United States General Accounting Office

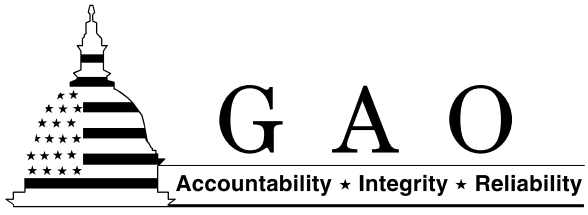
GAO

Report to Congressional Requesters

May 2002

COMMUNITY INVESTMENT

Information on Selected Facilities That Received Environmental Permits



GAO-02-479

Contents

Abbreviations

EPA Environmental Protection Agency

GAO
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

May 31, 2002

The Honorable John Conyers, Jr.
The Honorable Jesse L. Jackson, Jr.
The Honorable Nancy Pelosi
The Honorable José Serrano
The Honorable Maxine Waters
House of Representatives

For many years, the location of industrial facilities that are subject to federal air emissions and water discharge requirements has created controversy for the surrounding communities. On the one hand, the community is striving to bring commerce, jobs, and prosperity to the community. On the other hand, the community wants to maintain for its residents a quality of life that is not further degraded by industrial emissions and waste. Some of these facilities, which operate under permits that regulate certain types of emissions and discharges, have been the subject of complaints from community groups and environmental activists. The complaints charge that the facilities expose the surrounding communities—generally low-income Hispanic and African-American communities—to greater environmental risk than the general population. In response, the facilities point out that they contribute to the economic growth of the surrounding communities by employing residents and supporting other community needs, such as schools and infrastructure.

To better understand the economic impact of these facilities, you asked us to study selected facilities and the nearby communities. Specifically, for selected facilities you asked us to (1) determine the number and types of jobs provided, (2) identify contributions the facilities made to their communities, (3) determine the facilities' effect, if any, on property values in their communities, and (4) determine the amount and type of government subsidies or incentive packages the facilities received.

To address these objectives, we contacted 15 facilities—9 nonhazardous waste-related facilities,[1] 3 hazardous waste disposal facilities, 2 chemical plants, and 1 concrete plant—in 9 locations and asked them to provide information on jobs as well as on other contributions they had made to the surrounding communities. In all cases that we selected for our review, communities had filed complaints about the facilities. We also contacted

[1]Waste-related facilities included waste transfer, fertilizer production, and incineration.

government officials in each of these locations to determine the changes in property values and to identify any incentives used by the facilities. In addition, we interviewed representatives from community and environmental action groups. We did not attempt to verify facilities' contributions to the different communities. Also, we did not attempt to estimate the value of incentives. Finally, results of our work cannot be projected beyond facilities and the communities we reviewed. Appendix I provides detailed information on our objectives, scope, and methodology.

Results in Brief

Information on the number and types of jobs was provided by the selected facilities in our study. The number of jobs in some facilities decreased over time. The most recent information showed that the number of full-time jobs at the time of our review ranged from 4 to 103 per facility, with 9 of the facilities having 25 jobs or less. According to facility officials, these jobs included unskilled, trade, technical, administrative, and professional positions that had salaries ranging from about $15,000 to $80,000 per year, depending on factors such as the type of work and the location of the facility. However, it is not clear how many people were hired at each salary level or how many of those hired lived in the communities near the facilities.

Most of the facilities identified other contributions that they had made or planned to make to the communities in which they were located. These contributions included volunteer work such as organizing cleanups; infrastructure improvements such as installing a new water drainage system; and financial assistance to schools, universities, community groups, and other organizations. In three cases, the facilities established a foundation or a fund to manage and disburse the financial contributions. In one case, a facility set up a foundation after community groups took legal action. In another case, the foundation was not linked to legal action. The fund resulted from collaboration among the community, the state environmental agency, and the facility and ultimately resulted in the community dropping a complaint that it had filed with the Environmental Protection Agency (EPA). Despite these efforts, community residents often felt the facilities' contributions did not adequately address their concerns.

Property values in a community are affected by many factors, including the condition of the land and houses, the proximity of the property to natural or manmade structures—such as the facilities covered by this study—that might be viewed as desirable or undesirable, and economic conditions in the surrounding or adjacent communities. Information on property values

was not available for most of the communities where the facilities were located. However, some information was available for two locations: Genesee County, Michigan, and South Bronx, New York. Even in these two locations, the information available was not specific enough to isolate the effect of the facility on property values because of other factors that can affect property values. In locations where property value data were not available, community groups voiced concerns that the facilities would cause property values to decline.

