

Arkema Inc. Crosby Sept. 4, 2017 : Arkema holds press conference, focuses on community outreach.

Rich Rowe: 00:26 Good morning. I am Rich Rowe, President and CEO of Arkema Inc. Thank you very much for coming. I would like make a couple of opening comments through the press conference this morning. And firstly it's to express our profound appreciation and respect for the support that we received from the unified command over the course of the last week. The capability, the competency, the professionalism of all the authorities that represent the unified command coming from Crosby, from Harris County, the State of Texas and our federal authorities. It's really been outstanding. I can't tell you how instrumental It has been to this point.

Rich Rowe: 01:01 Secondly I want to once again apologize the people of Crosby and of Harris County more broadly. The implications of the evacuation, the implications of Hurricane Harvey on our Crosby site layered on the impact that had on their personal lives, I can only begin to imagine. I hope that they can know how profoundly sorry we are for the impact we had on their lives. And how committed we are to working with them to bring their lives back to normal. The third thing I would say is, and I hope you heard this from me as we moved through this crisis, is from the first moment, our sole, primary objective was to ensure safety to the people at the Crosby site and of course to our neighbors. That has been our guiding light. That has been the measure against which we made decisions. And I think we passed a very critical milestone yesterday that I am glad we achieved. So I'd like to turn it over to Rich and allow him to talk about what's happened in the last 24-36 hours.

Rich Rennard: 02:23 Thanks very much Rich. First, again, I'd like an echo Rich's sentiment about the impact that we've had on the community and the role that all the members of the team on the Incident Command had in terms of helping us get to this stage. For those of you that don't know, the mandatory evacuation order that was imposed was lifted early this morning. The residents of the community are now safe to return back to their homes. All of the road closures that were made as a result of the evacuation order have now been reopened. So families and people that own properties or have homes back in that area now are able to return back home. I do think it's appropriate, based on what transpired to recognize a few key individual members of the Incident Command. Without their help and support, we certainly wouldn't be able to get to the point where we are today. That includes Commissioner Randy Foster from ESV80, Chief Bob Royall, Chief Rodney Reed, Chief Mike Simms. These guys are the ultimate professionals. Without their support,

dedication to public safety, we would not have been able to get to where we are today. Let me explain just a little bit now what's transpired over the last 36 hours since we had the last chance to speak with you guys. At that point in time we still had six containers of product that had not yet begun to decompose and burn. Saturday afternoon we began to see some evidence of product decomposition. So at that point, like we had seen in the first two incidents we were anticipating the product would begin to more aggressively decompose and ultimately start to burn and then catch fire. That didn't happen quite as quickly as we thought it was going to. We continued to monitor the condition of those containers with aerial surveillance and over the course of the next 12 hours not much really happened. Then late Saturday evening we saw some evidence that the product was decomposing. So we are again anticipating that a fire would begin shortly thereafter. Early Sunday morning that still had not happened. And with our aerial surveillance, we saw evidence of product leaking out of the containers. At that point we made the decision that, in order to maintain the safety and security of the site and the area for the residents, a more aggressive approach was necessary. We initiated the discussions with the incident command about what I've described as a controlled burning of the product. All of the product has been successfully and safely burned. And that's what ultimately led to the lifting of the evacuation order. We're continuing to maintain air quality testing at the one and a half mile radius. We've moved all the way back up to our fence line. We're going to continue to maintain air quality testing for some time to come. We have seen no evidence of any issues with any of those results. And so that's what's led the officials to lift the mandatory evacuation order. With that maybe I'd like to turn it back to Rich to make some comments about what's next, which is the most important part of this process. As Rich said that's restoring the lives of the local community, the local residents back to some sense of normalcy. Rich.

Rich Rowe:

02:26

Thank you Rich. You know that's where our attention is is focused at this point. A couple of days ago, we sent down a crisis team, leveraging the capabilities and resources from across our company, to the Crosby area. They've been operating out of the high school for the past couple of days with the objective of helping the residents of Crosby impacted by the hurricane and the evacuation of the zone surrounding it, helping them return their lives to normalcy. So they are providing help with finding housing. We've helped over 100 families find housing since since getting on site. We're providing

help with transportation, with essentially all that you can imagine, getting their lives back to normal. We established since the very beginning of the crisis, a hotline for residents and impacted parties to be able to make calls to ask for assistance, to seek guidance in terms of how they can understand what's going on and get the necessary medical support that they need. We have established a claim center as residents begin to return to their homes. We recognize, obviously, that the hurricane will have had an impact, in many cases, on their homes and not being able to access their homes for a week may further exacerbate that. So we've set up a claims line where we'll provide support to the affected parties as we go forward and they return their lives to normal. So that's the focus. That's the commitment that we have. Obviously it's been a devastating week on top of an extraordinary, unprecedented storm. So I guess I would say that we will go forward with a commitment to help the residents of Crosby and beyond, to once again return their lives to normalcy just as quickly as possible. So thank you. And we'd be happy to take any questions that you have.

