Chapter 4
Enforcement Progress

The Agency's enforcement goals are to:

- Maintain high levels of PRP participation in conducting and financing cleanups through use of EPA's statutory authority;
- Ensure fairness and equity in the enforcement process; and
- Recover Superfund monies expended by EPA for response actions.

FY95 accomplishments illustrate the continuing success of EPA's Superfund enforcement efforts. EPA achieved enforcement agreements worth more than $1.4 billion in PRP response work. PRPs financed approximately 75 percent of the remedial designs (RDs) and remedial actions (RAs) started during the fiscal year. Through its cost recovery efforts, EPA achieved approximately $206 million in settlements and collected more than $200 million for reimbursement of Superfund expenditures.

Under the Superfund Administrative Reforms initiative, EPA advanced toward its goal of ensuring fairness in the enforcement process by reducing transaction costs and accelerating the pace of cleanups. FY95 saw the postponement of Superfund reauthorization legislation in the 103rd Congress. EPA is using its administrative authority to implement a number of the most promising proposals from the draft legislation. In May 1995, EPA announced a series of Administrative Reform efforts that included increasing the use of allocation tools, encouraging early settlements with *de minimis* and "de micromis" parties, fostering greater fairness for owners and prospective purchasers of Superfund sites, and using enforcement discretion to promote fairness and flexibility in settlements. Guidance documents issued during FY95 detail EPA's specific approaches to enforcement fairness.

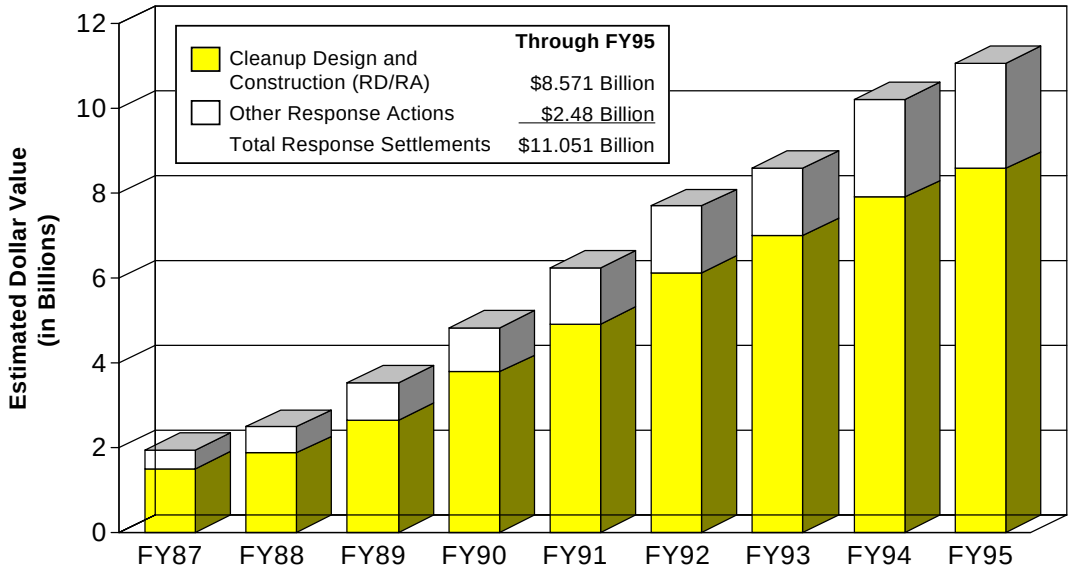
4.1 The Enforcement Process

The Superfund program integrates enforcement and response activities. To initiate the enforcement process, EPA identifies PRPs, notifies them of their potential liability, and seeks to negotiate an agreement with them to perform or pay for the cleanup. If agreement is reached, the Agency oversees the work performed under the legal settlement. If the PRPs do not settle, EPA may issue a unilateral administrative order (UAO) compelling them to perform the cleanup. If PRPs do not comply with the UAO, EPA may conduct the cleanup using Superfund monies and later pursue a cost recovery action against the PRPs. These steps are fundamental for obtaining PRP involvement in conducting response activities and recovering expended Trust Fund monies. The Superfund enforcement process is explained in more detail below.

