



Jennifer Hesse
JH

OFFICE OF MAYOR RAHM EMANUEL
CITY OF CHICAGO

January 23, 2014

Ref No: 14-00108329

To: Bechara Choucair
Commissioner Of Health
Depaul Center

From: Margaret Gach
Assistant to the Mayor for Correspondence
City Hall, Room 406

Re: PETROLEUM COKE
Greg Baise
220 E Adams St
Springfield, IL 62701-1123

For your information.

Refer to the reference number above on all correspondence and inquiries. Should you have any questions, contact 744-9733.

14 - 00108329

14
18

January 9, 2014

2014 JAN 16 PM 2 11

J.O.

The Honorable Rahm Emanuel
Mayor
City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Re - Petroleum Coke

Dear Mayor Emanuel,

We are writing to respectfully request your careful consideration of the handling of the petroleum coke situation on the southeast side of Chicago. While the regulations proposed by the City Public Health Department are well intended, we believe the regulations will have serious unintended consequences for those who rely on petroleum coke as a fuel or feedstock but also for many Illinois businesses that do not use or handle petroleum coke in their operations. As leaders representing a cross-section of businesses from all over Illinois, we ask that you work with us and those businesses directly affected to discover mutually agreeable terms that will allow the continued safe storage and shipping of petroleum coke in Chicago.

Petroleum coke is a valued product produced as part of the process of refining crude oil. It is a critical ingredient in the manufacture of aluminum as well as cement, steel, paper, brick, glass, titanium dioxide (a pigment or whitener used in everyday consumer items) and other industrial products. These are the products that our members and their employees produce and sell on the world market. We need a continued, reasonably priced supply of this important product to continue to do so.

It is important to note that petroleum coke is **not** considered to be a hazardous material. Directly to this point, the U.S. Environmental Protection Agency stated "petroleum coke has an extremely low environmental hazard potential." As with many materials, petroleum coke handling does require strong fugitive dust plans to manage the impacts of dust. However, there are many different ways that can be achieved, and we are concerned that the prescriptive nature of the proposed city rules do not allow for the flexibility companies need to develop optimal solutions.

Some of our concerns with the rule include, but are not limited to:

- The rule is much broader than petroleum coke, but it's not clear how the ordinance effects similar bulk materials that are prone to dust such as grain, salt or gravel, or why those products are treated differently. Many industries, including foundries, mills, railroads and others are impacted and are working to assess the impact the rules have on their operations. They need additional time beyond the 30-day comment period to review and comment on the rule.
- Requirements for covered transportation may result in a de facto ban of handling petroleum coke within the city because of additional costs and burdens that haulers will have to incur in Chicago but nowhere else.
- Many provisions of the rule related to outdoor storage require immediate compliance and no flexibility or time for handlers to adjust their operations to meet, for example, pile height and throughput requirements.

- Some of the items included in the rule, such as opacity requirements and air quality requirements in general, are better covered by state and federal regulations already on the books.

KCBX Terminals on Chicago's southeast side has drawn significant attention in public discussions on this matter. KCBX has handled bulk materials, including petroleum coke in this community for more than 20 years without major incident.

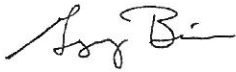
After acquiring a second facility in the neighborhood in 2012, KCBX immediately began work to upgrade the facility to protect the health and safety of their employees and neighbors, investing more than \$30 million, including \$10 million in dust suppression technology alone. Forty-two water cannons rotating on 60-foot-high poles now cover the site, significantly more than the six small sprinklers that were in place when purchased. The fact that it took more than a year to design, permit and install the new dust suppression system is evidence of the need for flexibility in the proposed city rules.

KCBX is a good actor, and the City of Chicago is fortunate to have KCBX operating within its borders. We believe the new dust suppression system they have installed is working, leaving Chicago with only the effects of more jobs and additional local tax revenue. Please consider these facts and come to an agreement with KCBX that allows them to continue their operations in Chicago.

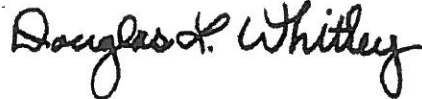
Thank you for your consideration of our concerns. Some of the signatories to this letter and their members have additional, specific concerns with the rule that will be submitted as a part of the rulemaking process. However, we want you to understand the business community is unified on the import of this matter.

Please feel free to contact any of us directly with your questions or concerns.

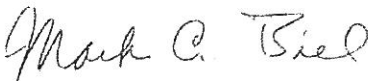
Sincerely,



Greg Baise
President & CEO
Illinois Manufacturers' Association



Doug Whitley
President and CEO
Illinois Chamber of Commerce



Mark Biel
Executive Director
Chemical Industry Council of Illinois



Jim Watson
Executive Director
Illinois Petroleum Council



John Carpenter
Executive Vice President
Chicagoland Chamber of Commerce

cc: Illinois Attorney General Lisa Madigan
Chicago 10th Ward Alderman John Pope