- Reporter: 03:31 Have you been out to Crosby personally. We were just finally let back in. There are just a lot of really frustrated people, exasperated you know, that couldn't get to their homes. Have you talked to some of those people? Some of those people were pretty angry.
- Rich Rennard: 04:35 Yes. We certainly haven't been able to speak to anybody inside the one and a half mile evacuation zone because we weren't allowed to go inside that location as well. We've spoken to people who have come to the firehouse. In my case in particular I've spent most of my time here dealing with the incident, trying to manage that. We've had other resources from the company talking directly with family members. We know people are frustrated and that's our focus at the moment is dealing with that frustration. What is it like hearing some of those stories and cases directly.
- Rich Rowe: 05:09 It's hard, it's heart wrenching. It's heart wrenching. I mean when you hear people talk about their their pets, their livestock being, you know, trapped in an evacuation zone.
- TRUCK: 05:09 {truck goes by}
- Rich Rowe: 05:24 This is an important point so I thank you for letting me take a pause. When you hear about people, when you talk to people, and understand the impact that this has had on their families,

on pets, it's heart wrenching. It's heart wrenching. I mean we all know the how important our families and pets can be in our lives and to have that taken away from you and not have that in your control. I can't imagine how difficult that must be. So we take that with us as we go forward and try and assist them in returning their lives.

- Reporter: 05:47 Can you tell us why that road is still closed?
- Rich Rennard: 06:05 The road into the plant, before we can actually gain access onto our site, the Harris County Fire Marshals Office is required to go in before we do. And as soon as they go in and give us the all clear then we'll be able to go in and inspect our equipment and make sure that the rest of the site is safe for our employees to re-enter.
- Reporter : 06:10 You talked about air quality testing. Can you talk a little bit about what other precautions you are taking. I mean is there potential for what has burned to settle in water, on the ground or stuff like that. Long-term damage.
- Rich Rennard: 06:37 Yes so certainly this was a fire. And with any fire there is ash and that ash is ultimately going to fall out of the sky and land on the ground. So what we're doing, and instructing residents to do is, if they see any debris or ash that falls under their property, we would encourage them to call our hotline, and then we will send a team of people out to to remove that debris from their property.
- Reporter: 06:37 Should they consider that ash to be more dangerous than something from a campfire or normal fire?
- Rich Rennard: 07:06 It's debris that would be similar to a house fire.
- Rich Rennard: 07:11 I mean when when these materials were burning they were inside these trailers and the trailers were made out of that materials. The product was packaged in plastic so there's going to be plastic, trailers and rubber tires on them. Those tires burned. There's insulation on the inside of the trailers ,that burn. So that's the kind of combustible materials that would typically be found in that kind of ash.
- Reporter: 07:30 Why did you decide not to tell the public in advance before you did the controlled burn?

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Rich Rennard: 07:41 This was a decision that was made based on the command center and it was just an action taken to protect the safety and security of the residents.

Rich Rowe: 07:51 Again, that has been our guiding light the whole way. How do we ensure that....

Reporter: 07:51 You didn't want to tell the surrounding residents. They were just surprised by the smoke and you didn't feel a need to tell them.

Rich Rowe: 08:02 With the support, with the guidance and close cooperation of the unified command, we felt that that was the best approach to ensure the safety of the people around the site.

Reporter: 08:02 Any update on how much lost revenue you guys might have.

Rich Rennard: 08:17 No, no that's not our focus. Our focus is getting that the issues with the local residents dealt with.

Reporter: 08:17 And when will the plant reopen?

Rich Rennard: 08:26 We have no timeline in terms of the restarting of our facility.

Reporter: 08:26 We had a caller this morning say that said she lives close to that area and it has dead animals on this property. Have you heard anything about this. People are calling us for guidance on this and how to get the carcasses out.

Rich Rowe: 08:42 We have heard of residents having dead animals on their property.

Rich Rowe: 08:52 So yes we have heard about it and we will provide as much support as we possibly can to help them deal with that.

Reporter: 08:52 What would you say for them to do?

Rich Rennard: 09:01 To call our hotline and get them.

Rich Rennard: 09:03 All of these kinds of issues are being really addressed via the hotline and that's the fastest and most efficient way for people to get these issues.

Reporter: 09:03 Have you had any other plants that were impacted by Harvey?

