

# The Price of Protection

*Over-built, under-utilized, under constant media scrutiny, and facing an uncertain future — such is the saga of the Swan Hills Treatment Centre*

BY RICHARD SHERBANIUK

**T**he *Wall Street Journal* doesn't often run an enthusiastic page-one story about a small northern Alberta community, but it did on Dec. 27, 1991. The article was entitled 'Unlikely Guest — Small Town in Alberta Embraces What Most Reject: Toxic Waste.'

The reason for the story? Alberta is the only jurisdiction on this continent with an integrated waste management system. The cornerstone of the system is the Swan Hills Treatment Centre (SHTC), a Cadillac facility for the disposal of hazardous waste. The town of Swan Hills (pop. 2,200), 200 kilometres northeast of Edmonton, is also unique in North America. In a plebiscite, residents voted 79 per cent in favour of having such a facility near their community.

Operational since 1987, the SHTC has processed more than 170 million kilograms of waste. It has also eaten up an estimated \$500 million and generated a mess of controversy. Although the residents of Swan Hills still overwhelmingly support the Treatment Centre, that story in *The Wall Street Journal* was almost the last positive media attention it received. Lately, the media make Swan Hills sound like Canada's version of Chernobyl. In addition to allegations of political chicanery, there are exploding incinerators, bickering scientists, disgruntled aboriginal groups, leaks and spills, contaminated wildlife, lawsuits, and record fines for environmental infractions.

But the media spotlight doesn't illuminate two questions that are at the root of the Swan Hills controversy.

---

*Richard Sherbaniuk is an Edmonton-based freelance writer and editor specializing in environment and business issues. He has written numerous articles for national and international publications. His editing credits include the book Inca Gold, by best-selling author Clive Cussler. Sherbaniuk's first novel, The Fifth Horseman, about the threat of biological warfare, is slated for publication next year.*

What price do you place on environmental protection? And is it possible for private industry to serve the public interest by cleaning up the environment, while expecting to make a profit?

A cynic once defined politics as the conduct of public affairs for private advantage. Is the Swan Hills saga about a visionary idea badly executed? Or is it about an attempt to serve the public interest that got cross-wired with private agendas? These are fair questions — Alberta's political culture has much in common with Bill Clinton's Arkansas. "In Alberta, the world of big business and politics is a small parish," says one player, who does not wish to be identified. "Everyone knows each other and they do favours for their friends." The result is a government that talks free-enterprise but practices corporate socialism, often with disastrous effects. A series of debacles (Novatel, Gainers, etc.) have cost taxpayers over \$3 billion. The Tories also have long memories. As a result, many people familiar with the history of the Swan Hills facility didn't want to go on the record. Even today, passions run high over what was done, and why, with key players disagreeing about fundamental issues.

**I**t began during the oil boom. With the OPEC cartel of the 1970s, Alberta's energy sector exploded. Billions of dollars flowed into the province, oil was predicted to hit \$80 a barrel, and it looked as if the good times would roll forever. Awash in cash, Peter Lougheed's Tories had an ambitious plan for industrial diversification. They were also determined that everything built in the province would be world-class.

The oil boom coincided with the young environmental protection movement. It's hard to believe, but not long ago DDT, ozone-eating chlorofluorocarbons (CFCs) and polychlorinated biphenyls (PCBs) were seen as miracles of 20th-Century technology. It took years for risks to

become apparent. During the 1960s-70s, severe pollution problems were found in Europe, Japan, and Ohio (the Cuyahoga River was so contaminated it kept catching fire). In Alberta, waste disposal was largely uncontrolled, much of it dumped in municipal landfills. There was no legislation, so waste management meant digging a hole in the ground, filling it with anything you wanted to dispose of, then digging another hole. Having created Canada's first stand-alone department of environment in 1971, the Alberta government conducted inventories between 1972-79 to determine how much and what type of waste was being produced, and how it was being gotten rid of. The conclusions were alarming, even though specifics were hard to nail down. It was estimated two-thirds of Alberta's hazardous wastes (100,000 tonnes a year) were generated by big industry, and that 80 per cent of this amount was recycled, treated at the generation site, or sent out of province for treatment and disposal. The remaining 20 per cent was dumped in ditches, poured into rivers, municipal sewers or landfills. Some of the more hazardous material was stored in warehouses, because there was no way to destroy it and it was too dangerous to dump.

