



HEAVY MATERIALS
A U.S. CONCRETE COMPANY 
US VIRGIN ISLANDS

August 18, 2016

Government Services, Consumer and Veterans Affairs Committee Meeting

Date: Monday, August 22, 2016

Time: 6:00 p.m. to 8:00 p.m.

Location: Cleone Henrietta Creque Legislative Conference Room, St. John

Testimony: Impact in regards to the limited barge services between St. Thomas and St. John

USVI Heavy Materials Co. LLC was acquired in October 2015, by a wholly owned subsidiary of U.S. Concrete, Inc. (NASDAQ : USCR)

U.S. Concrete's commitment and total investment in the USVI construction and building materials industry will exceed Thirty Five Million Dollars, (\$35,000,000), including additional plant and equipment upgrades underway, introduced after the initial purchase.

Our primary business includes: (i) Ready-mixed Concrete; (ii) Aggregate materials; (iii) Construction Block products and is located at 7865 Estate Mariendahl, St. Thomas, VI 00802. The St. Thomas and St. John markets are serviced from this location.

Ready-mixed concrete supplied to St. John represents 30% of the total St. Thomas production volumes.

As a result of the disrupted barge services, experienced from June 2016 through today, Heavy Materials has been unable to consistently deliver ready-mixed concrete products to the island of St. John.

In many instances, ready-mixed concrete loads have been delayed or rejected being loaded at the Red Hook Barge Terminal Pier, causing the trucks to return fully loaded to the Plant and the product being discarded. Ready-mixed concrete is a perishable product, with a limited shelf life.

Heavy Materials has suffered considerable business interruption through loss of products, revenue, profits and lost alternative (St. Thomas supply) opportunities.

Heavy Materials has suffered significant reputation impairment as a direct result of not being able to service its customers – contractors, builders and developers.

The St. John island community at large, continues to suffer substantial inconvenience from the lack of continuity in every-day Island Barge services availability.

Unless an immediate and permanent resolution is forthcoming, the dire financial impact will necessitate, a size of business re-evaluation reduction and will negatively influence Heavy Materials continued investments in employees, capital equipment expenditures and capital improvements generally.

We genuinely appeal government intervention and assistance in rectifying the current limited Barge services between St. Thomas and St. John islands.



Kurt Nose

Vice President / General Manager
Heavy Materials U.S. Virgin Islands