Officials at 6 of the 15 facilities we studied said they had used incentives or subsidies that were available in a particular area. The officials said the facilities were located in these areas because of low land costs, favorable zoning, or other factors. The incentives varied, depending on the type of facility and its location, but included tax exemptions, a local bond initiative, reductions in regulatory fees, and reduced utility rates.

We obtained technical comments from certain EPA units on a draft of this report. EPA's Office of Civil Rights commented that the report needed (1) more detailed information on the number and types of jobs and on those jobs provided to the communities nearest the facilities, and (2) a comparison of property values in the communities closest to the facilities to property values in similar communities. As stated in the report, the facilities covered in this study were not required to provide information; however, most of them voluntarily provided some job-related information. A property value comparison would not have been possible considering the data limitations and accessibility issues that we identified. EPA units generally agreed with the information involving the agency and provided clarifications, which we incorporated into this report where appropriate.

Background

Under the Resource Conservation and Recovery Act, the Clean Air Act, and the Clean Water Act, the federal government has established requirements setting limits on emissions and discharges from municipal and private industrial facilities that might pollute the land, air, or water.[2] EPA shares responsibility for administering and enforcing these requirements with the states that have been authorized to administer the permit programs. EPA's

[2]See P. L. No. 94-12, 90 Stat. 2795 (codified as amended in scattered sections of 42 U.S.C. §§ 6901 - 6986); 42 U.S.C. §§ 7401 - 7642 (1994 and Supp. 1998); and P. L. No. 95-217, 91 Stat. 1566 (codified as amended in scattered section of 33 U.S.C. §§ 1251 through 1376), respectively.

implementing regulations cover activities such as setting levels and standards for air emissions, establishing effluent limitation guidelines for water discharges, evaluating the environmental impacts of air emissions, monitoring compliance with discharge limits for water permits, ensuring adequate public participation, and issuing permits or ensuring that state processes meet federal requirements for the issuance of permits.

While EPA has retained oversight responsibility for these activities, it has authorized state, tribal, and local authorities to perform most activities related to issuing permits to industrial facilities. These authorities—referred to as permitting authorities—receive federal funding from EPA to carry out these activities and must adopt standards that are equivalent to or more stringent than the federal standards. Title VI of the Civil Rights Act and EPA's Title VI implementing regulations[3] prohibit permitting authorities from taking actions that are intentionally discriminatory or that have a discriminatory effect based on race, color, or national origin. EPA's Title VI regulations allow citizens to file administrative complaints with EPA that allege discrimination by programs or activities receiving EPA funding [40 C.F.R.§§7.120(1998)].

Title VI complaints must be filed in response to a specific action, such as the issuance of a permit. Because they must be linked to the actions of the recipients of federal funds, complaints alleging discrimination in the permitting process are filed against the permitting authority, rather than the facility receiving the permit. Complaints may be based on one permitting action or may relate to several actions or facilities that together have allegedly had an adverse disparate impact. Neither the filing of a Title VI complaint nor the acceptance of one for investigation by EPA stays the permit at issue.

As of February 7, 2002, EPA's complaint system showed 44 pending complaints alleging that state agencies had taken actions resulting in adverse environmental impacts that disproportionately affected protected groups. Of these complaints, 30 involved complaints that were accepted by EPA and were related to permits allowing proposed facilities to operate at a specified level of emissions. Other complaints involved issues such as cleanup enforcement and compliance.

[3]See 42 U.S.C. §§ 2000d - 2000d-7 (1994 and Supp. 1998) and 40 C.F.R. part 7 (2001).

Information on Number and Types of Jobs

The 15 facilities covered in our study included waste treatment plants, recycling operations, landfills, chemical plants, and packaging facilities. These facilities were in nine locations, and some were in rural areas, while others were in urban areas. (See app. II for additional information on the location and description of the facilities). All of the facilities that we studied reported that they had provided jobs as a result of the creation or expansion of their facility.[4] As shown in table 1, the number of full-time jobs ranged from 4 to 103 per facility, with 9 of the facilities having 25 jobs or less. Most of the facilities involved waste-related operations, which generally employ small numbers of employees.