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Rich Rennard: 09:16 Yes, we have we have five plants in the Gulf Coast. All of those facilities have been impacted by this storm. Certainly not to the degree that the facilities here in Crosby have. We have more than six feet of water here and we do not have six feet of water in other facilities.

Reporter: 09:16 So what were the impact at the other places?

Rich Rowe: 09:35 Well, for example, we have a plant in Beaumont and I think everyone has an appreciation for what Beaumont and the people of Beaumont are experiencing. As Rich mentioned, up to now and I think it will prove to be this way as we move through this whole crisis, the most significant impact has been here at Crosby.

Rich Rennard: 09:53 Just to give you some context for your answer. Our facilities in Clear Lake had actually slightly more rain in Clear Lake than we did here in Crosby. We had six feet of water in our plant here. We had about a foot and a half of water in our plants in Clear Lake.

Reporter: 09:53 Did the some of the other plants lose power then?

Rich Rennard: 10:06 No, we lost power but we didn't have six feet of water in our site like that.

Reporter: 10:06 When the evacuation order was given, residents were already dealing with flood water themselves. Now that the evacuation order has been lifted, is there any plan to reach out to them to provide some sort of support or financial help to them?

Rich Rowe: 10:37 We were actually reaching out right now. And it's inclusive of financial support. So yes, support financially and support in any number of ways. How do people get back to work? How do they get transportation? How do they find a place to live until they can get back into their homes? The claims line that I mentioned to help them deal with potential damage that Hurricane Harvey has had. So absolutely yes.

Reporter: 10:57 You mentioned the debris. Are there any other precautions people should be taking as they go back to these homes. Should they be running water or should they be doing anything else or is there anything else they should know.

Rich Rowe: 11:09 We don't anticipate that this is going to be anything related to water contamination or water issues. There was no organic

peroxide, no material that moved off of the site as a result of the flood. So we don't anticipate that there's going to be any implications to people's water or water supply. We're testing the soot as we speak. I mean the question you raised a few minutes ago, we're testing that now. And what we've said to residents is that if you have soot on your property, we will come in and pick it up. And certainly if there is a need to put in further testing, then we will do that.

- Reporter: 11:14 And how many people have filed a claim so far. Do you have a number?
- Rich Rennard: 11:48 I don't know that number. But certainly the claims hotline is open for those who have an issue.
- Rich Rowe: 11:54 We've seen 800 people. Those are not all claims. So again we we've put these both the call center and the claim center in place several days ago. So it's quite it's been quite active.
- Reporter: 11:59 What sort of long-term preparations are you making for people who might come forward with health concerns as a result of breathing in soot?
- Rich Rowe: 12:18 You know, I think we have to take it a step at a time. Obviously we've provided short term support and direction through the call center, and some of our other resources that are providing medical guidance in terms of exposure to the smoke, which we talked about in terms of the implications that it can have. So that's that's where we are today and will have to move forward accordingly.
- Reporter: 12:35 What's your plan? I hope a storm like this doesn't happen again but what if it does?
- Rich Rowe: 12:44 Well, I think, certainly as we move forward we'll take a step back and examine all the issues - the way we prepared, the decisions we made as we move through the crisis. As Rich pointed out, we've had several other sites that have been impacted by Hurricane Harvey. So I think we'll take a broad view across the whole of those sites to see what decisions were made well, what systems we have in place that are effective. We're going to work with the Chemical Safety Board, who's going to come into Crosby and look at this specific situation and try and assess what went well and what didn't. And frankly speaking we welcome that. If that sort of review can help make us stronger, can help us ensure that going forward we don't

face a similar situation like this, then we are absolutely open to that. I think it will, it could, help us and it could help the entire industry.

Reporter: 13:19 Looking back now, what would have been the best way to avoid this?

Rich Rowe: 13:39 You know in a storm, it's difficult to ask answer that question. And honestly, our focus has been much more about looking forward for now, and all about getting those residents back into their homes and able to live their lives like they did before Hurricane Harvey made landfall. You know I think a storm like this was, I think we've used the term unprecedented. I've heard people say it's a 500-year storm, it's a thousand-year storm. So it's difficult to look back and say, OK if we have done this or that -- at this point in time -- it's not to look back and say, if we had done this or that, the situation would have ended up differently. We'll ask ourselves those questions. Right now, our focus is, how do we get people back into their homes and able to live their lives.

Reporter: 14:13 At any point, are you going to say how you did yesterday's explosions?

Rich Rennard: 14:24 That's really up to the to the Harris County fire marshals office an incident command to talk about that. we really don't know the details around them.

Reporter: 14:24 Can you say the hotline number for people who are watching live?

Rich Rowe: 14:24 1 877-4-ARKEMA. A-R-K-E-M-A. All right thank you. Thank you very much.