



A Dry Cleaner Leads Debate Over Toxic Solvents

In the second installment of our small-business series about a pioneering dry cleaner in San Diego, we follow its proprietor as he joins the national debate over whether to ban the toxic cleaning solvent, perc.

WEB EXCLUSIVE

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Feb. 21, 2007 - It wasn't exactly "Mr. Smith Goes to Washington," but when Gordon Shaw appeared last month at the California Air Resources Board meeting in Sacramento to extol the virtues of his environmentally friendly dry-cleaning operation, he spoke with almost Capraesque idealism. "I opened the first 100 percent all-natural liquid carbon dioxide dry cleaner on the West Coast to create a competitive advantage, and to try to positively revolutionize my industry," he told the seven-member board, which monitors California air pollution and related health issues. "I get a tremendous sense of fulfillment as my customers continue to thank me personally for what I am doing."

The board then voted unanimously to enact a statewide ban on the chemical solvent perchloroethylene, more commonly known as perc, because of mounting evidence of its toxicity. Perc has been the dry cleaning industry standard for decades, but the California ruling will force businesses in the state to stop using it by 2023. Shaw, who ran a perc operation in San Diego for 22 years, made the costly and seemingly risky switch to the liquid CO2 cleaning system in 2000 because of the health concerns surrounding the chemical—and because he recognized it as a potentially lucrative business move.

While Shaw says he's pleased with the perc ban in his state, he remains a reluctant activist. "I'm a businessman, and a moderate environmentalist, but I'm not an extremist," he says. "Before I spoke to the board that day, I was given the opportunity to fill out a 'for perc' card, an 'against perc' card, or a 'neutral' card. I filled out the neutral card. My interest at the hearing was just to share with the board what CO2 dry cleaning is, because they didn't really have a clue. I was pleased that afterward, people from all sides told me I did a good job, from the perc dry cleaners to the environmental lawyers."

In spite of his conciliatory nature, and the fact that he's generally more preoccupied with profits than protests, Shaw knows he's now inextricably linked to the anti-perc side of the burgeoning nationwide debate over the solvent. And he's enjoying the moment. "I'm getting lots of attention, lots of calls and e-mails, and I'll probably get more requests to speak now that perc is such a hot topic," he says.

The publicity is good for business at his four stores, Shaw adds—revenues rose from \$1,123,052 in 2005 to \$1,648,000 in 2006—and the attention is fun. But he hasn't taken his eye off the bottom line. "My biggest concern is still getting dirty clothes through my front doors," he says. "And whether or not perc is eventually banned across the country, I think I'm well-positioned either way. I would like to see my industry head in another direction, though. Perc isn't good."

It's a growing sentiment. The Environmental Protection Agency (EPA), the National Cancer Institute (NCI), and the National Institute for Occupational Safety and Health (NIOSH) have all concluded that perc is a toxic contaminant and potential human carcinogen. California health officials say it is associated with non-Hodgkins lymphoma, cervical and bladder cancer, among other ailments. Several state and federal studies of dry-cleaning workers using perc indicate that long-term exposure also reduces scores on behavioral tests and causes biochemical changes in blood and urine.

But perc remains the way in which most Americans' clothes are dry cleaned, and the chemical industry continues to promote it. Jeannine Sohayda, a spokesperson for Dow Chemical Company, which manufactures perc, says that "safety is the No. 1 issue with Dow" and insists that "as long as our safety guidelines are closely followed, perchloroethylene (perc) will cause no harm to humans or to the environment."

Dry-cleaning associations, too, are reluctant to say anything too negative about perc. Bill Fisher, director of

the International Fabricare Institute, the industry's leading trade association, suggests that while some studies suggest perc is a carcinogen, "probably an even greater amount suggest it isn't. We're not the tobacco industry, we're honest and tell our members about every perc study. Are there issues with perc? Yes. It is certainly higher in toxicity than CO2. But without a smoking gun, we'll continue to present all the information about perc to our members and let them decide."

Jennifer Manning, a veteran independent environmental science researcher who has done extensive research on perc, disagrees. "The jury is in on perc and has been for a long time," she says. "There's just not much incentive to move away from it at this point. Pioneers like Shaw should be commended for foregoing the guaranteed goal of making a good living and taking a chance. I think in the end, his decision will prove to be a very smart business move. People are becoming more environmentally aware. Look at the success of Whole Foods. I think his company is well-positioned."

Several states, including California, Florida and Texas, have already adopted incentives and implemented fees on perc to create funds to help dry cleaners move away from it and deal with financial liabilities for cleanup of soil and groundwater contamination. But to date there has been no national legislation banning or limiting perc, and there aren't many federal tax or other incentives to do so. So far, fewer than 30 dry cleaners have taken advantage of the California fund.

California dry cleaners are already weighing their future options. The air board is particularly concerned that smaller dry-cleaning shops get the assistance they need to shift from perc. Shaw knows that while CO2 may be the cleanest, least-toxic option, it is prohibitively expensive for a lot of mom-and-pop stores and only a small percentage of perc operators will likely adopt it. CO2 machines can cost five times more than perc machines. Most will turn to cheaper alternatives such as hydrocarbon cleaning and wet cleaning, which so far has been the most common toxin-reducing choices for erstwhile perc businesses.

At the same time, perc battles are starting to make their way to the courts. Last June, a San Francisco jury awarded punitive damages against Dow and two other chemical companies that manufacture perc in an environmental-contamination lawsuit filed on behalf of the city of Modesto, Calif. The suit alleged that the use of perc in dry-cleaning shops in Modesto resulted in soil and groundwater contamination during the 1960s through the 1980s. One site beneath a dry cleaner was, in 1998, found to be contaminated by perc and placed on the Environmental Protection Agency's Superfund cleanup list. In another lawsuit, Fabricare, along with several other dry-cleaning industry groups, jointly filed a lawsuit challenging the EPA's mandate that dry-cleaning shops in residential buildings nationwide must stop using the chemical in their machines by 2020 because perc gets into the soil and groundwater.

For his part, Shaw is increasingly seen as a visionary within his industry and even a hero by some public-health advocates and environmentalists. "His testimony at the board hearing was critical, I applaud him for it," says Annette Kondo, a spokesperson for the Coalition for Clean Air, which has been working for years to get perc out of dry cleaning. She calls the California air board's decision "historic," and credits Shaw for helping make it happen. "The board needed to hear that nonperc alternatives work," she says. "They needed to hear that customers are actually going to these cleaners."

In our next installment, we'll take a look at the challenges of marketing and setting prices for an environmentally friendly business.

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