Table 1: Jobs Provided by Facility

Facility name and location	Type of facility	Number of jobs[a]
Texas Industries Austin Package Plant Austin, Texas	Concrete and cement production	10
Georgia Pacific Columbus, Ohio	Chemical manufacturing	49
ExxonMobil Alsen, Louisiana	Chemical manufacturing	40
Natural Resources Recovery, Inc. Alsen, Louisiana	Nonhazardous waste—construction and demolition debris and wood waste landfill; recycling	5[d]
New York Organic Fertilizer Company Hunts Point, New York	Nonhazardous waste—fertilizer production	39[b,c]
Tri Boro Fibers Hunts Point, New York	Nonhazardous waste—recycling	40-50
Tristate Transfer Associates, Inc. Hunts Point, New York	Nonhazardous waste—garbage collection	7
Waste Management (Truxton), Hunts Point, New York	Nonhazardous waste—carting and demolition	14
Waste Management (Barretto) Hunts Point, New York	Nonhazardous waste—transfer station for clean fill material such as rocks, dirt, bricks, and masonry	4
Hunts Point Water Pollution Control Plant Hunts Point, New York	Nonhazardous waste—sewage treatment	67

[4]While the facilities covered in this study were not required to provide this information, all of them voluntarily provided some job-related information. We did not verify the information they provided. We also did not determine whether these jobs represented a net increase in jobs for the community. Facilities were not required to provide a specified number of jobs to receive permits to locate in a given area.

(Continued From Previous Page)

Facility name and location	Type of facility	Number of jobs[a]
North Meadow Municipal Landfill Hartford, Connecticut	Nonhazardous waste—municipal landfill	4
Genesee Power Station Genesee Township, Michigan	Nonhazardous waste—wood-burning power plant	25
Chemical Waste Management Kettleman City, California	Hazardous waste disposal	103[b,e]
Safety-Kleen, Inc. Buttonwillow, California	Hazardous waste disposal	23[b]
Safety-Kleen, Inc. Westmoreland, California	Hazardous waste disposal	22[b]

[a]Numbers were provided for 2001 unless otherwise noted.

[b]These numbers were provided for 2002.

[c]There were 80 jobs in 1993.

[d]This number was provided for 1998.

[e]There were 200 jobs in 1990 and 75 jobs in 1997.

Source: Information was provided by the listed facilities.

For four of the facilities, information was available from documents prepared before the facilities began operating on the number of jobs the facilities had estimated they would provide. In each of these cases, the number of jobs estimated was greater than the number of jobs provided. Specifically, Genesee Power Station estimated it would provide 30 jobs and provided 25; ExxonMobil estimated it would provide 50 jobs and provided 40; Natural Resources Recovery estimated it would provide between 15 and 40 jobs and provided 6; and Safety-Kleen, Inc., estimated it would provide 50 jobs in Westmoreland and provided 22.

Officials from a few facilities told us that their facilities, in addition to providing jobs directly, generated additional jobs outside of the facility. For example, a document from ExxonMobil indicated that for every job provided at the plant, 4.6 jobs resulted elsewhere in the East Baton Rouge Parish economy. Also, Chemical Waste Management officials told us that their landfill increased business in the area and that this enhanced business could result in more jobs. We did not verify the facilities' estimates of jobs generated outside of the facility.[5]

[5]In March 1999, we reported on the difficulty of estimating employment gains in our report *Economic Development: Observations Regarding the Economic Development Administration's May 1998 Final Report on Its Public Works Program*, GAO/RCED-99-11R (Washington, D.C.: May 1998).

In some cases, the number of jobs at these facilities decreased over time. For example, jobs at the chemical waste facility in Kettleman City, California, decreased from 200 in 1990 to 103 in 2002; and jobs at a similar facility in Buttonwillow, California, decreased from 110 in 1987 to 23 in 2002. In addition, jobs at a fertilizer plant in New York decreased from 80 in 1993 to 39 in 2002. Officials from the two facilities in California told us that the changes resulted from a decreased demand for the facilities due to a reduction in the amount of waste generated by a more environmentally conscious public.

