

US EPA ARCHIVE DOCUMENT

# FINANCIAL ASSURANCE

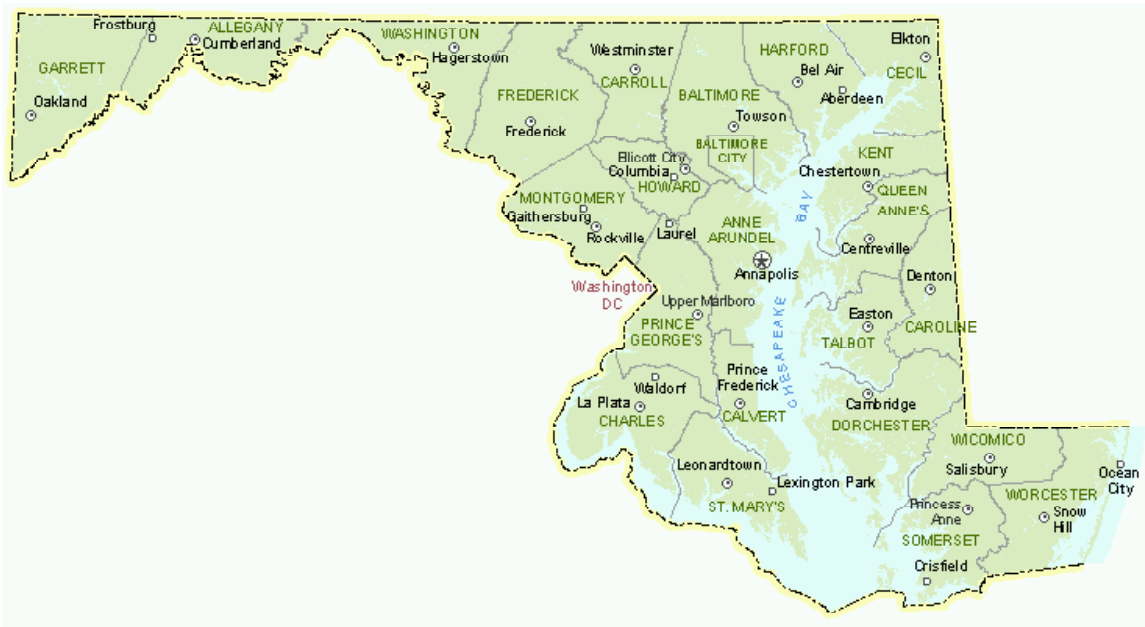
AMERICAN RECOVERY SITE  
CURTIS BAY, MARYLAND

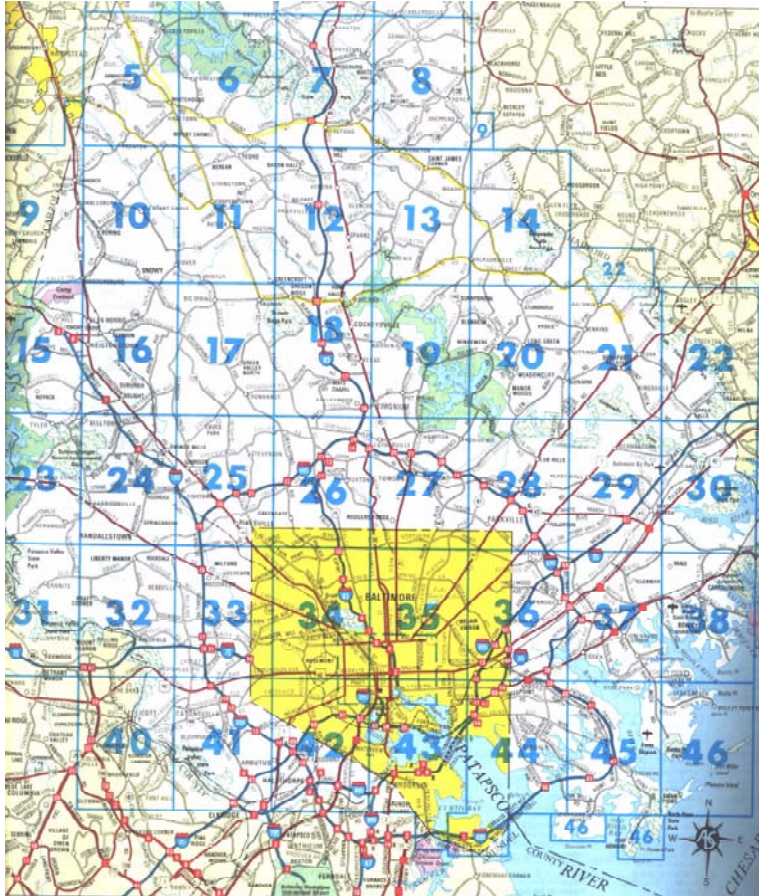


**RECOVERY COMPANY - 10/4/74**

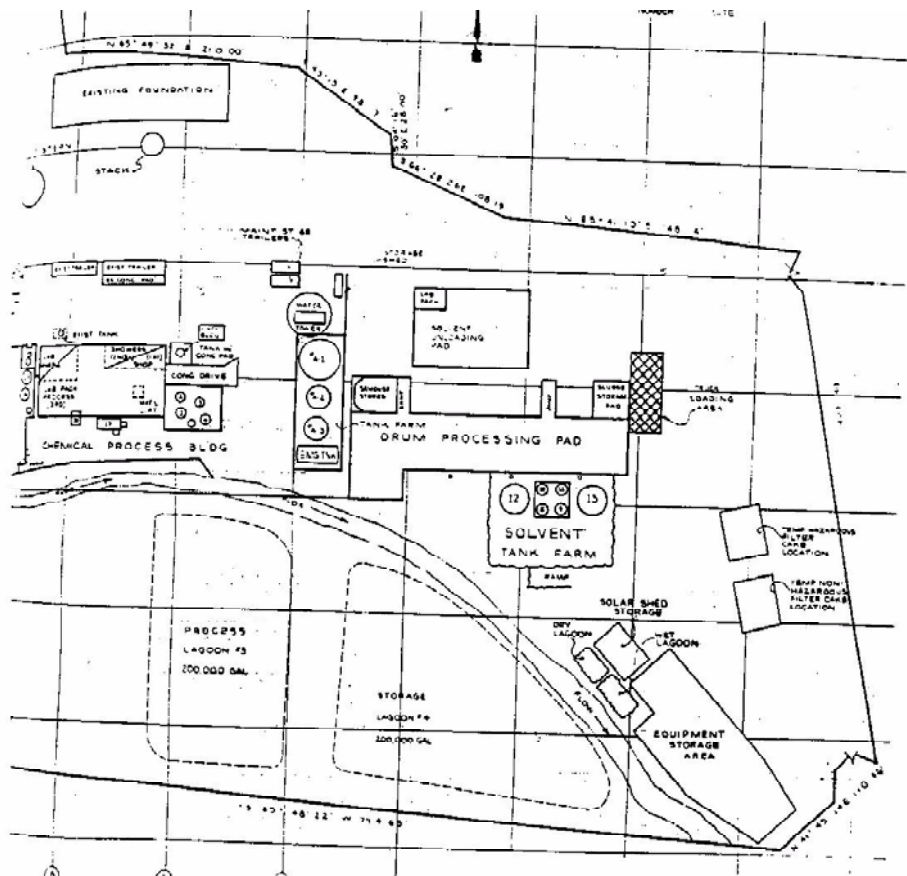


COVERY COMPANY - 8/8/76











# SITE HISTORY

- US Industrial Chemicals operation in 1930's.  
40 acres in the Curtis Bay area.
- Manufacturer of chemicals, resins, intermediates, anti-freeze, industrial alcohols, and vitamin concentrate for stock and poultry feedstuffs.
- Unknown when operations terminated.
- Infrastructure in place in area.

# AMERICAN RECOVERY COMPANY, INC.

- ARC was a subsidiary of parent company “The Union Corporation”, in Connecticut.
- ARC leased a 9 acre parcel of the former US Industrial Chemicals site in 1970.
- ARC operated a hazardous waste recycling, treatment and storage facility.
- How did they operate?



Drum Crushing Area  
Spilled material inside the area.



