



COPY

January 14, 2014

Department of Public Health
Attn: Environmental Permitting and Inspections
333 S. State Street, Room 200
Chicago, IL 60604

RE: Notice of Proposed Regulations – For the Handling and Storage of Bulk Material Piles

Dear Sirs:

I am writing concerning the Notice of Proposed Regulations for the Handling and Storage of Bulk Material Piles that was posted on December 19, 2013. First and foremost, I believe the extension for comments should be extended beyond January 24, 2014. My recommendation is that the comment period be extended for either a minimum of 30 days or preferably 60 days.

If these regulations are implemented as currently drafted, the impact will be devastating to North America Stevedoring, as well as to a significant number of companies located along the Calumet River on the southeast side of the City of Chicago. Additionally, there will be businesses affected throughout the City of Chicago, many of whom think this is only a petcoke regulation and have no idea that this will affect their organization as well. Not only will the regulation harm these private facilities, there will be a significant negative financial impact to the City of Chicago.

Negative Impact to City of Chicago:

1. In 2013, the City of Chicago, via the Illinois International Port District, will receive approx. \$150,000 in wharfage revenue from North America Stevedoring for the handling of bulk commodities. Over the next twenty years, this is forecasted to grow to \$700,000/year. If this regulation becomes law, the loss in revenue to the City of Chicago/IIPD equates to approx. **\$10,000,000** over the next twenty years.
2. A recent study by Martin & Associates estimates that the State & Local taxes generated by the business activities at North America Stevedoring in 2013 equate to \$5,325,000. If this proposed ordinance passes, in 2014 this amount will be reduced by \$2,600,000. By 2035, State & Local taxes generated through activity at North America Stevedoring are forecasted to grow to \$28,732,000 per year. 90% of this increase, or roughly \$21,000,000 per year, will be attributable to the handling of bulk commodities. If this ordinance becomes law, the loss to the State of Illinois and City of Chicago over the same twenty years is approx. **\$250,000,000!**
3. Ten current employees of North America Stevedoring will lose their jobs. These are good paying jobs that sustain the employees and their families.
4. Hundreds of potential future employment opportunities will be lost.

North America Stevedoring 9301 S Kreiter Avenue Chicago, IL 60617

5. Any hope for privatization of the Illinois International Port District will disappear. Who would want to operate a port that for all intents and purposes can't handle bulk commodities used in local manufacturing?
6. The cost of doing business for the City of Chicago will increase. For example, the salt used to keep the streets clean in the winter is technically an ore that can be used in manufacturing. This would now need to be sourced from outside the City of Chicago. I can only imagine how many truckloads this encompasses each winter. Adding \$50/truckload will cost the City of Chicago millions of dollars/year. What if the State of Illinois passes a similar ordinance? Where does the salt come from at that point?
7. Marine Transportation is the cleanest form of transportation. Each shipload of ore/coal/petcoke/metcoke equates to 1500 trucks on the road. Currently, these trucks travel only a few miles to their final destination. If this ordinance becomes law, you will see them on the Kennedy, Ryan, Eisenhower & Stevenson expressways. That is 1500 trucks emitting fumes, causing accidents, clogging the freeways and breaking down the roads/infrastructure even quicker. And that is just the cargo from one ship!
8. Increased transportation costs will negatively impact local manufacturers. It may cause some to leave the area and will certainly not help attract any new manufacturing jobs.

Should the City of Chicago wish to proceed with a proposed ordinance for the handling and storage of bulk materials, I would ask that the following items be considered prior to any such implementation:

1. An extension beyond January 24, 2014 for impacted parties to present their comments. The proposed language has broad reaching language that will impact many businesses throughout Chicago, the suburbs and the State, many of whom are not even aware of the proposal. These companies will need time to analyze the impact and make the appropriate comments.
2. Allowing materials to be covered with tarps as an alternative to storing the material inside or with dust barriers.
3. Excluding from the ordinance any facility that operates on Illinois International Port District property. These facilities are not long-term storage facilities and the IIPD can self-regulate their operators.
4. Paragraph 1.0 – Eliminate the vague and general term “Ores” from the regulation. If there are specific commodities that the City of Chicago would like to ensure are stored in a more contained manner, than only these commodities should be included in the regulation.
5. Paragraph 1.0 – Eliminate “Coal” from the regulation. Based upon discussions in the press and from elected officials, the primary concern seems to be the dust generated by the handling and storage of petcoke and metcoke. If this is indeed the case, than there is no need to include coal in the regulation.
6. Paragraph 2.9 – The speed for triggering a “High Wind Condition” needs to be increased from 15 MPH. Normal wind speeds in Chicago regularly top 15 MPH. A wind speed greater than 25 MPH should be considered a “High Wind Condition”.
7. Paragraph 3.B – Eliminate the maximum storage capacity of 100,000 cubic yards. If the material is properly contained, there is no reason to limit the amount that can be stored. This merely stifles the opportunity for growth.
8. Paragraph 5.A – Eliminate this paragraph concerning “Five Day Quantity of Materials Received”. By limiting this to 10,000 tons in a five day period, you are basically eliminating the discharging of U.S. and Canadian registered ships in the City of Chicago. These ships normally carry 30,000 tons of cargo and can discharge in one day. This will also adversely impact the unloading of unit-car trains and barges which can arrive in groups and easily exceed this threshold.
9. Paragraph 9 – To the best of my knowledge, there is currently no technology available that will allow barges or ocean-going vessels that carry most types of ores/coal to be unloaded by using an enclosed chute. Additionally, there are many commodities that will be adversely affected by getting wet, so water suppression is not an option.

