WASTING LOUISIANA

Jack Kent wants your toxins

By Steven Watsky

BATON ROUGE, LA.

UNTIL A FEW YEARS AGO A MAN COULD BE arrested in this state if found in the company of a single woman in a closed room with his shoes off; it was called statutory rape. Yet the same state that would arrest someone for having his shoes off has looked the other way as industry has raped and pillaged the state's fragile and productive coastal environment over the years.

You remember Louisiana, don't you? That's where there is an abnormally high rate of cancer and miscarriages in the petrochemical corridor between Baton Rouge and New Orleans. That's where pollution monitors in the capital city show dangerous levels of junk in the air almost every week. And that's where there are five cases of neuroblastomas—an insidious form of childhood cancer—in the roughneck oil town of Morgan City.

Morgan City, located a few miles from the Gulf of Mexico, is known as a brawling, wild city that, like many along Louisiana's coast, is not as much part of America as it is a byzantine state unto itself. But the oil bust knocked the wind out of Morgan City, and as the exodus began, signs went up reading: "Will the last one out please turn off the lights?"

Into this desperate town came Jack Kent, a good ol' boy from Fluker, La., with the promise of jobs and a new growth industry for Morgan City.

Kent owns Marine Shale Processors, which, depending on whom you believe, is either the company that will dig the U.S. out of its toxic waste cesspool or just another firm that is raping Louisiana's environment.

Remember the New York garbage that no one wanted? Jack Kent wanted it. Said he could dispose of those rotting bedpans, infected syringes and other sundry refuse, and could make stuff out of it that was "cleaner than dirt."

Kent and Marine Shale Processors, by their own estimates, are the largest handlers of hazardous waste in the U.S. This year alone they expect to gross between $40 million and $60 million by getting rid of waste. But they don't incinerate hazardous waste and bury the still-hazardous ash in landfills like most of their competitors. Instead they "recycle" it into aggregate, a fill material they say is perfectly suitable for road-bed material or concrete.

Therein lies the story: Federal hazardous waste laws seek to encourage recycling, energy recovery and other beneficial uses of wastes by exempting from the strictest regulations facilities that produce a safe, commercial product. As a "recycler" under the 1976 Resource Conservation and Recovery Act (RCRA), the company has a huge advantage over typical toxic waste incinerators. The hundreds of other plants that burn hazardous wastes are subject to one set of federal standards for air and water emissions. Not Marine Shale. Other plants must follow a time-consuming and difficult "delisting" procedure proving that its ash is not hazardous before it can be sold rather than buried in an approved landfill. Marine Shale can stockpile and sell its end product.

Thus unburdened, the company can charge cheaper rates to incinerate hazardous wastes. Its prices of $100-$200 a ton are about a third of those charged by a typical incinerator like Rollins Environmental Services in Baton Rouge.

Tulane University environmental law professor Oliver Houck suggests that a simple economic analysis of the company's huge revenues makes a mockery of its claim that its aggregate is a commercially viable product of recycling. Of the company's estimated gross revenues of $13 million last year, only about $100,000 came from selling the aggregate. The overwhelming majority of its money came from accepting and disposing of hazardous wastes.

The market for the questionable aggregate appears small. One of its clients is a contractor with ties to Marine Shale and Rep. Trent Lott (R-MS), who has written favorable letters to the Environmental Protection Agency (EPA) on Marine Shale's behalf. In other cases, the aggregate has been hauled to sites to sop up toxic waste like a sponge and then returned to the plant for further "recycling."

The aggregate itself, which is supposed to be safe, passed a simple test showing that no toxic substances leached into water after 24 hours. The test, however, did not determine whether all the aggregate has the same content given the wide mix of wastes, or whether the aggregate breaks down over a longer period of time or in the presence of substances other than water.

Critics worry that Marine Shale's shrewd manipulation of the "recycler" classification in federal laws—designed to encourage true recycling of basic resources, not the production of a questionable aggregate—may prompt other waste merchants to pursue sham recycling. One company, calling itself Zytech Inc., has applied for two such facilities north of Baton Rouge, and another, Disposal Control Systems, is trying to build one in Nevada.

A report by Houck concluded that Marine Shale "may hold significant promise as an incinerator," but it "may also present a significant risk to human health and the environment through discharges, primarily airborne, but also potentially into the groundwater and surface waters. There are indications that Marine Shale's facility is able to incinerate at least some hazardous materials with a high degree of efficiency. There are other indications that it has been operated, at least in some regards, with a degree of carelessness that hazardous waste operations, however characterized, can ill afford."

The few investigations of Marine Shale show why. Visits and tests revealed escaping fumes, odors and organic pollutants in the air and violations of their permit, according to the Houck report. The plant's operation spurred complaints of noxious odors from nearby residents who had to leave their homes and from businesses that were required to close. Samples of aquatic organisms and sediments from the bottom of two adjacent bayous showed high levels of oil, grease, cadmium, chromium and mercury.