The issue came to a head all at once, about the time Love Canal made international headlines. A residential neighbourhood had been built on top of Love Canal, a

reclaimed waste dump in New York state, and during the 1970s, hundreds of people became ill from the toxic vapours and liquids bubbling into their basements. The community was abandoned and hazardous waste was hot news.

In 1979, Kinetics Contaminants (Canada) Ltd., which had PCBs stored in warehouses at Nisku south of Edmonton, proposed to build a hazardous waste disposal facility at Fort Saskatchewan and to import such stuff for disposal. An information meeting held by the company in September 1979 was a public relations disaster and resulted in a massive outcry. Arlington, a small town in Oregon which had been accepting much of the province's hazardous waste, was hinting it might not take it any more. Two days later, Alberta environment minister Jack Cookson announced a moratorium on new private waste management facilities. He appointed a committee — the first of several — to investigate the hazardous waste problem in Alberta. He also asked the Environment Council of Alberta to hold public hearings and recommend solutions. The intent was to establish a hazardous waste management facility in Alberta.

“We had a strategy to make people want (such a facility), to make them feel that if they didn't get it they'd be missing something,” says Cookson, minister of



CHRIS BEEGER

environment from 1979-82. "I went to Cabinet, made my presentation, and said 'I can't be successful in this venture without the total support of cabinet because environmental issues affect all departments.' Lougheed looked around at the members of cabinet and said 'You've got it.' Without his support it would have bogged down."

Says Peter Lougheed, premier of Alberta, 1971-85, "The nature of the economy in Alberta was leading to a very substantial degree of hazardous waste. Natural resource development and handling the environmental consequences are part of a continuum. We recognized there was a problem and it had to be dealt with. Our intent was to serve the people of the province. We considered that sooner or later waste would be imported so it would function as a regional facility."

How that facility came to be located in Swan Hills is the most remarkable — and under-reported — aspect of the story. Rather than taking a not-in-my-backyard stance, communities were vying for the facility. That may be because Alberta's politicians and civil servants recognized that siting a hazardous waste disposal facility is not a technical issue — it's a socio-political problem with a technical component. And it can't be solved in secrecy. The task of designing a siting process fell to a couple of grizzled old sociologists, Frank Belyea and Burke Nagle. Their approach was to advertise the fact the province intended to build a hazardous waste facility, and focus on a process of site elimination, rather than site selection. Communities were told they could invite teams of experts to come and explain hazardous waste management, in open public meetings, with no subsequent obligation. Nothing was done without an invitation. Nagle started each presentation with a film about Love Canal. As the audience sat, horrified, experts would explain about hazardous waste, then field questions. The goal was to educate the public about the true dangers, be absolutely truthful, and then make residents want the facility by explaining the concept of risk assessment and the financial benefits that might accrue. Hydrogeological constraint maps were prepared and drilling and other tests conducted to ensure communities' local environments were suitable.

In the end, dozens of public meetings were held. Some communities withdrew from the process because of violent opposition from residents, while others were

found to be environmentally unsuitable. Finally, the choice was narrowed down and plebiscites were held. Although Swan Hills voted 79 per cent in favour, the village of Ryley (pop. 465, 63 kilometres east of Edmonton) was a scant two per cent behind. On March 12, 1984, the Alberta cabinet announced the selection of Swan Hills and two months later gave the go-ahead for construction. The process was a triumph of participatory democracy that has never succeeded anywhere else.

**'The nature of the economy in Alberta was leading to a very substantial degree of hazardous waste. Natural resource development and handling the environmental consequences are part of a continuum. We recognized there was a problem and it had to be dealt with. Our intent was to serve the people of the province.'**

**— Peter Lougheed**

But even Swan Hills' victory was a sign of controversy to come. Some believe Ryley was a better site physically and closer to waste generators. "Technically, Ryley should have gotten it, but cabinet chose Swan Hills because it had the votes," says Bill Ross, former environmental co-ordinator with Imperial Oil Ltd. and board member of the Alberta Special Waste Management Corporation (ASWMC). "Albertans love the outdoors and they know a lot about wastes because of the oil and gas and petrochemical industries. They aren't afraid of substances they work with every day." Environmental consultant Jennifer McQuaid-Cook, now head of the Centre for Environmental and Waste Management at the University of Paisley in Scotland, agrees: "If the site had been Ryley, costs would have been a lot lower than at Swan Hills. We were told the choice of Swan Hills was a political decision."

