WEEKLY 750,000

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REGULATORS

A PCB crisis pummels the poultry industry

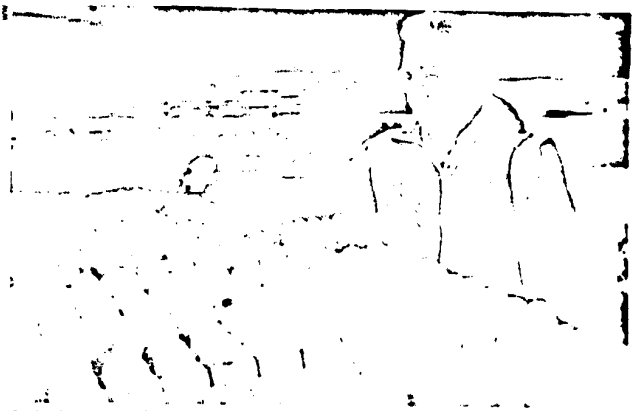
In 17 Western states, federal officials spent the better part of September tracking down and destroying 449,000 lb. of chicken and egg products contaminated with polychlorinated biphenyls (PCBs), a family of toxic chemicals that are suspected carcinogens. Officials believe they kept poisoned food off the market, but major questions still remain. Court battles are in sight over who is liable for the spillage of PCBs into animal feed. And Congress is pressuring the three regulatory agencies involved to take steps to prevent such accidents in the future.

The problem started at the Pierce Packing Co. in Billings, Mont., in early July when a stored transformer containing PCBs was damaged, spilling the coolant into wastewater. That water was routinely recovered and mixed in with meat meal, which was sold to poultry farms, which in turn sold the contaminated chicken and eggs to a wide variety of processors, including Pepperidge Farm Inc. and Swift & Co. PCBs are ubiquitous chemicals that cause reproductive failures, skin lesions, gastric disorders, and cancer in animals. Officials of the Agriculture Dept. and the Food & Drug Administration claim to have prevented contaminated products from reaching consumers, but Representative Robert C. Eckhardt (D-Tex.) is concerned that the agencies took longer than necessary.

"Once the PCBs were found, there was an unreasonable delay in notifying the FDA," says Eckhardt. His subcommittee on oversight and investigations held hearings on Sept. 28, and more are planned for November.

Restitution claims. Agriculture has jurisdiction over meat and poultry products, but when a food is contaminated, the FDA takes over. Observers speculate that Agriculture's delay in notifying the FDA—about two weeks—may make the agencies vulnerable to lawsuits from processors anxious to recover their losses; private insurance coverage apparently will not pay the whole bill.

One of the companies most severely affected by the incident is Ritewood Inc. of Franklin, Idaho, which bought most of the contaminated meat meal. Paul C. Woodward, part owner of Ritewood, estimates his losses could be $1 million, mainly for the destruction of 500,000 chickens.



Contaminated eggs: One congressman charges that federal agencies were slow to act.

Ritewood is also being sued by buyers of its chickens. "I don't have insurance on anything like that," says Woodward. "And by the time the lawyers get through, we might have enough for a hamburger."

Swift & Co. has sent a letter to its supplier, Jolley Wholesale Poultry, of

'What does more harm than the money is the image loss,' says a Swift official

Provo, Utah, asking for restitution for the 28,000 lb. of chicken meat that Swift had to destroy. In Swift's case, the $4 billion meat-processing company is not worried just about the money. "What does more harm than the money is the image loss," sighs Swift spokesman William D. Dillman. Pepperidge Farm, which destroyed 12,500 cases of strawberry shortcake baked with contaminated egg products, also is considering taking steps to recover its losses.

Questions for GE. The total dollar losses are unknown but are expected to climb into the millions. That is far more than the most likely liability candidate—Pierce Packing, with annual sales of $1.6 million—says it can pay. "It is impossible for any company of our size to be financially responsible for potential claims which may result from this accidental disaster," Fred C. Pierce II told Eckhardt's subcommittee.

Eckhardt is sympathetic to the company and now is interested in questioning General Electric Co., which made the transformer, and Monsanto Co., which made the PCBs, about their responsibility.

Monsanto stopped making PCBs in 1977, prior to a 1979 ban issued by the Environmental Protection Agency, and officials do not expect to be held liable. GE now makes transformers with a different coolant, and officials there say the company did not sell the devices to Pierce; GE claims that the transformers were purchased secondhand. In addition, GE officials point out that the contamination was the result of an accident. "Since the transformer was ruptured by

Pepperidge Farm Inc. had to destroy 12,500 cases of strawberry shortcake

the owner, it would appear that GE couldn't be held liable," says a company lawyer.

While the courts and the insurance companies sort out the payment question, Agriculture, the FDA, and the EPA will move to bolster their rules on PCBs. "The FDA intends to order the removal of PCBs from food-processing plants," says Stuart M. Pape, special assistant to acting FDA Commissioner Sherwin Gardner. That will just be a start, since the EPA estimates there are 300 million lb. of PCBs currently used in transformers. This most recent incident involved only 1,800 lb. ■

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