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JUDGE RULES THAT HERCULES AND UNIROYAL

MUST PAY U.S. \$102 MILLION FOR SUPERFUND CLEANUP

WASHINGTON, D.C.--In a major victory that affects the cleanup of hazardous waste sites across the country, a federal court ruled today that Hercules, Inc. and Uniroyal Chemical Limited will pay the U.S. government \$102 million for the costs it incurred in cleaning up the Vertac Superfund Site in Jacksonville, Arkansas -- a site where Agent Orange was once produced.

"This ruling means we can clean up more hazardous waste sites and make our communities safer and more livable," said Lois J. Schiffer, Assistant Attorney General for Environment and Natural Resources at the Department of Justice. "Companies thinking about fighting their Superfund obligations ought to think again. If you don't settle, we will use the full force of federal law to hold you accountable."

"This case demonstrates EPA's determination to protect public health and the environment and to collect the costs from responsible parties for cleaning up contaminated sites, said Steven Herman, EPA Assistant Administrator for Enforcement and Compliance Assurance. "We also will continue in our efforts to clean up and eradicate the hazards posed by such dangerous sites as this one."

The judgment of the U.S. District Court, Eastern District of Arkansas, in the case of United States v. Vertac Chemical Corp., et al., requires Hercules, Inc. and Uniroyal Chemical Limited to pay the U.S. government

\$102,878,641.35 for costs incurred by EPA in cleaning up dioxin-contaminated hazardous wastes at the Vertac Superfund Site in Jacksonville, Arkansas. Under the law, that money must be returned to the Superfund, where it can be used to clean up other hazardous waste sites across the country.

The Vertac site, one of the worst dioxin-contaminated sites in the country, was an herbicide manufacturing plant operated by Hercules and Vertac Chemical Corp. from the 1960s to the 1980s. Its products included Agent Orange, a defoliant agent used in the Vietnam War. The facility operations caused widespread contamination of soil, groundwater and surface waters on the site and in surrounding areas, including the yards of neighboring homes. In addition, when the facility closed in 1987, more than 28,000 leaking drums of corrosive, ignitable hazardous wastes were left on the site, presenting an imminent danger to the surrounding community.

EPA incurred approximately \$105 million in costs for cleaning up and incinerating the drummed dioxin waste, as well as supervising Hercules' performance of a series of remedial actions ordered by EPA to clean up contaminated soil and groundwater. The state of Arkansas incurred an additional \$10.7 million for incineration of the drum waste, which was paid for by a trust fund created by a prior settlement with Vertac Chemical Corp. Other defendants in the case also reached earlier settlements with the United States, totaling \$7.6 million.

The two remaining defendants, Hercules and Uniroyal, declined to settle and vigorously challenged the United States' right to recover EPA's costs. Hercules and Uniroyal argued to the court that EPA had overestimated the health hazards of dioxin, that a less thorough cleanup should have been done, and that they shouldn't have to pay for the costs of cleanup.

District Judge George Howard overruled the defendants' arguments and awarded the United States summary judgment for the full amount of the costs it has incurred to date. In addition, the court awarded the United States a

declaratory judgment for future costs, which are estimated at approximately \$5 million.

Paula J. Casey, the U.S. Attorney for the Eastern District of Arkansas, said, "I am pleased that the cleanup costs incurred by the government at Vertac will finally be borne by the responsible parties."

Uniroyal Chemical Limited is a Canadian subsidiary of Uniroyal, Inc. The lawsuit was brought under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), also known as the Superfund law.

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