We obtained information on the salary ranges and types of jobs provided for 14 of the 15 facilities.[6] According to officials at these facilities, the salaries for the jobs provided varied from about $15,000 to $80,000 per year, depending on factors such as the type of work and the location of the facility. However, the information that the facilities provided was not detailed enough to allow us to determine the numbers for each job type, the salaries for individual jobs, or the number of jobs filled by people from the surrounding communities. The information indicates a wide range of salaries; however, community organizations in some locations told us that, in their view, the majority of the jobs filled by community residents were low paying.

The facilities provided the following information:

- The ExxonMobil Corporation told us that their facility in Louisiana had both hourly and salaried jobs. According to ExxonMobil, its hourly jobs included mechanics, electricians, and laboratory technicians; and its average wage was about $23 an hour, which is equivalent to $47,840 per year.[7] Salaried jobs included engineers, a chemist, accountants, and administrative assistants, and the average salary was just under $70,000 annually.

- The Texas Industries Package Plant, located in Texas, told us that its jobs included plant manager, sales representative, dispatcher, packaging coordinator, maintenance mechanic, plant operator, crew operators, crew members, and administrative positions. The salaries ranged from

[6]We did not verify the information provided by the 14 facilities.

[7]We computed annual salary estimates using 2,080 hours per year.

about $10 to $15 per hour, which is equivalent to $20,800 and $31,200 per year, respectively.

- The three hazardous waste treatment facilities in California reported that the jobs at their facilities—facility manager, manager, heavy equipment operators, plant operators, truck receiving operators, customer service representatives, and waste acceptance specialists—had salaries ranging from $28,000 to $82,000 annually.

- The nine nonhazardous waste-related facilities located in Connecticut, Louisiana, Michigan, and New York reported having jobs that included facility site managers, site supervisors, scale and machine operators, technical assistants, mechanics, and laborers. Salaries for these jobs ranged from $7.50 to $33.50 per hour, which is equivalent to $15,600 and $69,680 per year, respectively.

About half of the facilities provided some information on whether their jobs were filled by people from the communities. Specifically, according to information provided by the Hunts Point, South Bronx, New York facilities, a large number of employees in the waste-related facilities resided in the Bronx. The Hunts Point Water Pollution Control Plant had 67 employees from the Bronx, with 1 living in the immediate Hunts Point neighborhood. Safety-Kleen, Inc., told us that the majority of the employees in its two facilities lived in the county where the facilities were located.

Over the years of the Genesee Power Station's operation, about half of the 68 employees resided in Flint or Genesee County, Michigan; however, the facility did not indicate how many employees, if any, lived in Genesee Township—the home of the power station—or the Flint community that is close to the plant. Similarly, information provided by the Texas Industries Package Plant in Austin, Texas, indicated that its 10 employees all resided in a nearby community, town, or city but did not identify the number from the community immediately surrounding the plant. And in a 1998 document submitted to EPA, Natural Resources Recovery, Inc., indicated that four of its five employees lived in the town where the plant was located. However, community representatives told us that few, if any, town residents worked at the landfill at the time of our visit.

Contributions to the Community

As shown in table 2, officials from 10 of the 15 facilities said they had contributed to the communities in which they were located. Specifically, they performed volunteer work that included offering firefighting assistance and organizing cleanups in the area. They also made infrastructure improvements, such as installing a new water drainage system. In addition, some of the facilities made or were planning to make financial contributions in the communities where they were located. These financial contributions would assist schools and universities as well as community groups and other organizations. For example, the Genesee Power Station awarded eight $1,000 scholarships to high school students.

Table 2: Types of Contributions Facilities Made to Communities

Facility[a]	Volunteer work	Infrastructure	Schools and universities	Community groups and other organizations	Foundations
Georgia Pacific	X		X	X	
ExxonMobil	X		X	X	
New York Organic Fertilizer Company			X	X	
Genesee Power Station	X	X	X	X	
Waste Management (Truxton)		X			
Waste Management (Barretto)		X			
North Meadow Municipal Landfill				X[b]	
Chemical Waste Management (Kettleman City)	X		X	X	X
Safety-Kleen, Inc. (Buttonwillow)	X		X	X	X
Safety-Kleen, Inc. (Westmoreland)	X				

Legend:

X represents the kinds of contributions made by each facility.

[a]Tri Boro Fibers; Hunts Point Water Pollution Control Plant; Tristate Transfer Associates, Inc.; Natural Resources Recovery, Inc.; and Texas Industries Austin Package Plant did not provide information on other contributions.

[b]The North Meadow Municipal Landfill fund was intended to assist community groups and other organizations.

