



United Riverhead Terminal, Inc.

Open Letter to the Community

October 12, 2015

Dear Community Member:

I would like to set the record straight and provide facts about the safety of United Riverhead Terminal so that our neighbors in Riverhead and Suffolk County will not be worried about the safety of our facility. Unfortunately, a few politicians with transparent political motives have apparently been spreading false and alarming rumors that must be countered with facts.

Two issues have arisen: The first concerns a small sinkhole that appeared under the roadway in front of our terminal, which was promptly repaired. The casing around the steam line crossing under the road corroded, causing a void between the steam pipe and steel casing. No steam was released by our pipe; the small amount of water vapor coming out of the hole was caused by damp earth coming in contact with the hot pipe. No danger to the public arose from this event.

The other issue relates to the safety of storing Bakken crude oil at our terminal.

- Contrary to some inaccurate comments about Bakken crude oil stored occasionally at our terminal, the only safety issues about handling Bakken have arisen from transportation by rail. All crude oil safely stored at our terminal arrives and departs by marine transit; none is transported by rail.
- Bakken crude oil contains some dissolved natural gas and volatile organic compounds when it is pumped from the ground. When shipped by rail, vapors may be released inside the railcar as it vibrates in transit. If not properly handled these vapors can become volatile and in the unlikely event of a derailment, could pose a fire risk.
- Recent regulatory reviews undertaken by the State of New York with respect to Bakken crude primarily relate to railcar safety, not the safety of storage tanks like those at our terminal. Unlike railcars, storage tanks utilize a variety of vapor control technologies.
- All of the crude stored at our terminal arrives and leaves by marine transit. Marine transportation of crude oil has been proven to be safe over the last 60 years. There have been no accidents resulting in explosion and fires during the marine transit of Bakken.
- Riverhead Fire Marshal Craig Zitek has inspected our tanks and found that where volatile petroleum products are stored, we have foam fire suppression systems and other safety features to prevent potential safety problems, and all tanks have containment around them to prevent spills. In his words, URT is “well equipped to store it.”
- Our terminal is properly licensed by the New York DEC for all of our storage activities. We are required to advise DEC of any change in products to be stored so that DEC’s staff can determine if we can safely store and handle the product in accordance with regulations.
- Our terminal is regularly inspected by the U.S. Coast Guard, the federal Department of Homeland Security, the federal Environmental Protection Agency, the state DEC and the Riverhead Fire Marshal. All of these agencies have independently confirmed the safety of our facility through separate onsite inspections during the last 12 months.
- We have no plans to build a pipeline to carry crude oil from our terminal to United Metro Energy Corp.’s terminal in Calverton. We are considering building a pipeline to carry safe domestic fuel oil to reduce truck traffic in Riverhead.

I am aware of the fact that some of our competitors are apparently taking the opportunity to try to harm our business by making false claims against us during this election season. We plan to add facilities that should permit the price of gasoline to be lowered at Suffolk County gas stations, helping the public with lower prices that will trim the excess profits being garnered by our competitors. Suffolk County is said to have the highest gasoline prices in New York State. **These prices need to come down!** Naturally, it appears that the companies profiting from the status quo are attempting to stop us.

United Riverhead Terminal is a large taxpayer in Suffolk County and Riverhead; our plan is to add good-paying jobs and help the economic life of our community. We are committed to operating our facilities in a safe and responsible manner, including abiding by all laws and regulations. The facts speak for themselves; we are, and want to continue to be, a good neighbor that contributes to the economic well being of our town and county.

As the CEO of my company, I have attended public meetings to explain the facts and to respond to questions from the public. I intend to continue to do this and I welcome any questions or comments that you may have.

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