# **Environmental Litigation** **Cosponsored by the University of Colorado School of Law** **Volume III SAMPLE PRESS RELEASES**

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***ALI-ABA COURSE OF STUDY MATERIALS***

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**Environmental Litigation**  
**Cosponsored by the University of Colorado School of Law**  
**Volume III SAMPLE PRESS RELEASES**

GE, NEW HAMPSHIRE CITY AGREE TO INNOVATIVE SUPERFUND CLEANUP COULD SAVE MILLIONS ON FUTURE CLEANUPS

WASHINGTON, D.C. -- The General Electric Company and the city of Somersworth, New Hampshire will spend approximately $ 7 million on an innovative technology to clean up a contaminated municipal landfill near Dover and Portsmouth, the U.S. Justice Department and the Environmental Protection Agency announced today.

The agreement could save the parties close to $ 20 million over traditional cleanup methods and may lead to dramatic cost savings in cleaning up hazardous waste sites around the country.

In an effort to promote the use of new technologies, the Environmental Protection Agency agreed to pay up to half the cost if the technique to be employed is unsuccessful -- the first time EPA has been involved in underwriting such a project. The Somersworth site is one of 1,374 Superfund sites to which priority attention has been devoted.

A consent decree, filed today by the United States and the State of New Hampshire in a Concord federal court, resolves the responsibility and liability of General Electric, Somersworth and 18 other parties who either contributed to or transported business and industrial waste to the Somersworth municipal landfill. Hazardous substances, including, contaminated the groundwater and at one time threatened a public drinking water well.

"This agreement makes good on this Administration's pledge to clean up Superfund sites through new technologies and cost-effective means," said Lois J. Schiffer, Assistant Attorney General in charge of the Environment and Natural Resources Division. "This federal, state and local effort has yielded a good result for the parties and the people of New Hampshire, and holds promise for other sites as well."

General Electric and Somersworth will take the lead and perform the cleanup using a chemical treatment wall that acts as a filtration system. The first step is to install a wall with permeable and impermeable sections. The impermeable sections channel contaminated groundwater toward the permeable sections. The water is cleansed by a mixture of sand and reactive iron filings as it flows through the wall.

The government estimates the price tag at about $ 7 million. A traditional ground water treatment remedy at this site could run as high as $ 26 million. If successful, the chemical treatment wall technology could be adapted to other Superfund sites. In the event that the technology does not meet expectations, the United States would reimburse General Electric and Somersworth up to $ 3.5 million and the parties would implement an alternative cleanup plan.

"This agreement is what EPA-New England's Superfund reform program is all about," said EPA Regional Administrator John DeVillars. "We're introducing an innovative technology and backing up our commitment to bold, potentially more efficient, cleanup remedies with EPA dollars. At the same time, we are getting the community increasingly involved in the process and getting small parties out of the process. This is a win-win situation, and the primary beneficiaries will be the people of Somersworth who live near this landfill."

New Hampshire Department of Environmental Services Commissioner Robert Varney added, "The State of New Hampshire appreciates EPA's commitment to an innovative and efficient cleanup at the Somersworth site. The citizens of the State and, in particular, Somersworth, are the chief beneficiaries of this agreement which reflects an important cooperative effort between state and federal officials and affords protection to one of our most valuable natural resources, our groundwater."

The Somersworth landfill operated for nearly 50 years until it was closed in 1981. Shortly thereafter, the city discovered that hazardous substances had contaminated the groundwater and threatened a nearby public drinking water supply. The 26-acre site was added to the Superfund National Priority List in 1983.

**Department of Justice**

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**FOR IMMEDIATE RELEASE**

**THURSDAY, MARCH 7, 1996**

**DOJ -- 202-514-2008**

**EPA -- 406-441-1123**

**TDD -- 202-514-1888**

**JUSTICE, EPA ANNOUNCE $ 37 MILLION SETTLEMENT FOR MONTANA CLEANUP**

**ARCO, BURLINGTON NORTHERN AND 3 OTHERS WILL SHARE COSTS**

WASHINGTON, D.C. -- Five parties, including Atlantic Richfield Company and Burlington Northern Railroad, agreed today to a $ 37.7 million settlement to clean up land near Butte, Montana contaminated by forty years of pollution from a wood treatment plant, the Department of Justice and the Environmental Protection Agency's Montana Superfund office announced today.

Under the agreement, property owners or users of the Montana Pole and Treating Plant, a Superfund site in Silver Bow County, will reimburse EPA $ 2.7 million in past response costs and pay $ 35 million for future cleanup. These parties are Atlantic Richfield, Burlington Northern, Inland Properties Inc., Montana Resources Inc., and an individual, Dennis R. Washington. Today's settlement will allow the State of Montana, designated by EPA as the cleanup's lead agency, to begin remedial cleanup this spring.

Forty years of treating wood at the plant left the facility, surrounding soils, groundwater and the nearby Silver Bow Creek contaminated by hazardous substances including the toxic pentachlorophenol (PCP). Huge open vats, containing a mixture of PCP and diesel fuel, and high-pressure cylinder machines, were used to treat wood products at the plant. Overflows, discharges and other releases of the polluted mixture resulted in the contamination. In 1983, EPA took action to keep the pollution from spreading off-site through soil excavation and groundwater interception.

"This facility treated wood better than it treated the environment," said Lois J. Schiffer, Assistant Attorney General in charge of the Department's Environment and Natural Resources Division. "Today's settlement shows that our enforcement efforts and federal and state cooperation are paying off. It also shows that Superfund -- which holds responsible parties accountable, not the American taxpayer -- is paying off as well."

"EPA is pleased that we were able to settle this matter in a fair and responsible way, so that the parties' time and money can be put towards cleanup rather than litigation," said John Wardell, Director of EPA's Montana Superfund Office.

Arco's predecessor, Anaconda Company, owned the land on which the wood processing plant was housed. Burlington Northern leased property to the wood processing facility. The three remaining settlors purchased parcels of the contaminated property.

In 1993, EPA and the State of Montana selected a final cleanup remedy requiring excavation and treatment of soils; containment and subsequent treatment of contaminated groundwater; and treatment of contaminated ***oils*** and sludges in a licensed off-site incinerator. The State of Montana issued requests for bids on this project last week and expects to complete the first phase of the cleanup this construction season. Implementation of the remedy will return the site to usable commercial property without risk to workers, nearby residents or Silver Bow Creek.

The agreement was filed today in U.S. District Court in Butte. In addition to cost recoveries, the consent decree provides that, if cleanup costs exceed $ 41 million, settling defendants will be responsible for additional cost contributions.

Following notice of the consent decree in the Federal Register, the Department of Justice and EPA will accept public comment on the agreement, before asking Federal District Court Judge Paul Hatfield to sign and enter the decree.

Copies of the decree may be obtained from either EPA's Butte office, located in the Butte Silver Bow Courthouse, EPA's Helena office Records Center, or from the Department of Justice. Comments will be accepted for 30 days after the Federal Register notice and should be directed to the Assistant Attorney General. For additional information, contact Henry Elsen or Jim Harris at EPA in Helena, 406-441-1123.

Today's consent decree comes in the case of United States v. Torger L. Oass, et al., Civil Action No. 90-75-BU-PGH (D. Montana).

FOR IMMEDIATE RELEASE

THURSDAY, MAY 23, 1996

ENR

(202) 616-2771

TDD (202) 514-1888

**BUILDER OF VAST NORTHEASTERN GAS PIPELINE PLEADS GUILTY, WILL PAY $ 22 MILLION IN CRIMINAL AND CIVIL FINES**

**Environmental Fine Second Only To Exxon Valdez**

WASHINGTON, D.C. -- In the largest penalty in an environmental case since the 1989 Exxon Valdez ***oil*** spill, the Connecticut-based Iroquois Pipeline Operating Company will pay $ 22 million in criminal and civil fines for violating federal environmental and safety laws, the United States announced today. The violations stem from the construction of one of the country's longest natural gas pipelines running 370 miles from Canada through upstate New York and Connecticut to Long Island.

