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FOR IMMEDIATE RELEASE

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Asbestos in Libby

EPA Action Update #8

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EPA wins lawsuit against Grace and KDC

Helena, MT – The U.S. District Court in Missoula ruled in favor of EPA and the Department of Justice, giving the federal government full access to the W.R. Grace mine site and two other properties near Libby, Montana to remove and dispose of asbestos-contaminated soil. Rejecting Grace's arguments, the Judge ruled on March 9, 2001 that, "Defendants must allow access to the Flyway, the Bluffs, and the Mine Site for all purposes."

The three properties - once crucial to Grace's operations in Libby - now belong to KDC, a Grace subsidiary. The first, the "Mine Site," comprises about 3600 acres seven miles northeast of Libby. A mining permit issued by the Montana Department of Environmental Quality applied to roughly 1200 acres of the Mine Site. Reclamation activities have yet to be completed on approximately 120 of these acres.

The second property, the "Kootenai Flyway," is located between Highway 37 and the Kootenai River. The Flyway is adjacent to and upstream from a former vermiculite processing plant - the Screening Plant. A conveyor belt connected the Screening Plant to a third property, "the Bluffs," which lies across the River from the Screening Plant. The Bluffs comprises 42 acres and contains a quarter-acre railroad loading area and two stockpiling areas, each covering one-half to one acre. KDC acquired each of these properties from Grace.

On July 18, 2000 Grace informed EPA that it had acquired ownership of KDC's stock and revoked any agreements between KDC and EPA concerning site access. On July 19, the EPA asked Grace and KDC to grant it access to the properties, but the companies refused. In a complaint

filed September 14, 2000 in federal court in Missoula, the Justice Department on behalf of EPA asked the court to order the companies to allow full access to the three properties.

The property became contaminated with asbestos over a 70-year period as vermiculite, which was used in home insulation and other products, was mined from the mountainous area and processed in and around Libby. The vermiculite ore was commingled with asbestos. Mining began at the site in about 1919 and continued until 1990, when Grace shut down the mine. Grace owned the property from 1963 until the early 1990s, when it sold the mine and two processing plants to KDC and other entities.

Beginning in November 1999, EPA and its contractors have conducted numerous investigations into asbestos contamination at several locations within the site, identifying soil at the Screening Plant with asbestos concentrations as high as 12 percent by weight. An initial investigation of the former mine showed high concentrations of asbestos in the tailings pile and tailings pond.

Asbestos, a recognized human carcinogen, is known to cause lung cancer and mesothelioma, a lethal tumor of the lining of the chest and abdominal cavities. Soil containing asbestos may pose a risk to the health and safety of people residing in contaminated areas and in the surrounding community.

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