

# Harvey

CMC Meeting – Supply-Chain Risk/Issues Discussion

# Hurricane Harvey - Hurricane

- Caused companies to Shut-Down to prevent personal injury and/or plant issues. Shut down procedures typically include venting of any product tanks.
- Most of the oil and chemical companies know how to do this safely and practice routinely and have much experience with hurricane shut down procedures.
- So, a few days to a week delay in production was anticipated BUT no one anticipated the huge amount of rain and resulting floods from the storm...

# Harvey Tropical Storm - Flooding

- 1000 years flood - This is a flood that doesn't happen in but 1 in 1000
- Damage assessments are happening now
- Access to critical infrastructure – roads & rails flooded/blocked
- Power is an issue - may take many days to repair junction boxes – electrician service backlog, data centers/IT?
- Temporary Shortages Expected for H2O2
  - Solvay – Laporte, TX and FMC/PeroxyChem – Pasadena, TX, two of the three largest H2O2 plants are in the Houston area and have shut-down due to the hurricane and storm.
  - Solvay is in the process of making damage assessments; PeroxyChem is planning on resuming producing this weekend.
  - Product tanks are intact at least one manufacturers site.
  - Mitsubishi plant is NOT in the area and have material available. T
  - Supply for Medical applications will likely take precedence as plants come on line.
- Within a week the roads should re-open and movement should resume.
- Arkema facility – organic-oxides burning/popping, probably no impact on semi material supply chain

# Harvey Tropical Storm – Flooding, continued

- HCL and IPA availability could also be a concern
  - Dow has a big IPA plant in Houston. They are not big providers of IPA to semiconductor market BUT given that they are down, many industries look to Exxon for their IPA (some of which may likely be for medical applications as well).
  - Exxon facility, Baton Rouge, LA is the largest IPA producer in the US
  - HCl is produced in Freeport Texas and was likely shut down during the storm. No reports yet as to their status.
  - Depending on Dow's status, allocations issues could result.

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## Production Set to Resume at PeroxyChem's Bayport Plant

Friday, September 01, 2017

Our thoughts continue to be with those affected by Hurricane Harvey and the rescuers who have tirelessly helped.

PeroxyChem's Bayport hydrogen peroxide plant experienced flooding, resulting in an operations suspension. The plant sustained minimal damage which we were able to address after the storm's passing. Our plant personnel are safe and production startup is set to resume this weekend. Shipping has resumed though it remains limited due to road closures and interrupted rail operations.

We will continue to monitor the situation closely and provide regular updates. While our normal operations were temporarily suspended, and production and shipping delays are to be expected, we feel confident that we can continue to meet our customers' needs. Should the effects of the storm influence specific shipments, we will be in contact.

Customers should contact their sales or customer service representative with questions.

August 29, 2017

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## Harvey Continues to Impact Solvay Peroxide Operations

Hurricane Harvey was downgraded to a Tropical Storm over the weekend. However, unstable and dangerous weather conditions exist across southeast Texas and are forecasted to continue for the coming days. Major flooding across the region renders travel impossible around the Houston metropolitan and surrounding areas. The rain continues across the region today.

Production at Solvay's La Porte, TX hydrogen peroxide plant was temporarily curtailed on Sunday afternoon and continues to be down. Plant restart will transpire as weather conditions improve. Due to flooding in the area, ingress and egress to the facility is questionable. Employees are urged to stay in contact with plant supervisory personnel and carefully consider weather and road conditions and err on the side of caution and personal safety when determining a potential route to work. Non-essential plant personnel are directed not to report to work. Solvay's Houston corporate offices have been closed since Friday, August 25. Personnel continue to work from remote locations across the metropolitan area.

Solvay Chemicals management continues to closely monitor the situation. At this time, Solvay Chemicals continues to meet customers' demands and will source from our Longview, WA plant as needed. Solvay will update this site as conditions evolve.



# Resource Links

- [https://www.joc.com/international-logistics/logistics-providers/hurricane-harvey-resource-fact-sheet\\_20170829.html](https://www.joc.com/international-logistics/logistics-providers/hurricane-harvey-resource-fact-sheet_20170829.html)
- <http://www.peroxychem.com/>
- <http://www.solvay.us/en/index.html>
- <http://www.mgcpure.com/>

If you are a CMC member and have interest in having further discussion on this topic, please contact [mwalden@techcet.com](mailto:mwalden@techcet.com)