It's not surprising that Kent and Marine Shale got their start in Louisiana—*laissez les bon temps rouler* Louisiana (let the good times roll)—where politicians are cheap, laws are negotiable and regulatory officials sometimes look the other way.

Like many oil-patch folks in Morgan City, Jack Kent made his fast fortune in oil-field supplies and just as quickly went bust in the early '80s when world oil prices plummeted.

Ex-employees say Kent was at the end of his financial rope in 1983. They tell the story of phones being disconnected at Kent's operation in the Morgan City area. It was so bad, they say, that Kent had workers build an awning over the pay phone outside the office where salespeople conducted their business.

Kent even went to a Baton Rouge bank seeking a $13.5 million loan, and he got $7.5 million. Four years later, the bank's president and a businessman are now in jail for loan fraud in connection with that transaction. Within 15 months of receiving the loan, Kent bought an old lime plant in Amelia, just outside Morgan City.

Hard as a rock: Kent told the Louisiana Department of Environmental Quality he had a great idea to dispose of oil-field wastes that for years had been dumped in open pits: recycle them into a benign aggregate.

To do this, Kent's process called for the waste to be run through a kiln at temperatures as high as 2,500 degrees Fahrenheit for up to two hours. At that temperature, Marine Shale's literature claims, contaminants are oxidized and rendered virtually harmless. What harmful vapors and contaminants are not destroyed in the first process go into a second chamber, where the material is heated to 2,000 degrees. What is left, according to Marine Shale, is a harmless rock-like substance. The company said its process is much cleaner than conventional incineration methods, which create air pollution, force the incinerator to dispose of the ash in landfills and leave the original manufacturer of the waste liable for any later cleanup or environmental problems.

In 1985 the state issued Marine Shale a permit to "recycle" oil-field waste. When Marine Shale began operations in earnest in 1985, it almost immediately began accepting hazardous waste—in direct violation of its state-granted recycling permit to get rid of oil-field waste. The state shut down the facility for 10 days and said Marine Shale would need new permits. Then-Environmental Quality Secretary Pat Norton says she opposed granting a hazardous waste disposal permit to Marine Shale, but a third party intervened: Gov. Edwin Edwards.

Norton says Edwards called her to the governor's mansion and, as Kent and Marine Shale attorney George Badge Eldredge—former head of Environmental Quality's legal division—looked on, ordered her to grant the permit. Norton said in 1987—after she had been fired by Edwards in part for her resistance to granting the permit—that she would not have done it "if the governor had not called me so many times, and Eldredge and Kent had not called me so many times...."

Kent gave Edwards $45,000 in campaign contributions in December 1983—four months after Kent had secured the $7.5 million loan and after Edwards had been re-elected.

Norton reluctantly signed a permit that gave Marine Shale "interim" status—that is, it recognized that the facility was operating when the old, less stringent regulations were in effect and did not make Marine Shale subject to the more rigorous new regulations on transporting, receiving, storing and disposing of hazardous wastes. The EPA has questioned this favored status because Marine Shale was not supposed to be receiving hazardous wastes at the time.

But with a state permit in hand that ignored that sticky issue, Marine Shale began accepting some of the most toxic wastes found on Earth.

Because the company was a "recycler," charged less and did not have to justify how it disposed of the waste, its customer base expanded from 52 in 1986 to more than 2,000 in 1988, including 100 of the Fortune 500 corporations. Such clients as Amoco, Conoco, Masonite, the state of Florida, Uniroyal and the U.S. Department of Energy eagerly shipped their wastes to the plant. The same permit that designated Marine Shale as a "recycler" also meant that companies shipping to the plant could not be held liable if their wastes later caused environmental problems.

Within a few years, Marine Shale grew to become arguably the nation's largest handler of hazardous waste. But the growth was not without obstacles. Marine Shale was cited numerous times by local, state and federal officials for pollution violations. But each time, instead of correcting the problems under threat of fines or closure, the company remained open and grew larger, taking in more wastes.

Ex-employees charge that the company was dumping some of its waste into Bayou Bouef, then dumping laundry detergent and lime onto the substances to sink it to the bottom of the waterway, where it would not be detected by Environmental Quality water tests.

The plant was slapped with a three-part compliance order in August 1985, which, among other things, charged Marine Shale with discharging hazardous waste into the ground and water. The plant disputed the charge and the waste continued to burn.

At about the same time that the company began accepting hazardous wastes, children in the Morgan City area began developing neuroblastoma—a rare form of childhood cancer that scientists are at a loss to explain. There have been five known cases of neuroblastoma in the area—well above the national average—with two deaths reported.

In a letter dated June 16, Eldredge wrote the governor's office saying that the company could not be responsible for the cancer because "...all the known neuroblastoma cases developed before Marine Shale started handling recyclable hazardous materials."

