GE, New York State Will Spend $7 Million To Cope With PCBs

Special to THE WALL STREET JOURNAL

ALBANY—The New York State Department of Environmental Conservation and General Electric Co. announced a cooperative, $7 million program to cope with toxic chemicals called PCBs that GE plants have been dumping in the Hudson River.

As part of an agreement settling a state legal action against GE, the company also agreed to stop using PCB compounds in its manufacture of capacitors at Hudson Falls and Fort Edward, N.Y., by next July 1. GE has been using the compounds, which are polychlorinated biphenyls, as insulating fluids since the late 1940s. PCB residue from the plants has been discharged into the river and has been found at high levels in fish caught there.

The settlement and a related consent order didn't impose any penalties on GE, although the company is committed to spending $4 million in a cleanup program, in addition to the expense of adding treatment facilities to its plants.

The agreements were announced at a joint news conference by Peter A. A. Berle, State Commissioner of Environmental Conservation, and John F. Welsh Jr., a GE vice president and group executive. Gov. Hugh L. Carey attended the conference and said the resolution of the year-old dispute was "an excellent example of ways that industry and the state can work together."

The state agency and GE agreed to contribute $3 million each to a program under the agency's direction that will monitor the discharge of PCBs into the river and investigate and take action to remove existing pollution. The action may include dredging. The program also is intended to "revitalize" the recreational and commercial aspects of the river. If any money is left over, it will be used in programs to deal with other pollutants.

GE also will spend $1 million on research and turn the results over to the agency. The sum includes $450,000 to study the "environmental compatibility" of the substance, as yet undetermined, that GE will have to substitute for PCBs in capacitors after July 1. It includes $400,000 for research and pilot-plant studies on the removal or treatment of PCBs in liquids and sediments dredged from the river. The remaining $300,000 will be spent on studying the environmental impact of other substances chosen by Commissioner Berle.

GE said it will proceed with a $8.5 million treatment facility that is to be in operation by next April. The company said the facility will be able to reduce the plants' PCB discharges to an average of one gram a day from the present level of less than one pound a day. The facility will be used after July 1 to treat discharges of the substance that will be used to replace the PCBs, as well as to control the discharge of any residual PCBs that could continue to flow into the river.

The settlement was approved by a number of environmentalists that had intervened in the state's action against GE.

Abraham Bolser, a Columbia University law professor who served as hearing officer in the state's administrative action against GE, recommended acceptance of the settlement.

Mr. Bolser said the terms were "reasonable" and "substitute tangible advantages for legal uncertainty and delay."

Mr. Bolser found last February that GE had violated state water-quality standards, but the company contended that the level of PCBs released into the Hudson was within the limit imposed by a permit from the federal Environmental Protection Agency. GE and others also contended that the state bore some responsibility for the pollution.

PCBs have been found to cause cancer in animals in laboratory tests and have caused skin ailments in some workers in the GE plants.

Mr. Berle's predecessor as state commissioner, Ogden R. Reid, closed the Hudson to most commercial fishing and took a hard line on seeking severe penalties against GE. However, his position brought him into conflict with Gov. Carey, who was concerned about the economic consequences if GE chose to close the plants. This dispute was said to be a principal cause of Mr. Reid's resignation from the state post last April.

Mr. Bolser, the hearing examiner, said in recommending the settlement that the "solution of shared responsibility is one which can only foster heightened awareness and caution by regulators, as well as increased trust and cooperation by the regulated." He called the agreement "an attractive precedent for dealing with situations of joint culpability."

ARA Services Agrees To Buy Work Wear's U.S. Rental Operation

By a WALL STREET JOURNAL *Staff Reporter*

PHILADELPHIA — ARA Services Inc. said that it and Work Wear Corp. reached an agreement in principle by ARA to buy Work Wear's U.S. rental service operation for about $28.5 million.

Work Wear said that because of a federal antitrust consent decree it must divest itself by Dec. 31 of its domestic rental operation, which had revenue of $72 million in 1975.

ARA said that under the proposal, Work Wear would spin off the domestic rental operation to its shareholders, and the operation would then be merged into ARA. It said each Work Wear stockholder would receive about 0.15 share of ARA common for each share of Work Wear common. ARA said the transaction would involve 474,000 shares of its common.

Work Wear domestic rental operation rents, launders and repairs industrial garments, service apparel and other items.

ARA said the proposed transaction is subject to a number of conditions, including preparation of a definitive agreement between ARA and Work Wear, approval by Work Wear shareholders and approval from governmental agencies, including the Justice Department.

ARA's interests include vending and food service and management consulting services.

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the nine-nation Common Market rose to 69.32 Tuesday from 69.13 a week before. The old index, based on the six original member nations, increased to 139.32 from 139.10.

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