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## Mining the hills for storage

### Butler County hole in the wall becomes acquisition target

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By Ken Zapinski, Post-Gazette Staff Writer

Iron Mountain Inc. is going to pay millions for a hole in the ground in Butler County.

Iron Mountain, a Boston-based records- and information-management company, said yesterday it is purchasing National Underground Storage Inc. of Boyers. National Underground owns a 1.7 million-square-foot former limestone mine about 50 miles north of Pittsburgh where it stores important records for corporate and government clients.

Iron Mountain believes it to be the largest underground record-storage facility in the country.

Iron Mountain is paying \$39 million for privately held National Underground and a records management company in the Pacific Northwest. Iron Mountain would not disclose specific details of the Butler County deal, but said the two acquisitions together had 1997 revenue of about \$12 million.

Donald P. Richards, Iron Mountains vice president for mergers and acquisitions, said no layoffs were planned at National Underground, which he said employs more than 100 people.

National Underground is the latest in a wave of acquisitions that more than doubled Iron Mountain's 1998 first-quarter revenue compared to 1997, \$99.5 million to \$42.2 million. Though the company reported a loss in the first quarter of \$314,000, that was far less than the \$516,000 the company lost in the first quarter of 1997.

Richards said the company preferred to look at EBITDA, an accounting term describing a company's earnings before interest, taxes, depreciation and amortization are considered. Iron Mountain posted a healthy gain in EBITDA in the first quarter compared to last year.

Details are sketchy about the scope of the Butler County operation because

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National Underground officials did not return telephone calls yesterday. Company President David L. Sansom has said in the past that a low profile is best, given the company's purpose -- securely storing vital records, such as blueprints, patents, formulas, deeds and computer software source codes. "Publicity hurts," he said in a 1990 interview.

At that time, more than 1,000 people worked at the National Underground facility, though many were employed by the government agencies and corporations that used the old mine. At the time the catacombs stored applications from every person who ever sought a Social Security number. The U.S. Office of Personnel Management was storing records on 35 million former federal employees.

The mine was opened in 1902 by U.S. Steel to secure limestone for its steelmaking. The company abandoned the mine in 1952. Lawrence Yost bought 80 acres for record storage, and set about convincing federal officials that it was safer to store records in the old mine safe from the destruction of nuclear missiles. The first federal records were moved to the site in 1960.



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