Source: GAO analysis based on information provided by facilities.

In three communities, the facilities established foundations or funds to manage and disburse the financial contributions. One foundation was set up following legal action taken by community groups. In another case, the foundation was not linked to legal action. The fund resulted from

collaboration among the state environmental agency, the facility, and the community that ultimately resulted in the community dropping its complaint with EPA. The facilities and community groups in these three locations provided the following information:

- The Kettleman City Foundation, a California nonprofit public benefit corporation, was set up after legal action was taken by the community against Chemical Waste Management. The foundation was organized to improve the quality of life of the residents of Kettleman City and nearby areas of Kings County, California, by developing capacity, leveraging additional resources, and protecting the environment and residents' health and welfare. The board of this foundation consisted of the legal representative for the Center on Race, Poverty, and the Environment;[8] three community residents; and the manager of the Chemical Waste Management facility. Chemical Waste Management provided $115,000 to the foundation. In addition, Chemical Waste Management agreed to make further contributions annually, based on tons of municipal waste disposed at its landfill. Since 1998, Chemical Waste Management has contributed almost $300,000 to the foundation. Some of these funds are to be used to help build the Kettleman City Community Center, which plans to provide a variety of social services.

- The Buttonwillow Community Foundation was established in June 1994. The directors of the foundation included representatives from local government offices, the Chamber of Commerce, and a senior citizens' group. This foundation's primary function was to provide grants to facilitate projects promoting the health, education, recreation, safety and welfare of the Buttonwillow residents. Safety-Kleen, Inc., provided an initial $50,000 donation to the foundation. Its annual contribution to the foundation is linked to the tons of waste received at the facility, and in calendar years 2000 and 2001, these contributions exceeded $100,000.

- The North Meadow Municipal Landfill worked with the community to address the community's concerns. Consequently, a fund called the Economic Development Account was established for economic development for minority business enterprises, social welfare projects, relief of the poor and underprivileged, environmental education, community revitalization, amelioration of public health concerns, and

[8]The Center on Race, Poverty, and the Environment represents low-income communities and workers throughout California that have concerns about environmental hazards.

for other charitable purposes within Hartford. A board consisting of community group and city representatives would determine how to distribute funds from the account. At the time of our review, the facility had agreed to provide $9.7 million for the account over 10 years. In exchange for these contributions, the community group agreed to accept the landfill's expansion and withdraw the complaint to EPA.

Despite these efforts, community residents often felt these contributions were inadequate.

Information on Property Values

Property values in a community are affected by many factors, including the condition of the land and houses; the proximity of the property to natural or manmade structures—such as the facilities covered by this study—that might be viewed as desirable or undesirable; and economic conditions in the surrounding or adjacent communities. Information on property values was not available for most of the communities where the facilities were located. For example, in some rural and unincorporated areas, information on property values was kept for a limited number of properties or was based on property sales, which were infrequent and had not occurred since the facilities had begun operating.

Some information was available for two locations—Genesee Township, Michigan, and South Bronx, New York. Even in these two locations, the information available was not specific enough to isolate the effect of the facility on property values because of the other factors that can affect property values, such as the location of other manufacturing or waste-related facilities in the area or economic activity in adjacent areas. The Genesee Township tax assessor provided information showing that property values in the area had not changed. In the South Bronx, property assessment data indicated that property values had increased in the Hunts Point neighborhood—the neighborhood where multiple waste management facilities were located. For this case, local officials stated that the increase occurred because of factors such as expanding economic development and the rising cost of housing in Manhattan.[9]

In locations where property values were not available, community groups voiced concerns that the facilities would cause property values to decline.

[9]We visited and collected information prior to the September 11 terrorist attack. We did not determine the impact of the attacks on the South Bronx property values.

For example, residents of Alsen, Louisiana, believed that the location of nearby industrial facilities, including the facilities studied for this report, affected property values and reduced homeowners' ability to sell their homes for a reasonable price. Similar concerns were included in the complaints regarding the hazardous waste landfills in California. The Alum Crest Acres Association, Inc., a community group in Columbus, Ohio, and the Garden Valley Neighborhood Association located near the Texas Industries Austin Package Plant also expressed concern about the effect of the industrial facilities on their property values.