The company and four of its high-level officers and supervisors pleaded guilty today to numerous criminal violations of the Clean Water Act including failure to clean up or restore damage to nearly 200 streams and wetlands as a result of rushing to meet construction deadlines.

The plea agreements entered into in U.S. District Court in Syracuse, are the result of a four-year investigation led by the United States Attorney for the Northern District of New York. The investigation stemmed from the company's violations of permits issued by the Army Corps of Engineers and the Federal Energy Regulatory Commission.

The company pleaded guilty to having failed to construct safety devices called "trench breakers" at regular intervals along the pipeline ditch and at the edge of wetlands. These devices control soil erosion and corrosion of the pipeline, especially where the terrain slopes. The failure to install the required number of breakers within the trench could have washed out the soil which holds the pipeline securely in place.

Other matters addressed in the plea agreement include the improper placement of large rocks on the pipeline in an effort to quickly fill the trenches in which it is housed. Placement of rocks in such a manner can damage the pipeline, posing a serious threat to its structural integrity.

"The widespread nature of the criminal violations [SEE ILLEGIBLE WORD IN ORIGINAL] impossible to overstate," said Joseph A. Pavone, Acting United States Attorney for the Northern District of New York. "The pipeline construction industry is now on notice that it will be held accountable and criminally liable for knowingly failing to comply with promises made to the public and government regarding adherence to environmental and safety laws."

"Almost everywhere we dug we found violations," said Lois J. Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "With these criminal pleas and the large fine, we've shown that even the most powerful companies must obey the law."

"Violations of the terms of these permits constitute a breach of the public trust," said Joe Seebode, Regulatory Chief of the Army Corps of Engineers New York District Office. "After establishing the significant nature of the adverse impact associated with the violations, the Corps referred the case to the Justice Department and assisted them in this thorough investigation."

Other agencies involved include the Federal Bureau of Investigation; Environmental Protection Agency; U.S. Department of Transportation, Office of the Inspector General; U.S. Department of Energy, Office of the Inspector General; U.S. Department of the Army, Criminal Investigative Division; and U.S. Attorney's Offices for the Southern and Eastern Districts of New York and the District of Connecticut.

Each of the four felony violations of the Clean Water Act to which Iroquois pleaded guilty fall into one of three categories:

\* failure to clean up or otherwise restore 188 streams and wetlands;

\* failure to install innumerable trench breakers;

\* failure to install trench breakers at the edges of wetlands.

In total, the categories encompass thousands of individual Clean Water Act violations.

One of the felony counts to which the company pleaded guilty involved its failure to clean up or otherwise restore 188 streams and wetlands. The construction permit issued by the U.S. Army Corps of Engineers required Iroquois to backfill soil excavated during the laying of the pipeline and restore all adversely affected wetlands along the right-of-way. However, the company left many mounds of soil standing within the wetlands. This not only interrupted the overall circulation of waters within those wetlands, but also reduced their size, damaged aquatic life, and eliminated stream bottom habitat. After the company learned that it was the object of a federal criminal investigation, it began to restore a number of the affected streams and wetlands.

The company has also agreed to enter four civil settlements to resolve Clean Water Act violations, one in each of the following districts: the Northern, Southern and Eastern Districts of New York and the District of Connecticut.

In June, 1991, Iroquois commenced construction of a pipeline to transport natural gas from Ontario, Canada to Long Island, New York. The pipeline crossed 500 rivers, streams and wetlands throughout New York and Connecticut. Permits issued by the United States Army Corps of Engineers and the Federal Energy Regulatory Commission required that specific steps be taken to avoid damage to the environment and to cleanup construction sites following the pipeline's completion. The pipeline was completed in January, 1992 and the gas began to flow immediately.

In addition to the criminal and civil actions, the Iroquois Pipeline Operating Company agreed to the entry of two administrative Orders against it: one by the Federal Energy Regulatory Commission, and the second by the United States Department of Transportation. The administrative Orders relate to violations of the FERC certificate, governing construction of the pipeline, and DOT safety laws and regulations, also governing pipeline construction.

The criminal, civil and administrative agreements require Iroquois to take specific steps to correct the problems uncovered during the criminal investigation including further cleanup and remedial work on 30 wetland and stream sites and continual monitoring to insure no safety or related problems arise from the improper placement of the rocks on the line and the failure to install the numerous breakers.

In addition to the enforcement actions against the company, the following individuals pleaded guilty:

Robert Reid, former President of Iroquois Pipeline Operating Company, pled guilty to three counts of negligently violating the Clean Water Act;

John Mackenzie, former Iroquois Manager of Engineering & Construction, pled guilty to three counts of negligently violating the Clean Water Act;

Michael Saley, former Iroquois Spread One Construction Supervisor, pled guilty to one count of negligently violating the Clean Water Act; and

Carl Addison, former Iroquois Spread Two Construction Supervisor, pled guilty to one count of negligently violating the Clean Water Act.

According to the terms of their plea agreements, each of the individual defendants is subject to one year in jail and a $ 100,000 criminal fine. They will be sentenced at a later date.

The criminal and civil fines imposed on Iroquois are as follows:

\* a $ 15 million dollar federal criminal fine, 1.5 million of which will be suspended on the condition that it is paid as restitution to the State of New York;

\* a $ 2.25 million federal civil penalty with an additional $ 2.25 million in the form of a supplemental environmental project going to the National Fish and Wildlife Foundation for the creation of wetlands in the vicinity of the pipeline;

In addition, Iroquois will $ 2.5 million to New York State for for resolution of violations of Iroquois' state permit.

This case follows the $ 1 billion dollar Exxon Valdez settlement, as the second largest environmental penalty ever imposed by the United States.

***J.S. Department of Justice***

***U.S. Environmental Protection Agency***

**GEORGIA-PACIFIC AGREES TO SPEND OVER $ 35 MILLION FOR ALLEGED**

**CLEAN AIR ACT VIOLATIONS UNDER JUSTICE DEPARTMENT SETTLEMENT**

WASHINGTON, D.C. -- Georgia-Pacific Corporation will spend more than $ 35 million for allegedly violating the Clean Air Act, including failing to control the amount of pollution it emitted into the air at wood product factories in 8 states, under an agreement reached today with the Justice Department and the Environmental Protection Agency.

Under the settlement, filed today in U.S. District Court in Atlanta, the company will install pollution controls at 11 of its plants where wood products are made. The controls will reduce pollution emissions by an estimated 10 million pounds per year.

Today's settlement affects more facilities than any other case ever brought under a provision of the Clean Air Act which is designed to ensure that air quality does not deteriorate in areas of the country that have been deemed to have clean air. Under the provision, companies in these designated areas must obtain permits before building new plants or modifying old ones.

"By limiting the amount of pollution, this agreement will protect the environment and health of people for hundreds of miles around these plants," said Attorney General Janet Reno.

"Today's settlement fulfills the commitment we made in 1993 to protect public health from excessive air pollution from wood products plants," said EPA Administrator Carol Browner. "This action alone will reduce smog-forming emissions from many of these plants by at least 90 percent, or 10 million pounds of harmful air pollution per year -- a major step in ensuring that Americans have cleaner, healthier air to breathe."

In a complaint, filed together with the agreement, the Justice Department alleged that the company failed to obtain permits before modifying its wood processing facilities, as required under the Act.

It further alleged, on behalf of the Environmental Protection Agency (EPA), that the company did not accurately report the amount of volatile organic compounds (VOC's) that it emitted into the air and neglected to install pollution control technology at 12 of its facilities to limit the pollution.

Today's agreement requires Georgia-Pacific to:

. spend $ 25 million installing state-of-the-art pollution control technology at 11 of its wood product facilities and obtaining appropriate state permits for all 18 facilities;

. pay a $ 6 million fine to the U.S. treasury;

. spend $ 4.25 million on projects in the southeast that will benefit the environment; and,

. conduct comprehensive clean air audits at all its wood product plants and pay stipulated penalties if it does not comply with emission limits.

EPA estimates that the pollution controls will reduce air emissions significantly, and by 90% at many facilities. It will reduce by 10 million pounds per year, the amount of VOCs which are produced by the dryers that dry the wood at the facilities.

