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with A.F.L.-C.I.O **US Union Urges Opposition to Sale of Essent Milieu to Covanta**

Energy Citing Violations of Environmental and Labour Standards in US Utility

Workers Union of America is writing to alert provincial parliamentarians and trade union representatives to the anti-social conduct of U.S.-based waste incineration firm Covanta Energy, and to encourage interested stakeholders at Essent NV to oppose any proposed sale of Essent Milieu to Covanta. As you may know, Essent is seeking bids for the sale of Essent Milieu, the company's waste management unit. According to news media reports, Covanta is one of three firms that have been "shortlisted" for the second round of bidding to acquire Essent Milieu. The other two bidders include the Orange consortium, consisting of infrastructure funds managed by Dutch NIBC Bank and Fortis Bank Netherlands, and French equity company PAI Partners. The second round of offers is due 22 May 2009. Our trade union represents employees of Covanta at the company's waste incinerator in Rochester, Massachusetts, USA. We are writing to alert Essent stakeholders to the following facts about Covanta's anti-social conduct in the US:

Violation of Environmental Standards

1 In September 2008, the Massachusetts Department of Environmental Protection issued an order finding that Covanta had exceeded the allowable emission rate for dioxins and furans at its incinerator in Pittsfield, Massachusetts by nearly 350%, according to tests conducted at the facility in November and December 2007. The World Health Organization classifies dioxin as a known human carcinogen.

1The Massachusetts order also cited Covanta for failing to report other air quality violations at the Pittsfield facility during January, February, and March 2008, as required by environmental regulations, and imposed a penalty of U.S. \$7,653 on the company.

For details refer to:

http://www.cjcw.org/notice/Covanta_Massachusetts_environmental_violations.pdf

1In October 2008, the Pennsylvania Department of Environmental Protection penalized Covanta U.S. \$45,600 for excessive emissions of toxic nickel and related compounds at its incinerator in Chester, Pennsylvania during 2006. Nickel emissions for one of the waste combustors at the plant were more than twice the permissible level, according to tests conducted in November 2006.

For details refer to:

http://www.cjcw.org/notice/Covanta_Pennsylvania_environmental_violations.pdf

1In August 2008, the New Jersey Department of Environmental Protection penalized Covanta U.S. \$14,025 for air pollution violations at the company's Newark, New Jersey incinerator between 2006 and 2008. The regulatory agency has cited the Newark incinerator – which is located in a densely populated urban area – for violating air pollution regulations every year from 2003 through 2008.

1The New Jersey agency has also cited Covanta for illegal emissions of air pollutants at the company's incinerator in Oxford, N.J. each year from 2005 through 2008, and at the company's incinerator in Rahway, N.J. each year from 2005 through 2007.

Violation of Occupational Safety Regulations

1In April 2009, the U.S. Occupational Safety and Health Administration issued citations against Covanta for violating fire safety rules at the company's incinerator in Rochester, Massachusetts, based on an inspection conducted in October 2008. The unsafe conditions included improper storage of oxygen and acetylene cylinders side-by-side with no barrier between them. Fire safety regulations in the U.S. require employers to store oxygen and fuel gas cylinders at least 20 feet apart, or to separate them by a non-combustible barrier at least five feet high.

For details refer to: http://www.cjcw.org/notice/OSHA_Complaint_SEMASS.pdf

1Covanta had been previously cited for violating fire safety rules at the same facility, following a catastrophic fire that occurred at the plant in March 2007. In September 2007, the Occupational Safety and Health Administration cited Covanta for failing to require employees fighting the fire inside the plant to wear suitable protective clothing.

For details refer to:

http://www.cjcw.org/notice/Covanta_safety_citation_SEMASS_fire_2007.pdf

U.S. Complaint Challenging Labour Violations

1In February 2009, the U.S. National Labor Relations Board announced that it has authorized a complaint against Covanta for illegal policies violating employee rights at numerous facilities across the U.S. The work rules under challenge include company policies that prohibited employees from providing any information about Covanta to media representatives, government officials, external attorneys, investigators, or other "outside representatives" without prior approval from management. The Covanta rules to be challenged in the complaint have been considered illegal under U.S. labour law for decades.

In addition, Covanta has failed to agree to a collective agreement with our trade union covering employees at the Rochester, Massachusetts facility, despite these workers voting for union representation in a U.S. government election in May 2008.

Earlier this year, Covanta announced it would no longer pay these employees an annual bonus under a company policy in effect for many years, and explicitly linked elimination of the bonus to employees' decision to elect union representation. On February 9, 2009, Covanta issued a notice to employees announcing "*the corporate bonus you have received in the past is not available to employees who are in bargaining units represented by unions.*" Covanta's action significantly reduced these employees' annual compensation.

We urge provincial legislators, trade union representatives, and other stakeholders at Essent to consider these facts in reviewing any decision to sell Essent Milieu to Covanta. Please let us know if you would like additional information concerning Covanta Energy.

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