

Statement Presented to the City Commission  
Gainesville, Florida  
June 14, 1999  
Archimica (Florida) Inc.

We regret the incidents which have occurred at our facility in the past. We believe that all incidents are preventable. We strive to operate our plant safely and without harm to anyone or to the environment. Our business policy and our employee direction is to provide a safe workplace, where our employees, the community, and the environment are safe from our activities. Our policy is to be in legal compliance or better. We strive toward best practice. Our management team is taught that line management is responsible for the safe design, and operation of our facility. We expect to operate in such a manner that our community can have confidence that we will be a positive contributor.

Following the incidents of last August, we hired two firms to inspect and make recommendations for improving our process safety management system and the mechanical integrity of our facility. Law Engineering continues the inspections this year that it started last August. This is a part of our mechanical integrity program which provides us information as to the soundness of our facility and the frequency with which we must replace components of the plant to ensure that replacement occurs before failure and a resulting incident. We have created a Mechanical Integrity Department whose responsibility includes maintenance, mechanical integrity, and hazard assessments of operations.

Archimica has been reorganized so that a US Head of Operations has been created. This position is responsible to see that Archimica's US operations are well managed which includes its facilities being designed and operated to be safe and compliant. A new Site Director at the Gainesville plant, Mike Brummitt, has been in place since April 1 of this year. Mike is a chemical

engineer with 25 years of experience with the company. He is experienced at running facilities and in insuring that line management carries out its role which includes safe and compliant operations.

We have participated in the Airborne Releases Ad Hoc Committee whose report you have heard today. The various recommendations of the Public Works Committee were discussed earnestly but without complete agreement on some of the solutions. We are concerned that some of the recommendations will have a serious adverse effect on the operation of our plant. We have worked in good faith with the City and will continue to do so. The City should encourage safe and compliant operations. Any measures which the City takes in response to the recommendations we've heard today should be based on sound science, the law, practicability, their effectiveness and not burden safe, compliant operations.

Archimica has manufacturing plants in Florida, South Carolina, Missouri, Puerto Rico, United Kingdom, France, and Italy. Any time a decision on spending capital is made, return on investment is a key part of the decision. If the costs associated with being in a given location is excessive relative to other locations, all other things being equal, the decision is most likely to favor investing in new facilities where the costs are lower. The company expects to operate its facilities in a safe and environmentally sound manner regardless of where they are located. Existing facilities will be well maintained and kept compliant.

Our Gainesville business has operated since 1953. We have been at our current location since 1959. . Our products are sold to the pharmaceutical, personal care, electronics, polymer products, and construction industries. Our annual sales are approximately \$ 52 million. Salaries and benefits paid are about \$ 13 million. We employ 232 people. We paid \$350 thousand in property taxes in 1998. We recently purchased a reverse 911 system for the Alachua County Sheriff's Office. We take an active role in participating and financially supporting various community projects. We are support Partnership in Education, Junior Achievement, United Way, American Cancer Society, and the Boys and Girls Clubs, just to name a few.

I have been at this business for over 30 years. I believe that we all have an obligation to preserve the quality of our environment, to protect the safety of our employees and the community, and to be good stewards of the business enterprises which operate in our community. I hope our business operates

far into the future in Gainesville. We must be diligent to protect people, environment, property, and business enterprises for all of our people to have a good quality of life. Please work in good faith with us to accomplish these objectives.

All of the recommendations made in the report today and the resulting action by the City should be judged by the following questions: Will this be effective? Will it be legal? Is it based on sound science? Is it practicable? Will it place an unreasonable economic burden on local business? If any of the answers to any of these questions is no, we should look for another answer. A number of the recommendations of the report do not pass this test. I will comment now on two of the report's recommendations.

A recommendation is that a third party be hired by the City at the expense of the hazardous materials site to advise the City on the compliance of the site. This envisions having anything that we do having an environmental, health or safety aspect be subject to review by the audit team. Everything we do falls into this category. This would be a never ending activity carried out by a team of consultants. It would be unreasonably expensive according to the degree of diligence of the team and could put us out of business. An alternative to this proposal would be to require the site to have its environmental, health and safety management system subject to ISO certification. We think this is a proposal that deserves serious consideration. Archimica is ISO certified for its quality system. ISO 14000 applies to environmental management. OSHA has talked about having an ISO type standard to cover safety. This would involve having a third party audit the facility on a regular basis to ensure that the facility was doing what it was supposed to do. All of this requires extensive documentation. It requires the facility to have a team of internal auditors who regularly audit the facility's performance against the procedures and standards used in the business. Although not an ISO approach, Archimica (Florida) is currently participating in OSHA 7(c) program which is a voluntary initiative in which an independent inspector works with sites to assist in ensuring that full OSHA compliance is attained and maintained.

A second recommendation is that the County's Hazardous Materials Management Code be modified to include air. Modifying the code is not an issue, but the language presented to the Airborne Releases Committee creates a compliance standard which is scientifically impossible to comply

with in that it prohibits de minimus discharges allowed by state and federal law and which do not pose a threat to health or the environment. The result of this proposed modification would put us out of business.

In summation, we fully intend to operate a safe and compliant facility. We are a good corporate citizen and member of the community. We expect to maintain high standards of operation. We will work in good faith in our business workings and in our relationships with the community. We call on you to work with us in ensuring that any provisions passed not only protect public safety and the environment but also protect the economic viability of our business.

Thank You,

Keith Baucom