

September 12, 2018

Via First Class U.S. Mail and Electronic Mail

Jefferson County Commission
c/o Stephanie Grove, Esq.
County Administrator
124 E Washington St.
Charles Town, WV 25414

Re: Roxul USA, Inc.

Dear Ms. Grove:

I write on behalf of my client, Roxul USA, Inc., d/b/a ROCKWOOL, to address recent public comments by some in the community urging the Jefferson County Commission to halt development of ROCKWOOL's Ranson, West Virginia, facility. Although many of the comments lack foundation either in fact or science and some are flat out wrong,¹ ROCKWOOL shares the commenters' underlying values: a commitment to safety, health, and the environment, and a desire for a better future for Jefferson County.

The ROCKWOOL Group was founded more than 80 years ago. Since then it has grown into a company with more than 11,000 employees in 39 countries. The key pillars to ROCKWOOL's success have been its commitment to the communities of which it is a member and the strong local partnerships it has formed to help contribute and support the public good.

ROCKWOOL's products reflect this commitment to the public good. Its stone wool insulation products are fully recyclable and reusable. Similarly, Rockwool's stone wool growing media products have been used in agricultural applications to cut water requirements by more than half.

When ROCKWOOL was invited to locate a facility in Jefferson County more than a year ago, it made the same commitment to the community's safety, health, environment, and future as

¹ For example, a Loudon County official recently said "Rockwool is a company out of Denmark. Denmark won't allow this company to build in Denmark because what they spew out is too dangerous, so they come to America and they build in Mississippi and West Virginia? Are you kidding me?" <https://www.localdvm.com/news/virginia/concerns-over-rockwool-factory-reaches-loudoun-county/1424438495>. That is simply wrong. The truth is that Rockwool operates two plants in Denmark, and its health, safety, and environmental records are exemplary.

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it has in its other locations in North America and around the world. ROCKWOOL will employ state-of-the-art emissions control technology to meet its air permit requirements with the WV Department of Environmental Protection; it is reclaiming a brownfield site as part of its development process; and it has gone above-and-beyond regulatory requirements with respect to public notice on multiple occasions. For instance, while it had no legal obligation to do so, ROCKWOOL sent mailers to residents of Ranson and a two-mile residence on two occasions (November 2017 and January 2018), and it publicly unveiled a rendering of its Ranson facility at which members of the media and the Ranson, Charles Town, Harpers Ferry, and Shepherdstown city councils were invited to attend. More recently, ROCKWOOL held a number of open houses at which its representatives and independent experts addressed citizens' questions and concerns. ROCKWOOL continues to stand ready and willing to engage with the community and respond to their questions or concerns.

Regrettably, however, some of ROCKWOOL's most ardent critics have been the most unwilling to learn about ROCKWOOL's operations and its commitment to safety, health, and the environment. Instead, those critics believe they can halt the development of ROCKWOOL's Ranson facility by scaring local governmental officials, like the Jefferson County Commission, into breaking their promises. On behalf of ROCKWOOL, I urge you to reject these efforts.

As you know, Rockwool was invited to Jefferson County by officials representing all levels of West Virginia government: municipal (City of Ranson), county (Jefferson County Development Authority), and state (West Virginia Development Office). In November 2017, Charles Town Mayor Scott Rogers tweeted "@Roxul, a big thank you for coming to Ranson, WV. Your project represents economic progress for the whole Jefferson County, WV community! #JeffersonStrong #Roxul #Ranson #CharlesTown #WestVirginia".²

Prior to being invited to locate a facility in Jefferson County, ROCKWOOL was considering at least ten (10) other locations. To induce ROCKWOOL to select the City of Ranson and Jefferson County, each of those governmental bodies made certain legally binding promises to ROCKWOOL. For example, the Jefferson County Commission entered into an October 3, 2017, Payment in Lieu of Taxes Agreement ("PILOT"),³ and the Jefferson County Development Authority committed to obtaining bond financing for water line improvements. In return, ROCKWOOL promised to invest approximately \$150,000,000 to construct and operate its facility and to create approximately 140 high-paying, full-time positions.

² https://twitter.com/ScottRogers_WV/status/931554254711672833

³ Notably, Section 4.06 of the PILOT expressly states that it was done to "provide an inducement for [ROCKWOOL] to invest in the Project in Jefferson County."

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In reliance on these specific economic incentive promises, ROCKWOOL has been fully performing its obligations and keeping its promises. To date, ROCKWOOL has spent more than \$25 million in the selection and development of its Ranson site, and ROCKWOOL will suffer great economic injury should actions taken by Jefferson County delay the project. Indeed, damages arising from a material delay of the project could exceed \$100 million.

Obviously, as ROCKWOOL has been investing tens of millions of dollars and performing its substantial obligations, it has every right to expect those governmental entities which induced it to make those investments and undertake those obligations to keep their promises. It also goes without saying that ROCKWOOL would have no alternative but to pursue its legal rights and remedies to the fullest extent should it not receive the economic tax and utility incentives it was promised and upon which it has relied and performed.

ROCKWOOL would, of course, prefer that all parties continue to perform their obligations and continue to work together in mutual good trust and good will. Please know that the public criticism has not dampened ROCKWOOL's enthusiasm for the City of Ranson and Jefferson County. To the contrary, ROCKWOOL firmly believes that through a continued constructive working relationship the future will be bright for all residents of Jefferson County.

Finally, I urge you to consider the chilling effect it will have on future economic development in Jefferson County if the local government entities renege on their promises to ROCKWOOL. Obviously, it will be very difficult to recruit economic investment and job-creators with that kind of precedence.

Thank you for your attention to this important matter, and please feel free to contact me if you should have any question or comments.

Very truly yours,



James A. Walls

JAW/jvs

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cc (via e-mail): Matthew Harvey, Esq.
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