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Calgon Carbon Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) And our first question comes from Michael Horwitz from Pacific Growth Equity.

Michael Horwitz - Pacific Growth Equity

Hello.

John Stanik

Hi, Michael.

Michael Horwitz - Pacific Growth Equity

John, you sound a little sick.

John Stanik

Yes.

Michael Horwitz - Pacific Growth Equity

Hope you feel better in time for our conference in a couple days. My question is, given the size on the market as you just described it for mercury, is there, are there discussions being had at the board level to move more quickly than you currently are, and it's nice to see you start that process.

Are you waiting for a larger off-take agreement from one of these utilities before you really pull the trigger on more aggressive plans?

John Stanik

Yes. We, this is an environmental regulatory market. As you know, throughout our history, we've been involved with situations like this, and in some cases, the market has slowed because of states or regions ability to get the regulations to be postponed.

Now, that does not seem to be happening now. And by virtue of the statistics that I gave you during my presentation, the fact that we are now talking to well over a dozen customers that were involved in terms and conditions, negotiations, it does seem to be happening. But we're not aware of any major contracts.

We have the one and the one that I mentioned during the presentation is the one that we've been selected for, I guess nearly a year now. So we just feel more comfortable and considering the fact that we have the luxury of not having to put that line on stream at this point, because it's a very short construction project to get it back on stream and still have enough time to build some inventory before the July 2009 deadline hits, should we get any business in Illinois, which is the state that should have the first major volumes actually consumed.

Michael Horwitz - Pacific Growth Equity

And so, and I also assume for any capacity expansion and any financing around that, it becomes an easier proposition with a large off-take agreement.

John Stanik

It does, but frankly, we have no concerns whatsoever about financing BEE-Line. We will be able to do that within our own cash generation within existing debt structure. So there's no worry about that.

However, there is value in what, in the fact that we do have taker pays, we do have commitments from customers, which make us feel a little bit better about making that investment there, as opposed to investing it perhaps in some other area.

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