a long-term, at least 30 years, marl and limestone resource of sufficient quality that can be recovered in a systematic and cost-effective manner. Based on the economies of scale and the projected market demand, the proposed plant will have a capacity of 2.3 million short tons per year of finished Portland cement. Furthermore, the manufacturing facility must be accessible to suitable modes of transportation. The relative cost of transporting a ton of Portland cement increases from barge to rail to trucks. Titan America's Roanoke Cement Company facility currently moves 50% of the Portland cement it produces by rail in the mid-Atlantic region. The cost of establishing and operating a Portland cement quarrying/manufacturing operation is substantial. The Portland cement market is cyclical depending upon the growth and contraction of the construction industry. It is important to locate a Portland cement operation where quarrying, manufacturing, and transportation costs and logistics allow for long-term production in an economical and efficient manner. The magnitude of the necessary investment in property and personnel requires the Portland cement industry to develop production plans based on long-term horizons. Since 1950, no manufacturing facility of the size proposed has commenced operations without 40 to 50 years of reserves, and currently operating Portland cement plants have been operating an average of 44 years. Based on this, the applicant requires at least a 30-year resource reserve to construct the proposed facility.

The primary considerations in economic Portland cement production include raw materials to provide the necessary chemistry, availability of other materials (often by-products from other industries), and transportation and power infrastructure, near to the markets that the plant is intended to serve. These primary considerations are interrelated.

Proposed Impacts to Wetlands and Surface Waters: Surface waters and wetlands have been delineated for the proposed project site. Field reviews of the delineations with the U.S. Army Corps of Engineers (USACE), and North Carolina Division of Water Quality (DWQ) have been conducted with final USACE verification of the wetlands delineation pending. The North Carolina Division of Coastal Management's (NCDCM) Coastal Area Management Act (CAMA) jurisdictional Areas of Environmental Concern (AECs) have also been identified for the site. Field reviews of the CAMA regulated AEC boundary have been conducted and agreed to by the NCDCM. The proposed quarrying action will impact approximately 493 acres of wetlands. This total includes approximately 214 acres of wetlands located within CAMA jurisdictional areas.

Scope of Investigations: Based upon the proposed impacts to wetlands and surface waters, Carolinas Cement Company LLC has been advised by the U.S. Army Corps of Engineers that an Environmental Impact Statement (EIS) will be required for the proposed Project. The scope of the EIS investigation will include the following: Alternatives analyses, Affected environment, Environmental consequences, Secondary and cumulative environmental impacts, and Mitigation.

Alternatives analyses: Council on Environmental Quality (CEQ) regulations (40 CFR 1502.14(a)) require an environmental impact statement (EIS) to “rigorously explore and objectively evaluate all reasonable alternatives” for a proposed action. The regulations (40 CFR 1502.14(b)) further require that substantial treatment be made of each alternative considered in detail, including the proposed action. The Proposed Project and a reasonable number of alternatives, including the no action alternative and quarrying for marl in other areas within and outside of New Hanover County and/or eastern North Carolina, will be evaluated and compared in the EIS. The factors used to compare the alternatives will be the same for each of the alternatives.

Affected environment: CEQ regulations (40 CFR 1502.15) require the EIS to describe the environment of the areas to be affected or created by the alternatives under consideration. The data and analysis shall be commensurate with the importance of the impact. Based upon preliminary evaluation of the proposed Project, it appears the primary areas of environmental concern will focus on the loss of wetland and other aquatic resource functions and values including impacts to wetlands within designated AEC’s, mitigation of such losses, and the effect of the proposed quarry on groundwater and surface water quality.

In preparation for the EIS, the following studies have been completed or are on going for the proposed Project:

- Comprehensive geological investigations to identify high calcium marl and limestone reserves that meet cement chemistry criteria quality and quantity. A technical report detailing the methodologies and results of the geological investigation will be included as an appendix to the EIS.
- Jurisdictional wetland/stream/open waters delineations (Section 404 Jurisdictional Areas) (field reviews have been conducted with USACE and DWQ with final verification pending). A technical report detailing the methodologies and results of the jurisdictional areas delineation will be included as an appendix to the EIS.
- Identification of NCDPCM jurisdictional areas including public trust areas and AECs (field reviews have been conducted with NCDPCM staff).
- Federally protected species habitat evaluations and field surveys. A technical report detailing the methodologies and results of the protected species study will be included as an appendix to the EIS.
- Hydrogeologic investigations to assess the amount of water discharged from proposed quarry pits and the potential effects of dewatering on adjacent wetlands and ground water resources in area. A technical report detailing the methodologies and results of the hydrogeological study will be included as an appendix to the EIS.

