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CERTIFIED MAIL RECEIPT # 4222

August 9, 2018

Mr. Jeffrey Crawford
Maine Department of Environmental Protection
Bureau of Air Quality
17 State House Station
Augusta, Maine 04333-0017

**Re: Dragon Products Company, LLC
Ozone Transport Region Petition**

Mr. Crawford:

Dragon Products Company, LLC (Dragon), New England's only cement manufacturing facility, is providing comments in support of the Maine Department of Environmental Protection's (Department) petition to opt-out of the Ozone Transport Region (OTR).

As detailed in the Department's petition, the success of Maine's attainment status in the OTR is, in part, due to efforts and investments by the industries of Maine and the regulated Maine community to reduce emissions. The data supporting the Department's petition clearly demonstrates the effectiveness of policies and procedures aimed at reducing emissions of pollutants that contribute to the formation of ozone. Based on the technical analysis provided by the Department, the removal of Maine from the OTR is warranted and justified.

If Maine were to remain in the OTR this result could have significant impacts on several industries in Maine including Dragon's existing operations. Dragon is regulated as a major source and operates under a Title V air emission license. Dragon currently complies with four (4) NO_x emission limits and utilizes Selective Non-Catalytic Reduction (SNCR) technology for compliance with those NO_x limits. The capital installation cost of SNCR typically range from \$500,000 to \$1,000,000, depending on the size of the system and EPA estimates that 50% control is attainable without slipping excess ammonia into the environment. Following installation we experience on-going operating variable costs of about \$850,000 per year. Failure to opt-out of the OTR may require Maine to revise its NO_x RACT (Chapter 138) and VOC RACT (Chapter 134) regulations, creating onerous standards for areas of Maine already in attainment with the OTR. Unsubstantiated and more stringent NO_x and VOC emission standards would impose a significant additional increase in production costs at Dragon. The implications for air licensing modifications are even more substantial. A major modification of the facility could trigger the Lowest Achievable Emission Rate (LAER) regulations requiring even more stringent control requirements. Even if Dragon were able to comply with the LAER requirements, Dragon would also be required to purchase offsets which are not readily available and are very expensive; a cost that would directly impact Dragon's

ability to effectively compete in the regional cement market and attract the necessary investment for a modernization or expansion.

While Dragon is the only cement manufacturer in Maine, we are not the only supplier of cement in the region. Competitors from New York and as far south as South Carolina fight for a piece of the New England market share. Ciment Québec, located in Saint Basile, Canada, has long been a competitor of Dragon in the Maine market. In 2017 another Canadian cement plant, McInnis Cement (a Canadian Government subsidized plant), located at the mouth of the St. Lawrence River in Gascons, Canada, began exporting Canadian cement below and less than fair market value (LTFMV) to the United States, focusing on the market along the eastern seaboard from Maine to New Jersey. McInnis is flooding the market with cheap cement (i.e. LTFMV) forcing Dragon to develop defensive business strategies to maintain its market share in the region. Additional production costs to further reduce NOx and/or VOC emissions would impose an additional disadvantage on domestic cement production without a commensurate environmental benefit and provide an unfair advantage to our Canadian competitors who are not faced with maintaining the same burdening emission standards.

Dragon strongly supports the Department's petition to opt-out of the OTR. The petition provides a clear and strong science-based argument for removing Maine from the OTR. The removal of Maine from the OTR provides economic benefit for Maine's business community and industries and continues to maintain compliance with Maine's strict air quality standards.

Sincerely,



Michael Martunas
Environmental Manager
Dragon Products Company, LLC

c.c Marc Cone (Department)
 Stephen P. Holt, P.E. (Dragon)
 Dixon Pike (Pierce Atwood)