Incentives Received by the Facilities

Six of the 15 facilities we studied said they used incentives or subsidies that were available in a particular area. Officials from these facilities also said that they chose their location because of low land costs, favorable zoning, or other factors. The incentives varied, depending on the type of facility and its location, but included tax exemptions, a local bond initiative, reductions in regulatory fees, and reduced utility rates.

In Louisiana, the state granted ExxonMobil an industrial tax exemption from state, parish, and local taxes on property such as buildings, machinery, and equipment that were used as part of the manufacturing process. This exemption, which is available to any manufacturing company that builds or expands a facility within the state, is initially available for 5 years but may be renewed for an additional 5 years. According to the Louisiana Department of Economic Development, ExxonMobil's polyolefin plant had received tax exemptions worth approximately $193 million between 1990 and June 2000. Also, in 2001, approximately $139 million was filed for the ad valorem tax exemption related to the Polypropylene project.

The Buttonwillow and Westmoreland, California, hazardous waste facilities received a low-interest bond issued by the California Pollution Control Financing Authority in the amount of $19.5 million, and the facility in Kettleman City experienced a 40-percent reduction in regulatory fees as a result of provisions granted by the state in January 1998. In the latter case, facility representatives said the provisions were intended to help keep the facility from laying off employees.

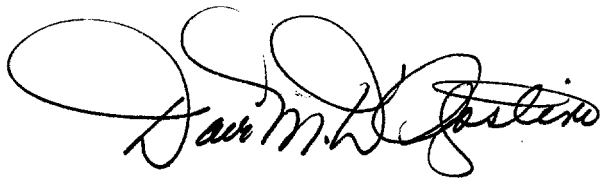
In the Hunts Point community in the South Bronx, the New York Organic Fertilizer Company was eligible for discount rates from the utility company—Consolidated Edison—because of its location. The utility company offered this incentive to any facility that located in a certain

community and hired a percentage of employees from that community. Also, Tri Boro Fibers, a recycling company located in Hunts Point, received a local tax exemption that was available to all recycling facilities for trucking fees and certain purchases.

Agency Comments

Certain EPA units provided technical comments on a draft of this report. EPA's Office of Civil Rights commented that the report needed (1) more detailed information on the number and types of jobs and on those jobs provided to the communities nearest the facilities and (2) a comparison of property values in the communities closest to the facilities to similar communities. As stated in the report, the facilities covered in this study were not required to provide information, however most of them voluntarily provided some job-related information. Facilities were not required to provide a specified number of jobs to receive permits to locate in a given area. A property value comparison would not have been possible considering the data limitation and accessibility issues that we identified. EPA generally agreed with the information about the agency and provided clarifications which we incorporated into this report where appropriate.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of the report. At that time, we will send copies to the appropriate congressional committees and the Administrator of the Environmental Protection Agency. We will also make copies available to others on request. If you have any questions about this report, please contact Nancy Simmons, Assistant Director, or me at (202) 512-8678. Key contributors to this assignment are listed in appendix III.



Davi M. D'Agostino
Director, Financial Markets and
Community Investment

Objectives, Scope, and Methodology

The objectives of this engagement were to (1) determine the number and types of jobs provided, (2) identify contributions made by the facilities to their communities, (3) determine the facilities' effect, if any, on property values in their communities, and (4) determine the amount and type of government subsidies or incentive packages the facilities received. We did not examine the environmental impact of the facilities or the associated impact, if any, on the health of the communities in which they were located.

We selected facilities for this engagement from the Environmental Protection Agency's (EPA) complaint system. These complaints involved facilities that received environmental permits and were located in communities that felt the facilities' operations were having a disproportionate impact on them. As of February 7, 2002, the system contained 44 complaints, of which EPA had accepted 36 for further review.

As agreed with the requesters, we considered only facilities covered by complaints involving issues related to the permitting process (30 of the 36 accepted complaints). We initially selected three of the complaints, which involved three locations and eight of the facilities covered in our study. We found that 1 of these complaints involved 26 waste-related facilities. As agreed with our requestors' staffs, we included 6 of the 26 facilities in the scope of this engagement. Subsequently, using geographic location, type of facility, and population density (urban versus rural), we selected seven additional complaints involving diverse facilities and locations. We found that two of these complaints involved facilities that were no longer in business; consequently, we excluded them from our analysis. The remaining five complaints involved six additional locations and seven facilities. Table 3 outlines the 9 locations and 15 facilities included in our study.