When a site is being proposed for the National Priorities List (NPL), or when a removal action is required, EPA conducts a PRP search to identify parties who may be liable for site cleanup and collect evidence of their liability. PRPs include present and past owners or operators of the site, generators of waste disposed of at the site, and transporters who selected the site for the disposal of hazardous waste.

EPA notifies parties of their potential liability for future cleanup work and any past response costs incurred by the government, thus beginning the

Exhibit 4.2-1
Cumulative Value of Response Settlements Reached With Potentially Responsible Parties



Source: CERCLIS. October 20, 1995.

negotiation process between the Agency and the PRPs.

EPA encourages PRPs to settle with the Agency and undertake cleanup activities, specifically to start removal actions, remedial investigation/feasibility studies (RI/FSs), or remedial design/remedial action (RD/RA). If PRPs are willing and capable of doing the response work, the Agency will attempt to negotiate an agreement allowing the PRPs to conduct and finance the proposed work and reimburse past government costs. For RD/RA, the settlement must be in the form of a judicial consent decree (CD) that is lodged with a court by the Department of Justice (DOJ). For other types of response actions, the agreement may be in the form of a CD or an administrative order on consent (AOC) issued and signed by the EPA Regional Administrator. Both agreements are enforceable in a court of law. Under either agreement, PRPs conduct the response work under EPA oversight. PRPs who settle may later seek contribution toward the cost of the cleanup from non-settling PRPs by bringing suit against them.

If negotiations do not result in a settlement, CERCLA Section 106 provides EPA with the authority to issue a UAO requiring the PRPs to conduct the cleanup; EPA may also bring suit through DOJ to compel PRPs to perform the work. If the Agency issues a UAO and the PRPs do not comply, the Agency again has the option of filing a lawsuit to compel the performance specified in the order or to perform the work itself and then seek cost recovery and treble damages. Where the PRP notifies EPA in writing of its intent to comply with a UAO, EPA classifies the UAO as a settlement. Although UAOs in compliance are technically not legal settlements, they are counted as such programmatically because they result in PRPs performing response work.

If a site is cleaned up using Superfund monies, DOJ will file suit on behalf of EPA, when practicable, to recover monies spent. Many of these suits to recover past costs will also include EPA claims for estimated future costs. Any sums

recovered from the PRPs are returned to the Trust Fund.

4.2 Fiscal Year 1995 Superfund Enforcement Progress

FY95 progress reflects the continuing success of Superfund enforcement efforts in securing PRP participation in Superfund cleanups and recovering Trust Fund monies expended by EPA in its response efforts.

4.2.1 Settlements for Response Activities

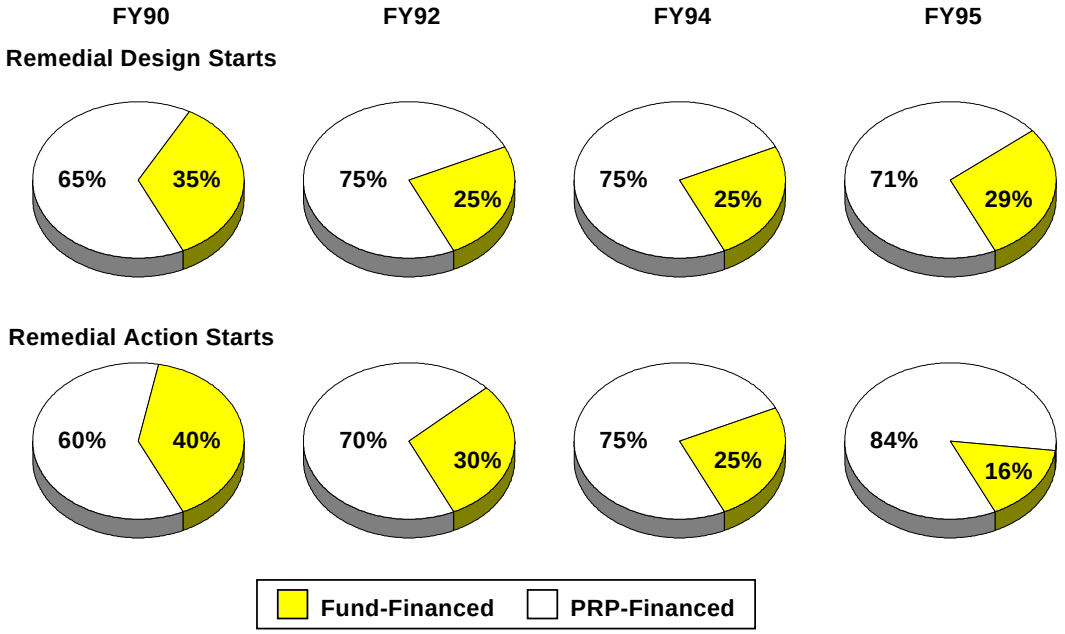
During FY95, the Agency reached 222 settlements (CDs, AOCs, or UAOs in compliance) with PRPs for response activities worth over $851 million. As shown in Exhibit 4.2-1, the cumulative value of PRP response settlements achieved under the Superfund program exceeds $11 billion. Of the 222 settlements achieved in FY95, 77 settlements worth almost $671 million were for RD/RA. These RD/RA settlements included 40 CDs referred to DOJ for approximately $362 million, 6 AOCs for almost $2.3 million, and 31 UAOs in compliance for more than $306.5 million. These RD/RA settlements include 57 RD/RA negotiations started and 92 RD/RA negotiations completed by EPA during the fiscal year.

