

**Committee on Oversight and Government Reform, Subcommittee on
Regulatory Affairs, Stimulus Oversight and Government Spending**

**Testimony of Aris Papadopoulos, CEO, Titan America
March 9, 2011**

Mr. Chairman and congressional committee members, my name is Aris Papadopoulos. I serve as CEO of Titan America, a heavy construction materials producer in 8 states, employing over 2,000 Americans. I presently chair the Portland Cement Association (PCA) that represents 97% of US cement capacity with nearly 100 manufacturing plants in 36 states and distribution in all 50.

Cement is to concrete what nails are to wood. Without it, our bridges, roads, dams, schools and hospitals would be rubbles of rock. At \$6.5B combined revenue, we're a relatively small industry, but without us, the entire trillion dollar construction economy would come to a halt. Without cement, our already deteriorating infrastructure would degrade to unsafe levels, along with our communities and quality of life.

The Great Recession has hit our industry very hard. Cement demand has dropped in half. Profitability has been wiped out. Yet, we sought neither handouts nor bailouts. We cut costs, which sadly included more than 4,000 jobs. What remains are 15,000 well-paying jobs, with average compensation of \$75,000. But today, these jobs are in jeopardy, and the spillover could also affect millions employed in the construction sector.

Not only did the Stimulus Act fail to raise construction demand, but at our weakest moment, this government's EPA—whose budget by the way was enriched 33% thru the same Act—launched an unprecedented regulatory attack against our industry.

This is not a static, but a dynamic industry. In its century long history, cement manufacturers have demonstrated their commitment to continuous improvement and environmental stewardship. In the decade prior to this recession, it invested tens of billions of dollars in modernizing and expanding facilities with state-of-the-art technologies that were win-win for both economics and the environment. Today, our industry is one of the largest recyclers of industrial and urban byproducts that would otherwise be landfilled.

Yet the current EPA has switched from win-win to win-lose. There should be no doubt that win-lose will lead to lose-lose. Other strategic materials such as rare earths, once a vital US industry but now controlled by China, are living proof that overregulation leads to off-shoring. This is not a choice between environment and economy, because the two go hand-in-hand and when economic vitality suffers, so does environmental sustainability. Without strategic materials like cement, economic vitality cannot be sustained.

Without time to get technical, I would like to note that for one compound, mercury, EPA imposed standards on the U.S. industry 5-12 times stricter than those in Germany. The irony is that this rule won't even help the environment, as 80% of the mercury found in the U.S. originates from offshore. EPA has justified these new rules with incomprehensible computer models and a lack any empirical proof, or field evidence.

Our economic study of EPA's rules concludes that:

- Two rules alone impose a compliance burden of \$5.4B in the next 4 years, equal to 85% of the industry's total annual sales. They also increase production costs by 20%.
- One rule, NESHAP, will force almost 20% of U.S. plants to shut down in three years;
- The industry could lose 25%, or an additional 4000 jobs by 2015;
- Assuming economic recovery thru 2025, this reduced domestic cement capacity will force the U.S. to depend on foreign imports for 56% of its needs.

We conclude, that in their totality, these rules make investing in the U.S. unattractive compared to overseas. In the end, neither the economy nor the environment win. American jobs and investment are lost. The same emittants reach Americans in even greater quantities from offshore. Dependence on foreign cement follows the road of dependence on foreign energy. And with cement more cumbersome to import than oil, shortages and price volatility will become more common. This could hurt the entire construction economy, with impacts on infrastructure, housing, commerce and jobs.

This industry is committed to its longstanding spirit and practice of continuous improvement and environmental stewardship. But we need a government that we can work with to create win-win national policies. Unfortunately, we feel that industries like ours are getting caught in the crossfire of the major assault against coal by global warming forces in this country.

Immediate action is needed to rescind these regulations, when we're in the midst of one of the worst economic crises, before they prolong or worsen the harm, and place a near term moratorium on more rules. Congress needs to step up and take back legislative ownership, if we are to revive private sector confidence that will retain and create good jobs for Americans and restore economic prosperity.

We also need Congress to undertake broader legislative reform that will:

- Return EPA to its original purpose
- Strengthen standards of justification for EPA rules
- Consider cross-border economic and environmental impacts in rule development
- Approach industry with win-win rather than win-lose frameworks
- Objectively inform, rather than panic the public, and
- Reduce wasteful environmental litigation.

Thank you for this opportunity to testify. I would be happy to address any questions you may have.

Aris Papadopoulos, CEO
Titan America LLC

Aris Papadopoulos is CEO of Titan America, the US subsidiary of Titan Cement Group, a heavy building materials company headquartered in Athens, Greece. He is a member of Titan Group's Executive Committee.

Aris began his career with Titan in 1992 to develop its US business, later becoming Managing Director of Titan Atlantic (its US subsidiary) and CEO of its Roanoke Cement joint venture. In 2000, Titan Atlantic acquired Tarmac America, and became Titan America.

Aris earned Bachelors and Masters Degrees in Chemical Engineering from MIT and an MBA from Harvard. He is Chairman of the Portland Cement Association and co-chaired its Sustainability and Communications Committees. Aris has also served as a member of the Board of Directors of the PCA and CTL Group.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name:

Alex Papadopoulos

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2008. Include the source and amount of each grant or contract.

NONE.

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

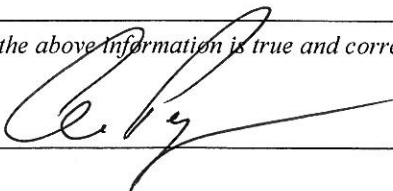
PRESIDENT AND CEO OF TITAN AMERICA, AND
CHAIRMAN OF THE BOARD OF PORTLAND CEMENT ASSOCIATION.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

NONE.

I certify that the above information is true and correct.

Signature:



Date:

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