Table 3: Review Locations and Facilities

Facility name and location
Alsen, Louisiana
Natural Resources Recovery, Inc.
ExxonMobil
Hunts Point, New York
Waste Management (Truxton)
Waste Management (Barretto)
Tri Boro Fibers
Hunts Point Water Pollution Control Plant
New York Organic Fertilizer Company
Tristate Transfer Associates, Inc.
Hartford, Connecticut
North Meadow Municipal Landfill
Genesee Township, Michigan
Genesee Power Station
Austin, Texas
Texas Industries Package Plant
Kettleman City, California
Chemical Waste Management
Buttonwillow, California
Safety-Kleen, Inc.
Westmoreland, California
Safety-Kleen, Inc.
Columbus, Ohio
Georgia Pacific

Note: We performed work at all of these locations except Austin, Texas, and Columbus, Ohio.

Souce: GAO.

To determine the number of jobs provided, the contributions the facilities made to the communities, and the impact on property values, we used a structured data collection instrument to interview officials from each facility and from state or local economic development and planning organizations. We asked for information such as the number of jobs provided over time, the number of jobs filled by people in the communities nearest the facilities, the types of jobs offered, and the salaries for each job. However, we did not examine whether the jobs represented a net increase in jobs within the community. Where available, we obtained property assessment information from local tax assessment offices. We also interviewed representatives from community and environmental action groups, some of which were involved in filing complaints with EPA. We analyzed documents pertaining to jobs at the facilities, property values before and after the facilities began operating or expanding, contributions

to the community, and program planning; reviewed public hearings related to the issuance of environmental permits; and reviewed economic and demographic data. In general, we did not independently verify the information provided.

To determine the subsidies or tax incentives that the facilities used, we interviewed officials from the facilities and from state or local economic development and planning organizations. We also reviewed documents obtained from these officials.

We conducted our work between May 2001 and May 2002 in accordance with generally accepted government auditing standards. We obtained comments on a draft of this report from EPA officials. We also asked the representatives of some facilities with whom we consulted to review portions of the draft of this report for accuracy and clarity. Their comments are incorporated into this report as appropriate.

Location and Description of the Industrial Facilities

Alsen, Louisiana

Alsen is located along the Mississippi River near Baton Rouge, Louisiana, in an industrial corridor. Located along this corridor are facilities such as petrochemical plants that produce one-fifth of all U.S. petrochemicals, a lead smelter, a commercial hazardous waste incinerator, and landfills. Alsen is located in a rural area where the population is predominantly low income and African-American. Two of the facilities included in this report are located in Alsen—ExxonMobil and Natural Resources Recovery, Inc.

The ExxonMobil facility produces both polyethylene and polypropylene (plastic) for textile, film, and automotive markets and is located in a cluster of petrochemical companies. The Louisiana Environmental Action Network and the North Baton Rouge Environmental Association filed a complaint with EPA against the Louisiana Department of Environmental Quality for issuing a permit for ExxonMobil's expansion of an existing plant. According to officials at the facility, a $150-million expansion was initiated in 1998 and, with a capacity of 600 million pounds, will increase production to meet the growing demand for polypropylene.

Natural Resources Recovery, Inc., is a construction and demolition debris landfill. The facility also recycles wood and construction material. As with ExxonMobil, Louisiana Environmental Action Network and North Baton Rouge Environmental Association filed a complaint with EPA against the Louisiana Department of Environmental Quality concerning Natural Resources Recovery, Inc.

Hunts Point, South Bronx, New York

The residential population within the Hunts Point community consisted of about 12,000 people in 2000, many of whom were renters. Community residents are largely Hispanic and African-American, and many residents are low income. The community is home to many industrial facilities, including numerous waste treatment facilities. Six of the waste treatment facilities are included in this report—Waste Management (Truxton), Waste Management (Barretto), Tri Boro Fibers, Hunts Point Water Pollution Control Plant, New York Organic Fertilizer Company, and Tristate Transfer Associates Inc. Respectively, these facilities handle carting and demolition, transfer clean fill material, recycle nonhazardous waste, treat sewage, conduct thermal drying of biosolid waste, and collect garbage. Most of these facilities have operated since the 1980s and 1990s. These and other facilities are the subject of a complaint filed with EPA by U. S. Congressman Serrano and various Hunts Point community groups against the New York State Department of Environmental Conservation and New York City Department of Sanitation concerning the issuance of permits to operate existing and proposed facilities.

