



A Green Paper on Fines and the Hidden Costs of Environmental Pollution

November 2010

FINES AND THE HIDDEN COSTS OF ENVIRONMENTAL POLLUTION

SUMMARY

In order to prove that it's not only oil and chemical companies that can cause environmental pollution here is a list of prosecutions from the last few months. It's worth remembering that in the vast majority of cases, it's only the court fine which is made public. It's important to bear in mind that in almost every case there would be even larger penalty costs relating to returning the polluted area back to pre-incident levels, this would include re-stocking rivers etc. The Environment Agency and other related bodies will also pass on their investigation costs, in November 2010, a Chemical company in Yorkshire were handed a bill for £300k for the investigation costs relating to a blaze that had resulted in Firewater run-off pollution. The other 'hidden' cost is lost production, the Yorkshire chemical incident is estimated to have cost the company £6m in damage and lost business. Accidents can never be completely avoided, however, it is possible at the cost of a few thousand Pounds to put containment measures in place which will avoid the polluted substance making it's way off site into local water courses.

A good example of the hidden costs :

A UK Water company was fined £15k for polluting a river, however, they also had to foot the bill for the following

Fine	+ £ 15,000
Tankering away the chemical	+ £ 32,600
Plugging the leak	+ £ 8,300
An initial fish survey	+ £ 6,000
Installing new equipment to detect a leak	+ £ 60,000
Charge for EA officers responding to the incident	+ £ 2,271
Further fish surveys and have put aside	+ £ 20,000
Restocking the stretch of river	+ £ 63,500
Prosecution costs.	+ £ 3,493

TOTAL £ 211,164

* The total bill above does not including the £15 victim surcharge they were ordered to pay or their internal costs for repairs, lost production etc

A small selection of fines from the past few months:

Glasgow-based **WEEE company** has been fined £140,000 for exposing workers to toxic mercury fumes (February 2010)

A **Multi National Oil company** was fined £60k for an underground petrol spill in 2001, 9 years later the 'phase one' stage of the clean-up was nearing completion at an 'estimated cost of millions (May 2010)

A **UK Airport** was fined £220k for causing the death of hundreds of fish in a nearby lake following a spill of de-icing fluids (June 2010)

A **UK cement factory** was fined £300k after admitting safety breaches which could potentially have caused a cancer risk . (February 2010)

A Welsh lagoon is thought to contain more than 1,100 chemical drums dumped since the 1960s, the estimated clean-up cost is estimated to be in the region of £100m. (February 2010)

An unlicensed **scrap operator** who was illegally dismantling vehicles in his back garden has been prosecuted by the Environment Agency and fined £10k for contaminating ground and water. (January 2010)

An Augusta based **US Chemicals company** was fined \$800,000 and ordered to invest a further \$1.2 million on new pollution-control equipment.(February 2010)

Michelin Chef fined £30k for sewage spill at **UK Gastropub** (June 2010)

UK water company fined £12k for allowing untreated sewage to pour into a stream (May 2010)

UN reports world's 3,000 biggest companies would lose one-third of their profits if firms were forced to pay for use, loss and damage to the environment, estimated cost US\$2.2 Trillion. (February 2010)

A **Lincolnshire farmer** was fined £8,000 and told to pay £6,425 costs, after magistrates in Lincoln heard how he had allowed slurry from manure heaps to leak into a stream (October 2010)

A US **Asphalt Company** Who Violated Oil Pollution Prevention Regulations spent over US\$500k on the clean up of environmental damage in addition to being fined US\$50K.(February 2010)

The Obama administration unveiled a five-year \$2.2 billion plan to clean up the Great Lakes of pollution that has built up over the years. (February 2010)

A US **packing company** 98K \$ fined for not supplying right clothing and spill training to employees (May 2010)

US **Asphalt company** fined \$68,400 for violations of oil pollution regulations in addition to a \$500k clean-up bill (March 2010)

A Lincolnshire **turkey factory** that polluted drains with fat, feathers and blood in 1997 was fined £12k. (January 2010)

The Indian Department of Environment has fined two **clothing factories** in Chittagong Export Processing Zone around Tk 3.3 million for polluting water (November 2010)

A Devon **Agricultural Contractor** was fined £3k for polluting a Devon stream in breach of oil storage regulations in April 2009.