During FY95, the Agency issued 94 UAOs, including 37 for RD/RA. The Agency also signed 163 AOCs. The 94 UAOs issued and the 163 AOCs signed include agreements for removal actions, RI/FSs, RD, and RD/RA.

4.2.2 PRP Participation in Cleanup Activities

Exhibit 4.2-2 illustrates the continuing high level of PRP participation in undertaking and financing RDs and RAs since the implementation of the "Enforcement First" initiative in 1989. In FY95, PRPs continued to finance and conduct a high percentage of the remedial work undertaken at Superfund sites: 71 percent of new RDs (exceeding the FY95 target by 15 percent), 84 percent of new

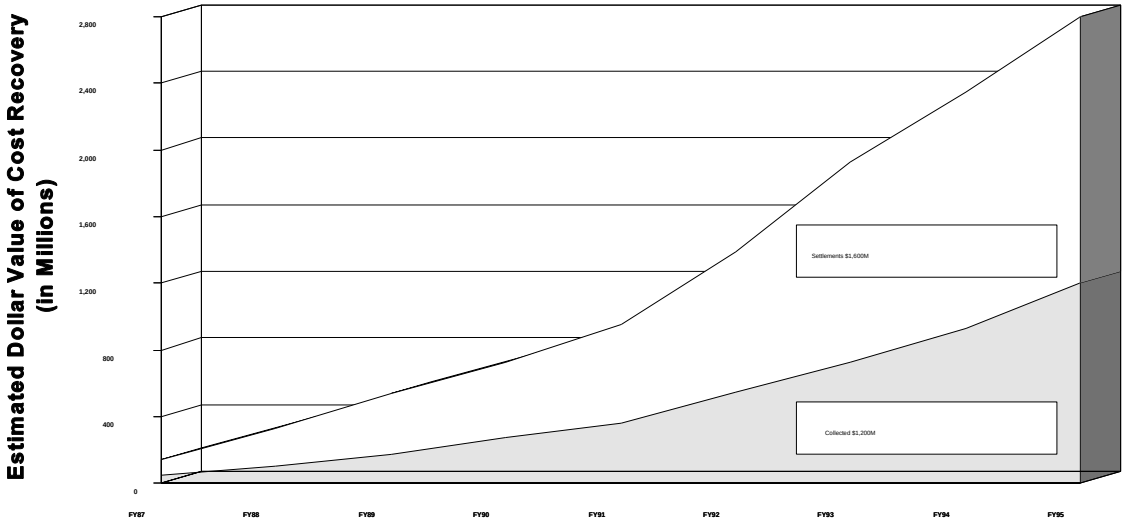
Exhibit 4.2-2
Percentage of Remedial Designs and Remedial Actions Started by PRPs



Source: CERCLIS. October 20, 1995.

Exhibit 4.2-3

Cumulative Value of Collected Cost Recovery Dollars and Negotiated Settlements



Source: CERCLIS. October 20, 1995.

RAs (exceeding the FY95 target by 11 percent), and 67 percent of new RI/FSs (exceeding the FY95 target by 11 percent).