If the proposed ordinance becomes law, North America Stevedoring will no longer be able to handle/store those bulk materials deemed to be "ores" due to the significant increases in operating costs. These operating costs over a twenty year period would exceed **\$58,500,000** and are broken down as follows: **Initial capital outlay = \$11,223,000 and Recurring annual operational costs = \$47,376,000.** These sums have been derived as follows:

From Section 3.0 – Operating and Maintenance Procedures:

1. Paragraph 4 – The cost of a 30,000 square foot building will be \$3,664,000.
2. Paragraph 5.A. – Self-unloading lakes vessel can discharge 10,000 tons/day. If NASCO had already received the 10,000 ton allotment via barge/truck, forcing the vessel to be delayed by just one day, the vessel demurrage would equate to \$48,000/day. If this happened one day/month during the shipping season, the vessel demurrage would equal \$432,000/year. For a twenty year period, this equals \$8,640,000.
3. Paragraph 6.C. – A 300' long section of 50% porous wind barrier is \$251,000. For total enclosure, we would need 1500', so the approx. cost is \$1,250,000.
4. Paragraph 6.e – If vessel operations were to be suspended on two "High" wind days per month during the shipping season, vessel demurrage would equate to \$864,000/year (\$48,000 x 2 days x 9 months) or \$17,280,000 over twenty years. Lost employee production over that same period would equal \$3,456,000 (8 employees x \$50/hour x 48 hours x 9 months x 20 years).
5. Paragraph 6.f – A minimum of four PM 10 dust monitoring systems with data loggers (4 x \$5000) and a person to oversee their performance (\$50,000/year x 20 years) will be \$1,000,000.
6. Paragraph 6.h – Four mobile water cannons for a water spray suppressant system will cost \$400,000.
7. Paragraph 8 – A 30,000 square foot building for railcar loading/unloading will be \$3,664,000. The rail spur and installation will be \$500,000.
8. Paragraph 9 – Enclosed chute system for loading with a water suppressant system is approx. \$1,000,000.
9. Paragraph 9 – To the best of my knowledge, an enclosed chute system for unloading ores is not currently available.
10. Paragraph 11 – A street sweeper is \$125,000. One operator is \$50,000/year or \$1,000,000 over twenty years.
11. Paragraph 12 – Two personnel will need to be employed at all times to prevent "Accumulation". This extra cost equates to \$100,000/year or \$2,000,000 over twenty years.
12. Paragraph 13 – An enclosed conveyor with water suppressant system is \$500,000.
13. Paragraph 15 c – Cleaning and collecting loose material from trucks will require two people- \$100,000/year or \$2,000,000 over twenty years.
14. Paragraph 15 d – Installation of a wheel wash station and rumble strips - \$100,000.
15. Paragraph 16 – Loading/discharging enclosed railcars and barges decreases productivity by 25%. The increased labor cost is estimated to be \$500,000/year or \$10,000,000 over twenty years.

Section 4.0 Recordkeeping – Two additional people will need to be hired for recordkeeping at a cost of \$100,000/year or \$2,000,000 over twenty years.

Thank you for your consideration in this matter. If this proposal were to become law, there are dozens/hundreds of companies that would be severely negatively impacted, many of which would be forced to close their doors. As a resident of Chicago's 28th Ward who works in the 10th Ward, I would hate to see more jobs lost to surrounding communities/states due to poorly crafted legislation. I understand there is a problem that needs to be addressed. I believe this can be done without the collateral damage that this proposal would inflict.

Respectfully,

A handwritten signature in black ink, appearing to read "Ian R. Hirt". The signature is fluid and cursive, with the first name "Ian" and last name "Hirt" clearly distinguishable.

Ian R. Hirt
General Manager

CC: 10th Ward – Mr. John Pope
Calumet Area Industrial Commission – Mr. David Holmberg
28th Ward – Mr. Jason Ervin