A UK **Water company** fined £10k for silt pollution incident in Wiltshire (November 2010)

Bosses of a UK **Skip Hire company** were ordered to hand over £234k after admitting waste offences dating back to early 2009.

A Devon based **fuel company** were fined £45k following the spillage of 80k litres of petrol which contaminated local groundwater. (January 2010)

A faulty valve failure on a road tanker that led to a dangerous petrol spill cost a **fuel storage operator** £70k. (January 2010)

An international **waste management company** has been fined £240k following a major chemical fire which closed two motorways and contaminated local water courses with firewater run-off. (January 2010)
www.hse.gov.uk

SEPA fined **Scottish Water** £10k following pollution incidents between January and April 2009. (January 2010)

In 2004 in Avonmouth a **water company** was fined £240k in fines and remediation costs for a cyanide spill which poured into the local river estuary where cyanide from a spill poured into the river estuary. (October 2009)

The US EPA settled an administrative case involving hazardous chemical release and inventory reporting violations for a Michigan based **trucking firm**. The company will pay a civil penalty of \$42,137 and spend at least \$22,500 to provide chemical release reporting training to the trucking and agricultural industries in Michigan. (September 2009)

A UK oil firm and **petrol station** operator faced a fine of £10k after 10,000 litres of petrol leaked out of a fuel tank (September 2010)

EPA settled with a Chicago **Chemical Distribution company** on hazardous chemical release reporting violations. The company will pay an \$82,661 penalty following an incident in July 2007. (September 2009)

A Giant **UK Oil company** has paid the state of Alaska more than \$1.7 million for operating storage tanks and truck-loading facilities without large enough secondary spill containment, the earthworks and layers of impermeable material that keep spilled crude or refined oil from seeping into the ground. (September 2009)

A **transport company** has been ordered to pay a total of £6,867 after pleading guilty to polluting a stretch of the River Thames with oil (October 2010)

A Connecticut **Holding company** and the owner of an inoperative Bridgeport, Connecticut brass facility faces a penalty of up to \$37,500 per day per violation for violating federal regulations covering the disposal, use, storage, and marking violations of polychlorinated biphenyls (PCBs). (September 2009)

A **UK Container firm** pleaded guilty to illegally releasing waste water into Swinell Brook and the River Ogden, which also damaged the environment, and killed hundreds of fish. They were fined £10,000 and ordered to pay £3,408 costs to the EA (October 2010)

A **farming company** was landed with an £8,000 fine after pleading guilty to polluting a Lincolnshire waterway with 'foamy scum' (October 2010)

One of the UK's leading water and **swimming pool chemical treatment company's** careless operational practices led to a major incident and decimated the entire fish population along an eight mile stretch of the River Coln, was fined £66k (September 2010)

A **waste company** in Bridgeport, Connecticut that treats, stores and disposes of toxic waste has paid \$26,000 to settle claims by EPA that it violated federal regulations covering the storage and handling of polychlorinated biphenyls (PCBs).(September 2009)

A **UK Water company** were ordered to pay nearly £20,000 in fines and costs for polluting a stream in Cornwall (October 2010)

U.S. EPA fined a **UK musical Instruments Corp** for Hazardous Waste Violations. The company were fined \$78,861 a major Aerostructures Group was fined \$66,500 for violating numerous federal hazardous waste requirements at their Southern California facilities. (August 2009)

A **UK Water company** was fined £7k and £15.3 k for two sewage leak incidents (October 2010)

IS YOUR SITE RIGHT?

