

The New York Times

October 1, 2001, Monday, Late Edition - Final

SECTION: Section F; Page 1; Column 2; Metropolitan Desk

LENGTH: 1204 words

HEADLINE: G.E. Is Accused of Trying to Undercut Order to Dredge Hudson River

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DATELINE: WASHINGTON, Sept. 30

BODY:

New York State officials and environmental groups say they are worried that General Electric is trying to sabotage the landmark federal order that the company dredge the Hudson River to remove poisonous chemicals. Company representatives have been meeting with officials of the Environmental Protection Agency in Washington, pressing G.E.'s cause and prompting what state officials described as a rift with the officials in the agency's New York regional office, which has been overseeing the case for years.

Supporters of the dredging plan worry that the company hopes to have the order changed to be so difficult to comply with that the project will be derailed. They also are disturbed that the meetings between G.E. and the E.P.A. have taken place behind closed doors, after the time for public comment on the cleanup order ended and since the terrorist attack on Sept. 11. The New York regional office was displaced by the attack at the World Trade Center and its work disrupted.

Representative Maurice Hinchey, a Democrat from Saugerties, in the Hudson Valley, who favors the dredging, said of the E.P.A.: "They are apparently allowing G.E. to have grossly undue influence in the process. They're trying to fly under the radar and take advantage of the trade center situation, while people are distracted, to accomplish some nefarious objectives."

E.P.A. and G.E. officials vigorously deny any such thing. The E.P.A. plans to meet with environmental groups on Tuesday, and it said no attempt was being made to circumvent the regional office and no decisions had been made or new orders handed down to the regional office.

"There are a lot of conclusions being drawn about what E.P.A.'s decisions are going to be when in fact those decisions haven't been made," said Mary Mears, a spokeswoman for the regional office. She also said there were no divisions within the agency.

General Electric officials also dismissed the criticism. "We had one perfunctory meeting with E.P.A., basically going over the status of the process," said Stephen D. Ramsey, G.E.'s vice president for environmental programs. "They're having the same kind of meeting next week with these environmental groups. It's pure and simple stakeholder stuff," he said, suggesting these were routine talks with interested parties.

However, some state officials say they have been left out of the process. "The state is being kept out of these apparently secret meetings," said Peter Lehner, chief of the environmental protection bureau in the state attorney general's office. Referring to performance standards that would

set goals for G.E. to meet, Mr. Lehner said, "If E.P.A. is putting these in without full and detailed consultation with the state, that would violate agreements we have and violate the Superfund law."

Tina Kreisher, an E.P.A. spokeswoman in Washington, noted that the office of Gov. George Pataki, who supports dredging, had submitted comments to her agency, although it was not clear when they were written. Of the timing of the meetings with G.E. after Sept. 11, she said, "Things happen when they happen."

She said the agency was being criticized both for going too fast and going too slow -- its process was already behind schedule when the terrorists attacked, and Ms. Mears said that any final decision would likely now be delayed until November.

Ms. Kreisher also emphasized that the agency wanted the dredging plan to be successful. "We're going to be working with G.E. for the next 10 years," she said, noting that the agency was being guided by a study from the National Academy of Sciences, which emphasizes the importance of listening to all parties. "There's so much we don't know about dredging for P.C.B.'s, and this assessment by N.A.S. says we should when necessary be ready to make midcourse corrections, so it's important to listen along the way," she said.

G.E., which discharged millions of pounds of P.C.B.'s -- polychlorinated biphenyls -- into the upper Hudson River for more than 35 years before the chemical was banned in 1977, has long resisted a federally imposed cleanup plan. The river was declared a Superfund site in 1983. The company says it has already spent \$200 million on research and restoration projects over the last 20 years, and maintains that the river is now cleansing itself and that dredging would do more harm than good.

Christie Whitman, the E.P.A. administrator, announced on Aug. 1 that her agency would proceed with the plan conceived under the Clinton administration to order General Electric to carry out a half-billion-dollar cleanup.

General Electric was never happy with the order, which was viewed as a black mark on the legacy of John L. Welch Jr., who retired Sept. 7 as chairman of G.E. The company has already spent tens of millions of dollars advertising and lobbying against the plan, and was surprised when Mrs. Whitman said that the federal government was sticking with the Clinton plan. The company and its allies vowed to fight the proposal nonetheless. Environmentalists and others believe that G.E.'s new approach is to have a major say in spelling out the details in the cleanup plan. The company has met at least twice with federal environmental officials since Sept. 11. Mr. Ramsey met with Mrs. Whitman's chief of staff, Eileen McGinnis, between Sept. 11 and Sept. 21. On Thursday, Jessica Fury, Mrs. Whitman's counsel, met with another G.E. official, also in Washington.

G.E.'s goal, according to state officials and environmental groups, is to change the order so that it sets performance standards that are unusually high and difficult to meet and thereby scuttle the whole project. State officials say that E.P.A. officials in Washington have told the regional officials in New York to rework the plan to accommodate new performance standards -- a move that they say is causing a revolt within the New York office.

"Region 2 is livid and refuses to do it, and there's a huge fight going on," said one state official. Speaking of the final record of decision, known in bureaucratic parlance as a ROD, this official added, "They will not allow a ROD to go out that will booby trap the decision."

Representative Hinchey said, "There is a struggle going on between Region 2, where the people are trying to carry out this project in a responsible and lawful way, and the headquarters in Washington, which is trying to do something else."

Ned Sullivan, president of Scenic Hudson, one of the groups meeting with Ms. McGinnis next week, said environmentalists also wanted performance standards, but said they should be determined in public.

Mr. Lehner of the attorney general's office said, "We're not talking about some minor element -- these are critical components of the ROD, especially if they have the effect that G.E. seems to be advocating. Normally, it takes years of factual analysis to develop these; to do it quickly by talking to G.E. would be very, very troubling."

Ms. Mears, the regional E.P.A. spokeswoman, said that suggestions of a rift within the agency were not true. "Washington, D.C., and the regional office are working together," she said. "The region doesn't object to performance standards."

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