But according to a report from a pediatric cancer specialist, the first known cases appeared in 1986—a year after Marine Shale began handling hazardous waste. Marine Shale also commissioned a study of the neuroblastoma outbreak this year, and concluded in part that it could not be the cause of the cancer because none of the children lives downwind from the plant.

The study drew guffaws from the National Weather Service, which says prevailing winds are from the northwest in winter and southeast in summer, and not from the west, as the Marine Shale study claimed.

In addition, the company that did the study—Enviologic Data—is a wholly owned subsidiary of Groundwater Technologies, a company that has a $750,000 contract with Marine Shale to install air-quality monitoring equipment.

The state also is conducting its own investigation into the cancer cases, but warns the study probably won't pinpoint a cause because of the rarity of the disease.

Sooner or later: So far Marine Shale has led a charmed life, but its luck may have changed when Edwards was trounced in his bid for a fourth term as governor. In his place came Buddy Roemer, a reform candidate who promised to move Louisiana into mainstream American politics and mores.

As part of a promise to clean up Louisiana, the new administration introduced legislation in March to reclassify Marine Shale as a hazardous waste disposal facility—making it subject to the tougher state and federal laws. Marine Shale said it welcomed the new regulations because the process was so safe and clean that it could meet any new rules. Company officials looked on as both a House committee and the full lower chamber passed the bill unanimously.

Then all hell broke loose.

Marine Shale officials said they had found a problem with the bill. When it came up in

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Mel Rosenthal

Welfare reform bill does nothing to end poverty

The number of people living in poverty in the U.S. has increased throughout Ronald Reagan's two terms in office. There are plenty of statistics to prove it, but anyone who lives in a large city doesn't need these statistics. The evidence is there on the streets for all—except those who block it out—to see. In this richest nation on Earth, homelessness, hunger and poor health are all on the rise, largely because of the social policies and priorities of the president and his managers.

Last week we examined the plight of the homeless and the recommendations of the National Academy of Sciences' Institute of Medicine report on the health problems of homeless people, which called for an increase in the minimum wage and in welfare payments, as well as broader eligibility, and the construction of affordable housing. And also last week a Senate-House conference committee came up with a compromise welfare reform bill ostensibly designed to address some problems of the poor. The bill, said its chief sponsor, Sen. Daniel Patrick Moynihan (D-NY), "redefined the whole question of dependency." Welfare, he boasted, "is no longer to be a permanent or even extended circumstance. It is to be a transition to employment, and it is to be accompanied by child support from the absent parent." In short, according to Moynihan, the welfare problem will be solved by putting people to work.

Moynihan believes that the prospective bill will accompish this by mandating that states provide welfare parents with job-search assistance, education and job training, as well as child care and transportation. In addition, the bill would require all states to provide welfare benefits for at least six months a year to households with two unemployed parents (only 27 states now do so), thereby eliminating the necessity in some states for families needing welfare to split up. And it would provide Medicaid and child care for a full year to those who leave the welfare rolls. But the states would only be required to enroll 7 percent of their welfare recipients in education and training programs by 1990 and 20 percent by 1995.

These are very small steps in the direction of helping poor people help themselves. As such, they are better than nothing. But they were bought at the cost of agreeing to President Reagan's fraudulent "workfare" requirement, under which either a father or mother in a two-parent welfare family would have to perform 16 hours of "community service" a week. Only 5 percent of current welfare families have two parents—that percentage may increase if the bill is passed—and the work requirement doesn't take effect until 1994, when only 40 percent of the eligible families will be affected. This provision can be seen as merely symbolic, but as House Education and Labor Committee Chairman Augustus F. Hawkins (D-CA) says, the symbolism of this reminder of Victorian workhouses is more appropriately called "slavefare."

In fact, the welfare bill will help precious few people to get work, much less provide them with work. Its workfare provision is simply designed to humiliate the recipients while playing to the myth that people on welfare prefer it to working. If productive work were really the goal, the government could provide jobs at living wages on meaningful public projects.

Ironically, on the same day that the Senate-House conferees agreed on this bill, the Senate Budget Committee reported that half the new jobs created since 1980 paid wages below the poverty level, and Senate Democrats abandoned for now their attempt to raise the minimum wage. As Michael Dukakis has been charging, the Budget Committee found that the share of middle-wage jobs has decreased significantly during the Reagan years, while high-wage jobs increased somewhat and poverty-level jobs rapidly. And yet, despite a vague statement by George Bush that he would support an increase in the minimum wage, a Republican filibuster forced Senate Democrats to give up their year-long attempt to increase it. Raised to $3.35 in 1977, it is now worth only $2.60 in terms of that year's dollar. Many people working full time are now on welfare. Last week's events won't help them get off the rolls. ■

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