Buttonwillow, Westmoreland, and Kettleman City, California

These three communities are located in sparsely populated portions of Kern County, Imperial County, and Kings County, respectively. Residents of all three communities are predominantly Hispanic and low income. In addition, each of the communities is home to one of the three hazardous waste treatment facilities included in our study.

Safety-Kleen, Inc.—the world's largest recycler of automotive and industrial fluid wastes—operates the facilities located in Buttonwillow and Westmoreland.[10] These facilities collect, process, recycle, and dispose of a range of hazardous wastes. The Buttonwillow facility, which accepts a wide range of EPA regulated hazardous and nonhazardous waste, has been operating since 1982. The area immediately surrounding the facility is irrigated agricultural and undeveloped land. Irrigated agriculture, oil production, and waste disposal are the predominant land uses for several miles around the facility, and the closest residence is about 3 miles away. The Westmoreland facility began operating in 1980 and also accepts a wide range of EPA regulated hazardous and nonhazardous waste. Like the Buttonwillow facility, the Westmoreland facility processes and disposes of both hazardous and nonhazardous waste.

Chemical Waste Management operates the third facility, which is located about 4 miles from Kettleman City in Kings County, California. This facility provides hazardous waste treatment, storage, and disposal services to a variety of customers—including universities, government agencies, and private industry—throughout California and the western United States. In addition, the facility has a separate landfill that handles municipal solid waste generated from two counties.

The Parents for Better Living of Buttonwillow, People for Clean Air and Water of Kettleman City, and Concerned Citizens of Westmoreland filed a complaint with EPA against the California Department of Toxic Substances Control and Imperial County Air Pollution Control District, regarding these three hazardous waste landfills.

Genesee Township, Michigan

Genesee Township is a suburban area located in Genesee County and is adjacent to the city of Flint, which is the fourth-largest city in Michigan. Residents near the facility are largely low income and minority.

[10]In June 2000, Safety-Kleen, Inc., filed for bankruptcy.

The Genesee Power Station is a wood-burning power plant located in an industrial park within the township. Using waste wood, the plant produces electricity for a power company that services about 35,000 homes in Flint and Genesee Township. The area surrounding the plant includes a cement-making plant, an asphalt plant, a fuel storage facility, and a residential community.

The Saint Francis Prayer Center filed a complaint with EPA against the Michigan Department of Environmental Quality regarding the issuance of a permit for the Genesee Power Station.

Hartford, Connecticut

Hartford is an urban area in central Connecticut. The North Meadow Municipal Landfill—one of the facilities covered in our study—has existed for over 75 years and is located in north Hartford in a community of about 35,000 people. The city of Hartford owns the landfill, which is run by the Connecticut Resource Recovery Authority. The facility is located in an area that abuts an industrial zone containing auto dealerships, the city's public works garage, a junkyard, vacant buildings, and other industrial businesses. The neighborhood near the facility is largely minority and suffers from poorly maintained and abandoned buildings.

The Organized North Easterner and Clay Hill and North End, Inc., filed a complaint with EPA against the Connecticut Department of Environmental Protection regarding this landfill. However, after subsequent discussions among representatives of the community, the state environmental agency, and the facility, an agreement was reached and the complaint was withdrawn.

Austin, Texas

While Austin is considered the home of the Texas Industries Austin Package Plant, which was included in our study, the plant is located outside of the city. The plant produces packaged products that include various types of concrete, mortar, sand, cement and asphalt mixes. It primarily sells its products to construction companies in the southwestern United States.

The Garden Valley Neighborhood Association—which represents a largely minority, residential community close to the plant—filed a complaint with EPA against the Texas Natural Resources Conservation Commission regarding the concrete plant.

Columbus, Ohio

The Georgia Pacific facility has operated in an urban area on the south side of Columbus, Ohio, in Franklin County since 1971. The facility annually

produces 110 million pounds of resin as well as 235 million pounds of formaldehyde, which is used in making plywood, particleboard, ceiling tiles, laminates, and other products.

On behalf of a community near this facility that is approximately 80 percent minority, Alum Crest Acres Association, Inc., and South Side Community Action Association filed a complaint with EPA concerning the permit issued for this facility by the Ohio Environmental Protection Agency and the City of Columbus.

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