

George seeks audit of pollution deal

Lawmaker questions process, agreement for Fox River cleanup

By JO SANDIN

of the Journal Sentinel staff

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Criticizing what he called a "secret deal" on Fox River pollution damages between the state and a Green Bay paper company, state Sen. Gary George Thursday called for a legislative audit on the agreement.

"This deal is yet another example of the cozy relationship between the Republican-dominated Department of Natural Resources and the companies they are supposed to regulate," said George, a Milwaukee Democrat who is co-chairman of the Joint Legislative Audit Committee and a gubernatorial candidate in 2002.

"I have asked the Legislative Audit Bureau to look into this secret deal," George said. "We need to find out if this settlement is adequate, and to find out why it was negotiated in secret and announced without public input."

On Wednesday, the DNR and the Fort James Corp. jointly announced a settlement under which the company would spend \$7 million on projects of environmental restoration, land purchase and recreational facilities.

By a complicated formula, the value of those restored resources is figured at \$55 million.

The agreement was a settlement of the state's damage claims against Fort James, which - along with six other paper mills - released PCBs into the river during the production and recycling of carbonless copy paper.

Bruce Baker, DNR deputy administrator for water and the chief negotiator of the agreement, said Thursday, "We're not hesitant to have this (process) reviewed by anybody."

Baker said a variety of public meetings, not necessarily held by the DNR, over the last six years had given a clear picture of what the public wanted in the way of restored natural resources.

"Those are pretty well documented," he said. "The companies would never have these discussions (for a settlement) unless they were confidential."

Kathleen Bennett, vice president for environment, safety and health for Fort James, added: "The process by which the agreement was reached was an appropriate one. Settlement negotiations are always confidential."

Both Bennett and Baker said there would be a public comment period before the settlement is submitted for review to a federal court that must approve the deal. No hearings are scheduled.

The agreement was news to U.S. Fish and Wildlife Service officials, which considered itself the DNR's partner in the process of developing a damage assessment of Fox River pollution.

"We were surprised," said David Allen of the service's Green Bay office. "We did not know this settlement was going to occur. We have not seen any details."

Jim Hahnenberg, who directs the federal Environmental Protection Agency's Fox River project, said there are two aspects of federal efforts to clean up a polluted site.

The first calls for the EPA, in cooperation with states, to investigate pollution, assess risks and direct a cleanup. On the Fox River site, a revised draft of the remedial investigation and risk assessment should be completed around year's end.

Under the Natural Resource Damages Assessment part of the process, he said, usually all trustees of the natural resources work together to develop a damage assessment and negotiate with polluters a damage payment.

In the case of the Fox River, trustees include the DNR; the U.S. Fish and Wildlife Service; the National Oceanic and Atmospheric Administration; and the Menominee and Oneida Indian tribes. Despite the DNR's independent negotiation of an agreement with Fort James, Allen said: "We refuse to accept that (the joint approach) has fallen apart. I think that this settlement is disappointing compared to our own assessment of natural resources damage (\$300 million). In our view, there is no way to resolve the matter without all responsible governmental and public parties on board."

In a preliminary damage assessment now being discussed at public hearings, the service has determined that all seven paper companies that polluted the river have done between \$200 million and \$300 million in damage to natural resources along the Fox.

Emily Green, director of the Great Lakes project for the Sierra Club, which has been watching closely the damage assessment process, also was caught off guard by Wednesday's settlement. She said she did not realize that such an agreement was in the works and criticized as "creative financing" the process by which Fort James is being credited with \$55 million in resource restoration for an expenditure of \$7 million.

Hailing George's decision to seek an audit, Green said, "Because there are so many questions about the validity of the methods the DNR used and because of the lack of public input, this really deserves a closer look."

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