

Borden Chemicals Accused by U.S. In Pollution Suit

By JOSH CHETWYND

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The federal government filed a civil suit charging Borden Chemicals & Plastics Operating L.P. and two affiliates with a variety of environmental violations at a Louisiana plant.

The suit said that Borden Chemicals, Geismar, La., its management affiliate and its holding company must pay penalties for shipping 300,000 pounds of waste to a chemical facility in South Africa without notifying the Environmental Protection Agency, as required by law.

Borden Chemicals, which manufactures chemicals and plastics including vinyl chloride, ammonia and polyvinyl chloride at its Geismar site, also would be forced to pay the cost of cleaning groundwater contamination. The EPA said that it has determined that vinyl chloride, a carcinogen, and ethylene dichloride, a suspected carcinogen, were released by Borden Chemicals into the groundwater. The suit also charged the company with operating a hazardous-waste incinerator without a permit.

The suit could cost Borden Chemicals \$25,000 per day for each violation, which the Justice Department believes could result in a "multimillion dollar" penalty. The department filed the suit in federal district court in Baton Rouge, La., on behalf of the EPA.

A statement issued by Borden Chemicals said the suit "constitutes a retroactive change in regulations that violates basic concepts of fairness and due process."

Wayne Leonard, the company's vice president and general manager, said in an interview that the Louisiana Department of Environmental Quality ruled in 1993 that the hazardous waste it had been shipping wasn't a pollutant. When the department later reversed that ruling, Borden stopped the shipping.

Mr. Leonard also contended that his company had spent more than \$20 million on cleanup efforts since it became aware of groundwater contamination in the early 1980s. He also said the allegedly illegal "incinerator" is actually a processing unit for recycling and is being misclassified by the government.

Borden Chemicals has been aware of the government's complaints for some time. In May, the company filed a suit in federal court asking for a decision on the government's claims. "We just want an unbiased, unpolitical decision," Mr. Leonard said. A Justice Department official said the May suit was filed "prematurely."

Borden Chemicals' management company is Borden Chemicals & Plastics Inc., based in Columbus, Ohio. Its holding company is Borden Chemicals & Plastics L.P., also based in Geismar.