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BEEF PROCESSOR REACHES SETTLEMENT OVER CLEAN WATER VIOLATIONS

Some of the violations resulted in fish kills

PHILADELPHIA - JBS Souderton, Inc., formerly known as Smithfield Beef Group, which operates a beef processing plant in Franconia Township, Montgomery County, PA, has entered into a Consent Decree with the United States of America and the Commonwealth of Pennsylvania to resolve allegations that the company failed to comply with the Clean Water Act and the Pennsylvania Clean Streams Law during plant operations, some of which resulted in fish kills, announced United States Attorney Zane David Memeger and EPA Regional Administrator Shawn M. Garvin. The Consent Decree requires JBS Souderton to improve the manner by which it operates and maintains its plant; to reconstruct the system that conveys water to its waste water treatment plant; and to pay federal and state authorities a total of \$1.9 million in civil penalties and \$100,000 in damages.

As of 2004, JBS Souderton's operations, which include a rendering facility, were producing approximately 180 million pounds of boxed beef and 117 million pounds of ground beef, per year. The rendering facility processes the inedible and leftover material from the slaughter operations and processes kitchen grease from various restaurants. Water from the beef processing and rendering facilities is conveyed to an on-site waste water treatment plant, treated, and then discharged, into the Skippack Creek, pursuant to a permit. The creek is a tributary of the Perkiomen Creek and the Schuylkill River.

"Our waterways should not become a casualty of business decisions," said Memeger. "Provisions such as the federal Clean Water Act and the Pennsylvania Clean Streams Law exist to ensure that our waterways do not become sewers, that the health of our ecosystem is not compromised, and that the health of our citizens is not put at risk."

In December 2008, the United States filed a complaint in which it alleged that the plant had been out of compliance, since 2003, with the Clean Water Act and the Pennsylvania Clean Streams Law. The allegations concern three areas. :

- The environmental agencies allege that the plant spilled pollutants into the water without a permit.
- The agencies allege that the plant discharged pollutants into the water in excess of the limitations set by its permit.
- The agencies allege the plant failed to operate and maintain its facilities in a

manner appropriate to ensuring compliance with its environmental obligations. These violations resulted in fish kills in the Skippack Creek on: August 10, 2007 (16,461 fish), December 5, 2007 (1,754 fish), and June 10, 2008 (6,500 fish).

The Pennsylvania Department of Environmental Protection and Pennsylvania Fish & Boat Commission intervened with their own allegations this month.

“Today's settlement represents a major step forward in protecting the waters of the Schuylkill River basin which supplies drinking water to more than 1.7 million people, and provides a vital source of aquatic life and recreation for the region,” said EPA Mid-Atlantic Regional Administrator Shawn M. Garvin.

“The conditions of this settlement call for a high degree of environmental management, and the replacement of old, leaking equipment with a modern collection system that will protect the waters of the Commonwealth,” said Pennsylvania Department of Environmental Protection Deputy Secretary Kelly Heffner.

“Water pollution and major fish kills such as this one unfortunately still occur and this settlement not only provides restitution for the damages that resulted from the discharges but serves as a reminder that we must do a better job protecting our waterways,” said Executive Director of the Pennsylvania Fish and Boat Commission John Arway. “The conditions of our waters reflect the general health of our society, and although our waters have improved over the past three decades, the public expects and our natural resources deserve the protections afforded them by our current laws and regulations.”

The Consent Decree requires JBS Souderton to make a number of changes to its operation. The changes, which are meant to prevent the kinds of environmental incidents alleged in the complaint, include:

- The implementation of an environmental management system that incorporates prevailing best practices and that will, among other things, include a process for analyzing the root causes of future environmental mishaps to ensure that they are corrected;
- The installation of a computer based system – the Supervisory Control and Data Acquisition (SCADA) system – to monitor equipment, leaks, and water flow;
- Improved record keeping and training;
- An Asset Management and Preventive Maintenance Program (AMPM) to set schedules for the upkeep of the operation's equipment.

The Consent Decree also requires JBS Souderton to construct an upgrade to the system of pipes that brings water to the wastewater treatment plant. The construction project includes

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installation of advanced piping, an inventory of existing piping, and will shut off unused piping. The upgrade is to ensure that all the wastewater that needs treating will be safely carried to the wastewater treatment plant. The Consent Decree is part of other enforcement activity by environmental agencies that has included the requirement that JBS Souderton construct an approximately \$6 million state-of-the-art wastewater treatment plant.

Finally, the Consent Decree includes a \$2 million payment by JBS Souderton. The company will pay civil penalties of \$950,000, each, to the federal government and the Pennsylvania Department of Environmental Protection; and will pay the Pennsylvania Fish and Boat Commission \$100,000 in civil damages, of which \$10,000 represents investigative cost.

During the time frame covered by the Consent Decree, JBS Souderton Inc. was formerly known as Smithfield Beef Group – Souderton, Inc. The name change occurred in 2008 when Smithfield Foods, Inc. sold its stock in Smithfield Beef Group, Inc., to JBS USA, Inc.

This case was jointly investigated by the Environmental Protection Agency, the Pennsylvania Department of Environmental Protection, and the Pennsylvania Fish and Boat Commission. It is being prosecuted by Assistant United States Attorney Michael S. Blume.

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