"Today's agreement makes clear that companies that pollute our air will have to come into compliance in order to protect public health and will have to pay a stiff penalty," said Lois J. Schiffer, Assistant Attorney General for the Environment and Natural Resources Division. "The technology to control this pollutant is not new and Georgia-Pacific is doing the right thing now by agreeing to the install those controls."

Smog-forming VOC's can lead to breathing problems, reduced lung function, asthma, eye irritation, reduced resistance to colds and other infections, and may speed up aging of lung tissue, especially for the young, the elderly, and people with existing respiratory problems.

The 18 facilities where the violations occurred are located in the southeastern states of Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina and Virginia.

"Today's action sends a signal that we will address national problems in a comprehensive way," said Kent Alexander, U.S. Attorney in Atlanta. "While the company's headquarters are in Atlanta, its problems were national in scope."

In 1993, EPA reached a similar settlement with Louisiana-Pacific for 11 facilities and began an initiative to bring the wood products industry into compliance with the Clean Air Act.

"This is an important national settlement of an action against a company that operates in the national arena," said Steve Herman, Assistant Administrator for Enforcement and Compliance Assurance of EPA, "It demonstrates the necessity of EPA's national enforcement abilities as no single state could have brought this entire company into compliance through its own action. We have just taken a big step in leveling the playing field amongst the states and leveling the playing field within this industry."

The agreement will now be put out for a 30-day public comment period.

FOR IMMEDIATE RELEASE

TUESDAY, JULY 16, 1996

ENR

(202) 616-2771

TDD (202) 514-1888

**SUBSIDIARY OF DEAN FOODS COMPANY MUST PAY $ 4 MILLION**

**FOR CLEAN WATER ACT VIOLATIONS IN PENNSYLVANIA**

WASHINGTON, D.C. -- A subsidiary of Dean Foods Company, a national foods corporation, was fined $ 4 million for nearly 2,000 Clean Water Act violations at its facility in Belleville, Pennsylvania, the United States announced today. This judgment marks the largest Clean Water Act penalty the United States has ever won in case that has gone to trial.

Dean Dairy Products Inc., a subsidiary of Dean Foods Company, a national food processing corporation, of Franklin Park, Illinois, was fined $ 4,031,000 for repeatedly discharging milk solids and other pollutants to the Union Township Publicly Owned Treatment Works, damaging the Kishacoquillas Creek. The decision followed a January 1996 trial which was held to determine the penalty Dean Dairy would have to pay. In July of 1995, the Court found that Dean committed 1,833 violations of the Clean Water Act.

Chief Judge Sylvia H. Rambo of the United States District Court for the Middle District of Pennsylvania, in Harrisburg, imposed the civil fine against Dean Dairy Products.

In order to comply with the Clean Water Act and reduce its discharge levels, Dean Dairy would have had to either reduce its production output or pretreat its wastewater before discharging it to the Union Township POTW. Dean did neither for a period of six years, and reaped profits of over $ 2 million as a result. The Court found that the profits Dean gained by failing to reduce its production capacity of milk products to a level that would meet its industrial user permit limits were the "economic benefit" gained from its violations.

The pollution discharged by the dairy interfered with the operation of the POTW, causing the POTW to discharge pollutants which harmed the Belleville portion of the Kishacoquillas Creek, forcing the Pennsylvania Fish and Boat Commission to cease stocking the stream with trout. The area of Central Pennsylvania where Belleville is located is a primarily rural area known for its picturesque scenery, its agricultural way of life, and recreational opportunities. Trout fishing in particular, is a significant recreational activity and source of tourism income in the Kishacoquillas Valley.

The court held that Dean's six year delay in adequately addressing the violations was motivated by the prospect of higher profits it could earn from keeping production levels high for as long as possible. The opinion stated that Dean's Fairmont plant "chose not to reduce production volume because it viewed the [accompanying] reduction in earnings as too high a price to pay for compliance with the Clean Water Act."

"Those who put profit before the law and the health of our environment will pay the price," said Lois J. Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "This judgment sends the message that reckless disregard for the Clean Water Act and its permit requirements will not be tolerated."

"This case should send a clear signal to water polluters to clean up their act and comply with their discharge permits", said W. Michael McCabe, EPA's Regional Administrator. "The EPA and the Department of Justice will use all legal tools at our disposal -- administrative, civil, and criminal -- to insure strict and prompt compliance with the law."

David M. Barasch, United States Attorney for the Middle District of Pennsylvania, noted that the Court's judgment looked to the parent corporation, Dean Foods Company, in evaluating the amount of the penalty because Dean Foods was so closely interconnected with the Fairmont plant in Belleville. "The Court sent a clear message that a parent corporation should not profit from one of its subsidiary's violations of this nation's environmental laws." U.S. Attorney Barasch also noted that "Pennsylvania is blessed with magnificent natural resources for all to enjoy. Those resources must not be jeopardized by the flaunting of environmental laws which are designed to protect those invaluable natural resources."

Lynn Dodge, from the United States Department of Justice's Environmental Enforcement Section, Robert R. Long from the United States' Attorneys Office for the Middle District of Pennsylvania, and Joyce Howell from the Environmental Protection Agency's Region III office tried this case on behalf of the United States.

FOR IMMEDIATE RELEASE

MONDAY, JULY 22, 1996

ENR

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**MINING COMPANY AND SUBSIDIARY TO PAY UP TO $ 37 MILLION TO RESOLVE ENVIRONMENTAL PROBLEMS AT TWO MONTANA MINES**

BILLINGS, MONTANA -- Pegasus Gold Corporation and its subsidiary, Zortman Mining Inc., have agreed to pay up to $ 32.3 million to upgrade and expand their mine wastewater management and treatment facilities at two Montana gold mines in the Little Rocky Mountains adjacent to the Ft. Belknap Indian Reservation, the United States and the State of Montana announced today. The settlement includes a $ 2 million civil penalty for federal and state clean water violations, and supplemental environmental projects valued at about $ 1.7 million.

The settlement, filed today in U.S. District Court in Billings, Montana, concludes two lawsuits alleging the companies threatened the health and safety of the environment, violating both the federal Clean Water Act and the Montana Water Quality Act. The lawsuits alleged that the mining companies discharged acidic, metal-laden wastewater from two Phillips County, Montana gold mines into waters draining into the Missouri and Milk Rivers.

One lawsuit was filed by the Fort Belknap Community Council on behalf of the Assiniboine and Gros Ventre Tribes, and Island Mountain Protectors, an association of Tribal members, who were the first to bring claims against the companies. The other lawsuit was filed by the United States and the State of Montana.

The Zortman and Landusky mines are heap leach gold mines. Heap leach gold mining involves the placement of ore on heap leach pads. Cyanide is then sprayed onto the ore to extract the gold. The Zortman mine was the first major heap leach gold mine in the United States. It has been operating for over 15 years.

"This settlement -- the result of substantial cooperation between the Tribes, the state and the federal government -- should protect the health of the Little Rocky Mountains and penalize the polluters," said Lois J. Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "Enforcing our environmental laws is vitally important if we are to keep our rivers and streams clean. Clean water truly is more valuable than gold."

Mark Simonich, Director of the Montana Department of Environmental Quality, said, "This is the biggest settlement on record in the State of Montana regarding water quality violations. The monetary penalty illustrates our willingness to see enforcement actions through, but the practical effects of the compliance plan and supplemental environmental projects will actually improve water quality in the area of the mines."

"This decree is a good example of what can happen when two suits are consolidated into a multi-party, cooperative effort," said Jack McGraw, Acting Regional Administrator for EPA's regional office in Denver. "Through our cooperative efforts we were able to obtain one of the most comprehensive compliance plans involving mining operations in history."

Kenneth Helgeson, an enrolled member of the Fort Belknap community, rancher and co-chair of Island Mountain Protectors Association said, "This judgment against Pegasus began through the efforts of IMP and other residents of Ft. Belknap." "We believe the judgment is an important first step to cleaning up the water of Little Rocky Mountains," Helgeson continued. "IMP plans to work actively to ensure that the consent decree is fully implemented."