4.2.3 Cost Recovery Achievements

EPA and DOJ reached 220 settlements worth more than $160 million through pursuit of cost recovery actions. These included 184 CERCLA Section 106/107 or Section 107-only cost recovery actions each valued at $200,000 or more. FY95 cost recovery settlements represent 10 percent of the total $1.6 billion achieved in cost recovery settlements since the inception of Superfund. More than 60 percent of the total $1.6 billion has been recovered in the past five years. Exhibit 4.2-3 illustrates cost recovery settlements collected to date.

EPA collected over $254 million from cost recovery settlements, bankruptcy settlements, and other sources during the fiscal year. This sum is more than 21 percent of the approximately $1.2 billion collected by EPA to date; more than 77 percent of that $1.2 billion has been collected in the past five years.

4.2.4 Success in Reaching and Enforcing Agreements with PRPs

During FY95, the EPA Offices of Regional Counsel and Regional Waste Management Divisions, working in conjunction with the Office of Enforcement and Compliance Assurance (OECA) and DOJ, entered into numerous enforcement agreements with PRPs. Exhibit 4.2-4 highlights a cross-section of the most significant enforcement settlements reached during the fiscal year.

4.3 Enforcement Initiatives

At 15 years old, the Superfund enforcement program is mature and effective at reaching settlements with PRPs to conduct cleanups or reimburse EPA for cleanup costs. Superfund

enforcement, however, has also been criticized for lacking fairness, taking too long, and costing too much. EPA is aware of these difficulties with the Superfund enforcement process and has used Administrative Reforms to undertake a number of initiatives to address them.

Fairness. Enforcement fairness was the rallying cry of the Superfund enforcement program for FY95. EPA's Office of Site Remediation Enforcement (OSRE) initiated a number of pilot projects and published guidance and policies designed to promote enforcement fairness. First, EPA used Administrative Reforms to step up its use of alternative dispute resolution to settle difficult Superfund issues expeditiously and more fairly. Second, EPA initiated the allocation pilot project, in which a neutral, third-party allocator assigns PRP's liability and responsibility for cleanup costs based on their "fair share" of the waste contributed. Further, guidance on prospective purchaser agreements and owners of property with contaminated aquifers will help interested parties to acquire and redevelop contaminated properties without fear of Superfund liability. Guidance on supplemental environmental projects will enhance access to this mechanism for responsible parties to reduce their Superfund liability in exchange for performing environmentally beneficial projects. Finally, continuing emphasis on environmental justice in Superfund enforcement protects at-risk communities from disproportionate adverse effects of Superfund sites and increases grass-roots participation in Superfund enforcement.

Reducing Transaction Costs. EPA's Superfund enforcement initiatives for FY95 also focused on identifying and implementing procedures for reducing the time and costs associated with Superfund enforcement. The allocation pilot project has adopted timelines from proposed Superfund reauthorization legislation that should result in PRP and cost-share liability being determined within nine months of the beginning of allocation negotiations. Further, new techniques in PRP searches initiated under Administrative Reforms have resulted in quicker and more complete identification of PRPs at Superfund sites.

These enforcement initiatives are described further below.

4.3.1 Increased Use of Alternative Dispute Resolution

Using alternative dispute resolution (ADR) in environmental enforcement has been EPA policy since 1987. FY95 saw EPA continuing to make great strides toward expanding the use of ADR mechanisms in Superfund and other EPA enforcement actions. EPA is committed to using ADR to increase enforcement fairness and reduce enforcement-related transaction costs and litigation. Progress was made during FY95 on every aspect of the ADR program, including case development, provision of ADR support services, and ADR training.

ADR Case Development

During FY95, ADR mechanisms were used to resolve Superfund enforcement negotiations at a number of sites. EPA Regional office personnel initiated the use of ADR mechanisms at 16 sites, and PRP-initiated allocation efforts were coordinated with OSRE at an additional 25 sites. EPA Regional offices continue to support PRPs using ADR to assist Superfund settlements. By the end of FY95, all 10 EPA Regional offices had either used ADR mechanisms in settlements or supported their use.

Providing ADR Support Services

During FY95, the national network of EPA Regional and Headquarters ADR specialists continued its efforts to implement EPA's policy of routinely considering and appropriately using ADR in all enforcement and site-related disputes. The members of the ADR network, comprised of ADR-experienced staff in EPA Regional and Headquarters offices, serve as consultants to EPA and DOJ staff on the use of ADR in enforcement actions.

