

# Arkema CEO: "No Way to Prevent Imminent Explosion" at Texas Chemical Plant

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**Update**: here is the statement posted late on <u>Wednesday afternoon on Arkema's US</u> <u>website</u> on the current status of the Crosby, TX plant:

# Comments from Rich Rowe, President & CEO, Arkema Inc. on our Site in Crosby, Texas

The nation is dealing with a natural disaster of enormous magnitude in Texas. As part of that, Arkema is dealing with a critical issue at our Crosby, Texas facility.

Please let me begin by thanking our brave and dedicated employees who safely shut down the site before Hurricane Harvey made landfall. Like everyone else in the region, these folks were dealing with personal and family issues caused by the storm, yet they performed their tasks in the most professional manner.

Next, we apologize to everyone impacted by our situation, particularly in combination with the horrible conditions visited upon the region by the hurricane. We are working closely with many governmental authorities and first responders, and we want to thank them for their guidance, professionalism and dedication. People are working around the clock under extremely challenging conditions, and the work thus far has been tremendous. We cherish the strong relationships and support we have received from our neighbors, the United States Department of Homeland Security, Harris County Office of Homeland Security and Emergency, Harris County Fire Marshall's Office, Harris County Texas Sheriff's Office, Federal Emergency Management Agency, and our elected representatives.

Our Crosby facility makes organic peroxides, a family of compounds that are used in everything from making pharmaceuticals to construction materials. But organic peroxides may burn if not stored and handled under the right conditions. At Crosby, we prepared for what we recognized could be a worst case scenario. We had redundant contingency plans in place. Right now, we have an unprecedented 6 feet of water at the plant. We have lost primary power and two sources of emergency backup power. As a result, we have lost critical refrigeration of the materials on site that could now explode and cause a subsequent intense fire. The high water and lack of power leave us with no way to prevent it. We have evacuated our personnel for their own safety. The federal, state and local authorities were contacted a few days ago, and we are working very closely with them to manage this matter. They have ordered the surrounding community to be evacuated, too.

We are setting up a call center to handle questions from neighbors and others

affected, and a claims center to handle financial claims related to Arkema's Crosby situation. Also, we've reached out to local crisis leaders in Harris County and offered our support. Once more, we apologize for impacting their lives. We thank the governmental authorities who are working closely with us for their guidance and professionalism, and will continue to work with them until this situation is resolved.

Thank you.

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#### Earlier

Yesterday <u>we reported</u>, that in a potentially disastrous outcome from the Harvey flooding, a chemical plant in Crosby, Texas belonging to French industrial giant Arkema SA, has announced it is evacuating workers due to the risk of an explosion, after primary power was knocked out and flooding swamped its backup generators. The French company said the situation at the plant "**has become serious**" and said that it is working with the Department of Homeland Security and the State of Texas to set up a command post in a suitable location near our site.

The plant, which produces explosive organic peroxides and ammonia, was hit by more than 40 inches of rain and has been heavily flooded, running without electricity since Sunday. The plant was closed since Friday but has had a skeleton staff of about a dozen in place. Following the flood surge, the plant's back-up generators also failed. **The threat emerged once the company could no longer maintain refrigeration for chemicals located on site, which have to be stored at low temperatures.** The plant lost cooling when backup generators were flooded and then workers transferred products from the warehouses into diesel-powered refrigerated containers.

On Tuesday afternoon, the company released a statement which admitted that

"refrigeration on some of our back-up product storage containers has been compromised due to extremely high water, which is unprecedented in the Crosby area. We are monitoring the temperature of each refrigeration container remotely."

It then warned that "while we do not believe there is any imminent danger, the potential for a chemical reaction leading to a fire and/or explosion within the site confines is real."

One day later, and with the torrential rains finally over, has the situation at the giant peroxide chemical plant stabilized? Unfortunately, <u>according to Reuters</u>, the answer is no.

Speaking to reporters on Wednesday afternoon, **Richard Rowe**, the chief executive of Arkema's American operations said that

"the company has no way of preventing chemicals from catching fire or exploding at its heavily flooded plant."

Rowe added that the company now expects chemicals on site to catch fire or

**explode within the next six days.** Since the plant remains flooded by about six feet of water, "the company has no way to prevent" this worst-case outcome.

Anticipating the worst, the company earlier evacuated all remaining workers, while Harris County ordered the evacuation of residents in a 1.5-mile radius of the plant that makes organic chemicals.

Previously, Arkema said that it was working with Homeland Security and the state of Texas to set up a command post near the site. As we reported on Tuesday, **Rep. Ted Poe**, a Texas Republican, wrote on Twitter that the Crosby plant "is in danger of fire/explosion. The local area is being evacuated. Stay out of area."

Chemical Plant that makes ammonia in Crosby is in danger of fire/explosion. The local area is being evacuated. Stay out of area. <u>#Harvey</u> <u>https://t.co/zCtnCGO5w8</u>

— Ted Poe (@JudgeTedPoe) <u>August 29, 2017</u>

Previously <u>Reuters added that other</u> chemical plants have also shuttered production in Texas because of the hurricane, however none are in such a precarious state. These include Anglo-Swiss chemicals firm Ineos Group Holdings, which said it has been forced to shut down facilities in Texas. Chocolate Bayou Works and Battleground Manufacturing Complex, and INEOS Nitriles' Green Lake facility are following hurricane procedures and are temporarily shut down, spokesman Charles Saunders said. Huntsman Corp said it has closed six chemical plants in Texas, along with its global headquarters and advanced technology center in Texas.

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