According to the consent decree, the Nevada-based Pegasus Gold Corporation and its Montana-based subsidiary, Zortman Mining Inc., will be required to spend up to $ 32.3 million to:

\* construct a water treatment plant at the Zortman mine;

\* construct water capture systems and other water conveyance systems designed to insure proper wastewater discharge;

\* comply with a program of tiered effluent limits becoming more restrictive until toxic discharges are eliminated.

The $ 2 million civil penalty, to be divided between the United States and the State of Montana, is for the illegal discharge of mine wastewaters from the two mines without Montana or National Pollutant Discharge Elimination System (M/NPDES) permits. The Tribes will also receive $ 1 million in partial settlement of their separate claims against the companies.

The companies have also agreed to perform the following supplemental environmental projects at an estimated cost of $ 1,790,000:

\* **Community Health Evaluation** to investigate the pathways and possible impacts of environmental contaminants on residents of the Ft. Belknap Reservation, particularly children.

\* **Aquatic Study** to evaluate the general health of the groundwater on the Ft. Belknap Reservation.

\* **Improvement Projects** to the water supply systems for the communities of White Cow/Hays/Mission Housing and the Lodgepole communities of the Ft. Belknap Reservation to improve the availability, consistency and quality of drinking water. In addition, a fund of $ 300,000 will be established for maintenance and operation of the improved water systems.

The Clean Water Act and the Montana Water Quality Act require that dischargers of wastewater obtain permits under the National Pollutant Discharge Elimination System or at the State level under the Montana Pollutant Discharge Elimination System. M/NPDES regulates the discharge of pollutants from point sources into water. M/NPDES permits establish limits on the discharged pollutants to protect human health and the environment.

All penalty amounts listed must be paid within 30 days after the effective date of the settlement decree. Penalties are necessary to deter violations and recover the economic benefit the mining companies gained by violating the law.

FOR IMMEDIATE RELEASE

TUESDAY, SEPTEMBER 17, 1996

ENR

(202) 616-2765

TDD (202) 514-1888

EPA (202) 260-1384

**U.S. ENTERS INTO CASMALIA ACCORD**

**WORTH MORE THAN $ 30 MILLION**

LOS ANGELES -- Under an agreement reached with the U.S. Environmental Protection Agency and Department of Justice, 49 public and private entities will spend at least $ 30 million to begin the clean up of millions of gallons of liquid hazardous waste and millions of cubic yards of solid hazardous waste at the Casmalia Resources Hazardous waste disposal facility near Santa Maria, California.

The agreement, filed in U.S. District Court in Los Angeles, California, requires the 49 entities, known as the Casmalia Steering Committee (CSC), to take over efforts to stabilize the 254 acre site while EPA evaluates its environmental characteristics and potential risks. In this first phase of clean-up the companies will collect, treat and dispose of contaminated liquids and design and construct a cap for the remaining site landfills. The work is projected to cost $ 30 million and will take five years to complete. The second phase of work will be the selection and construction of a long-term remedy to be selected by EPA.

"This settlement reflects our commitment to ensure that responsible parties pay for the environmental damage they cause, while also demonstrating the Agency's efforts to work with these parties to promote enforcement fairness and reduce unnecessary transaction costs," said Steve Herman, EPA's Assistant Administrator for Enforcement and Compliance Assurance. "This decree assures that pollution from the site will be stabilized in the short term, and that the remedial actions needed to cleanup the site for the long term will be taken."

"This settlement is a good start in holding those responsible for the contamination at Casmalia accountable for their actions," said Lois Schiffer, Assistant Attorney General in charge of the Environment and Natural Resources Division. "But we also intend to ensure that those responsible parties who have not yet joined this settlement pay their share of the clean-up costs as well."

"This settlement represents another significant accomplishment in the federal government's ongoing efforts to assure that those parties responsible for creating or contributing to hazardous waste sites accept the responsibility for the necessary cleanup," said Nora M. Manella, United States Attorney for the Central District of California.

While this first phase of work is being performed, the government and the steering committee will contact the other responsible parties that sent waste to the site and attempt to bring them into the settlement voluntarily. Cash settlements from these parties will be used to fund the later phase of site work as well as the site's long-term operation and maintenance.

The long-term clean-up will also be funded in part by a $ 10 million trust fund set up by site owner Kenneth Hunter, Jr. to pay for closure of the facility. The estimated cost of all site work is estimated to be in excess of $ 100 million. If there is not enough money from the cash settlements and trust fund to pay for the later phases of site work, the U.S. could obtain the shortfall from the CSC.

The Casmalia Resources Hazardous Waste Facility is an inactive hazardous waste treatment, storage and disposal facility which accepted large volumes of commercial and industrial wastes from 1973 to 1989. During its years of operation, millions of gallons of liquid hazardous waste and millions of cubic yards of solid hazardous waste were placed in landfills and surface impoundments at the facility. Since 1992, the U.S. EPA has worked to stabilize the site to control actual or potential releases of hazardous substances from the facility.

FOR IMMEDIATE RELEASE

TUESDAY, SEPTEMBER 24, 1996

ENR

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**FORMER SMITHFIELD FOODS OFFICIAL INDICTED FOR**

**CLEAN WATER ACT VIOLATIONS**

A federal grand jury in Norfolk today indicted the former operator of wastewater treatment facilities at two Smithfield, Virginia meat-processing plants for knowingly discharging wastewater contaminated with fecal coliform into the Pagan River and attempting to cover it up, the Department of Justice announced.

Fecal coliform is an organism found in manure that is often associated with bacteria known to cause serious illness in humans.

The 23 count indictment charged that Terry L. Rettig violated the Clean Water Act by knowingly discharging the contaminated wastewater into the Pagan River that flows into the James River and ultimately the Chesapeake Bay. The facilities each are owned by Smithfield Packing Company and Gwaltney of Smithfield Ltd, both subsidiaries of Smithfield Foods Inc. These plants process waste generated during hog-slaughtering and meat processing operations.

Rettig was also charged with falsifying wastewater quality reports submitted to the Virginia Department of Environmental Quality, and with discarding and destroying records required to be maintained at the plants. Federal law requires that the plants monitor the quality of the wastewater they discharge into the river and to insure they comply with their Clean Water Act permits that govern the amount of waste they can legally discharge.

The indictment also charged the 45 year-old Virginia Beach resident with violations at A-T.R. Systems Management, a company owned by Rettig that operated small sewage treatment plants on a contract basis. At A-T.R., Rettig allegedly failed to perform required monitoring, sampling, and analysis of wastewater discharged from treatment plants owned by the Town of Surry, the Twin Ponds Mobile Home Park, and the Bowers Hill Econo Travel. Rettig allegedly caused the Twin Ponds and Bowers Hill plants to discharge wastewater in violation of federal permit limits and submitted false reports to state environmental officials.

"We cannot protect our water resources unless those responsible for complying with the Clean Water Act perform their duties with complete integrity," said Helen F. Fahey, United States Attorney for the Eastern District of Virginia. "When a licensed operator knowingly breaches the public trust, we must take strong enforcement measures to ensure future compliance."

"Protecting the environment is vital to public health and safety and we will not tolerate those who threaten it," said Lois J. Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "Those who knowingly pollute will be prosecuted."

The maximum penalty for each count of knowingly discharging pollutants in violation of the federal Clean Water Act, or for knowingly violating the terms of a Clean Water Act permit, is three years imprisonment and a fine of $ 250,000. The maximum penalty for each count of making a false statement in records filed or required to be maintained under the Clean Water Act is two years imprisonment and a fine of $ 250,000. If convicted on all 23 counts charged in the indictment, Rettig faces a maximum penalty of 54 years in prison and a maximum fine of $ 5.75 million.

This case was investigated by the Environmental Protection Agency Criminal Investigations Division and the Federal Bureau of Investigation, with assistance from the Virginia Department of Environmental Quality.