In May 1995, OSRE published the fact sheet *Use of Alternative Dispute Resolution in Enforcement Actions*. This fact sheet answers many of the most common questions about using ADR to help resolve enforcement negotiations. The fact sheet defines ADR, details EPA's experience with ADR, discusses ADR's benefits, describes procedures for using ADR in enforcement actions, and provides names and contact numbers of the ADR network specialists.

The sheet was widely distributed, including publication in BNA's *Environment Reporter*, thereby increasing awareness of ADR in government and among the regulated community.

Other progress was made during FY95 in educating the regulated community on EPA's support for ADR and the potential for using ADR to reduce private and government Superfund enforcement transaction costs. Members of the ADR Specialists Network made presentations and provided consultation services on effective ADR use to numerous professional and PRP organizations, including the American Bar Association (ABA), Center for Public Resources (CPR), Information Network for Superfund Settlements (INSS), Society of Professionals in Dispute Resolution (SPIDR), and several federal and state agencies, including the Florida Department of Environmental Protection.

ADR Training

In November 1994, EPA's ADR Program sponsored a conference in conjunction with Region 1 and the National Corporate Counsel Association on effective use of ADR in environmental disputes, including Superfund settlements. The two-day conference, held in Boston, brought over 100 corporate executives together with upper management of EPA Regions and Headquarters and the Department of Justice to discuss strategies for using ADR to solve enforcement disputes. The conference received outstanding reviews from participants, and several ADR cases have developed as a result of the conference.

ADR training was provided to all EPA Regional and Headquarters Superfund offices during FY95. An intensive, one-day training program was designed for legal and program staff who participate in enforcement settlement activities. ADR Users Training, taught jointly by EPA ADR staff and ADR professionals who have served as mediators in Superfund cases, concentrates on the difficulties inherent in enforcement negotiations and how ADR can facilitate resolution of enforcement disputes.

4.3.2 The Allocation Pilot Project

During FY95, EPA initiated the allocation pilot project. Designed to respond to criticism that current Superfund allocation methods lack fairness, the allocation pilot project is testing an approach to allocating responsibility that is based on a party's "fair share" of cleanup costs. The pilot project is patterned after allocation methods detailed in proposed Superfund reauthorization legislation, and has adopted the legislation's timelines for allocations.

PRPs at seven Superfund sites have agreed to participate in the allocation pilot project. A neutral allocator, selected jointly by the PRPs and EPA, will conduct a non-binding, streamlined, out-of-court allocation, and assign shares of responsibility for cleanup costs among all the parties at each site. EPA expects to pay the shares of defunct or insolvent (orphan) parties.

In May 1995, EPA placed an announcement in the *Commerce Business Daily* requesting criteria packages from individuals interested in serving as neutral allocators for the allocation pilot project. EPA personnel evaluated these criteria packages and created a pool of allocator candidates for which PRPs will vote to choose an allocator for each site. As the representative of the orphan parties, EPA will also vote for allocators at each site. Once an allocator has been selected, he or she will work with the parties at each site to determine their share of liability for the contamination, and make recommendation regarding each party's share of the cleanup costs. The entire process at each site is expected to be completed about nine months after the beginning of allocation negotiations.

EPA is committed learning from this pilot project and realizing the potential the proposed allocation process has for increasing fairness and reducing transaction costs in the Superfund program. The allocation pilot project will enhance fairness because allocation will be based on each party's "fair share," and each PRP has a vote in determining who will conduct the allocation. Government and PRPs will benefit from the streamlined out-of-court allocation because the allocation process is quicker and costs less than reaching traditional enforcement

settlements. The allocation pilot project will continue at the seven pilot sites into FY96. EPA will use this pilot project to gain experience with the allocation process and to understand better the costs and timelines involved in the allocation procedures.

4.3.3 Guidance on Prospective Purchaser Agreements

During FY95, EPA launched the Brownfields Economic Redevelopment Initiative, designed to empower stakeholders in economic redevelopment to prevent, assess, safely clean up, and sustainably reuse Brownfields. Brownfields are abandoned, idled, or under-used industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. One important element in ensuring the success of the Brownfields initiative is to assure prospective buyers of brownfield properties that they will be free from Superfund liability for existing contamination.

