

Bion Response to a Posting by Janice Wilson in the Oswego County Today

Aug 25, 2010 at 8:52 pm

Bion would like to provide the following response to questions and concerns raised by Ms. Wilson in her posting to the Oswego County Today on August 25, 2010:

- *JW: Regarding Bion Environmental Technology's proposal for a mega-facility (or facilities) in the Town of Schroepfel: Bion continues to overlook the fact that their technology is not the primary bone of contention in respect to the opposition of this project. Most people agree that the technology will be a great improvement over what is now being done. However, as before, Bion has missed the point. With every avenue of opposition made (whether regarding the impact on family farms, infrastructure, taxes, property values, tourism/recreation, safety, jobs, and waste facilities, to mention a few), Bion has had the same reply: "that the environmental technology will leave a considerably small footprint and will do no harm. Stop already. This answer has been heard many times. The opposition is coming from myriad disciplines, not just environmental. Bion is totally neglecting the many other concerns being raised."*

Bion has presented a path forward for the project that addresses all of these issues. The first step is the New York State SEQR review that provides for a rigorous, public assessment of project potential impacts on the environment and community. Standards, monitoring and reporting protocols will be set based upon these assessments. Once the SEQR process has been completed, then potential partners can make their determination as to costs of operating in accordance with those requirements and whether or not they want to make the required commitment. After project partners have been determined, then the process shifts to financing the project with the partners and their projections in tow. Today, without a permit --or even an understanding of the permit requirements-- potential partners cannot determine whether or not the benefits of an upstate NY project will exceed the additional costs of operating under these requirements. Bion's team believes that project benefits will cover the added cost to operate under regulatory requirements but until the final permits are in hand these determinations cannot be made to the satisfaction of potential partners.

- *JW: "For instance, who will be running the slaughterhouse (being referred to as a processing plant), the feedlot (being referred to as a finishing facility) and the ethanol plant? These will be the people who will be responsible for setting wages, hiring, maintenance, etc. Bion will only be affiliated with the environmental facility."*

Bion has not limited its affiliation with project components, we have simply stated that Bion itself would not be the day-to-day operator of all of the various aspects of the project. In any event, established operating standards, along with monitoring and reporting requirements as set via the SEQR process will remain in place for all project participants.

- *JW: "So Bion has no answers to the questions that are needed to make an informed opinion. Regarding the 600 jobs that will supposedly be available, many of the higher paying jobs will be for executives and skilled positions for people that are familiar with the aspects of these types of facilities. That would mean relocating and recruiting people mostly from west of the Mississippi."*

Ms. Wilson appears to be assuming that accountants, vets, nutritionists, and other professionals cannot be sourced regionally, but will need to be imported from the Midwest!

We respectfully disagree. But in any event, individuals moving into Oswego County because of good paying employment would then become residents of Oswego County, pay taxes and vote, just like existing residents. Is that a problem?

- *JW: "The lower paying jobs are the ones which few people can tolerate performing. It has been shown in other facilities that migrant workers have had to be brought in to do these jobs."*

As we have consistently pointed out, this is not your grandfather's beef or food processing facility. Facility and process design will incorporate automation and computer control processes as available. Overall, Bion has projected 588 direct jobs with a total annual payroll in excess of \$20 million associated with project activities. Employment at the beef processing facility will average slightly more than \$30,000 per year and include benefits such as health insurance. Slide #34 of a presentation entitled "Bion Oswego Project Overview" in the SUNY Oswego Documents section of our project website provides an overview of employment projections for the project. Bion believes that there are sufficient and appropriate human resources in Oswego County to satisfy job requirements.

- *JW: "Jobs will also be lost in some areas, such as recreation and tourism, family farms, etc. Ultimately, the increase in job positions will be negligible."*

We vehemently disagree and that has not been the experience at other, professionally managed animal production operations. This statement is simply incorrect and there exists not one scintilla of fact presented by anyone to support it.

- *JW: "Who will be responsible for maintaining the infrastructure, including, but not restricted to, roads, bridges, railways, waterways, Oswego harbor, refuse facilities, etc.? Is this to be taken care of by New York taxes or county taxes?"*

The operating partners, not public entities or taxpayers, will be responsible for maintaining infrastructure. The requirement for additional infrastructure at the Port of Oswego is a good case example. The Port will determine rates for Bion that reflect their cost to add and maintain the required infrastructure.

- *JW: "What about the tourism and recreational industries? There will be an adverse effect and jobs will be lost."*

Please check out the Fair Oaks Dairy Adventure on the Internet. Fair Oaks Dairy has 35,000 dairy cows with a total manure load far exceeding the total for all of Bion's Oswego beef cattle facilities. Fair Oaks Dairy maintains a tourist attraction onsite that draws 1.5 million visitors annually. Bion believes that similar to the experience at Fair Oaks, our project in Oswego County will actually improve tourism.

Also note that the entire footprint of all facilities associated with the full build out of project activities will require less than 2,000 total acres (a very small footprint compared with the land mass of Oswego County) with the majority of those acres dedicated to cropland and buffer, consistent with existing and ongoing use of farmland throughout the County.