While the site selection process was underway, experts were visiting integrated waste management facilities in Europe. The final recommendation was "private ownership and operation, but with administration and management of the system to be under a crown corporation or agency . . . the public would be more likely to trust the administration of a crown body . . . government participation (would be) directed to site ownership, regulatory control, and possible subsidy of some elements of

the system.” This led to the establishment, in April 1984, of the ASWMC. The “possible subsidy of some elements of the system” turned into a fiscal minefield.

Nineteen companies offered to build, own and operate the proposed facility. A panel of business people and scientists unanimously chose Chem-Security Ltd., a Canadian subsidiary of a U.S. firm, which stated it was prepared to undertake 100 per cent of the facility’s cost if it could be assured of receiving the 40,000 tonnes of waste per year it needed to break even. “We weren’t chosen because of technology,” says John Richardson, who made the company’s presentation to the panel. “The issue was never technology, it was credibility — will these people listen to the community? We were chosen because of our general philosophy of treatment — this was vital, because there were no definitions of hazardous waste and no regulations in Alberta at the time.”

Less than a month after Chem-Security was chosen, it was purchased by Chicago-based Waste Management Inc. A subsequent story in *The New York Times* mentioned WMI in connection with regulatory violations and alleged links to organized crime. After several months of heated debate in the legislature, the Alberta government told Chem-Security it had to find a new owner. An Alberta company, Bow Valley Resource Services Ltd. (BVRs), expressed interest. On Dec. 10, 1984, BVRs purchased Chem-Security and signed an agreement with the ASWMC to design and construct a hazardous waste facility. Cabinet had already decided, apparently for ideological reasons, that the private sector had to be involved, so ASWMC and BVRs were to be partners in a joint venture, with both partners sharing investment costs, risks and profits. In January 1985, BVRs and the ASWMC began negotiations on the structure of the joint venture. Calgary businessman John Elson served as chair.

In the spring of 1985, BVRs suddenly brought to the negotiating table a joint-venture proposal based on ‘deemed equity.’ It became apparent to Elson and the board that deemed equity was a way for BVRs to participate in the plant without investing any of its own money. BVRs wanted to use the joint-venture deal to borrow 100 per cent of its share of the investment in the facility, then to have that debt regarded as cash in the bank. It also wanted the province to guarantee a rate of return — i.e. a guaranteed return on debt. BVRs may have needed such a concept to finance its participation because it was burdened with debt. The company had gone from a profit of \$19.8 million in 1984 to a loss of \$5.6 million in 1985. By 1986, the company’s total debt was \$300 million.

Negotiations dragged on for months, with Elson and ASWMC’s board unanimously voting against a

joint venture based on deemed equity. The corporation asked the independent consulting firm of Woods Gordon to analyze ownership options for the facility. Woods Gordon recommended against the joint venture as proposed by BVRs and they suggested “that the Crown undertake this project and consider utilizing the private sector as a project operator . . . with a management fee . . . this is preferable to negotiating either a total private sector ownership scenario or a joint venture scenario, given the requirements of CSL/BVRs in order to make this project economically feasible for them.”

Despite Woods Gordon’s recommendation, by the late summer of 1985 it was apparent to the board that cabinet expected them to accept the BVRs proposal. For the first time votes were split, as several board members were lobbied to approve the deal. Even so, at each meeting a majority voted against it.

**B**y this time, Don Getty had succeeded Peter Lougheed as premier. In November, BVRs proposed a deal that was the minimum it would accept. The company was developing the Swan Hills site on faith, and in December 1985 announced that work would stop unless an agreement could be reached by the end of the year. Elson and the other board members were told to recommend the deal. Since 1979, every decision concerning the facility had been made in cabinet, but suddenly cabinet didn’t want to make a decision. The board’s response was that it would implement the deal if told to, but wouldn’t recommend it. At the ASWMC’s December board meeting, members voted 4-3 against the joint venture proposal. On Dec. 17, 1985, John Elson’s contract was terminated by environment minister Fred Bradley. Two other board members who supported Elson’s position, Fred Feduniak and Walter Harris, resigned.