Drum Pumping Area  
In Front of Acid Storage Tanks

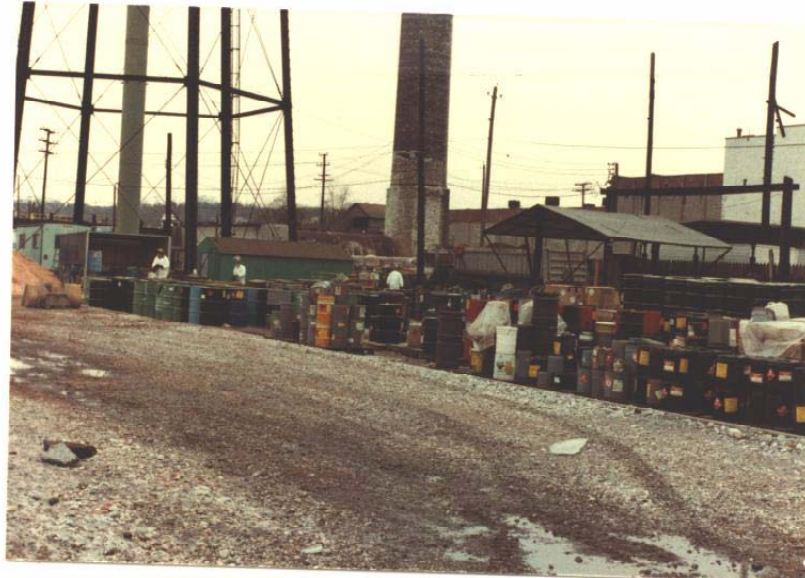
Main Pad Drum  
Storage: No  
Aisle Space,  
Deformed  
Drums, the  
Usual Mess.



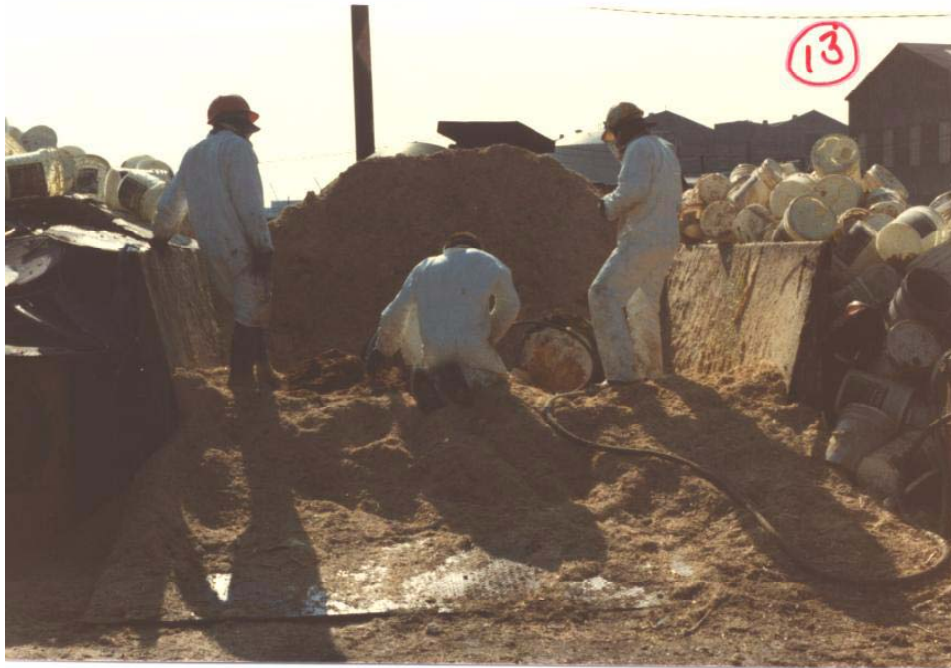
View of main  
PAD Drum Storage  
AT 400 Enc 14/11/83  
Lack of aisle space  
for movement or  
inspection  
↓



Deformed Drums  
Stored on main pad  
AT 400 Enc 14-11/83



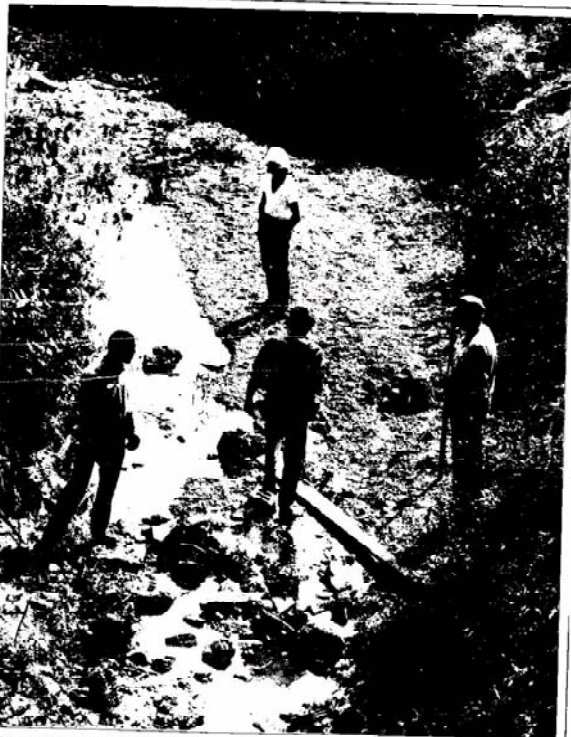
Solvent Consolidation Area.....looks like an emergency cleanup by the Superfund folks, doesn't it?



