

Response to: Concerned Citizens of Mossville, University of Utah Environmental Justice Clinic and the Tulane Environmental Law Clinic

Accountability is a core Sasol value and while we are certainly open to constructive criticism, it is also our duty to set the record straight when it comes to misrepresentations of Sasol's conduct.

Sasol's Voluntary Property Purchase Program (VPPP) was simply a response to a request from the Mossville community. By many accounts, both from the Mossville community members ([see first-hand account here](#)), government officials and regulators, the VPPP was successful, fair and considered the unique situations that many residents faced.

False claim #1: Community members strongly opposed the massive expansion project that gave rise to the buyout program but were never consulted until the project was a fait accompli.

The facts:

Sasol engaged the community about its megaproject long before a final decision was made. In fact, leading up to the VPPP, Sasol hosted community meetings in Mossville one to three times per month, depending upon community requests, to answer questions and hear input from the community. A Sasol representative also met individually with residents, by appointment, twice a week in the old school building in Mossville.

The article referenced in the rejoinder is dated 2012; Sasol did not reach final investment decision or receive its final air, water and wetlands permits until 2014. Further, the fact that the VPPP was launched in 2013 and the final decision for the mega project was announced in 2014 thereby demonstrating Sasol's proactive engagement with the community of Mossville.

False claim #2: Many Mossville residents experienced the buyout as forced displacement because the "choice" they faced—relocating or living next to an expanded chemical complex that would later be ranked the nation's #2 super-polluter—was not a real choice.

The facts: As we've said multiple times, the VPPP was executed at the request of the Mossville community and no one in the VPPP area was forced to move; in fact, many chose to stay. Sasol instituted the VPPP to give our near neighbors choices — choices they asked for and were given the opportunity to provide input on during the program development phase.

As for the "#2 super-polluter" claim, this is a reference to an incomplete study conducted by an environmental watchdog group —"Environmental Integrity Project" for United Church of Christ. The organization issued a new report of the nation's 100 biggest air toxics polluters in Feb. 2020 and the report ranked the Sasol's Lake Charles Chemical Complex as number two. Unfortunately, the "Breath to the People" report issued by the organization used EPA data in precisely the way the EPA advises not to use its data. For example, the report appears to overlay the EPA Risk-Screening Environmental Indicators (RESI) to claim its identification of "some chemicals containing more potent toxins than others." However, the EPA makes it clear that you cannot make assumptions based on RESI, and that "all RESI results should be followed up with additional analysis before drawing conclusions or making decisions about the potential risk posed to any particular population." The "Breath to the People" report lacks any of

this additional analysis that the EPA recommends. The Agency goes on to say that “the presence of a chemical in the environment must be evaluated along with the potential and actual exposures and the route of exposures, the chemical’s fate in the environment and other factors before any statements can be made about potential risks associated with the chemical or a release.” Again, this evaluation is absent from the “Breath to the People” report. Further, the numbers this report attributed to Sasol’s Louisiana operations were simply wrong.

False claim #3: The amounts that many residents ultimately received for their property were far lower than Sasol’s initial above-market offers, and Sasol failed to account for “heirs’ property” ownership.

The facts: Sasol paid a premium, over-the-average appraised price precisely because we understood that there would be some intangible losses that Mossville property owners would experience. In fact, the VPPP compensated residents more generously than “heritage value” formulas found in other states. The VPPP formula required that offers equal the appraised value of the property, plus 40-60 percent, depending on the type of property. Minimum appraised values were set for the different types of properties to provide additional protection to lower-value properties. For example, the minimum appraised value of owner-occupied homes was \$100,000. Other allowances and bonuses were made available to help ease the burden of relocation and intangible losses, including an early registration bonus, a miscellaneous expense allowance, a professional advice allowance, closing cost assistance, title work allowance and a clear site bonus. Additionally, mineral rights remained with the seller.

Early in the VPPP, Sasol recognized that succession proceedings could be a challenge for some property owners and offered a \$5,000 title curative allowance as part of the program. For example, if one sibling lived in the house and the other siblings lived out of state, the out-of-state siblings could agree to give their share of the sale to the resident sibling, who would then have more money with which to buy replacement housing. Further, we allowed co-owners to split the sale proceeds in any manner they wished. These arrangements were left entirely up to the property owners.