FOR IMMEDIATE RELEASE

MONDAY, DECEMBER 23, 1996

ENR

(202) 514-2008

TDD (202) 514-1888

**U.S. REACHES $ 3.5 MILLION SETTLEMENT WITH TENNECO *OIL***

**TO RESTORE DRINKING WATER FOR OKLAHOMA AMERICAN INDIAN NATION**

WASHINGTON, D.C. -- As part of a $ 3.5 million settlement, Tenneco ***Oil*** Company today agreed to build a new water system for the Sac and Fox Nation to resolve allegations that the company polluted the groundwater of the Nation through years of faulty ***oil*** drilling and production practices, the United States and the Nation announced.

Under the agreement, filed today by the Justice Department in U.S. District Court in Oklahoma City, Tenneco will provide a permanent supply of potable water to the Nation by constructing water supply wells and delivery systems on at least 120 acres of land to be purchased by Tenneco. The land will be deeded to the Sac and Fox Nation, which will apply to have the land taken in trust by the federal government, and added to the reservation.

In addition, Tenneco will install a water recovery system on the Deep Fork River, which crosses tribal lands of the Sac and Fox Nation, allowing it to irrigate its lands and develop a farming economy. The company also will reforest a pecan grove and restore an area of tribal land damaged by years of ***oil*** and gas retrieval, and pay the Nation $ 1.16 million in compensation for the contamination. Under the agreement, the Nation will spend about $ 75,000 of Tenneco's payment to restore additional areas of the reservation that were damaged by ***oil*** production, including the removal of abandoned ***oil*** field equipment and the clean up of existing ***oil*** wells.

"I am pleased to announce that today marks the beginning of the end of the Sac and Fox Nation's water supply problems," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "This settlement makes good on the Justice Department's commitment to insure the Sac and Fox have clean, safe water and is another step in ongoing efforts by the United States to address pollution problems on tribal lands."

"This is a truly historic event for the Nation," said Dora Young, Sac and Fox Principal Chief. "Having our own water supply for the first time in 40 years opens the door to our moving forward with plans to develop the Reservation. In the immediate future, it will guarantee an adequate water supply for our state-of-the-art Juvenile Detention Center, as it accepts its first residents on February 3, 1997."

"The Sac and Fox Nation of Oklahoma has been suffering from the effects of polluted groundwater for about five decades now," said Ada E. Deer, the Department of Interior's Assistant Secretary for Indian Affairs. "With this settlement, the Nation can begin to build its economy. Fresh drinking water will provide an opportunity for tribal members to return to their reservation and build homes."

"This settlement reflects the federal government's resolve that polluters must pay for and correct the damage they cause," said Steven Herman, Assistant Administrator of EPA's Office of Enforcement and Compliance Assurance. "It remedies a long term problem by ensuring a permanent supply of clean, safe water both for drinking and agriculture, thereby providing for the health and economic well being of the Sac and Fox tribe."

Today's settlement resolves a lawsuit brought by the government in January 1996, alleging that Tenneco ***Oil*** polluted the groundwater and lands of the Sac and Fox Nation through an ***oil*** recovery process known as waterflooding. This process involved injecting saltwater into the ground in large volumes under high pressure in order to force ***oil*** and gas to escape into adjacent wells where it could then be pumped to the surface. The lawsuit alleged that saltwater flooding and failure to properly plug and abandon the wells contaminated the Sac and Fox Nation's groundwater and surface lands, destroying vegetation and other natural resources, including the Nation's pecan groves. The lawsuit further alleged that the Nation's sole source of drinking water was ruined by Tenneco's failure to construct and maintain proper waterflooding and ***oil*** production systems.

Tribal members began to notice deterioration of the quality of the Nation's drinking water in the 1950's and 1960's. In the 1970's the Nation began to pipe in clean water from miles away for domestic tribal use. In recent years, the Nation's economic development plans have been stymied by the lack of an adequate water supply.

The Sac and Fox tribes originated in the Great Lakes region and were displaced to Kansas, Iowa, and Missouri in the early 19th century. In 1867, they moved to what is now Lincoln County, Oklahoma. Today, the Nation has about 2,100 members and the reservation comprises about 1,000 acres.

The Department of Justice, the Department of Interior, the Environmental Protection Agency and the Sac and Fox Nation cooperated in developing and bringing the lawsuit against Tenneco. On December 12, Tenneco ***Oil*** Company merged with El Paso Natural Gas Company, which will carry out Tenneco's obligations under the agreement.

FOR IMMEDIATE RELEASE

THURSDAY, DECEMBER 12, 1996

ENR

(202) 514-2008

TDD (202) 514-1888

**U.S. APPROVES GENERAL MOTORS PLAN TO SPEND OVER**

**$ 7 MILLION ON POLLUTION REDUCTION PROJECTS REQUIRED**

**UNDER 1995 CADILLAC SETTLEMENT**

**Company's Efforts Produce Innovative Projects Designed To Improve**

**Air Quality In Several States With Severe Problems**

WASHINGTON, D.C. -- As part of a $ 45 million 1995 settlement requiring the recall of over a half-million Cadillacs, General Motors Corporation (GM) will implement five innovative environmental projects of its own design, at a cost of over $ 7 million, to offset illegal levels of air pollution generated by the recalled automobiles, the United States announced today. The government alleged the company had equipped the cars with illegal devices that defeated pollution controls, resulting in carbon monoxide emissions more than three times the legal limit between 1991 and 1995.

The projects will be implemented in areas with serious air quality problems in California, Arizona, Connecticut, New York, Massachusetts, and New Hampshire.

According to the project plan, GM will buy and retire older, high-polluting vehicles, provide or upgrade electric vehicles for use by state or local agencies, and fund the acquisition of electric shuttle buses and pick-up trucks by the operator of Boston's Logan International Airport.

"I am pleased that GM is stepping up to the plate and will perform these innovative pollution reduction projects," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "These projects, obtained through our vigorous enforcement of the Clean Air Act, will mean cleaner air for people living and working in the places most affected by serious air-pollution."

"Today's action shows our commitment to ensuring that environmental enforcement protects public health today and in the future," said Steven Herman, Assistant Administrator of EPA's Office of Enforcement and Compliance Assurance. "In addition to paying a penalty and fixing a problem, GM also will play a role in helping to improve the air we breathe."

The projects are expected to reduce annual carbon monoxide emissions by 2,400 tons, hydrocarbon emissions by 300 tons, and nitrous oxide emissions by 175 tons. Carbon monoxide can cause cardiopulmonary problems and can lead to headaches, impaired vision and a reduced ability to work and learn.

Under the project plan, filed today in U.S. District Court in Washington, D.C., GM will spend a total of $ 3.8 million to buy and retire older, higher-polluting vehicles in the Phoenix/Maricopa County area of Arizona, and in Southern California, an area with the worst air pollution problem in the country.

In addition, in California, Connecticut, New York, Massachusetts and New Hampshire -- states that have recently exceeded the national ambient air quality standard for carbon monoxide -- GM will spend more than $ 2 million to provide or upgrade electric vehicles for use by state or local agencies. The plan calls for these "zero-emission" vehicles to be equipped with longer range nickel metal-hydride batteries, enhancing their use as substitutes for higher polluting gasoline-fueled cars.

Another project required by the plan calls for GM to provide $ 750,000 to MASSPORT, operator of Boston's Logan International Airport, to fund the acquisition of electric shuttle buses, pick-up trucks, and an inductive charging station for Logan's electric vehicle fleet. The funds will also be used to convert a conveyer belt loader and ten tow tractors now in use it the airport to electric power.

The pollution reduction projects are the final component of GM's 1995 settlement with the United States resolving allegations that GM sold vehicles that did not conform with the Clean Air Act, made and sold vehicles equipped with illegal devices, tampered with certain 1991 and 1992 model-year Cadillacs, and failed to describe the use of emission control devices to EPA.

GM's total cost in the 1995 settlement, estimated at about $ 45 million includes, $ 11 million in civil penalties, the estimated $ 25 million recall and repair of the 570,000 Cadillacs, and the projects announced today, estimated to cost up to $ 8.75 million. It was the nation's first judicial automobile recall for environmental reasons.

The government's allegations centered on GM's 1991-1995 model year Cadillacs, including Seville and Deville models, equipped with GM's 4.9 liter engine. An additional claim involved GM's failure to notify EPA about certain emission control strategies for light duty vehicles sold in model years 1991-1995.