Dr. Walter Harris, professor emeritus of chemistry at the University of Alberta and a member of the early committees that helped site the hazardous waste facility, says “Everything had been so open, but I had an uneasy feeling everything was no longer above-board. Bow Valley Resource Services wanted a no-risk agreement and expected too much from the public purse. The numbers they provided did not agree with those provided by our expert consultant. It was clear the board was expected to ratify what has since been called a sweetheart deal. It was not in the public interest. Elson simply had too much integrity to ratify a bad deal.”

The new chairman of the board, Lorne Mick, negotiated the final deal. It was a joint venture, with ownership of the facility split 60/40 between BVRs and the Crown. BVRs could borrow all of the money it needed to build the facility and not only write off depreciation

as an expense, but get it back as a reimbursable cost. The company was guaranteed a return on its investment in the facility of three per cent over the prime rate, depreciated at 10 per cent per year over 10 years. That investment was defined as \$30 million, or 60 per cent of the plant's cost of \$50 million. BVRS was granted a monopoly to treat hazardous wastes in the province, and if the facility's revenue failed to cover the cost of treatment, the Alberta government would make up the difference. The joint venture was intended to provide the best of two worlds — the security of a Crown corporation accountable to Albertans and the business savvy of a private company. But the final deal committed taxpayers to subsidizing the facility while guaranteeing a profit to BVRS, which bore no risk at all. The joint venture was signed Feb. 5, 1987, and renegotiated in 1993. Eventually, the province also agreed to assume all liability for cleanup at the Swan Hills site, which is now estimated at \$30-57 million.

To this day, opinions differ about the deal. Should the facility have been owned by government and run by a private company as a utility, as recommended by Woods Gordon? Or should it have been a private-sector venture?

"The joint venture was undertaken because the government wanted private sector involvement — that was cast in stone — and we weren't sure if we had enough waste to make it economically viable," says Mick. "No private sector company would get into that kind of deal without a guarantee. The public level of mistrust over hazardous waste was incredibly high. People don't trust the private sector — government had to be involved."

"No private sector company was going to build and operate something like this, with all the unknowns," says Lougheed. "It was either this way or no plant at all. We were trying to encourage economic diversification and the industries in the province generate certain types of wastes. People talk about the joint venture as if it was a subsidy, but it wasn't — it was simply a contribution made by government as part of the cost of cleaning up the environment, which had to be done." However, this doesn't explain why ASWMC's board was bullied into recommending the joint venture and its chairman terminated,

when Elson made it clear in writing that cabinet could simply have ordered them to do it. Asked about BVRS, the Seamans, and the allegations of a sweetheart deal, Lougheed bristles. "That's insulting. Our government never operated that way. We were fortunate to find somebody who was willing to undertake something which had never been done before." In response to the same question, Premier Ralph Klein says, "It was before my time. There are some who would make that allegation."

John Elson has pointed out in the past that the final joint-venture deal made waste disposal more expensive.

**'The joint venture was undertaken because the government wanted private sector involvement — that was cast in stone — and we weren't sure if we had enough waste to make it economically viable. No private sector company would get into that kind of deal without a guarantee. The public level of mistrust over hazardous waste was incredibly high. People don't trust the private sector — government had to be involved.'**

**— Lorne Mick**

It provided for a risk-free profit, and was thus not a business deal but a bail-out program, because there was no required equity. The deal permitted a guaranteed rate of return for BVRS, which also meant the company had no incentive to run the facility efficiently. The investment and the plant were depreciating over time, so the company had a financial incentive to expand the facility.

But, says Jennifer McQuaid-Cook, "I'm pleased the joint venture became a viable option. It's the only way the public would have accepted it. Had it been the private sector, people would have said they're out to make money by poisoning us. I'm not talking about the business side of the joint venture, the sweetheart deal, but about the philosophical justification. The proponent (had the deal) handed to them on a silver platter."

But even the joint venture was not enough to save BVRS. In 1989, the Royal Bank assumed control of the company. Renamed Bovar Inc., it was later purchased by

Trimac Ltd., the current owner, who found themselves with a cash cow and an always-circling media frenzy.

In 1985, just as construction began at Swan Hills, the Alberta government announced a moratorium on the importation of hazardous waste into the province. The concept of a regional facility was being shoved into the background, with serious implications for the plant's financial viability.