As for the claim that Sasol disregarded individual financial circumstance such as heirs’ property ownership, Road Home grant funds, and pre-existing debts — this just isn’t true. The program materials and purchase agreements clearly stated that all properties must be free and clear of liens. This is standard for almost all real estate transactions of this nature. Mossville residents who received Road Home funds were legally obligated by those liens. This was not something Sasol had any control over given the Louisiana Office of Community Development Disaster Recovery Unit made the decision as to whether a payoff was required. We merely followed the requirements of the Road Home program.

When the participant signed up for the VPPP, there was no way Sasol could initially know if there were liens on the property given the fact that title examinations were done after the purchase agreement was signed, which is also standard for real estate transactions of this nature. Further, Sasol only paid validly recorded liens to the collecting agency. If the seller wanted to contest a lien, they were free to do so.

False claim #4: Mossville residents had no input into the VPPP compensation formula.

The facts: As previously mentioned, Sasol hosted community meetings in Mossville leading up to the VPPP at least one to three times per month, depending upon community requests, to answer questions and hear input from the community.

All VPPP participants were held to the same program parameters regardless of which neighborhood they lived in. The VPPP purchase and sales agreements were non-negotiable by design. Participation in the program and the decision to sell or not to sell to Sasol was entirely at the option and discretion of the owners. It was especially important to the integrity of the VPPP program that the parameters of the program be followed consistently, otherwise it would appear that Sasol was favoring certain property owners over others. The non-negotiable nature of the VPPP is consistent with best practices found in other voluntary buyout programs.

To determine the buyout formula, Sasol engaged Community Interaction Consulting, Inc., a third-party company that specializes in developing and administering residential real estate property programs, to administer the VPPP on our behalf. CIC has been developing and administering property programs since 1990 and incorporated best practices from similar past projects into our program. CIC's work starts by researching market conditions to determine not only the availability, but the cost differences of alternative housing in various community neighborhoods. This research is used in developing the program benefits that helped to ensure program participants would be able to secure alternative housing outside of the program area. The benefits of Sasol's VPPP were anchored to market data researched, collected and analyzed by CIC. Those benefits, such as the relocation allowance amount provided in the VPPP, are comparable to other industrial employee relocation programs.

One of Sasol's objectives was to make sure it was the most generous voluntary property purchase program in history, and CIC has stated it was the most generous they had implemented. This was further validated by members of the U.S. EPA and Louisiana Department of Environmental Quality.

Finally, the International Finance Corporation guidelines cited in the rejoinder are international standards for involuntary property resettlements — Sasol's VPPP was very much voluntary as indicated by the families who still live in Mossville. The guidelines indicate that "negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures." This was obviously not the case with the VPPP.

False claim #5: Residents felt pressured to move through the buyout process quickly and were unable to make informed decisions.

The fact: Program parameters included generous timelines for residents to make decisions and close on their property transactions.

- Property Owners were made aware of the VPPP on July 12, 2013. From there, they had from August 12, 2013 to December 4, 2013 to register their interest (with no obligation to accept an offer <<early sign bonus
- The next step was appraisal. It's worth noting that Independent appraisers evaluated the properties in the purchase area and property owners were also given the choice to

select their own appraisers. Once the appraisal was complete, property owners received an offer from Sasol and were given 90 days to accept or decline the offer.

- The property owner then had 6 months to close on the transaction, and Sasol granted multiple extensions to the close date timelines.

When compared with non-buyout property purchases, anyone can see that this timeline was extremely generous.

False claim #6: Sasol successfully sought to rezone some of the Mossville properties acquired throughout the buyout program from “mixed residential” to “heavy industrial.”

The facts: To the best of our knowledge and the records we have, no VPPP properties were rezoned — at least not at Sasol’s request. We attempted to locate Calcasieu Parish clerk of court documentation of this but have not been successful. If you can point us to a particular property you are referring to, this may help us to help you find confirmation of this claim.

False claim #7: Sasol’s social investments in the Mossville community are “utterly irrelevant” to the serious concerns raised by current and former Mossville residents about Sasol’s buyout program and forced displacement of the Mossville community.

The facts: It is incorrect to state that Mossville residents believe that Sasol’s social investments in the community are “utterly irrelevant.” Particularly those who received scholarships to better themselves, received support from the Louisiana Small Business Development Center to start their own business, had their family cemetery restored, and had their family legacy recorded and preserved. We urge you to watch [this conversation](#) with Mossville residents who not only benefited from the VPPP, but also Sasol’s social investments.