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Waste bond proposal

BY GEOFF FOLSOM

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Tom and Rhonda Stark say they have mixed feelings about a May 9 bond election that could issue \$75 million in general obligation bonds to help Waste Control Specialists build a low-level radioactive disposal site in Andrews County.

They've produced a brochure depicting a sign that welcomes visitors with the words "Andrews Supports God, Country and Free Enterprise" with the last part crossed out and replaced with "Government Bailouts for Corporations."

But Tom Stark is hesitant to distribute the brochures.

"I don't want to prevent a significant opportunity for the county," he said.

The Starks are concerned about the credit rating of Valhi, Waste Control's parent company. Standard & Poor's recently downgraded the company's rating from B to B-. The rating agency also placed it on negative credit watch, which means the conditions that led to the downgrading are continuing.

A former schoolteacher, Rhonda Stark initially thought a B- rating didn't sound too bad until she heard the ratings actually start at AAA and descend to AAA-, then AA, then AA- and so forth.

"You're looking at nine or 10 stairs down into it before you get to a B-," she said. "You're not just a little ways from the top, you're a long ways."

Tom Stark takes issue with the company's position that the only way it could get a loan in the current economic environment is through municipal bonds.

"That is not a true statement," he said. "The problem is companies with poor credit cannot get funding easily."

Rhonda Stark said the company could actually receive a private loan, but it would be with interest rates around 18 percent. By going through the county, it can get credit rates around 7 percent.

She said she was reassured somewhat by discussions with Lloyd Eisenrich, an Andrews insurance agent who is president of the Andrews Industrial Foundation.

Eisenrich told the Odessa American that Valhi's downgraded credit rating doesn't reflect its performance as a whole. Rather it is a result of its operations in Europe.

"It goes all the way to the top of the chain," he said.

Eisenrich said the company's debt is guaranteed to such an extent it would take many worldwide factors for it to not be paid back.

The Starks were also concerned about the company using its recently issued low-level radioactive waste license as collateral, since, although the Texas Commission on Environmental Quality has approved the license, it hasn't officially been issued because some mineral rights still need to be condemned at the 14,400-acre site 30 miles west of Andrews.

But Eisenrich said the state attorney general's office is completing paperwork from the environmental commission, which should be completed within the next 45 days.

He also said county commissioners would have to authorize the bonds after receiving voter approval, something that wouldn't happen if the company doesn't have the license.

"I'm confident that will be taken care of," Eisenrich said.

Rhonda Stark said she's not questioning the safety or security of the facility, she just questions whether the county should be financiers.

"I don't want to endorse the project," she said. "We feel comfortable voting for it, but we feel everybody else should educate themselves, too."

But the husband and wife admit their opinion could change depending on the time of day. Tom Stark still questions the company's promotion of the election, which it is paying for. He is reminded at times of "slick" Wall Street agencies that helped lead to an economic collapse.

"They hired a marketing firm and dressed it up to the point I found it repulsive," he said. "We lost a lot of money last year because of stuff like that."

Early voting:

>> When: 8 a.m. to 5 p.m., Monday-Friday, May 4 and 5.

>> Where: Community Center, 106th NE Sixth St., Andrews.

General Election:

>> When: 7 a.m. to 7 p.m. May 9.

>> Where: James Roberts Center, 855 E. Broadway St.