

RESERVE MANAGEMENT GROUP

March 24, 2020

Via Electronic Mail

Mr. David Graham
Assistant Commissioner
Department of Public Health
City of Chicago
333 S. State, Suite 200
Chicago, IL, 60604
dave.graham@cityofchicago.org

Dear Assistant Commissioner Graham:

In response to the city and state emergencies prompted by the COVID-19 crisis, Reserve Management Group and its operating subsidiaries, including GII, LLC, doing business as General Iron (“GII”), is continuing operations as an “essential business” under provisions of the statewide Executive Order 2020-10.

As we informed the City Law Department via email on Saturday, the ongoing operations at GII, located at 1909 N. Clifton Ave., fall squarely under two exemptions in the Order pertaining to “Essential Infrastructure” and “Essential Businesses and Operations.” Regarding “Essential Infrastructure,” Section 9 authorizes leaving home “to provide any services or perform any work necessary to offer, provision, operate, maintain, and repair” essential infrastructure, including “solid waste and recycling collection and removal.” Section 9 further states that “Essential Infrastructure shall be construed broadly....” Regarding “Essential Businesses and Operations,” Section 12(t) deems, as essential businesses, “[m]anufacturing companies, distributors, and supply chain companies producing and supplying essential products and services in and for industries such as ... waste pickup and disposal,...steel and steel products...as well as products used by other Essential Businesses and Operations.”

Further, GII plays a vital role in the critical manufacturing supply chain detailed in the updated [Guidance](#) issued yesterday by the U.S. Department of Homeland Security’s Cyber and Infrastructure Security Agency. GII’s products are necessary raw materials used by steel manufacturers and iron and non-ferrous foundries in the production of all manner of metal goods, including commercial, industrial, military, and consumer products. Limiting the supply of raw materials will result in a corresponding reduction of overall manufacturing capacity.

Unfortunately, since Saturday, a few individuals on social media have used the COVID-19 crisis to question the essential operations of GII and, advancing a false narrative, have called upon the Mayor and other public officials to shut down the company’s operations. Regrettably, these individuals are continuing to misrepresent GII’s potential impact on the health and safety of our neighbors, when, in fact, GII is doing more to protect the environment and public health than any other metal shredding facility in the city or area.

In our ongoing effort to set the record straight, GII’s highly respected environmental consultants at RK & Associates, Inc., have compiled the following essential facts about GII’s operations and its impact on the health and safety of the city and its residents:

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- GII operates the only metal shredder in Chicago and the Midwest equipped with a particulate filter, regenerative thermal oxidizer (RTO) for control of volatile organic material (VOM) and a packed tower scrubber for control of acid gases;
- VOM emission testing performed in November 2019 demonstrated that the RTO destroys 99% of VOM;
- In absolute terms, General Iron's VOM emissions are a mere fraction of the overall VOM emissions from stationary sources in Cook County. The company's projected actual annual VOM emissions represent only about 0.08 percent of the VOM emissions from all stationary sources across Cook County, based on Illinois Environmental Protection Agency data submitted for 2017 to the U.S. EPA's National Emissions Inventory;
- Although GII's shredder is larger than that of its nearest competitor, located just six miles away, GII's permitted shredder VOM emissions are more than 70% *lower* than the competing facility.
- Testing performed in November 2019 demonstrated that shredder particulate matter emissions were less than 3% of the levels in GII's current IEPA Operating Permit;
- The observed plume from the scrubber exhaust stack is water vapor (steam). This is clearly demonstrated by U.S. EPA Method 9 opacity testing, performed in November 2019 by a certified visible emissions observer, that reported zero visible emissions beyond the steam plume;
- Air emissions testing supervised by the Illinois EPA and the U.S. EPA in June 2018 demonstrated that no emissions of 17 specific metals or filterable particulate matter (PM) from shredding operations violated any permitted levels or applicable requirements. As stated by the U.S. EPA on its [website](#), the results of the metals emissions test indicated that the "emission rates are low compared to EPA emission limits." The tests confirmed the effectiveness of the shredder's high-efficiency air filter, consisting of a capture hood, cyclone, and roll-media filter system, to control PM and metals emissions;
- An off-site impact analysis for shredder metal emissions measured in June 2018 was performed using USEPA approved air dispersion modeling. The results showed that the predicted impacts met or exceeded risk-based standards identified in Wisconsin Department of Natural Resources (WDNR) air emission regulations. WDNR standards were used because the Illinois Environmental Protection Agency (IEPA) does not have corresponding regulations; and
- The GII shredder's advanced pollution control system results in shredder emission rates that are significantly lower than emission rates from any other shredder in the Chicago area.

GII recycles approximately 740,000 tons of obsolete metal products annually, which is about the same quantity as all of the garbage collected each year in the City of Chicago. Shutting GII would have severe consequences, especially in this period of civic emergency. Among the dire consequences, are the following:

- The City's Department of Streets and Sanitation would find it difficult, at best, to meet the burden of handling thousands of additional tons of household appliances and items discarded in alleys;

- Scrap metal may be sent to other facilities in the region, *none* of which have air quality controls for metals, particulate matter, or VOM. GII is currently the only scrap metal recycler in the Midwest with a filter, RTO, and scrubber;
- Peddlers, who are predominately city residents of limited means, will be financially impaired and have to travel farther to reach a scrap metal recycling facility;
- Marginally recyclable materials will get left behind. These materials may end up being disposed of in landfills or otherwise handled/disposed of improperly; and
- GII and its 100-plus employees, who are predominately minority residents of the city, will experience severe economic hardship.

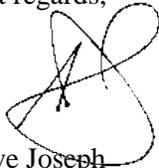
Please know that we take the health and safety of our employees, customers, and neighbors very seriously. In addition to measures required by federal and state air quality and safety regulations, we have taken further precautionary measures consistent with current COVID-19 guidelines provided to businesses and employers by the Centers for Disease Control and Prevention, including social distancing practices, extra cleaning, and other mitigation measures. Additionally, employees are not allowed to report to work if they feel sick, manifest symptoms, or have been diagnosed with or exposed to any person diagnosed with COVID-19. GII believes that it is imperative that we continue to support America's critical infrastructure, knowing that we have taken and will continue to take appropriate measures to protect our employees, customers, and other stakeholders.

GII appreciates its neighbors' concerns and continually strives to ensure that its operation is the best in class compared to any similar facility in the United States. The company trusts and relies on public officials to seriously consider the facts we have addressed, grounded on legitimate science, and the company welcomes any genuine dialogue on that basis. Unfortunately, rather than engage in constructive dialogue rooted in facts, it appears that certain opponents would prefer to drive governmental decision-making based on inaccurate, incomplete and false information.

Under the provisions of the Term Sheet entered with the City last September, the parties agreed to "use best efforts to engage in public discourse that is fact-based and reasonable."

Please do not hesitate to contact us if you or your Administration have any questions. We extend our sincere best wishes to you and your team during these unprecedented and trying circumstances.

Best regards,

A handwritten signature in black ink, appearing to read 'Steve Joseph', written over a circular scribble.

Steve Joseph
CEO, Reserve Management Group

Cc: Mr. Jeffrey Levine, City of Chicago Department of Law