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Chlorine plants send mercury rising

An environmental group targets chlorine manufacturers that release mercury into the atmosphere. Fortune's Marc Gunther reports.

By Marc Gunther, Fortune senior writer
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NEW YORK (Fortune) -- As a growing number of well-known companies promote themselves as friends of the earth, it's easy to overlook the fact that others still pollute, unnecessarily. But they do.

So, at least, says Oceana, a Washington, D.C., environmental group that accuses four companies - Olin Corp., PPG Industries, Ashta Chemicals and ERCO Worldwide - of operating five manufacturing plants that release vast quantities of toxic mercury into the air every year. The plants make chlorine, which is used in swimming pools, plastics and paper towels, among other things.

Olin's plant in Charleston, Tennessee, and ERCO's plant in Port Edwards, Wisconsin, are the biggest single sources of mercury air pollution in their states, according to estimates they provide to the U.S. EPA.

In 2005, Olin's Tennessee plant reported 1,250 pounds of mercury emissions, while ERCO's plant released 1,118 pounds. Three other plants - an Olin plant in Augusta, Georgia, Ashta's plant in Ashtabula, Ohio and PPG's plant in Natrium, West Virginia - reported estimates of 824, 813 and 400 pounds, respectively.

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That's a lot of mercury. A fraction of a teaspoon can foul a 25-acre lake. But, as we'll see, at least one company says the estimates it provides to the EPA are wildly inaccurate.

First, some background: Mercury is a neurotoxin that accumulates in fish, builds up in the human body and causes health problems, particularly to infants and children. It's because of mercury that pregnant women and children are advised to limit their consumption of swordfish and albacore tuna.

Last month, a study found that one-quarter of adult New Yorkers, roughly 1.4 million people, have elevated levels of mercury in their blood, mainly from eating fish. Levels were higher among women, who risk damaging their infants by passing on mercury through their bloodstreams during pregnancy or by breast-feeding.

While the coal industry produces far more mercury than the smaller chlorine industry, these five chlorine plants stand out because they use a century-old technology, while the rest of the chlorine industry has adopted newer technologies that are mercury-free.

In a report called Cleaning Up: Taking Mercury-Free Chlorine Production to the Bank, Oceana identified 115 chlorine plants that have switched, or are about to switch, to the newer production processes. Some converted more than 30 years ago.

"There's a profitable, cost-effective alternative," says Andrew Sharpless, Oceana's chief executive.

Sharpless, who is 51, used to be a business guy, so he brings an interesting perspective to environmental campaigns. A graduate of Harvard College and Harvard Law, he was a McKinsey consultant and an executive at Real Networks and Discovery Communications before he took charge at Oceana in 2003.

None of the four companies that run the polluting chlorine plants are household names, he notes. The only one that sells directly to the public is Olin (Charts), and sales of the rifles, handguns and ammunition made by its Winchester brand are unlikely to be affected by environmental issues at its chlorine plants.

"If these companies had retail brands, the business logic of 'going green' would be totally compelling," Sharpless told me by email. "But in business-to-business markets there are dark places where some bottom-feeding companies feel they can hide, continuing to milk dirty antiquated plants."

Earlier, I'd asked Sharpless why Oceana, whose goal is to protect oceans, had taken aim at a handful of chlorine plants - relatively speaking, small potatoes. He answered candidly, saying that as a new group - Oceana was formed in 2001 - his organization wanted a campaign with a tangible, achievable goal, in this case eliminating mercury from the chlorine industry.

A future without fish?

What's more, he explained, the public health issues surrounding mercury are compelling. "People start to care much more, and understand the threat to the ocean, when you tell them that their tuna fish is contaminated," Sharpless said. "It's a dramatic, eye-opening moment for people."

To its credit, Oceana also works on issues that are more important, longer-range and less sexy, such as government subsidies for the global fishing industry, now under review at the World Trade Organization, that contribute to industrial-scale overfishing.

I contacted the chlorine makers to see what they had to say about the charges. In a statement, Dr. Lenny Scott, director of technology for Olin's chlorine plant, said: "We meet or do better than the laws and regulations on mercury emissions. And these regulations are designed to protect public health." He also said that Olin has "spent $54 million to update, modernize and reduce mercury emissions at the Charleston plant over the past eight years" and that mercury emissions have been cut by 50 percent in the last year. PPG (Charts, Fortune 500) did not respond.

This week, ERCO announced that it will convert to the newer, mercury-free process at its Wisconsin plant, at a cost of about $95 million. "Mercury emitter is going green," said the Milwaukee Journal Sentinel. Of course, Oceana declared victory on its Web site."

Brad Westfall, the president of Ashta Chemicals, called me to talk about the report, which he called "factual but extraordinarily misleading." He also said the plant operated well within the environmental standards set by the government, and that it had spent millions of dollars in recent years to reduce emissions.

Westfall said the estimates of mercury emissions that Ashta provides the EPA overstate the problem. The company's actual emissions are far less than reported, he said.

On the other hand, the chlorine industry has opposed actual, on-site monitoring of mercury emissions. What's more, there's a long-running debate about "missing mercury," which is the difference between the mercury that enters the plant and the amounts that leave. This can amount to tons of mercury in a given year, as Jeff Nesmith, a science writer with Cox Newspapers, has reported.

Yes, it's complicated, as things often are when you mix business, science and politics. But here's the bottom line: More than 115 plants make chlorine without using mercury. With ERCO's decision to switch, only four still pollute.

Evidently, the greening of corporate America still has a ways to go. ■

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