You don't really want to know what these guys are doing, do you?  
Believe it or not, "solidification of wastes with sawdust".

# THE SUN Maryland

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Plant workers put up a barbed wire fence as a guard looks on and a photographer with the protesters walks away.

The Sun/Richard Orlowski

## Greenpeace digs in as firm erects fences

By Tom Horton

Both sides appeared to be waiting each other out yesterday as a "raid" by environmentalists protesting chemical wastes from a Baltimore recycling company began to look more like a siege.

American Recovery, a Curtis Bay company, erected barbed wire fences across the public stream by which members of Greenpeace had infiltrated the firm's property Tuesday morning.

And the environmentalists, Greenpeace activists still encamped in the stream, said they had surreptitiously cemented a plug into the company's waste-discharge pipe.

Before the fences went up, Greenpeace had been bringing in food, firewood and other supplies via the waterway — which is the only public access through the company's property — to those camped out beneath the firm's waste pipe. Even after the fences went up, food was passed through the barbed wire by a sympathetic group of local vegetarians.

"We will escort them out anytime, or they can stay in the stream

— they aren't affecting us one bit.... We don't even have to discharge any wastes for another week and a half," said Joseph Malizia, the company's general manager.

Mr. Malizia said last night that the company is aware Greenpeace has plugged its discharge pipe. "It won't shut us down," he said. "One good shot with a hammer, and it will come out."

A Greenpeace member, David Rappaport, said the protesters "have at least a two-day supply of peanut-butter-and-jelly sandwiches, chocolate-chip cookies and water."

The campers are sleeping on the polluted waterway in an inflatable rubber raft. They can't leave the stream without stepping onto the firm's land and thereby risking being taken off the site by the company, ending their protest.

"We don't see any reason to leave now.... As long as we are there, they aren't discharging chemicals," said Mr. Rappaport. "That [stopping the discharge] is more than EPA and the state can do," he added.

Greenpeace spokesmen said Tuesday. See GREENPEACE, E7, Col. 1



American Recovery, in Curtis Bay, is target of protest.



# PERMIT REVOCATION

- In response to repeated violations, permit revoked on December 20, 1984. (Only site in Maryland to have permit revoked.)
- Final Closure activities conducted in 1985 and 1986.
- Entered into Consent Order for Post Closure work in September, 1988. (Note: Property Owner was not a part of CO: **BIG MISTAKE.**)

# Consent Order

- Implementation of Work Plan as required by Modified Closure Plan
- Monitoring of groundwater and maintenance of wells.
- Remedial Action Plan
  - Site Assessment per Work Plan
  - Cost Estimates and Financial Assurance Instruments
  - Other Requirements

# Cost Estimates and Financial Assurance Instruments

- Post closure monitoring and maintenance for 30 years.
  - Trust Agreement and Standby Letter of Credit for \$500,000
- Long term monitoring under the Work Plan
  - Annuity: To be paid annually until maturity in 29 years (\$261,756); Current value = \$140,229
- FA when Corrective Action is triggered.

## Financial Assurance for Triggered Corrective Action

- ARC submitted an unacceptable cost estimate for implementation of remedial measures plan (they said \$75k).
- MDE agreed to postpone its request to increase the F.A. for remediation until a CMI Plan was received. (November, 1992)
- MDE retained the \$500,000 Trust and the Annuity.

# CONFESSIONS

Lack of consistency with project management.

Enforcement activities were bounced around from inspector to inspector.

No dedicated hydrogeologist to evaluate work done under the monitoring requirements.

Frustrations with apparent lack of cooperation by ARC.

We booted it to EPA for Corrective Action in 1998.

We breathed a sigh of relief that EPA agreed to take on ARC and implement Corrective Action requirements.

# BANKRUPTCY

Spring, 2003 – Uh Oh!!  
What we gonna do now?