Consultants had predicted an annual waste stream of 40,000 tonnes, including oilfield waste. But problems were already becoming apparent. Wastes began to be stockpiled at Swan Hills as building was underway. The recession was hitting hard, and companies used to storing hazardous wastes for decades weren't rushing to send them to Swan Hills. "From the beginning the facility was under-utilized, and it meant the plant was a rathole down which you poured money," says Bill Ross. "Everybody felt their own wastes were safe enough to landfill, but that everyone else's should be treated at Swan Hills." Because of lobbying efforts, there were many exemptions in the Hazardous Waste Regulation, the province's first attempt to deal with such material. It was not to be the last time political lobbying led to legislative exemptions that hurt the Swan Hills facility. "The regulations turned out to be a nightmare," says Ross. "As a result, the only wastes we were getting at the beginning was the stuff nobody in their right mind would put into a hole in the ground — liquid PCBs, cyanide. So we decided to build a 15,000-tonne incinerator because we couldn't justify a bigger one . . . with a lack of feedstock, you have to work (a big incinerator) in shifts, turning it on and off, which ruins it."

There were other problems as well. Companies generating or storing hazardous waste didn't have to send it to Swan Hills. Says Ross, "There was nothing to prevent a generator from telling the ASWMC, 'Go fly a kite, I'll do it myself.' Or they could ship it out of province. All of this meant our cost was affected, because we couldn't import waste and we had to treat all non-explosive and non-radioactive waste that appeared on our doorstep."

By 1988, the facility was processing hazardous waste. According to the Edmonton Environmental Resource Centre, users were billed about \$1,450 per tonne for disposal, although the actual cost was \$4,800. Under the joint-venture agreement, the government paid the \$3,350 difference. Wastes arriving at the facility were different from those anticipated, with more solids than liquids. There were also reports that the plant was producing fugitive emissions — leaks of the incompletely burned byproducts of certain hazardous wastes. Unable to handle rapidly growing stockpiles, and facing complaints from waste generators about service delays,

Bovar asked for permission to almost quadruple the facility's capacity.

Hearings were held by the Natural Resources Conservation Board. Arguments in favour were advanced by Bovar which, because of the joint venture, stood to make money by investing more capital in the facility (the joint venture had a 10-year buy-down at 10 per cent a year, but the deal stipulated that with any new injection of capital, the clock started again). Also, the draft version of the omnibus Alberta Environmental Protection and Enhancement Act, which had been publicly circulated, proposed that hazardous oilfield waste produced by Alberta's energy industry must be sent to Swan Hills.

Environmentalists and aboriginal groups were strongly opposed to plant expansion, arguing that the Act should be finalized first, and that expansion would lead to importation from other jurisdictions. On May 8, 1992, the NRCB approved the expansion. But the energy industry and the Energy Resources Conservation Board lobbied intensely to have hazardous oilfield wastes exempted from the new legislation. The ASWMC lobbied just as fiercely to have them included, and lost. In the final version of the Act, that came into effect Sept. 1, 1993, oilfield wastes were exempt.

"That left a major shortfall in the projected market," says a source who does not want to be identified. "The economic ramifications to the Swan Hills facility were known by the government, but the wishes of the oil patch, rather than environmental protection, had prevailed."

Don Colley, Bovar's vice-president of business development, maintains that "having the capacity to destroy the hazardous byproducts of an industrial economy is as important to society as being able to provide water and power. Alberta was brave enough to recognize this and to act on it. The exemption of oilfield waste was a big blow and it's caused us to have over-capacity. It was a mistake to take chemically identical wastes and treat them differently, simply because of their source of origin."

The exemption also dramatically reduced the possibility that the Treatment Center could eventually make a profit. "With oilfield waste, a lot of it is not hazardous," says Ralph Klein, who was environment minister at the time. "To intentionally legislate a waste stream to support the Swan Hills facility is inherently unfair."

Now the Treatment Centre found itself with too much capacity and not enough feedstock. The idea of importing waste and being a regional facility was resurrected and once again NRCB hearings were held. Importation was approved by cabinet on Feb. 1, 1995. It didn't bother the citizens of Swan Hills. "Bovar is an excellent corporate citizen," says Gary Pollock, mayor of the town and a former fish and wildlife officer. "We clean up Alberta's environment, and Canada's as well. I am confident they can

do their business, do it safely, do it well, and make a profit. People talk about the cost of the facility, but because of it, we've got a clean environment here."