During routine testing in the fall of 1993, EPA discovered that the Cadillacs failed to comply with federal emissions requirements. EPA tests showed that the engines emitted up to 10 grams of carbon monoxide a mile with the climate control on, well above the 3.4 grams/mile limit.

In 1991, GM designed a new engine control computer chip to respond to customer complaints of stalling and other drive-ability problems in the 1991 Cadillacs. GM continued to install the chip in its 1992 through 1995 model year Cadillacs. The device nearly tripled the output of carbon monoxide when the car's climate control system is on -- for heating or cooling. The instructions on the computer chip enriched the fuel (increased the amount of fuel relative to air), which overrode the emission control system and resulted in multiplying the carbon monoxide emissions. For the 1993-1995 model years, GM again failed to disclose the use of the device or its adverse emissions effects.

draft -- 2/26 -- 5:45pm

**UNITED STATES SECURES $ 22 MILLION IN AGREEMENTS THAT WILL**

**COMPLETE CLEAN UP OF NEW JERSEY'S NASCOLITE SUPERFUND SITE**

**Two Settlements Net Nine Companies For Share of Clean Up**

WASHINGTON, D.C. -- Proving that administrative reforms enacted last year are making Superfund cleanups quicker and cheaper, the United States today reached settlements with nine companies who have agreed to pay $ 22 million to clean up the Nascolite Superfund site in Millville and Vineland, New Jersey. A list of the settling companies is attached.

The two agreements, filed today in U.S. District Court in Camden, should complete the cleanup.

The now defunct Nascolite Corporation operated a plastics manufacturing facility on the 17.5 acre site located in a mixed commercial and residential neighborhood from 1952 to 1980. Hazardous substances used to manufacture the plastics, including an acid-derived resin known as methyl methacrylate, contaminated the groundwater and soil. Each of the settling companies supplied Nascolite with varying quantities of methyl methacrylate at different times, and are responsible for a share of the site cleanup.

Under the first settlement, five companies who contributed a small amount of hazardous waste to the Nascolite site agreed to pay a total of $ 894,000 for their share of the clean up costs. This settlement is the result of administrative reforms designed to speed the pace and protect the fairness of Superfund clean ups. Under last year's administrative reforms, the United States established a fast track settlement process for those who contributed a small amount of hazardous waste to a site. The process allows them to avoid costly, time consuming litigation while ensuring they pay their share of the cleanup costs.

Under the second settlement, the four companies responsible for supplying Nascolite with the bulk of the hazardous substances that contaminated the site, agreed to pay nearly $ 22 million to cleanup the contaminated groundwater at the site and reimburse EPA for a some of its cleanup costs.

EPA Regional Administrator Jeanne M. Fox, said: "This settlement means more than 90 percent of the costs for the decontamination of groundwater at the Site will be borne by the parties who are legally responsible for the improper waste disposal practices that damaged this natural resource. It also frees up funds for use at other Superfund sites where responsible parties have not come forward or have not yet been identified."

"These settlements and other recent Superfund settlements demonstrate that Superfund administrative reforms are working well," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "Those who sent small amounts of waste to the Site are paying their share and avoiding costly litigation, while those who sent larger amounts to the site are cleaning up the contaminated groundwater in a cost-efficient and timely manner."

Faith S. Hochberg, United States Attorney for the District of New Jersey, commented: "Working in partnership with EPA and the Justice Department's Environment and Natural Resources Division, the U.S. Attorney's Office is committed to strong enforcement of all environmental laws. This settlement brings about the cleanup of contaminated groundwater and the protection of public health and the environment for the benefit of the residents of New Jersey."

The proposed settlements, known as consent decrees, will be published in the Federal Register. Any person may submit written comments concerning the proposed decrees during the 30 day comment period to the Assistant Attorney General, Environment and Natural Resources Division, U.S. Department of Justice, 950 Pennsylvania Avenue, N.W., Washington, D.C. 20530.

[Docket number]

**SHERWIN WILLIAMS, LTV STEEL AGREE TO MAJOR**

**SOUTHSIDE CHICAGO CLEANUP**

**Both Companies to Spend Millions on Fines and Cleanup Work**

**to Resolve Environmental Violations**

CHICAGO, IL -- Reflecting the Administration's commitment to urban environmental renewal, public health protection and strong environmental enforcement, the United States announced today that Sherwin Williams and LTV Steel will spend millions of dollars on environmental cleanups and civil penalties at their manufacturing facilities on the Southside of Chicago. The two settlements were filed today in U.S. District Court in Chicago.

Sherwin Williams, the well known paint manufacturer, will pay nearly $ 5 million in civil penalties, spend more than $ 1 million on additional environmental cleanup projects, and likely spend millions of dollars to clean up contamination at its south Chicago manufacturing facility. It also will improve its pollution controls to avoid future violations of environmental laws.

EPA Administrator Carol M. Browner said, "When I came to Chicago in June 1993 to announce the filing of the Sherwin Williams action, I said that this Administration was committed to protecting the health of all Americans. Today's action is a significant demonstration of that commitment -- enforcing the laws that protect public health and the environment. When polluters flagrantly disregard the laws, we will take swift action against them and not allow them to profit at the expense of our citizens."

Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division said, "If polluters step up to the plate from day-one, and accept a fair settlement that is good for the environment, they will avoid costly, time-consuming litigation. Those who force us to litigate, will see just how tenacious the Justice Department is at enforcing our nation's environmental laws from the inside of a court room."

Jim Burns, United States Attorney for the Northern District of Illinois said, "With these two settlements, the citizens of south Chicago will have a cleaner, healthier environment. Strong environmental enforcement is absolutely necessary if we are to do all we can to protect public health and ensure a clean environment, not only for Chicagoans, but for all Americans."

In a 1993 lawsuit, the United States alleged Sherwin Williams violated federal environmental laws by:

\* failing to identify and properly handle hazardous wastes, including potentially dangerous, carcinogenic paint by-products;

\* failing to control emissions of volatile organic compounds, or VOCs. VOCs contribute to the formation of ground-level ozone, or smog, which impairs breathing and can worsen the effects of asthma, chronic bronchitis and emphysema; and,

\* discharging high levels of organic solvents and toxic metals into the local sewer system. The high levels of organic solvents created a risk of fire or explosion.

As part of its settlement, Sherwin Williams will spend $ 1.1 million to restore two areas in south Chicago. These include:

\* $ 950,000 to clean up and restore the Victory Heights/Maple Park site, a group of old and abandoned industrial sites - also known as Brownfields. The City of Chicago identified this site for cleanup and commercial redevelopment; and,

\* $ 150,000 to restore wetlands and protect habitat near Indian Creek and Lake Calumet.

Under the second settlement, LTV Steel will pay a $ 1.25 million civil penalty, and spend more than $ 1 million on a supplemental environmental project that will reduce air emissions at its south Chicago plant well beyond that required by federal law.

In a complaint filed along with the settlement, the United States alleged that LTV emitted high levels of coke oven gas and particulates from its south Chicago plant on numerous, regular occasions from 1979 to 1994, in violation of the Clean Air Act. Coke is one of the basic materials needed to convert iron ore into steel.

At LTV's coke battery, coke is produced by heating pulverized coal under pressure in a battery of 60 ovens. During heating, gas emissions can leak out through faulty door seals and oven lids. Raw coke oven gas also is released into the atmosphere intentionally through bleeder stacks when pressure inside the oven becomes excessive.

Coke oven emissions consist of fine particles and gas containing compounds such as hydrogen sulfide, carbon monoxide, lead, arsenic and benzene. The putrid emissions are highly toxic, and can lead to numerous maladies, including respiratory ailments, heart attacks, asthma and cancer.

After EPA began enforcement actions against LTV in 1994, the company reduced particulate emissions, or soot, from its coke ovens by 98 percent. Instead of releasing emissions from each coke oven directly into the atmosphere, under LTV's plan, emissions from one oven will fuel the next coke oven in series, thereby controlling emissions well beyond what the law requires.

