

January 13, 2015

Committee on Zoning, Landmark, and Building Standards
City Hall, Room 304
121 North LaSalle Street
Chicago, IL 60602

Testimony of Dave Severson, President of KCBX

Good morning. My name is Dave Severson, and I'm the President of KCBX. With me today is Mike Estadt, Chicago operations manager for KCBX. Thank you Chairman Solis and members of the Committee on Zoning, Landmarks, and Building Standards for the opportunity to comment on the proposed amendment to the existing zoning ordinance on coke and coal bulk material uses.

The proposal before you would mandate a process to establish throughput limits on petroleum coke and coal. While KCBX disagrees that throughput limits are necessary, we want to work with the Committee and the Commissioner of Planning and Development to ensure that should throughput limits be imposed on KCBX, they are reasonable and don't effectively ban KCBX's ability to continue its long history of operations in Chicago. KCBX has handled bulk materials, including petroleum coke and coal, on Chicago's southeast side for more than 20 years, and we want to continue.

In the introduction to the proposed ordinance, the amendment suggests two reasons for the need for throughput limits. We disagree with both of those reasons. First, KCBX's dust suppression systems, practices, and air monitors work to protect the surrounding community. Second, KCBX is in compliance with the City Rules regarding bulk material handling and continues to diligently work to ensure that we remain in compliance with those rules.

KCBX worked closely with the U.S. Environmental Protection Agency to install air monitors at both of its terminals. The US EPA approved the locations of the monitors and the methods used for operating those monitors. KCBX has 9 air monitors surrounding its terminals; this is twice the number of monitors than the state of Illinois has covering the rest of the entire state. The air monitors have been operating for nearly a year now (KCBX started air monitoring on February 18, 2014). The air monitor results establish that KCBX's dust suppression systems are working. These monitor results affirm the expert studies that show there are no unusual levels of constituents associated with pet coke or coal present in the neighborhoods near our facilities.

KCBX has always worked hard to maintain a safe operation and follow all rules and regulations, including those relating to the new City rules for bulk material handling. We have submitted as

part of our written comments a list of the numerous steps we have taken to comply with the new City Rules. We strongly encourage you to review our compliance program, and we welcome questions on it. For several months now, KCBX also has been submitting monthly reports to the City providing updates on our compliance with the new rules. We can submit those reports to this Committee as well.

If new limitations on the amount of product we are permitted to handle are unreasonable, they could threaten our ability to stay in business. However, we are prepared to work with the Committee and the Commissioner to establish reasonable limits and are committed to doing so. We would welcome the opportunity to meet further with members of this Committee and the Commissioner should you choose to pass this amendment to the ordinance.

In closing, I want to stress that KCBX has the utmost respect for the community and we're committed to operating compliantly. We have 40 employees whose families depend on these jobs so we're going to make every effort to stay in business, to preserve these jobs in the community and continue our contributions to the local economy, the commerce of Chicago, and to our customers and suppliers across the country and around the world.

We appreciate the Committee's consideration and thank you again for the opportunity to provide these comments.