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CITY OF CHICAGO CRACKS DOWN ON ILLEGAL PET/MET COKE OPERATION

First Cease and Desist Order Issued Under New Regulations to Protect Air Quality for Residents

The Chicago Department of Public Health (CDPH) on Wednesday issued a cease-and-desist order to Calumet Transload, LLC for storing and transporting met coke (a material similar to petroleum coke or pet coke) and coal at its Southeast Side facility, in violation of new regulations championed by Mayor Rahm Emanuel to protect air quality for residents. Calumet Transload is affiliated with the Beemsterboer family. In 2013, the City and Illinois Attorney General sued George J. Beemsterboer, Inc. and Beemsterboer Slag Corp. for air pollution violations involving storage of bulk materials at a nearby site. The companies have entered into an interim agreed order to not bring additional materials to their sites until receiving the necessary permits from the State.

Calumet Transload is illegally storing 12,000 tons of coke at their facility and, prior to the City's issuance of the cease-and-desist order, planned to bring an additional 8,000 tons to the site, which is the equivalent of 400 dump trucks of coke. After receiving the cease and desist order, Calumet Transload still attempted to transport several truckloads of additional material onto the site in violation of the order; City personnel blocked the entrance and turned the trucks away.

"These rules were created to protect our residents and our air," said Mayor Emanuel. "We will not let any company or individuals violate our law and hurt our quality of life in order to make a quick buck. Today's action is just an indicator of how serious Chicago takes this issue."

Road access, used to transport the material to and from Calumet Transload's facility, crosses adjacent to property owner KCBX. KCBX is the single largest pet coke operator in City limits and recently indicated a possible lawsuit against the City of Chicago over pet coke regulations. The City notified KCBX of its action and sought its cooperation in ensuring that no additional illegal coke materials are transported to the Calumet Transload.

The order requires the immediate halt of activities and requires Calumet Transload to remove the materials from the City immediately, or face fines up to \$10,000 a day until they do so. Yesterday, a notice was issued to Calumet Transload to appear at a City Administrative Hearing on the issue. The City will monitor the site to ensure no additional materials are delivered while the company makes arrangements to remove the met coke.

This action follows a number of steps taken by Mayor Emanuel and his administration to restrict pet coke transportation and storage within City limits. In February, the Mayor joined Alderman

John Pope (10th) and Alderman Ed Burke (14th) to introduce an ordinance that bans new pet coke, coke and coal facilities and prohibits existing facilities from expanding. The ordinance passed in April. Earlier this year, the Chicago Department of Public Health finalized new regulations related to the handling and storing of bulk materials, including pet coke.

“Our efforts to implement some of the nation's strictest laws regarding the storage, handling and transportation of this type of material are paying dividends in terms of protecting residents of the southeast side,” said Alderman John Pope.

Those regulations required companies that currently transport or store pet coke to fully enclose their facilities and adopt other best management practices to prevent the spread of these materials into the air. Companies that were not previously storing pet coke, including Calumet Transload, by the time the new ordinance went into effect, were barred from doing so. Previously, Calumet Transload has used this site for salt storage.

“The City of Chicago will always put people above profit,” said CDPH Commissioner Bechara Choucair, M.D. “In order to protect the health and well-being of every resident in every neighborhood, we will continue to ensure that every corporation – no matter how big – abides by these rules.”

Pet coke is a solid carbon material derived as a byproduct of the oil refining process and is typically used as a fuel source in power plants. A significant amount of pet coke is produced by the BP facility in Whiting, Indiana, and it is anticipated that the amount of pet coke produced by this facility will triple in the coming year due to an influx of oil from Canada and recent upgrades made to the facility.

Pet coke generally contains high concentrations of carbon and sulfur, and also may include trace elements of metals such as vanadium, nickel, chromium and lead. Inhaling pet coke can contribute to serious respiratory health problems, particularly for individuals who suffer from heart and lung disease and asthma.

Met coke is a carbon material resulting from the manufactured processing of blends of bituminous coal.

The City also asks residents who suspect coke to report it to 311 or by emailing reportpetcoke@cityofchicago.org. Additional information can be found at www.cityofchicago.org/petcoke.