

Fire Control Business, Kidde-Fenwal, Files for Bankruptcy amid Rising PFAS Litigation

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May 22, 2023

Per- and polyfluoroalkyl substances (PFAS) have become the subject of increasing new legislation, regulation and litigation. PFAS are a family of more than 10,000 man-made chemicals that have been used for almost 70 years in many manufacturing and industrial applications. The common thread with each of these chemicals is that they feature carbon-fluorine bonds, which are among the strongest bonds in organic chemistry. That carbon-fluorine bond makes PFAS water-resistant, grease-resistant and heat-resistant. It is for these reasons that PFAS are key components in aqueous film-forming foam (AFFF), a firefighting foam that is used to fight petroleum-based fires. AFFF has been commonly used at civilian and military aviation facilities since the 1970s, and the Federal Aviation Administration (FAA) has mandated its use at commercial airports and other facilities since 2004. Its use for emergency firefighting, testing and training has allegedly contributed to PFAS contamination of military and civilian aviation properties and surrounding communities, including groundwater. That has led to litigation against the manufacturers and distributors of AFFF, which has been consolidated in multi-district litigation (MDL) in the United States District Court for the District of South Carolina. The first bellwether trial in the MDL is scheduled to proceed in next month.

Kidde-Fenwal, Inc.—a company that specializes in fire-control systems and which is one of the defendants facing litigation in the AFFF MDL—filed for Chapter 11 reorganization in the Delaware bankruptcy court on May 14, 2023. The company attributed its bankruptcy filing to pending lawsuits alleging that Kidde-Fenwal's firefighting foam has caused PFAS contamination to water and soil near airports and military bases. Kidde-Fenwal sold an AFFF product, National Foam, from 2007 to 2013. Since 2016, Kidde-Fenwal has been sued in more than 4,400 lawsuits related to National Foam.

Earlier this week, Kidde-Fenwal told a Delaware bankruptcy judge that it faces more than \$1 billion of liability tied to claims arising from the sale of AFFF, and that it intends to submit a proposal to sell the company in an effort to address its liability in connection with AFFF lawsuits. At a hearing on May 16, 2023, US bankruptcy Judge Laurie Selber Silverstein approved interim motions allowing Kidde-Fenwal to pay prepetition obligations to contract workers, to continue using its existing cash management systems, and to pay prepetition trade claims to its vendors.