When prospective purchasers of Superfund sites know of contamination prior to purchase of property, they may be liable for site cleanup because their knowledge of the contamination prevents their use of CERCLA's "innocent landowner" defense. Prospective purchasers may be willing to enter into agreements to conduct or finance some cleanup work in return for a covenant from EPA not to sue. EPA, local communities, and the regulated community can benefit in several ways from successful prospective purchaser agreements. EPA can gain additional funding to finance cleanup at the site. Local communities and economies can benefit from redevelopment of the site that creates jobs and returns the property to productive use. The prospective purchaser benefits by gaining access to a prime business location without fear of possible Superfund liability.

EPA published *Guidance on Agreements with Prospective Purchasers of Contaminated Property* on July 3, 1995, superseding the 1989 prospective purchaser agreement guidance. The 1995 guidance includes a model prospective purchaser agreement. In an effort to increase the use of prospective purchaser agreements, EPA has expanded the criteria to be considered in entering into these agreements. EPA will now consider entering into a prospective purchaser agreement if it results in either 1) a substantial direct benefit to the Agency in terms of cleanup or funds for cleanup, or 2) a substantial benefit to the community, such as creating or retaining jobs, making productive use of abandoned property, or revitalizing blighted areas.

Prospective purchaser agreements have become an important element of EPA's commitment to enforcement fairness in the Superfund program. The revised guidance on prospective purchaser agreements now affords EPA greater enforcement flexibility and provides prospective buyers a large measures of fairness and confidence that they will not be held liable under CERCLA for contamination that occurred under previous landowners. In FY95, EPA entered into eight prospective purchaser agreements (PPA) with private parties. Regions 2, 8, and 9 each achieved one agreemnt, while Regions 3 and 4 achieved three and two agreements, respectively. Five of the agreements lead to the direct redevelopment and reuse of contaminated properties, including new building construction and decontamination and resue of existing structures.

CERCLA prospective purchaser agreements. Settlement terms included undertakings to conduct cleanup and oversight and maintenance operations, implement an on-site multimedia environmental program, conduct on-site inspections of underground storage tanks, and pay EPA Superfund response costs of over $1.6 million. Under these agreements, companies such as Home Depot, Rogers Iron and Metal Corporation, and GMT Microelectronics are now free to pursue redevelopment of Superfund sites in Pennsylvania, Missouri, California, and Colorado. Communities, industry, and EPA all have benefitted from the agreements, and EPA will continue to negotiate these agreements that put industrial properties back to work.

4.3.4 Guidance on Properties Containing Contaminated Aquifers

During FY95, EPA issued its *Final Policy Toward Owners of Property Containing Contaminated Aquifers*. This policy removes the threat of Superfund liability for owners of property contaminated with hazardous substances as a result of migration in an aquifer from a source or sources

outside the property. In order to be protected by the policy, the property owner must not have caused, contributed to, or exacerbated the migration and must not have contributed to the source of contamination as a generator or transporter of hazardous substances. In addition, the property owner must ensure EPA that the person who caused the contamination of the aquifer was not an agent or employee of the owner or involved in a contractual relationship with the owner of the property. Property owners who meet these conditions will no longer be subject to Superfund enforcement actions on the basis of migratory contamination.

Contaminated groundwater is an issue of great concern in Superfund. Approximately 85 percent of sites on the National Priorities List have some degree of groundwater contamination. Contaminated groundwater plumes are often long and/or large, and determining the source of contamination can be difficult. Previously, owners of properties with contaminated groundwater faced uncertainty with respect to Superfund liability as an "owner." The Aquifer Policy removes this uncertainty and demonstrates EPA's willingness to exercise its enforcement discretion in an effort to increase fairness in the Superfund enforcement program.

4.3.5 Guidance on Supplemental Environmental Projects

In May 1995, EPA issued its *Supplemental Environmental Projects (SEPs) Policy*, clarifying and superseding its 1991 policy on SEPs. The revised policy establishes guidelines for proposing SEPs that secure significant environmental or public health protection and improvements. SEPs can enhance Superfund settlement opportunities by giving PRPs an incentive to go beyond the minimum settlement response requirements and undertake value-added projects as part of an overall settlement agreement.

