

Davenport cement plant faces new financial pressures

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Strict environmental regulations could further undermine bottom line

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DAVENPORT — The Cemex-owned cement plant, already closed temporarily because of the weak economy, will likely face another financial setback in the form of new environmental regulations.

The U.S. Environmental Protection

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Agency, under recently appointed Administrator Lisa Jackson, has proposed strict limits on mercury emissions at cement kilns. According to the EPA, cement production is the fourth largest source of the nation's airborne mercury — due to the raw materials and fuel required for making cement.

And curbing the pollutant is costly. This is especially true at older cement facilities like the century-old operation in Davenport, which EPA records show is among the country's top 20 mercury-

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The Cemex plant, now shut down because of the economy, will likely face another financial wrench in the form of new environmental regulations that require less mercury emissions.

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CEMENT

Continued from A1

emitting plants.

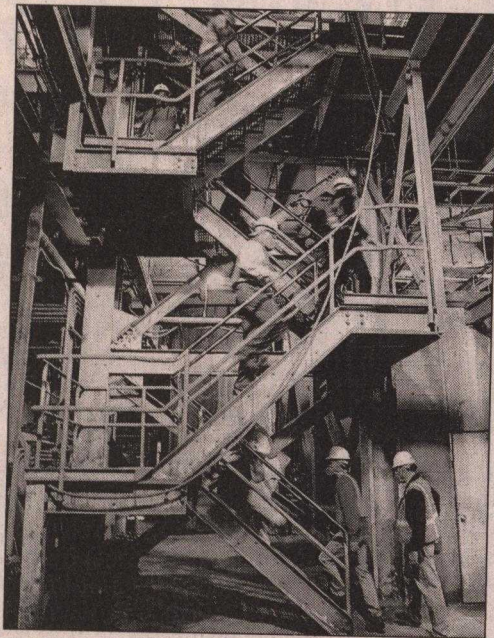
Cemex officials said Thursday the Davenport facility, which last reported 163 pounds of annual mercury emissions, would likely have to reduce the pollutant's output by 70 percent under the proposed rules.

"We don't know the theoretical costs right now," said Cemex spokeswoman Jennifer Borgen in an e-mail to the Sentinel. "We are first trying to determine what technology exists and if it could even be applied to the plant."

The proposed regulations come as the federal government responds to lawsuits by environmental groups demanding a tougher stand on mercury. The EPA says the rules would reduce mercury emissions 81 percent across the nation's roughly 110 cement plants.

Mercury is a neurotoxin that, when released into the air, eventually settles in water where it contaminates fish. For humans who eat fish, it can cause damage to the nervous system, particularly in pregnant women, children and the elderly.

"It's so toxic in such tiny amounts," said James Pew, attorney for Earthjustice, one of the groups that



The Cemex cement plant in Davenport is likely to face new tougher regulations on mercury emissions from its kiln. The plant has been closed for months because of the economy.

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brought suit against the government. "These regulations would go a long way to cleaning things up. ... I think there probably would be some local effect even on the ocean waters in Monterey Bay."

State regulators, who have long monitored the concentration of mercury in the air, have said the Cemex facility has not exceeded safe levels in Davenport.

The federal regulations, though, would tighten the controls, and not only for mercury, but hydrocarbons, particulate matter and sulfur dioxide. The public has 60 days to comment on the proposal, before the terms

are finalized.

Industry representatives say the EPA is going too far.

Andy O'Hare, vice president of regulatory affairs for the Portland Cement Association, said the cost of controlling the compounds is prohibitively high. He says the rules would shutter several of the top-polluting plants, forcing Americans to turn to unregulated overseas markets to meet their cement needs.

The Davenport facility is already feeling the crunch of an industry slump. In March, Cemex officials closed the plant with the hope that things

would improve and the facility could reopen in six months.

But Borgen said Thursday that the timeline depends on "the economy and the demand."

Many remain skeptical about the plant's future, especially as the cost of environmental controls continues to rise.

Beyond mercury, the facility has dealt with the discovery of cancer-causing chromium 6, which last year brought operations to a standstill and required an expensive cleanup.

Monterey Bay air district officials, who monitor the Davenport plant and rely on its permit fees for their budget, have already begun plotting a contingency plan should the plant should cease operations.

A closure would ripple well beyond the air district and deep into the community. About 130 people are regularly employed at the plant, and the facility has historically been one of the county's biggest taxpayers.

Eric Karo, who works at the plant and is president of one of the unions, says he fully supports environmental upgrades but is frustrated by the prospect that American facilities could give way to less responsible foreign competitors.

"It's really hard for people here," he said.