NEWS RELEASE

United States Environmental Protection Agency

Region 2 NJ, NY, PR, USVI

United States Department of Justice

Environment and Natural Resources Division

97039 EPA -- Carl Soderberg (EPA) 787-729-6951

Mary Mears (EPA) 212-637-3669

Christine DiBartolo (DOJ) 202-616-2771

LEASE: Friday, January 10, 1997

**PREPA TO COMPLY WITH ENVIRONMENTAL LAWS: PAY $ 6 MILLION FOR PENALTIES AND ENVIRONMENTAL PROJECTS**

San Juan, P.R. -- The Puerto Rico Electric Power Authority (PREPA) will pay $ 1.5 million in civil penalties, undertake additional environmental projects and relief valued at over $ 4.5 million, and come into full compliance with numerous environmental statutes under a settlement with the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Justice (DOJ) lodged in U.S. District Court this morning in San Juan, Puerto Rico. PREPA was cited by the U.S. Government in October, 1993 for multiple violations of air, water, underground storage tank and spill control regulations, and hazardous substance reporting requirements.

Today's settlement, which covers the violations identified in the 1993 lawsuit, includes several unique features. The settlement requires that PREPA install a computer-telemetry system that will allow continuous monitoring of the operation of PREPA's boilers directly from EPA's office in San Juan. PREPA will fund hazardous materials response training for local fire departments. In response to suggestions from groups representing communities located near the PREPA plants, the authority will undertake the preservation of natural habitat near two power plants. Also at the suggestion of community groups, PREPA will, as additional injunctive relief, hire an environmental expert to work with affected communities. The settlement stipulates penalties that would automatically be imposed if PREPA fails to comply with many of the settlement's provisions.

The settlement includes a number of additional projects, which go beyond PREPA's obligations under the law. In one, the direct result of community input, PREPA will invest $ 3.4 million over a five-year period to acquire and permanently preserve the natural habitat of Cienaga Las Cucharillas, near its Palo Seco and San Juan (Puerto Nuevo) Power plants. PREPA anticipates that it will work with and through the Conservation Trust of Puerto Rico to carry out this project, which was proposed by Communidades Unidas Contrala Contaminacion (CUCCo), an environmental and community organization centered in the Cataho area. PREPA will also improve the Puerto Rico Fire Department's ability to respond to chemical emergencies at any facility on the island by providing $ 100,000 worth of in-depth hazardous materials response training.

Another element of the injunctive relief requires PREPA to spend at least $ 1 million over a five-year period to hire an independent "Environmental Review Contractor" to work with community organizations in the areas near PREPA plants to assist them in maintaining up-to-date information about PREPA's compliance with the terms of the settlement, and to provide training and independent technical expertise. This project addresses two separate proposals made by Comite Pro Rescate del Buen Ambiente en Guayanilla, a community group in Guayanilla, Puerto Rico.

The settlement also mandates that PREPA burn fuel with a sulfur content no greater than 1.5%; for three of its four generating plants this was a reduction of more than one third from what PREPA was allowed to burn under existing law. PREPA came into compliance with this requirement soon after EPA's lawsuit was commenced. In addition, PREPA must hire an independent compliance auditor to periodically check its compliance with clean air requirements. PREPA has completed many of the equipment upgrades and is required to take all other necessary steps to comply with the settlement by May 1998.

The settlement commits PREPA to protect surface and ground water by coming into compliance with discharge permits at all its plants and to submit quarterly reports detailing actions taken to comply. These permits limit the amount of pollution that is allowed to be discharged into the waterways of Puerto Rico. At most of its plants, PREPA is carrying out extensive construction projects and treatment plant improvements in order to meet the final discharge limits. Interim limits, set to be as protective as possible, must be met while these construction projects are underway. All such projects are to be completed by 1998.

In addition, EPA will ensure that groundwater is protected by requiring PREPA to submit records on underground storage tanks at all PREPA facilities. These records will be reviewed to ensure that tanks no longer in service are properly closed.

EPA is also requiring PREPA to take numerous steps to prevent spills and to better respond to emergencies at all of its facilities. The settlement requires PREPA to submit Spill Prevention. Control and Countermeasure Plans for each of its facilities to EPA within three months after entry of the settlement, and to hire a full-time coordinator to oversee spill-prevention construction activities. The settlement also requires PREPA to submit all required information about hazardous chemicals present at its facilities within two months after entry of the settlement. This information aids local emergency response personnel in the event of a chemical spill or other accident at a facility.

PREPA is committed to reporting any releases to the National Response Center or local emergency response agencies as required by federal law.

"A central element of the settlement is the package of environmental projects that will directly benefit affected communities," said Jeanne M. Fox, EPA Region 2 Administrator. "EPA worked closely with community groups during this enforcement case because we felt strongly that the people most affected by the violations should receive the benefits of any environmental projects."

"Every American has the fundamental right to be protected from environmental pollution, regardless of where you live or how healthy you are," said Steve Herman, EPA Assistant Administrator for Enforcement and Compliance Assurance. "This settlement requires PREPA to both correct the damage it caused and take steps to prevent future environmental problems, thereby providing significantly cleaner and healthier air and water for the people whose homes are near the power plants," violations."

"Today's settlement marks the beginning of the end of PREPA's longstanding environmental violations and will help to assure a cleaner environment and improved health for all Puerto Ricans," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "I am extremely excited about the environmental projects PREPA has agreed to perform, because they were formulated in direct consultation with the communities of Puerto Rico most affected."

PREPA estimates that, once it has met all of the requirements in the settlement, the Authority will have spent more than $ 200 million on upgrading its equipment and operations. PREPA started many of the actions necessary to come into compliance during the three years of negotiations following filing of the 1993 suit. As a result, PREPA has already made significant progress implementing the requirements of the settlement.

PREPA has made commitments that will bring it into compliance and, in some cases, beyond compliance with federal clean air regulations. Such undertakings include major equipment upgrades, instituting a continuous monitoring program to check boiler operations and compliance, regular inspections, constant fuel quality checks, and a rigorous preventive maintenance program.

**Department of Justice**

FOR IMMEDIATE RELEASE

THURSDAY, JANUARY 9, 1997

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(202) 514-2008

TDD (202) 514-1888

**NATION-WIDE ENFORCEMENT INITIATIVE SNARES SMUGGLERS**

**OF BANNED REFRIGERANT THAT DESTROYS OZONE LAYER**

*Charges Filed from Coast-to-Coast Against CFC Smugglers*

WASHINGTON, D.C. -- Moving to head off a growing black market that threatens the earth's fragile ozone layer, the United States today charged more than a dozen individuals and businesses across America with smuggling freon gas across the border.

Freon, the popular brand name for a chloroflourocarbon also know as CFC-12, is known to destroy the ozone layer, and has been banned from import or production for domestic use in the United States since January 1996.

The charges stem from a new National CFC Enforcement Initiative of the U.S. Department of Justice, U.S. Customs, the Environmental Protection Agency and the Federal Bureau of Investigation to stop the flow of the banned chemicals into the United States.

The charges were filed by U.S. Attorney's offices in San Diego, Los Angeles, Houston, Miami, and Savannah, Georgia.

"These charges are a part of the National CFC Enforcement Initiative designed to detect and deter the smuggling of CFC's into the United States," said Attorney General Janet Reno. "To CFC smugglers, we say: we will find you, we will shut down this black market, and we will not let you endanger our ecosystem and our children for a few dollars."

"Today's action sends a clear message that we will not tolerate smugglers who jeopardize the health of American families and people around the world," said EPA Administrator Carol M. Browner. "Ozone destroying chemicals were banned to protect public health from cancer-causing exposure to harmful ultraviolet rays, and we must be vigilant in enforcing that commitment."

"U.S. Customs is proud of its continuing success in interdicting smuggled chloroflourocarbons, and proud of its role in helping prosecute those individuals who wilfully violate the law and harm the environment for profit," said U.S. Customs Commissioner George J. Weise. "We look forward to continuing our close cooperation with all agencies charged with enforcing the laws that protect us from these harmful chemicals."

"The FBI is proud to work with the U.S. Customs, the U.S. EPA, and other state and federal agencies, to address this crime problem in an effort to remove these destructive chemicals from the environment," said FBI Director Louis J. Freeh. "This coordinated initiative puts perpetrators on notice that they face the full force of federal law enforcement when they smuggle illegal CFCs. The FBI considers these cases very serious, from the standpoint of both environmental crimes and government fraud."

