

Attorney Works to Ensure Freedom Bankruptcy Results in Site Clean-up

07.20.2015

The West Virginia Department of Environmental Protection has one overriding goal when it comes to the Freedom Industries federal bankruptcy case: Eliminating as much risk of future contamination from the company's Elk River facility as possible.

An agreement that won preliminary approval from a federal bankruptcy judge earlier in the month would provide nearly \$2.5 million toward the clean-up effort, said Bailey Glasser attorney Kevin Barrett, who represents the DEP from the firm's Charleston, West Virginia, office.

"The critical element here is cleaning up the site, and this agreement is integral to cleaning up the site," Barrett told the judge during a July 1 hearing.

In January 2014, a leak at the facility of a chemical used in cleaning coal polluted the Elk River upstream of an intake for the main West Virginia American Water intake, contaminating the drinking water of 300,000 West Virginians.

Barrett has worked to ensure that Freedom was forced to devote sufficient resources to the clean-up, even as the company filed for bankruptcy. On behalf of DEP, Barrett wrote a blistering response in May to Freedom's proposal to devote only \$150,000 to complete remediation of the site.

The new agreement would devote \$2.5 million to remediation, \$1.1 million from Freedom's principle shareholder, Chemstream Holdings, and \$1.4 million from Freedom's bankruptcy estate.

Freedom, with DEP's assistance, also reached an agreement with a new remediation specialist who will oversee the remediation effort. Once that agreement is in place, the remediation of the site will finally begin. It is expected to be fully completed within the next four to six months and substantially eliminate the risk of future contamination of the Elk River from the Freedom site.

ATTORNEY WORKS TO ENSURE FREEDOM BANKRUPTCY RESULTS IN SITE CLEAN-UP

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Practice Areas

Bankruptcy & Business Reorganization

Environmental