But importation bothers others, including Myles Kitagawa, associate director of Toxics Watch. "It doesn't make sense for Alberta to import . . . and ask natives and northern Albertans to assume the ecological liability for all of Canada. Companies make money using these substances, and then escape liability by shipping them off to Swan Hills? They should be destroying them onsite, using currently available technology, such as mobile incinerators. That way, if there are fugitive emissions, they are polluting their own environment, not ours." Kitagawa says the release of tiny amounts of bio-accumulative substances, over time, within a single ecosystem, is a long-term threat.

"A lot of the PCBs manufactured since 1929 are still around, stored in warehouses or in use," says Dr. David Schindler, the University of Alberta's Killam professor of ecology. "You do have to get rid of this stuff. But it's a mistake to move it all to one site, like Swan Hills. Even at an incineration efficiency of 99.9999 per cent, that leaves .0001 per cent that doesn't burn and gets released. Burn hundreds of thousands of tonnes, and those minute amounts add up and you have contaminated wildlife and water bodies. The levels of PCBs, dioxins and furans in deer and moose livers are the highest (325 nanograms, or 325 billionths of a gram) I've ever seen. Monitoring at the plant hasn't been bad — that's not the problem. The problem is that we have poor or non-existent background data. We need a transparent outside review of the plant's technology."

However, listening to scientists talk about the health risks of PCBs, dioxins and furans often seems the equivalent of medieval debates about how many angels can dance on the head of a pin. "Modern analytical techniques can show that there is a host of toxic substances at detectable levels in virtually anything," says Dr. Walter Harris, professor emeritus of chemistry at the University of Alberta. "Hundreds of 'toxic' substances are present in humans as well as wild and domestic animals [but] the mere fact of detectability has no necessary relation to the level of health threat."

**A**s part of its agenda of getting out of the business of doing business, the Alberta government decided to end the joint-venture agreement with Bovar. It bought out of the deal by paying \$140 million, and the facility was fully in the private sector by July 12, 1996. Also during 1996, an airborne leak of PCBs caused Alberta Health to issue an advisory against eating large amounts of game taken within a 30-kilometre radius of the plant, an advisory Dr. Harris calls "inappropriate." As a result of

this and other incidents, Bovar was charged during 1996 with six environmental infractions. Native bands in the area sued, but the charges were dropped when Bovar agreed to pay the Lesser Slave Lake Indian Regional Council \$100,000 a year so the council can conduct its own environmental monitoring. The council also agreed to drop its challenge of the facility's operating licence.

In January 1997, the Canadian government opened the U.S. border when it removed the ban on export of PCB wastes. Bovar found itself in intense competition with American companies until the U.S. courts ordered the border closed again and prohibited PCB wastes from Canada after July 20, 1997. One day later, an accidental explosion in the air management system of the Swan Hills Treatment Centre's main incinerator put it out of commission for the rest of the year. Between 1996 and 1997, Bovar's profits from Alberta-generated wastes declined from \$11 million to \$5.2 million, while revenues from imported waste plunged from \$33 million to \$16.4 million. For the first seven months of 1996, before privatization, the company's share of the last remnant of the joint-venture deal was \$12.3 million. In 1997, there was nothing. Even though the subsidy has ended, Bovar is guaranteed the exclusive right to treat hazardous waste through the year 2000, but it can also hand the facility back to the province at the end of 1998 and walk away.

At the end of March, 1998, Trimac Ltd., majority shareholder in Bovar, announced it wanted to sell the company, whose only asset is the Treatment Centre. "About two years ago we decided Trimac was too diversified," says Jeff McCaig, president and CEO of Trimac and chairman of Bovar's board. "We made a decision to focus on the company's core business, which is transportation. We find that the Treatment Centre is a complicated plant to run. The technology changes all the time, and Bovar might be better owned by a company whose core business is waste management so they can keep up with the technology. But I do not see us walking away from that facility."

