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PRESS RELEASE

Attorney General Frosh, MDE Secretary Grumbles Announce Filing of Suit Against Luke Paper Mill Owners Under Federal Hazardous Waste Law

Complaint Alleges Ongoing Violations of State and Federal Pollution Laws, Seeks Civil Penalties; Previously Filed Claims Under State Law Would be Brought to Federal Case

BALTIMORE, MD (May 28, 2020) – Maryland Attorney General Brian E. Frosh and Maryland Environment Secretary Ben Grumbles today announced the filing of a <u>suit</u> in federal court against the owners of the Luke Paper Mill for seepages into the North Branch Potomac River that threaten public health and the environment.

A black substance that may include contaminants from caustic and corrosive "pulping liquor," coal ash or other undiscovered sources continues to seep from a riverbank at the paper mill site and into the river. Maryland Department of the Environment (MDE) and the Office of the Attorney General filed a complaint under federal hazardous waste law seeking orders requiring the mill owners, Verso Luke LLC and its parent company, Verso Corporation, to stop the discharges and remediate any harm caused by them. The complaint also seeks orders requiring Verso to post signs warning of health risks and to pay civil penalties.

"Verso continues to contaminate the Potomac River with toxic pulping liquor. This is violative of Maryland's environmental laws, devastating for water quality and harmful to fish and wildlife," said Attorney General Frosh. "We are asking the court to force Verso to stop its discharges of pulping liquor, clean up its discharges, and provide the public with the required health notices."

"Maryland is fighting in federal court for the health of our Potomac River and the vitality of our communities," said Secretary Grumbles. "We will push to end the toxic pollution and accelerate the productive reuse of the former mill site."

In December, Attorney General Frosh and MDE filed a lawsuit in the Circuit Court for Allegany County alleging multiple violations of state environmental laws. In February, MDE provided a notice of intent to sue in federal court to address, in addition to water pollution, a full range of potential impacts including any contamination of the land, under the federal Resource Conservation and Recovery Act (RCRA).

Today's complaint was filed in the U.S. District Court for Maryland in conjunction with a motion to intervene in a lawsuit filed in March in that court by Potomac Riverkeepers Inc. on similar issues. In moving to intervene in that case, Maryland states that the state's role as owner of the river and MDE's role as Maryland's environmental regulator show that no party in the Riverkeepers' action can adequately represent the state's interest in the litigation. Also, considerations of judicial economy show that the intervention is appropriate, as MDE seeks to bring state law claims into the federal case to avoid duplication and allow one court to resolve all of the claims arising from common facts.

In April 2019, an angler observed and reported to the State of Maryland that "pure black waste" was entering the North Branch Potomac River near the mill, the complaint states. The complaint describes MDE's response to that and other reports of seepages, including sampling that showed high pH levels, high sulfur and sodium contents and metals such as mercury and boron.

The discharge appears to include "white," "green," or "black" liquor, or some combination of the "pulping liquors" that are created and sometimes reused as part of the paper-making process. Pulping liquors are considered caustic and corrosive materials that can cause severe skin and eye burns and respiratory problems.

The pulping liquors were stored in tanks on the West Virginia side of the river. In November, the West Virginia Department of Environmental Protection issued an order to Verso to empty the tanks on their side of the river. In response, Verso piped material from the tanks in West Virginia to tanks in Maryland, the complaint states, adding that MDE's environmental consultant took samples of that material and found a high pH level.

The release of black liquid may have occurred through the leaking, spilling, or emitting this material onto the ground, where it then migrated, and continues to migrate, through soil and water into the North Branch Potomac River. The analysis of the seepage also found metals associated with coal ash. An evaluation showed the black discharge material is highly toxic to aquatic life.

Starting in April 2019, MDE directed Verso to determine the source of the seepage and take steps to contain and remove the discharge. In March, Verso submitted a revised Remedial Investigation and Corrective Action Plan that identified additional steps to be taken by Verso's contractor to investigate the source and extent of contamination and identified some initial corrective actions to capture some of the discharge. However, the revised plan does not identify steps that would fully and permanently stop the discharge and remediate the contaminated area, and the black discharge continues to seep from the riverbank into the river.

The suit also states that MDE, through counsel, directed Verso to put up signs in the vicinity of the seepage stating: "Keep Out, No Trespassing, Hazardous Materials Present, Do Not Drink or Have Contact with the Water in the Immediate Area." Verso's counsel advised that the company had put up signs stating, "Restricted Area, Do Not Enter," in the vicinity of the discharge, but would not put up signs with the language directed by MDE. The complaint seeks an order requiring Verso to post warning signs.