

Breach of Faith

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Axes Machining had an uneasy relationship with its local community. The lower middle-class suburb of Coats pressed against the company's 100-acre fence. The suburb had been built in the last 25 years while Axes and a predecessor business, Monarch Fixtures, had run the plant for 90 years. Some citizens wanted the company to close or move – anywhere that was Not In My Back Yard.

Axes' plant manager, Jim Spindle, was aware of community sentiment when he stepped into his job, a promotion from assistant plant manager. With permission from corporate headquarters two states away, he undertook a community relations program. He met with a neighborhood board monthly to go over concerns, such as diesel trucks leaving the plant at 4 am to questions of disposal of toxic waste. Spindle emphasized the 300 jobs that the plant created and the positive impact on Coats' tax base. Were Axes to leave Coats, Spindle said, the town would not soon make up for its absence. Board meetings that first year were give-and-take with each side getting to know one another. Meeting notes were published on the community internet forum, CoatsClatch.

Axes used machining oils, acid dip baths and electrolytes along with volatile organic compounds, all of which needed collection and disposal or remediation in the company's on-site treatment plant. At a December board meeting, the six members inquired how waste left Axes and where it was taken. They worried that if there was an accident on city streets, a spill could pollute soil and groundwater. Spindle took the board through the disposal procedure, discussed toxicity and assured board members that Axes controlled waste handling.

"We took over this plant 15 years ago," Spindle said. "We've never had a spill."

Four months after this meeting on March 29, a gray late-winter day, a backhoe operator began trenching the parking lot next to the plant wall to prepare for expansion of the plasma arc welding department. Six feet into the earth, the toothed bucket of the backhoe struck metal. The operator, curious, climbed down from his machine and stared into the trench. He could see the edge of a rusted 60-gallon drum, punctured by a bucket tooth and black ooze welling from it. The operator summoned his foreman who called Spindle. Spindle cordoned the trench and ordered the environmental department to take samples. In two hours, the department reported the ooze was oil waste with metal shavings.

Spindle speculated that it had been buried by Monarch, which Axes had bought out. He called in a press foreman who had worked at the plant for 30 years and asked him what he knew. The foreman could tell him nothing. Returning to the parking lot, Spindle told the backhoe operator to dig carefully around the

punctured barrel. The backhoe operator uncovered more drums – 10, then 20. The more he dug, the more appeared. The operator had discovered a waste field. Soil was stained black by chemicals leaking from drums. A pungent odor was filtering through the air. There was a chance of a toxic groundwater plume radiating to the suburb.

Spindle sealed the site, alerted headquarters, e-mailed the state EPA and called a disposal and remediation firm to take over. The next day he held an emergency meeting of the community board. Rumors were floating and CoatsClatch had reports of trouble at Axes. Spindle outfitted board members with white coveralls, hard hats and respirators then took them to the gaping hole to see the drums. They convened for a meeting in his office. Spindle explained that a disposal and remediation firm was taking over, that groundwater would be tested for pollutants and the situation fixed.

The board wasn't listening, and faces were grim.

"How many barrels are buried here?"

"We don't know. We're still finding out."

"When did Axes bury the waste?"

"It didn't. I've been here 15 years and didn't know about. A foreman has been here 30 years and he didn't know. We bought out Monarch 15 years ago."

"How do I know you're not lying?"

"We've handled all of our waste according to EPA regulations. We've passed all of our inspections. There has been no toxic waste problem at this plant."

"How old are the barrels?"

"We're guessing that some are at least 50 years old and were buried during or right after World War II. We won't know until we examine the drums closely."

"Why didn't Axes know about this?"

"Monarch assured us the property was clean and had the inspections to prove it."

"You must have known."

"I can assure you we didn't."

"What do we do now? You're poisoning our children, and you've wrecked our property values."

“It’s too soon to make decisions.”

So the meeting went. The board members parted dissatisfied and worried.

CoatsClatch carried a report of the meeting in which Spindler and Axes seemed evasive. NBC, CBS and ABC affiliates ran stories on discovery of the waste with householders voicing fears of what Axes was doing to them and their children. Coats hired an attorney to represent the town. The Federal and state EPA sent inspectors. A magnetometer survey of the 100 acres revealed two other waste fields. All told, Axes would discover 400 barrels, many of which were rusted through and empty. The Federal EPA designated the Axes plant as a Superfund site.

Spindle had a plant to run. He turned the affair over to the corporate legal and environmental departments. When Coats sued Axes, the General Counsel halted community board meetings. It was a legal issue now and anything Spindle said could be used in court. Community board members were hurt and accused Spindle and Axes of a breach of faith. Local citizens picketed the plant and demanded that Axes buy them out. Concerned parents detected a pattern of mysterious allergies in homes surrounding the plant and “experts” attributed them to toxic waste in groundwater. Householders along the plant fence began to move out, but couldn’t sell their properties. Abandoned homes dotted the fence lines.

Removal of drums and remediation continued for two years. The Axes property today is dotted with monitoring wells that trace a plume of oil and electrolytes. Ground water is being pumped and cleaned in the waste treatment plant. In the third year after the discovery, the property was declared under control and lawsuits were settled or dismissed. Spindle wondered whether he should reconvene a community board and if so, what he would say.

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Questions for discussion:

1. Was Axes correct in halting the community board meetings?
2. Should Spindle reconvene community board meetings?
3. What should Spindle and Axes do to rebuild trust with the community?
4. Should Axes close the plant and leave Coats?
5. What would you do?