# PANIC

- MDE and EPA filed a proof of claim in the ARC bankruptcy for cost of site remediation (\$9,081,944)
- When bankruptcy plan goes into effect, ARC ceases to exist.
- Consent Order will be rendered meaningless, as no inclusion that incorporates any successors to the company or to the actual “property owner”.

# WE GOT LUCKY!!

- Although the bankruptcy proceedings dissolved ARC, MDE was able to obtain all proceeds from the financial assurance instruments.
- The \$500,000 trust was put in an account available to MDE to continue closure, post-closure activities at site.
- We're working on doing the same with the Annuity (currently at \$140,229)



# WHAT NOW?

- Contract for full site characterization is in the works (collaborative effort between MDE and EPA III).
- Following site characterization, decision will be made about additional work.
- There is a potential buyer for the property, which may let us look at a “RCRA Brownfields” possibility.

What's it look like now?

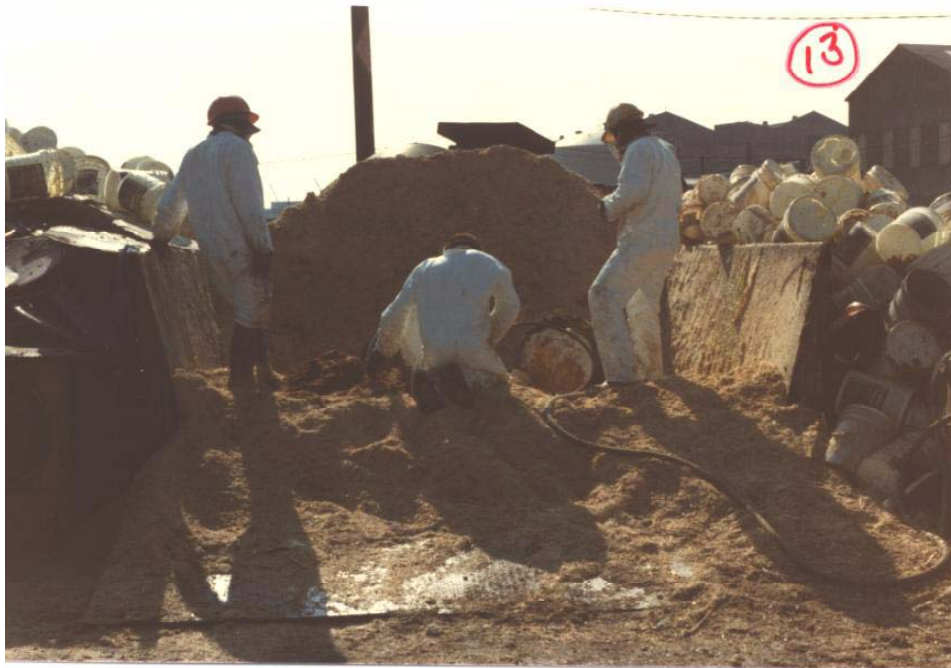
I'll tell ya one thing, buster, that was then and this is now. Let's go down memory lane and see today.



Remember dis? Check the next one out.



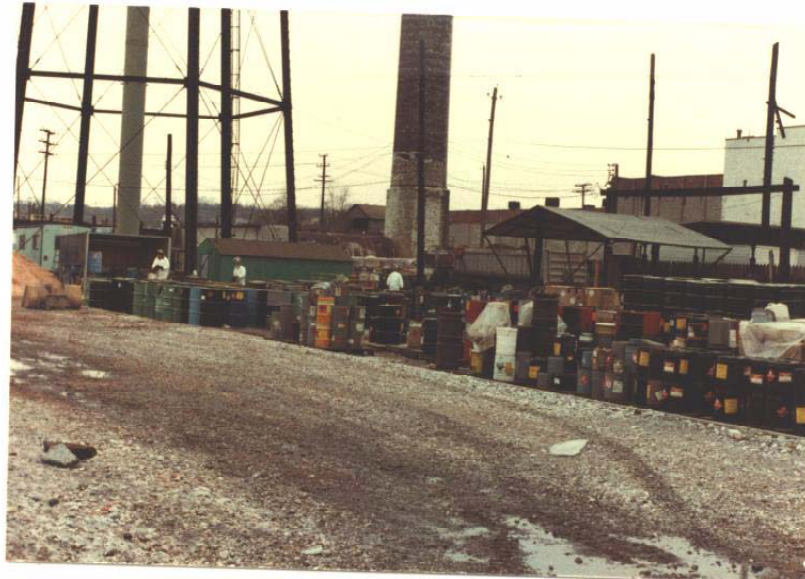
Hmmmm? Where'd da drums go?