- Archaeological investigations and field survey. A technical report detailing the methodologies and results of the archaeological investigation and survey will be included as an appendix to the EIS.
- Aquatic resources evaluations and field surveys. A technical report detailing the methodologies and results of the aquatic resources investigation and survey will be included as an appendix to the EIS.

Environmental consequences: CEQ regulations (40 CFR 1502.16) state the EIS will include the environmental impacts of the alternatives including the proposed action, any adverse environmental effects which cannot be avoided should the proposal be implemented, the relationship between short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and any irreversible or irretrievable commitments of resources which would be involved in the proposal should it be implemented. The EIS will identify and disclose the direct impacts of the proposed project and study a reasonable number of alternatives on the following: Topography, geology, soils, climate, biotic communities, wetlands, fish and wildlife resources, endangered and threatened species, hydrology, water resources and water quality, floodplains, CAMA jurisdictional areas, hazardous materials, air quality, noise, aesthetics, recreational resources, historical and cultural resources, socioeconomics, land use, public health and safety, energy requirements and conservation, natural or depletable resources, drinking waters, and environmental justice.

Secondary and cumulative environmental impacts: Cumulative impacts result from the incremental impact of the proposed action when added to past, present, and reasonably foreseeable future actions, regardless of what agency or person undertakes the action. GIS data and mapping will be used to evaluate and quantify secondary and cumulative impacts of the proposed Project with particular emphasis given to wetlands and surface/groundwater resources.

Mitigation: CEQ regulations (40 CFR 1502.14, 1502.16, and 1508.20) require the EIS to include appropriate mitigation measures. The USACE has adopted, through the CEQ, a mitigation policy which embraces the concepts of "no net loss of wetlands" and project sequencing. The purpose of this policy is to restore and maintain the chemical, biological, and physical integrity of "Waters of the United States," specifically wetlands. Mitigation of wetland impacts has been defined by the CEQ to include: avoidance of impacts (to wetlands), minimizing impacts, rectifying impacts, reducing impacts over time, and compensating for impacts (40 CFR 1508.20). Each of these aspects (avoidance, minimization, and compensatory mitigation) must be considered in sequential order. As part of the EIS, the applicant will develop a compensatory mitigation plan detailing the methodology and approach to compensate for unavoidable impacts to waters of the U.S. including wetlands.

NEPA/SEPA Preparation and Permitting: Because the proposed Castle Hayne quarry project requires approvals from federal and state agencies under both the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA), a joint Federal and State Environmental Impact Statement (EIS) will be prepared. The U.S. Army Corps of Engineers will serve as the lead agency for the process. The EIS will be the NEPA document for the Corps of Engineers (404 permit) and the SEPA document for the State of North Carolina (CAMA permit).

Based on the size, complexity, and potential impacts of the proposed project, the Applicant has been advised by the U.S. Army Corps of Engineers to identify and disclose the environmental impacts of the proposed project in an Environmental Impact Statement (EIS). Within the EIS, the Applicant will conduct a thorough environmental review, including an evaluation of a reasonable number of alternatives. After distribution and review of the Draft EIS and Final EIS, the Applicant understands that the U.S. Army Corps of Engineers will issue a Record of Decision (ROD) for the project. The ROD will document the completion of the EIS process and will serve as a basis for permitting decisions by federal and state agencies.

A Notice of Intent to prepare a Draft EIS was published in the Federal Register on May 30, 2008. The notice can be found on the U.S. Army Corps of Engineers, Wilmington Regulatory Division's website under the section heading: "NEWS FROM THE REGULATORY PROGRAM ". The website address is <http://www.saw.usace.army.mil/WETLANDS>.

Questions can be directed to Mr. Wicker at telephone (910) 251-4930, Wilmington Regulatory Division Office. Written comments pertinent to the proposed work, as outlined above, must be submitted by 4:15 p.m., June 30, 2008 to this office, Attention: Henry Wicker, P.O. Box 1890, Wilmington, North Carolina 28402-1890. Comments will be used in the preparation of the Environmental Impact Statement (EIS) pursuant to the National Environmental Policy Act (NEPA).