- *JW: "With an influx of 72,000 cattle initially and presumably another 600 per day to replace those being slaughtered (yes, 600 per day), no matter how clean the environment is, there will be the*

danger of bringing in disease which could shut down all farms, not just the CAFO. What about the problems of disease and the inability of local farmers to compete with a facility of this size?"

The facility will be competing with the large Midwest industry, not local producers, who for the most part compete in niche markets. Contrary to the assertion, many local farmers will benefit from the long-term, stable markets for corn, young cattle and other inputs created by the project, just as regional corn producers now benefit from the robust market created by the Sunoco ethanol facility in Volney.

Disease has been addressed in some detail on Bion's website with assistance from world respected cattle expert, Dr. Keith DeHaan and Cornell's beef cattle specialist, Dr. Mike Baker. Please see the document entitled: "Bion and Animal Disease Risks July 2010" posted to Bion's Oswego project website. In addition, these specific questions have been answered in writing and in person with the Oswego County Farm Bureau.

- *JW: "Bion has already said that they would not be willing to post a bond to cover such an event."*

That would be discriminatory! Who else would be asked to post a bond. Will Bion be protected by bonding if it is adversely impacted by some local industry? Bion has consistently agreed to provide the community with needed protections based on time-tested regulatory reviews, monitoring and permits never before applied to a livestock operation.

- *JW: "Meat may be cheaper, but likely at the expense of quality."*

No, meat will not be cheaper. Rather its quality will be significantly greater along with associated attributes for traceability, much desired in the marketplace.

- *JW: "Who cleans up the mess if the facility fails (or explodes) or has a leak putting huge amounts of liquid manure into the soil and water systems, as has happened in other locations? The township, the county, the state? With taxes paid by New York residents?"*

Again we must start with a basic reality of Bion's' project that seems to consistently fall on deaf ears. Because of the patented and proven waste treatment technology, contrary to traditional agricultural practices and common experience, **there will be no manure stored at livestock facilities or spread on associated farmland.** Beyond the specific question of risk from manure, all facilities will have corrective action plans as a requirement of their operating permits. Nuclear power plants also have to address these types of issues.

- *JW: "Why would anyone want to do business with a company that reports in its own Q-10 form (quarterly report), dated 3/31/2010 that the auditors stated that conditions exist that raise substantial doubt about the Company's (Bion's) ability to continue as a going concern?"*

That is a standard going concern opinion required for public companies subject to SEC accounting that do not have revenue. All publicly traded research and development companies include this phrase on their Q-10 statements until they generate revenues.

- *JW: "This report also shows numerous stock transactions and loans (both personal and commercial) that have been made, as well as legal suits against Bion to the tune of hundreds of thousands of dollars. Just how solvent is this corporation?"*

Bion has been around for 20 years, investing tens of millions of dollars in R&D to develop, refine and demonstrate the performance of its technology platform.

- *JW: "These are just some of the many areas which have generated the opposition to this project. Assuming that none of those in opposition has done any research, nor has any knowledge of these concerns (as stated by Bion) is just not accurate. Many people (academics, politicians, scientists, environmentalists, farmers, general local residents and many others) have spent untold hours researching and contacting those who have had direct experience with these matters, these companies and situations."*

Who? Where? What experience? We encourage all those who have conducted research to come forward with an open mind to explore the extent to which their experience is really with impacts from traditional large scale livestock production and does not reflect the safeguards and technology to be incorporated in Bion's proposed project. These are more statements without facts that cannot be responded to. Bion is proposing a \$200 million project. That is serious money, especially in this economy. The project partners will be large, experienced players with reputations and track records. The permit process (SEQR) and the operating permit will create the rules that will be requirements for whomever the partners are. Sunoco took over an ethanol plant that was bankrupt. They inherited an existing permit and therefore need to meet its established operating standards. This argument about who the players are is another canard. They will need to be well financed and be able to meet the permit requirements or the project will not be financed and the county and state can both fine or close the operations like it can with any other permitted industrial activity. It is that simple.

- *JW: "Finally, it must be said that this writer is not affiliated with Citizens for Family Farms (which has taken most of the blame for the opposition) nor any other organized group in the area as far as I know. This writer is a concerned citizen who lives in Oswego County because of its rural atmosphere and relatively pristine environment. Her family has lived in the Central New York area and has owned property in Oswego County for over a century. No single, broad definition is available that will encompass the number of people who are in opposition to this project. Bion needs to stop trying to place the onus on any one group (which has also been tried by others) or area of contention. The opposition is massive and involves myriad disciplines. This is not a single-issue matter."*

Bion welcomes your concern and has agreed to the most stringent regulatory process to allay those fears. Hopefully you will trust that the same process used by Oswego County to permit and operate its nuclear power plants will be sufficient to successfully protect the community from the environmental impacts of beef cattle --protecting the environment while providing the regional benefit of significant economic impacts, including stable jobs with benefits and supplementary markets for regional farmers and producers to stabilize their operations into the future.