Bad, bad, bad and ugly, ugly, ugly.



Better, hunh? .....Well, maybe.



Egermency, egermency, every vun to leaf streets. (With apologies to Alan Arkin.)



It really does look better.....sort of.









Waterfront area with development potential.....after a little debris action.



WO!!!! Fishin's better than expected...depending on who's fishin' for who.



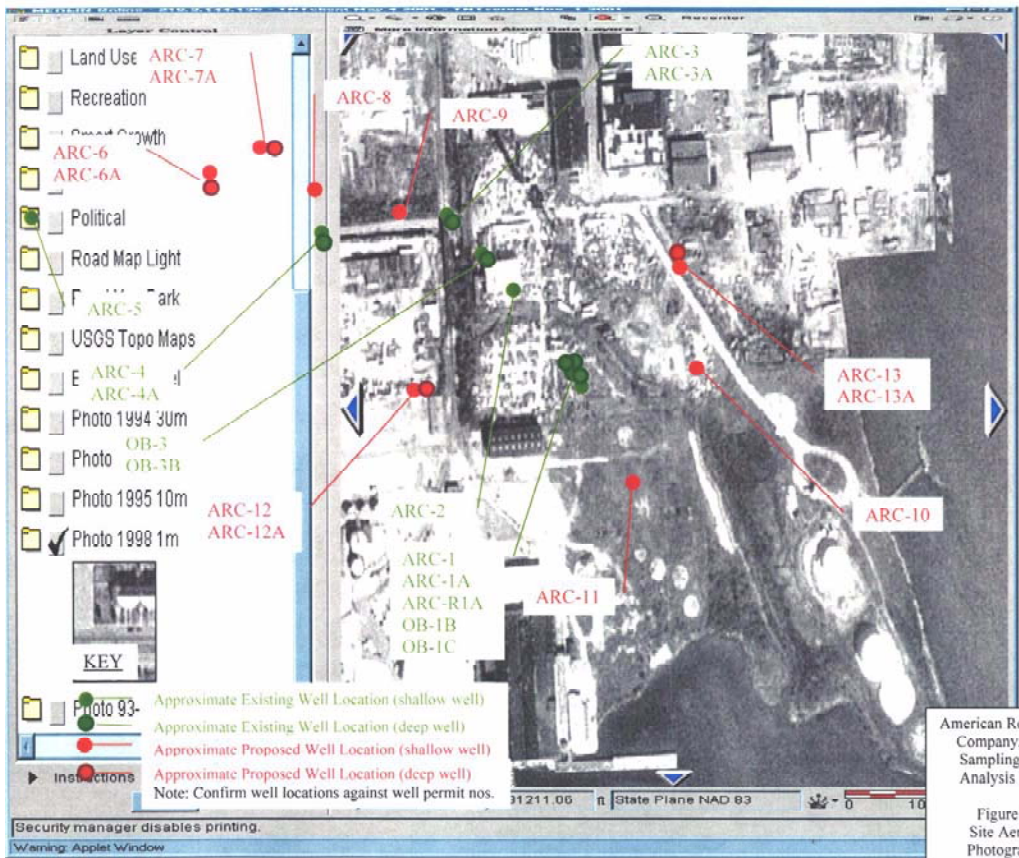
There really is good work going on at this site today.



Monitoring well sampling.

Anudder well.





American Re Company, Sampling Analysis I

Figure: Site Aerial Photograph



# LESSONS LEARNED

## TOO MANY TO LIST

- Assure Financial Assurances are “current” for inflation, etc.
- Check to see if the F.A. is linked to a legitimate source.
- Have State Insurance Commissioner or independent perform “audit” on F.A.
- Implement deadlines and make them stick.
- Assign staff to work with fiscal folks to monitor and report progress on F.A.
- Develop S.O.P.’s to deal with all of above.

# SEQUE

- Okay, everybody, you're on.
- Let's talk about what we may be able to do in the Region and what resources may be available to help us monitor our financial assurance obligations better.

Finally, we did get some benefit out of putting the Financial Assurance dollars into a dedicated account so that the Department could draw upon the money for environmental cleanup and.....other needs. Check out our new Hazardous Waste Enforcement vehicles.



Oh, yeah, baby, behave!!!!!!!!!!!!!!

We even had a little extra.....travel money.