Use this Environment Agency 10-point checklist to help you make sure

Storing and handling oils, chemicals and other risky materials

1. Are storage containers fit for purpose, regularly inspected and maintained?
2. Are storage areas and containers sited away from watercourses, drains and unsurfaced areas?
3. Do storage containers have secondary containment, such as a bund, to contain any leaks or spills?
4. Do you have procedures and training for safe delivery and handling of materials?

Waste management

5. Is your storage and handling of waste safe and does it comply with the law?
6. Do you know where your waste goes? Are you sure it's disposed of correctly?
7. Are you reducing and recycling your waste? Do it and save money.

Site Drainage

8. Do you have an up to date drainage plan of your site?
9. Is your site drained correctly?
 - only clean water, such as roof drainage, to surface water drains.
 - all contaminated water, such as sewage and trade effluent, to foul drain.

Dealing with pollution emergencies

10. Do you have a plan, equipment and training to deal with pollution emergencies?

*If you answered 'no' to any question, or are unsure, use the Environment Agency's "Pollution Prevention Pays – getting your site right" guidance available from their website or call us for advice **0800 731 9313***

FURTHER ESSENTIAL READING

The Full DEFRA Guidance on the New Environmental Civil Sanctions :

The EA intends to start to use these new powers on 4th January 2011.

“<http://www.defra.gov.uk/environment/policy/enforcement/pdf/defra-wag-guidance.pdf>”

PPG7 : Refuelling Facilities :

Advice on how to protect the environment through the safe delivery, storage and dispensing of fuels.

<http://publications.environment-agency.gov.uk/epages/eapublications.storefront>

PPG18 Managing Fire Water and Major Spillages

These guidance notes have been drawn up to assist in the identification of the equipment and techniques available to prevent and mitigate damage to the water environment caused by fires and major spillages.

Download full Guidance at

“<http://publications.environment-agency.gov.uk/pdf/PMHO600BBUD-e-e.pdf>”

PPG21 : Pollution - Incident Response :

Good practice guidance to produce incident response plans for dealing with accidents, spillages and fires, to help protect the environment.

<http://publications.environment-agency.gov.uk/epages/eapublications.storefront>

PPG22 : Incident Response – Dealing with Spills :

Advice on how to deal with spillages to avoid pollution.

<http://publications.environment-agency.gov.uk/epages/eapublications.storefront>

PPG26 : Safe Storage -

Drums and Intermediate Bulk Containers :

The regulations apply to: tanks (can be permanent or temporary); drums greater than 200 litres capacity; intermediate bulk containers (IBCs); mobile bowsers.

All above PPGs are available for download at

<http://www.environment-agency.gov.uk/business/topics/pollution/39083.aspx>

ENVIRONMENTAL LIABILITY DIRECTIVE 2004/35/EC :

The Directive establishes a strong framework for environmental liability based on the "polluter pays" principle, with a view to preventing and remedying damage to animals, plants, natural habitats and water resources, and damage affecting the land. Where the polluter is at fault or negligent powers exist to ensure that the costs as well as any fines are allocated, in extreme cases prison sentences can be enforced.

Download full Directive www.europa.eu

PPG28 Controlled Burn

This guidance will help you decide when and how to use a controlled burn as part of a fire fighting strategy to prevent or reduce damage to the environment. You should consider this guidance on a site by site basis when developing an incident response plan for your site.

Download full Guidance at

["http://publications.environment-agency.gov.uk/pdf/PMHO1005BJIT-e-e.pdf"](http://publications.environment-agency.gov.uk/pdf/PMHO1005BJIT-e-e.pdf)

Fire Service Manual

This Fire and Rescue Manual is the first manual within the Fire Service Operations series dedicated to the protection of the environment. This publication provides information and guidance designed to support firefighters, Fire Brigade Service managers, and trainers in their work at operational incidents, training events, and during day-to-day activities.

Download full manual here

["http://www.communities.gov.uk/publications/fire/environmentprotectvol2"](http://www.communities.gov.uk/publications/fire/environmentprotectvol2)

**If you have any questions about how to
make your business safer for your staff
and the environment please call**

0800 731 9313

www.environmental-innovations.biz

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