

Kodak sheds its environmental worries

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The portfolio of the new environmental steward at Eastman Business Park will include not just contaminated soil, groundwater and Genesee River sediment but tons of low-level radioactive waste as well.

Under terms of a settlement agreement filed in its bankruptcy proceeding in recent days, Eastman Kodak Co. will create an environmental trust that will pay for ongoing work to address toxic chemicals and other hazardous materials that Kodak spilled or buried at its sprawling industrial complex in the past.

The trust also may pay for unspecified work on river sediments, which are said to contain toxic metals released by Kodak's wastewater plant.

Under the agreement, Kodak would give the trust \$49 million, a portion of which would come from proceeds of the sale of its power plant, wastewater plant and other utilities.

As officials formally announced Friday, New York state would support the utilities' acquisition by an Illinois energy company with a \$3.6 million grant and a \$3.5 million long-term loan.

Once the trust and its funding are in place, the trust would assume all liability for existing Kodak-sourced contamination at the business park and in the river — and the company would have none. It could forever wash its hands of old environmental problems at the park, which at one time besmirched Kodak's reputation and prompted it to spend hundreds of millions of dollars on cleanups and improvements.

The maneuver to shed liability is a common one in bankruptcy cases involving contaminated property. It allows Kodak to avoid future expenses as it tries to become a viable company after bankruptcy, and would make it easier to sell some or all of the business park.

The trust documents do not mention the low-level radioactive waste, the presence of which in Kodak's now-closed Weiland Road industrial landfill was documented by the *Democrat and Chronicle* in April.

But spokesmen for Kodak and the state Department of Environmental Conservation, which will direct the work funded by the trust, said the waste — which will remain radioactive for billions of years — would become the responsibility of the trust.