And the joint venture? "It was a political decision made by the Alberta government," says McCaig. "The industries this province tends to attract produce a significant environmental liability in the form of hazardous wastes. There is a cost associated with getting rid of them safely, and it's a cost worth paying. We've been a disastrous failure at public relations. Part of that was due to the joint venture, being in bed with government, which meant we've been living in a media fishbowl that no other facility in the province has to endure. Also, we simply haven't been capable of explaining the technology and the fact that it's not dangerous." Asked about the facility being profitable in the long term, McCaig says, "A lot depends on whether the border opens up to free flow of waste."

Since 1985, Alberta taxpayers have paid a lot of money for the Swan Hills Treatment Centre. The figure usually mentioned in the media is \$500 million. “What angers me is that people talk about a \$500-million loss,” says McCaig. “The actual amount we have received is about \$250 million, and it’s not a loss at all, it’s an investment in a safe environment. We’re the only place in North America that is virtually free of PCBs, and we have the ability to destroy any kind of waste safely and efficiently.”

**‘From the beginning the facility was under-utilized, and it meant the plant was a rathole down which you poured money. Everybody felt their own wastes were safe enough to landfill, but that everyone else’s should be treated at Swan Hills.’**

**— Bill Ross**

Bill Ross puts it another way. “The amount received from generators of hazardous wastes has never equaled the cost of treatment. Thus a subsidy of about \$10 per Albertan has been needed — about \$250 million since 1985. I believe most Albertans would agree that the protection of their health and safety justifies the cost.”

What does it all mean? Dr. McQuaid-Cook sums it up when she describes the “philosophical justification” for the Swan Hills Treatment Centre. Politicians lost sight of the fact that the facility is basically a utility that was never supposed to make a profit. Getting rid of hazardous waste is a social issue, not a business issue.

Private-sector companies have to be able to choose what waste streams they want to accept, because they must select ones that will make a profit. Wastes with a low heat content are the hardest to get rid of — drums of cyanide, fluoride. Wastes with a high heat content that burn easily are most profitable, which is why Swan Hills wanted oilfield wastes. It’s also why many incinerators in the U.S. are dedicated facilities, taking only certain types of waste.

Do governments have a moral and social responsibility to ensure the safe handling of such material? Integrated waste management systems exist in Europe, but typically industries there treat their own waste

through reuse, recycling or recovery. Anything left over — ‘the worst of the worst’ — is sent to a government-run facility to be incinerated. There is no expectation of a profit — the facility is performing a public service. Whoever operates the plant should have the cost of waste disposal covered by the government, but not so they get rich. The original idea behind Swan Hills was that it was going to be a regional facility, serving all of Western Canada at the very least, and possibly the northern U.S. as well. In the past five years, the facility has destroyed about 22,000 tonnes of imported PCBs. In 1993, the Canadian Council of Ministers of the Environment estimated there were 160,000 tonnes of PCBs in all of Canada. There are other companies besides Bovar that can treat them. It’s an ironic situation — as the profit-making waste streams get eaten up, a safely run hazardous waste disposal facility can’t make money because it is getting the worst of the worst. The problem with the Swan Hills facility is that it has to take every sort of hazardous waste, apart from radioactives and explosives, which fall under federal jurisdiction. Over-built, under-utilized, under constant media scrutiny, the fate of the Swan Hills Treatment Centre is far from assured.

“Industries all over the world are being globalized, and there’s no reason waste management should be any different,” says Richard Secord, lawyer for the Lesser Slave Lake Indian Regional Council. “The majority of hazardous waste in this province has never gone to Swan Hills. It’s too far away to transport and too expensive. If the U.S. border ever opens up again, everything in Ontario and Quebec will flow south. What people don’t realize is that Toronto is closer to Cuba than it is to Swan Hills.”

This past April, the tailings reservoir at the Los Frailes mine in Spain burst its banks, dumping the equivalent of 39,000 railway tank cars worth of toxic mud into the Guadamar and Guadalquivir rivers. Only frantic efforts diverted the flow from Donana Park, one of Europe’s most fragile nature reserves. But nothing could stop it from flowing to the sea, killing everything in its path, contaminating 6,000 hectares of farmland, threatening six million migratory birds and other wildlife, and poisoning groundwater for decades to come.

The story of the Swan Hills Treatment Centre shows there is a certain price to pay for trying to protect the environment. The Los Frailes disaster shows there can be an even greater price to pay for doing nothing. 