The importation of refrigerants belonging to the class of chemicals known as CFCs, have been banned in the U.S. in conjunction with the international agreement known as the Montreal Protocol. The agreement, signed in 1987, established a phase-out schedule for CFCs leading to their outright ban in the United States and other developed countries as of January 1996.

Unscrupulous smugglers have created a black market for the ozone destroying chemicals. In addition to profits from the sale, they defraud the government from excise taxes levied on CFCs.

There is an existing stockpile of legal CFCs in the United States, estimated to last another two years. These existing stockpiles are sold to certified distributors and service stations. The stocks are primarily used to refill air conditioning systems in the approximately 80 million cars made before 1994, that are on the nation's roads. Once the supply of CFCs is used up, a safe alternative refrigerant exists that can be used in older vehicles, with a $ 50 to $ 300 modification.

The following districts announced charges today:

Central District of California

\* Dennis O'Meara was charged in an indictment alleging that he attempted to smuggle more than 28 tons of CFCs into the U.S. through the Port of Los Angeles.

Southern District of California

\* Evilfrido Lopez, Feliciano Torres, Vicente Salazar, and Javier Cruz Flores were charged with conspiracy to smuggle over 3,000 pounds of CFCs across the U.S.-Mexico border.

\* This case is the tenth prosecution for cross-border CFC smuggling brought by the San Diego U.S. Attorney's Office.

Southern District of Texas

\* Filed a five count indictment charging three individuals, Terry G. Stivrins, Gregory G. Wajda and Carlos D. Rojas, with conspiracy, illegal importation of CFCs and receiving and transporting smuggled merchandise.

\* The charges in the indictment involve the smuggling of over 1,000 pounds of CFCs.

\* This case represents one of several similar cases involving CFC smuggling along the Texas-Mexican border brought by the Houston U.S. Attorney's Office.

Southern District of Florida

\* Three individuals were charged for their roles in conspiracies to smuggle CFCs into the U.S., including Michael L. Pejcinovik, who was arrested on January 8. Charged separately were Lewis M. Steinberg and Joseph Surujon.

\* Operation "Cool Breeze" has already resulted in over a dozen convictions of CFC smugglers, including millions in criminal fines and 57 months imprisonment for the most egregious violator.

Southern District of Georgia

\* Johnny Willis Simpson was indicted for conspiracy to smuggle CFCs into the U.S. The United States alleges that Simpson conspired with others in an attempt to smuggle 150,000 pounds of CFCs across the U.S.-Mexico border.

An indictment represents charges brought by a federal grand jury and is not itself evidence. The government has the burden of proving the charges at trial beyond a reasonable doubt. Investigations under the National CFC Enforcement Initiative into illegal importation and sale of CFCs are continuing.

FOR IMMEDIATE RELEASE

THURSDAY, JANUARY 9, 1997

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\*\*\**IMPORTANT -- THIS SUPPLEMENTS THIS MORNING'S CFC ANNOUNCEMENT*\*\*\*

**MORE CHARGES BROUGHT AS A RESULT OF NATIONAL**

**CFC ENFORCEMENT INITIATIVE**

WASHINGTON, D.C. -- Building on this morning's National CFC Smuggling Initiative, charges were filed today in Philadelphia against three individuals and two business on allegations that they conspired t50 smuggle a total of over 52,000 cylinders of CFCs at an estimated profit of $ 10 million.

The charges filed by the United States Attorney's Office for the Eastern District of Pennsylvania allege the following:

\* Three individuals - R. Colin Dayton, Christopher Farnham and Richard Pelati - were charged with conspiracy to smuggle CFCs;

\* two businesses - Refrigerant Management Services Inc., of Bryn Mawr, Pennsylvania and R&C Sales Inc., of Boca Raton, Florida, were indicted with conspiracy to smuggle CFCs.

\* Additional charges of money laundering and criminal forfeiture were brought against Dayton and Farnham.

\* Indictment alleges the defendants conspired to smuggle over 52,000 cylinders of CFCs at an estimated profit of $ 1 million, including $ 7 million in circumvented federal excise taxes.

The CFC Smuggling Initiative is a joint effort by the U.S. Department of Justice, U.S. Customs Service, the Environmental Protection Agency, Internal Revenue Service, and the Federal Bureau of Investigation to stop the flow of banned chemicals into the United States.

**ARCO PIPE LINE COMPANY TO SPEND MORE THAN $ 9 MILLION FOR ENVIRONMENTAL DAMAGE CAUSED BY TWO SOUTHERN CALIFORNIA *OIL* SPILLS**

WASHINGTON, D.C. -- ARCO Pipe Line Company today agreed to spend more than $ 9 million in damages and to restore natural resources damaged from ***oil*** pipe line ruptures that spewed hundreds of thousands of gallons of crude ***oil*** into Southern California waterways, the United States and the state of California announced. Most of the ruptures occurred as a result of a January 17, 1994 earthquake.

The settlement was filed today in U.S. District Court in Los Angeles, by the U.S. Department of Justice -- on behalf of the Interior Department -- and the state of California.

Under the agreement, ARCO will spend $ 7.35 million to restore natural resources damaged in the spill, pay $ 525,000 in state and federal civil penalties, pay $ 277,000 to cover state and federal spill response costs, and spend $ 1 million to fund additional environmental projects. Since ARCO performed much of the cleanup work shortly after the spills occurred, the remaining work primarily includes natural resource restoration -- ensuring the return of plants, animals and fish affected by the spills.

"I appreciate ARCO's cooperation in the initial cleanup efforts and for taking responsibility for the additional cost of restoring the natural resources damaged," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "This settlement reflects our policy that those responsible for damaging the environment pay to clean it up -- not the American taxpayers."

"Environmental contamination is one of the most insidious threats to wildlife in this country," said Acting U.S. Fish and Wildlife Service Director John Rogers. "In many cases, such as the Santa Clara spill, we simply wouldn't have the means to restore resources harmed by pollution without the Natural Resource Damage Assessment and Restoration Program."

"I am very pleased with these settlements which will allow for full recovery of the injuries in each spill and restoration of wildlife habitat in the Santa Clara River system," said Pete Bontadelli, Administrator of California's Office of ***Oil*** Spill Prevention and Response. "Our office is committed to ensuring the environment is made whole. These settlements are a success because all the parties focused on a common goal, namely restoration of the environment."

On January 17, 1994, a magnitude 6.8 earthquake struck Southern California, rupturing -- in at least eight different places -- an ARCO ***oil*** pipeline running through Los Angeles County. The largest rupture spilled approximately 190,000 gallons of ***oil*** near Santa Clarita, with a portion of the ***oil*** flowing into a storm drain and ending up in the Santa Clara River, where it flowed about 16 miles downstream before a dam was erected that halted the flow. The ***oil*** damaged fish, wildlife and river bank vegetation. In addition, the ***oil*** spill killed several federally-endangered fish living in the river and damaged habitat critical to the survival of the species. In total, the spill affected approximately 100 acres of vegetation and 150 acres of river bed sediments.

A second spill occurred in another part of the pipeline in April 1993, releasing 260,000 gallons of crude ***oil*** into ***Kern*** County's Grapevine Creek, located just outside Los Angeles.

Under the ***Oil*** Pollution Act, ARCO Pipe Line, as the owner of a facility that discharged ***oil*** into a navigable water of the United States, is responsible for all cleanup costs and natural resource damage restoration costs.

The U.S. Department of Interior carries out numerous Natural Resource Damage Assessment and Restoration activities because of its responsibilities for managing more than 400 million acres of public lands and the resources they support. The Interior Department's U.S. Fish and Wildlife Service is responsible for conserving migratory birds, endangered species, inland fisheries, and certain marine mammals, many of which are often severely affected by chemical and ***oil*** spills.

ACRO Pipe Line Company is a subsidiary of the Los Angeles-based Atlantic Richfield Company.

ALI-ABA COURSE OF STUDY MATERIALS

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