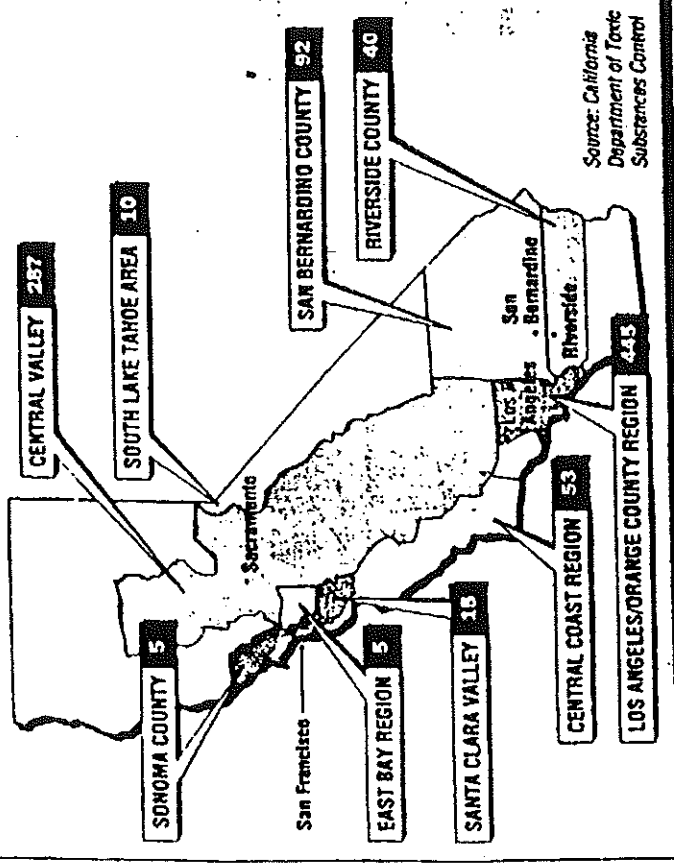


Troubled Waters

A regional breakdown of the number of PCE-contaminated public wells



State EPA Study Finds PCE in Many Wells

By Mitchell Benson

Staff Reporter of The Wall Street Journal.
SACRAMENTO — More than one of every 10 public drinking-water wells in California is contaminated with a toxic solvent commonly used by neighborhood dry cleaners, according to an unreleased state report that estimates a \$1.1 billion to \$3 billion price tag for tackling the problem.

The March 1996 paper, from the state Department of Toxic Substances Control, identifies tetrachloroethylene, more commonly known as perchloroethylene (PCE), as the chemical culprit. Federal environmental officials consider the cleaning solvent a "probable" cancer-causing substance. About 7.6 million Californians drink water containing low levels of the industrial chemical in 37 counties across the state, the draft report concludes.

PCE has been detected in 968 wells, or 16.2% of the 9,500 tested. About 260 of those 968 wells show concentrations of PCE so high that they exceed the state's maximum allowable contaminant level for safe drinking water. But for many public health advisers, even those drinking standards can be misleading; they argue that exposure to

even the slightest trace of probable and known carcinogens poses an unacceptable cancer risk.

The report, which was obtained by The Wall Street Journal, fingers PCE — used by more than 1,000 dry cleaners in the state — as the most ubiquitous industrial chemical found in California's underground water supply, tainting more wells than seven other chemical pollutants combined.

Bob Borzelleri, chief deputy director of Toxic Substances Control, plays down the study's significance. He says the levels of PCE contamination in most wells are so low they do not pose a risk to public health, but merely raise "a public-policy issue... it's not a high priority right now."

Mr. Borzelleri adds that the report, written by a staff scientist and a supervising engineer, "will never be put out as a department statement.... We don't agree with [the] assessment that was made or the recommendations that were made."

For regulators to identify dry cleaners and their PCE use as an environmental and public health threat is nothing new. The dry-cleaning industry and the state

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State Study Details Water Contamination

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Air Resources Board have fought for years over PCE emissions. And regional water-quality officials have investigated the problem in most corners of the state. In fact, the Central Valley's regional water board recommended more than four years ago that state regulators step in to devise a comprehensive solution to the problem.

But this latest report marks the first time that the California Environmental Protection Agency has attempted to define how pervasive a threat the chemical poses to the state's drinking water. And it sets out how the state might clean it up and how exorbitant the cost will be to get the job done. What the report doesn't say, though, is probably just as significant: Its authors propose no answer to the politically sensitive question of who is going to pick up the multibillion-dollar tab.

It's no simple matter finding a responsible party. For starters, most of the PCE contamination can be linked to the past practices of dry cleaners, but few of these small businesses ever broke the law. In most cases, scientists say, the waste solvent was legally discharged into a public sewer system that then leaked into the underground water supply. Today, most dry cleaners operate "closed systems," where the PCE is recycled rather than discharged from cleaning machines. The upgraded equipment has reduced or eliminated the need to discharge to the sewers.

Further complicating the issue is that dry cleaners tend to be mom-and-pop businesses without the financial wherewithal to afford expensive PCE cleanup efforts. The situation is in sharp contrast to previous chemical contamination problems in the state, where regulators and prosecutors could dig into the deep pockets of the U.S. military, large high-tech manufacturers and big oil companies responsible for the contamination.

