

PULP & PAPER MILLS IN THE CAROLINAS



Abundant resources.

Substantial incentives
and tax breaks for pulp
and paper mills.

Reliable, affordable
electricity from
Duke Energy.

Extensive training
programs, right-to-work
laws & employment-at-
will, as well as low
unionization and wages.

INDUSTRY PRESENCE

- Over \$4.8 billion in pulp and paper related manufacturing revenues were shipped from the Carolinas in 2002, placing us 3rd in the industry for dollars shipped.

International Paper, Georgia-Pacific, Kimberly-Clark, MeadWestvaco, Bowater, and Weyerhaeuser.

ACCESS TO TIMBER AND PAPER

The Carolinas offer abundant timber and paper for use in pulp and paper mills, as well as converted paper manufacturing plants.

- Timberland (thousands of acres)
 - North Carolina – 18,664
 - South Carolina – 12,301
- Paper Production (thousands of tons per year)
 - North Carolina – 1,058
 - South Carolina – 1,989

INCENTIVES / TAX ADVANTAGES

In 2004, the North Carolina General Assembly made significant enhancements to its existing incentive tools:

- Jobs Development Investment Grant, a key incentive tool, was expanded to 25 grants per year, cap raised from \$10 to \$15 million, extended to 2006.
- Additional \$20 million secured for One North Carolina Fund (cash incentives).
- Wage test eliminated for Industrial Revenue Bonds.

South Carolina has one of the most attractive tax climates in the Southeast – No state property tax, No local income tax, No inventory tax, No wholesale tax, No unitary tax on worldwide profits.

RELIABLE AND AFFORDABLE ENERGY

The Carolinas have safe, reliable and affordable energy supplies.

- Duke Energy's System Average Interruption Frequency Index (SAIFI) is 99.97% in the Carolinas.
- Duke Energy provides free reliability risk management consulting, including forecasted reliability and recommended options, such as safeguards and backups.
- Duke Energy's average industrial rate in the Carolinas is \$0.0406, below the regional average of \$0.042 and significantly lower than the national average industrial rate of \$0.0506.



Easy access to anywhere.

Growing the Carolinas' economy is a commitment shared with those charged with protecting our environment.

QUALITY WORKFORCE AND COMPETITIVE WAGES

- The average auto manufacturing wage in the Carolinas is \$13.15 per hour versus \$23.67 per hour nationwide.
- The Carolinas' 75-campus Community College System has emerged as one of the largest in the nation and is recognized as the national leader for its support of economic workforce development and training. Examples of programs are ISO 9000, Total Quality Management, Team Building, Supervisory Development Training, Statistical Process Control and World Class Concepts.
- North Carolina and South Carolina have the lowest union membership rates among the fifty states, 3.6 percent and 4.2 percent, respectively.

SUPERIOR TRANSPORTATION INFRASTRUCTURE

- Seven international airports (Charlotte-Douglas, Piedmont Triad, Raleigh/Durham, Wilmington, Greenville-Spartanburg, Charleston, and Myrtle Beach International), along with 9 regional airports, provide a global gateway to and from the Carolinas.
- Crisscrossed with 6 major interstates (I-85, I-26, I-77, I-95, I-20 and I-40) and over 140,000 miles of highway, the Carolinas are linked to seaports, businesses and consumers in all directions. Ninety-six percent of N.C. has access to four-lane highways within 10 minutes.
- Four Class I railroads with 37 freight lines operate over 5,500 miles of track throughout the Carolinas.
- Five deep water ports, specializing in intermodal system terminals with interstate and rail access to markets throughout the U.S., are located in the Carolinas. N.C. was the first port operated inland container staging and storage facility in the nation. S.C. is the 4th largest container port in the U.S.

ENVIRONMENTAL PERMITTING

- Pro-business environment
- Quick turnaround for most applicants (avg. 6 weeks)
- In line with federal standards

