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Aid asked for toxic cleanup in Tijuana

Owner, who left Mexico, seeks border bank loan

By Joe Cantlupe
COPLEY NEWS SERVICE

WASHINGTON — A San Diego-based company whose owner faces criminal charges in Mexico for pollution violations wants a government-financed bank to help pay for the cleanup of a toxic waste site in Tijuana.

New Frontier Trading Co. has filed papers seeking an \$850,000 loan or grant from the North American Development Bank to pay the cost of removing tons of debris from the site of the Metales y Derivados lead-smelting plant it abandoned eight years ago.

Officials of the bank and its related agency, the Border Environmental Cooperation Commission, acknowledged that they are evaluating the company's application, one of the first of its kind sought by a private business to remove hazardous wastes from the border area.

The bank is funded by the United States and Mexico.

Environmental activists criticized the application, noting that both countries have tried unsuccessfully to force the company to remove more than 6,000 tons of debris from the Tijuana site, within a few hundred yards of the Colonia Chilpancingo, home to 10,000 people.

The owner of the company, Jose Kahn, moved to San Diego from Mexico in 1995 after Mexican authorities shut down Metales for pollution violations and issued a warrant for Kahn's arrest.

Several years earlier, U.S. authorities filed criminal charges against Kahn over pollution violations, but they allowed the now 90-year-old businessman to avoid incarceration because of his advanced age.

He eventually pleaded guilty to criminal charges and was placed on probation, authorities said.

Neither Kahn nor his representatives returned phone calls seeking

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Bid for toxic cleanup funds is favored, panned

comment.

But many Tijuana residents are opposed to New Frontier's request for financing "because by making such a payment it would just reflect the injustice of the situation," said Magdalena Cerda, an analyst for the San Diego Environmental Health Coalition.

The owner of the company "profited enormously and left all this toxic waste behind," she said.

Other officials, however, said they believe all funding sources should be pursued — even at government expense — because cleanup efforts have been thwarted for so long.

"I can understand the concerns, but that waste is still sitting there and something has to be done about it," said David

Eng, an assistant Los Angeles County district attorney who prosecuted Metales for pollution violations. "You just can't keep talking about Metales as a symbol of what is wrong."

Since Mexico shut down Metales in 1994, it has not taken any steps to remove the slag piles and toxic waste kept in sacks and drums at the site. The waste poses a health risk to the surrounding area, a NAFTA report said earlier this year.

The parent company of Metales said it seeks the North American Development Bank funding to remove waste from the Tijuana site, analyze it and dispose of it in a registered landfill in Mexico, according to its application before the bank.

Over the past few months, the bank and company representatives have exchanged a series of letters, with the bank pressing for more information, particularly about financial and technical aspects of the company's plan.

Officials also are examining the assets of the company's owner, Kahn, who lives in a plush Point Loma neighborhood.

"They haven't given us all that we have asked for," an attorney for the North American Development Bank said of Kahn and his representatives.

Some bank officials are reviewing the trail of litigation — including criminal charges — against Kahn and Metales.

In 1992, Kahn, owner and operator of New Frontier Trad-

ing Corp., was named in a 29-count indictment for illegally disposing, storing and transporting toxic waste to Metales.

Three years after he entered a guilty plea in Los Angeles and was placed on probation, he moved to the United States to avoid an arrest warrant from Mexico. Mexican authorities have not sought to extradite him.

Some officials doubt that the North American Development Bank will approve the funding, solely because of Metales' legal problems.

The United States and Mexico have each contributed about \$175 million to the bank, which has limited its funding to wastewater projects. Last year, however, the bank said it would expand its funding to possibly include hazardous waste programs.

"Obviously we want the toxic waste cleaned up, but we're concerned about the bank setting a precedent — that a company can go and pollute in another country and in the end they can get money from the North American Development Bank," said Connie Garcia, a community analyst with the San Diego Environmental Health Coalition. "That's not what the bank was set up for."

Even if the bank agrees to finance removal of the hazardous waste, some critics say the \$850,000 price tag falls short of what many believe are the millions of dollars needed to properly carry out the job.

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