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Big chance lawyers took is paying off

Environmental specialists, they look to stimulus work.

By Chris Mondics

INQUIRER STAFF WRITER

When Joe Manko and several colleagues headed for the door of their Center City law firm 20 years ago, they were taking a big chance.

Their practice area, environmental law, was new and untested. What's more, they depended on referrals from their old employer. Turns out, creating a new firm was a smart move.

Their clients followed them, and the firm, Manko, Gold, Katcher & Fox L.L.P., found new ones. The firm has grown from eight to 28 lawyers, and two engineers who provide technical advice on complex environmental issues.

Last year was its most profitable ever, and the firm, which has used credit sparingly, is debt-free.

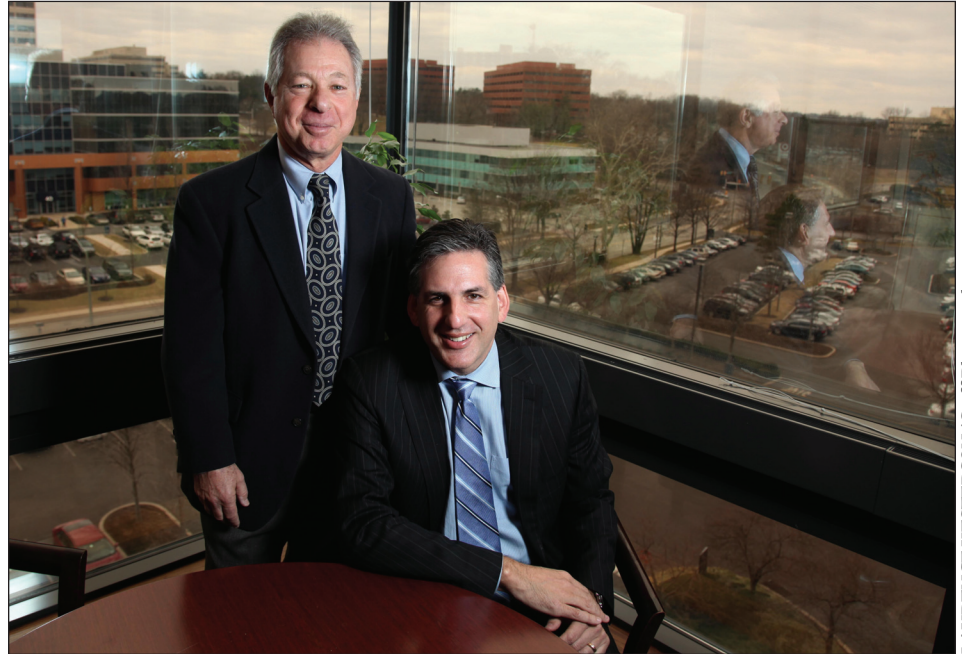
The downside, of course, is that a huge source of environmental work—real estate development and sales—has pretty much dried up. Transactions are way off, and clients are scrutinizing bills like never before.

The firm is banking on new sources of revenue from alternative-energy firms that produce wind and solar power and from spinoff legal work from the Obama administration's economic-rescue package, which proposes to ratchet up funding on the long-dormant Superfund environmental-cleanup program.

What the firm will not do is permit itself to be gobbled up by larger competitors looking to pick up a juicy practice group.

"We have had offers from every firm in the city," said Manko, a Harvard-trained lawyer who got his start in environmental law as general counsel for the Environmental Protection Agency's Region 3 office in Philadelphia. "They say, 'Come merge with us,' and I say, 'Been there, done that.' They say, 'Oh Joe, you could make more money.' And I answer, 'That is not going to do it. You don't understand the ethos of this firm.'"

What Manko, 70, means is that the firm long ago made the decision to stay small, trading galloping growth and the highest billing rates for a more targeted focus on one practice area. That is, helping clients negotiate the



LAURENCE KESTERSON / Staff Photographer

complex grid of environmental laws governing air and water quality, wetlands development, and toxic cleanups.

A decade ago, as the number of the most lucrative Superfund cases began to plateau and as the biggest firms began to reduce their environmental-practice groups, Manko Gold found that its market share began to grow.

Part of the reason was that absent the Superfund cases, a big chunk of the client base was composed of miserly municipal governments, which do not pay much. That was unappealing to big firms with pricey rate structures. But it was not a problem for Manko and his lawyers, because their rates were much lower.

Today, partners charge anywhere from \$260 to \$500 an hour, well below rates at the biggest firms, which can climb as high as \$800 an hour in Center City, and \$1,000 or more in New York. Associates at Manko Gold bill out from \$155 to \$235 per hour.

Robert Fox, the managing partner of the firm, also Harvard-trained, said the rate disparity was brought home recently by one of the firm's new hires. The lawyer, a second-year associate for a large New York firm, billed clients at a rate of \$425 an hour.

That is exactly the same rate Fox, a practicing environmental lawyer for more than 20 years who joined Manko when he left Wolf, Block, Schorr & Solis-Cohen L.L.P. in the late 1980s, bills his clients. While some firms have been letting go lawyers and staff, there has been no downsizing at Manko Gold.

One reason is the relatively evergreen nature of the environmental-law practice. The firm's industrial clients, which range from refineries to plants that recapture methane gas from garbage landfills, to food processors and paint manufacturers, face constant scrutiny from regulators.

The technical issues are arcane; the law abstruse. And clients face innumerable pitfalls in navigating them. To help smooth that journey, some of Manko Gold's lawyers are themselves engineers. In addition, the firm has two non-lawyer engineers on staff to help sort through technical problems.

The firm is trying to position itself to represent clients on an anticipated wave of global warming policies promoting energy conservation. There isn't a whole lot in the way of requirements or incentives now, but Manko said they were coming.

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