

METACHEM FACILITY: CURRENT STATUS

When the inevitability the announcement of Metachem's bankruptcy in May 2002 became apparent, DNREC and EPA raised questions about the potential problems that would arise from a shutdown. Given the esoteric nature of the processes and the limited markets for products created at this facility, EPA and DNREC determined that key individuals must remain on site to ensure not only the proper containment and disposal of on-site chemicals but to also facilitate liquidation of Metachem assets. Under Chapter 11 bankruptcy, the debtor and the creditors are allowed substantial flexibility in working together. Consequently, the U.S. Department of Justice approved retention of key Metachem personnel, including some members of the management team, to assist in the post-bankruptcy closure of the plant.

During the weeks following the bankruptcy announcement, EPA and DNREC assessed the situation at the facility and focused on several priorities that were reviewed with Task Force members during briefings and a site visit. The wastewater treatment system required maintenance by qualified individuals in order to achieve the continuous operation deemed necessary by EPA and DNREC. Effluent generated by the plant, inability to store large quantities of chemicals and overall deterioration of the facility supported this plan.

While the wastewater treatment system was considered priority number one, the massive inventory of chemicals located on the facility presented yet another difficulty. More than 40 million pounds of chemicals, many of which are partially reacted and commercially nonviable, are in the process of being contained by the on-site coordinator. These intermediates, of value only to Metachem, remain the site's largest problem. To date, 300,000 gallons of benzene, 45,000 pounds of trichlorobenzene and other materials have been sold. Approximately 150,000 pounds of chemicals have been removed for disposal. In addition, OxyChem, from whom Metachem obtained chlorine, has drained the chlorine lines thus playing a major role in risk abatement at the site. Proceeds from the sale of any holdings are divided 40/60 between the state and federal governments and Metachem in bankruptcy.

Other major EPA/DNREC concerns include the deterioration and instability of plant equipment and the high concentration of PCB's and dioxins found in the waste stream. Officials have encountered "multiphase" materials at the plant that are problematic during seasonal temperature extremes and frequently cause vessel failures. Much of the equipment was designed to react the chemicals then move them to another location for storage but since the cessation of commercial operations, large quantities of chemicals remain inside these containers. The EPA coordinator is taking steps to transfer these chemicals off-site or move them to stable containers. Disposal of PCB laden material is complicated and only two incinerators nationwide have the capacity to deal with these chemicals. EPA officials are addressing public concerns surrounding the PCB's and dioxins detected at the facility.

Many challenges exist with respect to the Metachem site. First and foremost, it is difficult and time consuming to determine a material's proper designation. Waste matter is governed under different laws than finished, commercial grade products. Moreover, EPA and DNREC do not have the capability of "running" a business and as a result their ability to operate in the market for these specialized chemicals is severely inhibited.

The clean-up activities to date have been authorized and paid for largely under the CERCLA Emergency Removal provisions with EPA as the lead. The two agencies have spent over \$5 million (DNREC has spent over \$1 million). The EPA has determined that the entire site falls within the National Priorities Site listing established after a hazardous materials spill in 1986. This makes the site eligible for remediation under the Superfund program. Typically, states are required to pay 10 percent of clean-up costs under this arraignment, but with the uncertain funding faced by the national Superfund program, it is unclear when those funds might become available.

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