Elusive Solution

California isn't the first to grapple with the dilemma of PCE cleanup. Seven states have already established some sort of dedicated cleanup fund to attack their PCE problem, according to the International Fabricare Institute, an industry group: Connecticut, Florida, Kansas, Minnesota, Oregon, South Carolina and Tennessee. Florida has even imposed a package of taxes and fees on dry cleaners to help clean up its mess. But critics contend that tactic—which California appears unlikely to follow—won't produce enough money to fix the problem.

PCE is a colorless, nonflammable liquid solvent with a sweet, chloroform-like odor. In addition to it being a probable human carcinogen, public health officials also suspect a link between PCE exposure and birth defects.

While a variety of industries used PCE in the 1960s and early 1970s, most began slaying a way from it in the late 1970s. The lone exception was dry cleaning, according to industrial solvent manufacturers. Scien-

tists estimate that by the mid-'90s, dry cleaners were using 60% of all the PCE in California.

The dry-cleaning process involves the use of fabric-cleaning machines that are similar in appearance to commercial-size washing machines, but use more powerful organic solvents such as PCE, as opposed to detergents and water, to scrub the clothing.

The March state report identifies nine urban areas around the state that have been hit hardest by PCE-contaminated drinking water: the Central Coast, the Central Valley, the East Bay, Lake Tahoe, Los Angeles, Riverside County, San Bernardino County, the Santa Clara Valley and Sonoma County.

The consequences of PCE contamination are particularly serious in the Central Valley. It's that part of the state that depends most heavily on drinking water from underground supplies. In other parts of the state, including Los Angeles and the Bay

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Area, much of the drinking water comes from surface supplies such as rivers and reservoirs.

Adding the Costs

As the clock keeps ticking, the price tag and health threat from PCE continues to rise. The report estimates it will cost at least \$1.1 billion to clean up the state's PCE contamination, based on two assumptions: At least 111 cities have reported one or more wells contaminated with PCE, and the cleanup of each underground pocket or plume of contaminated groundwater can cost up to \$10 million. However, the report warns that any PCE site could contain multiple underground pockets of contamination. If so, "it is possible to assume that the costs could be as high as \$2-\$3 billion," the report says.

Already, local and state officials either have shut down, abandoned or destroyed 145 wells "principally, if not fully" because PCE was detected, according to the March report. The destruction of 32 of those wells cost an estimated \$640,000, or \$20,000 for each well—not including the cost of the necessary cleanup. In addition to those 145 wells, officials locally are treating the groundwater being pumped by 16 other public wells to meet safe drinking-water standards.

But over the long haul, it's the funding question that promises to most bedevil Cal-

ifornia officials. Florida's experience with trying to impose taxes and fees on its dry cleaners offers a hint of the difficulties in dealing with the problem.

Under a law that took effect two years ago, dry cleaners pay a combination of a \$100 annual registration fee, a 2% gross-receipts tax and a \$5-a-gallon tax on PCE. Dry cleaners, in turn, pass the added costs onto their customers—tacking about 14 cents onto the cost of cleaning each blouse, suit jacket or pair of slacks.

It was the industry itself that lobbied lawmakers in Tallahassee to create the tax, largely to inoculate dry cleaners from most legal or financial liability. Dry cleaners must investigate and report any PCE contamination problem to the state and then pay a \$1,000 deductible toward any state-financed cleanup. That deductible is scheduled to increase to \$5,000 for contamination reported after July 1, 1997, and then to \$10,000 after July 1, 2001.

But the Florida law already has come under fire from legislators for being severely underfunded. Since taking effect in October 1994, the Florida PCE fund has collected only \$13 million—far short of the \$560 million that officials say is needed, at a minimum, to clean up Florida's 2,800 contaminated sites.

Meeting Opposition

And such a solution doesn't seem likely in California, because of opposition from just about everybody.

Assembly Speaker Curt Pringle (R, Garden Grove) is skeptical of any tax or special fund that taps only dry cleaners. Mr. Pringle—whose family once owned and operated 30 dry-cleaning shops in the state—concedes that dry cleaners are "the most prominent user" of PCE. Still, he says it's wrong for them to be held "responsible for every bit of the product that gets out of control."

What about homeowners, Mr. Pringle asks, who use household drain cleaners that contain some PCE? And what about the metal-degreasing shops and machine shops that also use the solvent? "There does need to be some statewide solution, but what that is needs to be opened to debate," he says. "It's not one of those easy answers."

The dry-cleaning industry in California last year sponsored PCE legislation similar to Florida's, featuring a \$20-a-gallon tax on purchases of PCE, but withdrew it earlier this year in the face of strident opposition. PCE manufacturers opposed the measure because they felt the tax was too high. Environmentalists thought it didn't go far enough and wouldn't raise enough money. And even though their own trade association—the California Fabricare Institute—had sponsored the bill, many dry cleaners thought the statewide problem was being overblown.

"We were trying to give birth to a baby that was not at full term yet," says Lee Adler, executive director of the 1,000-member California Fabricare Institute.