The policy defines SEPs as "environmentally beneficial projects which a defendant/respondent agrees to undertake in settlement of an enforcement action, but which the defendant/respondent is not otherwise legally required to perform." The policy also details the legal guidelines that must be met for SEPs. The project must demonstrate a relationship between the SEP and the violation (this is known as the "nexus" relationship) and that the project must fall within one of seven categories. These categories include:

- Public health analysis or improvement
- Pollution prevention
- Pollution reduction
- Environmental restoration and protection
- Assessments and audits
- Environmental compliance promotion
- Assistance in emergency planning and preparedness

SEPs are particularly appropriate for brownfield site settlements. In September 1995, OSRE published a fact sheet entitled *Using Supplemental Environmental Projects to Facilitate the Redevelopment of Brownfields*. As noted above, Brownfields are abandoned, idled, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. The fact sheet summarizes EPA's May 1995 SEP Policy and provides examples of SEPs that can facilitate the redevelopment of Brownfields. These SEPs include investigating contamination, pollutants, or discharges at the site, ecological surveys, natural resource damage assessments, and risk assessments.

To date, SEPs have not often been used to facilitate Superfund settlements, but FY95 saw the beginning of an increase in their use. During FY95, EPA entered into SEPS with a total value of approximately $115,000. These SEPs were used to supplement CERCLA Section 103 settlements (dealing with notification requirements for spills and discharges).

4.3.6 Environmental Justice and Superfund Enforcement

EPA continued to demonstrate its commitment to environmental justice in Superfund enforcement during FY95. Environmental justice ensures the fair treatment of people of all races, cultures, incomes, and education levels with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Focusing on environmental justice in Superfund enforcement is particularly important, as many Superfund sites are

located in minority, low-income, or other at-risk areas.

EPA's Office of Site Remediation Enforcement's environmental justice efforts have concentrated on supporting the Regions' and EPA's Office of Solid Waste and Emergency Response (OSWER) Superfund programs. This support has included identifying data collection and quality needs, enhancing community involvement, evaluating innovative ways to assist Regional offices in resolving enforcement settlement negotiations, and reviewing and evaluating current Superfund enforcement policies and guidance. OSRE has dedicated one full-time employee to manage environmental justice activities. In addition, OSRE has established an office-wide Environmental Justice Coordinating Team.

During FY95, environmental justice became the focus of EPA's Administrative Reform efforts, with emphasis on increasing fairness in the enforcement process through enhancing community involvement in Superfund enforcement. Environmental justice pilot projects are underway to encourage community involvement at Superfund sites where PRPs are conducting studies or site cleanup under EPA oversight. Following implementation of the pilot project, EPA will evaluate the impacts that enhanced community involvement had on both the settlement negotiation process and the cleanups and studies themselves.

EPA used several criteria to identify PRP-lead sites where different approaches for enhancing community involvement could be reasonably tested and evaluated. In general, the Agency selected sites where: 1) EPA had already selected, or would select in the near future, the response action; 2) EPA expected that the PRPs would perform the response action; and 3) the community had already demonstrated an interest in the cleanup. EPA has initiated 12 community involvement pilot projects in the Regions. Approximately half the projects involve providing opportunities for communities to discuss and review drafts of Statements of Work for sites where PRPs are designing and conducting cleanups. Many of the other pilot projects involve giving local citizens an opportunity to discuss and review draft Statements of Work for feasibility studies, which evaluate measures for reducing threats posed by the Superfund sites to human health and the environment. Efforts to ensure the public's input have gone even further at sites such as the Pine Street Barge Canal site, where local citizens are working jointly with PRPs to prepare the draft Statement of Work for a supplemental feasibility study.

Two other pilot projects involve increasing public involvement in removal actions being implemented by PRPs. In addition, at the Springfield Township site in Michigan, EPA Region 5 personnel are working with the PRPs and local citizens to develop a consensus on an appropriate amendment to the cleanup option originally selected by EPA and documented in the Record of Decision. EPA is providing the public at this site with an opportunity to review and comment on various technical documents, including a treatability study being prepared by the PRPs for alternative cleanup technologies.

Other FY95 environmental justice initiatives in the Superfund enforcement program included efforts to increase awareness of environmental justice, expand its application in Superfund enforcement, coordinate environmental justice training, and develop community-based partnerships to enhance grass-roots environmental justice efforts. Specific FY95 initiatives include the following:

- OSRE personnel presented a workshop entitled "Environmental Justice Issues in Public Policy Disputes" as part of Bowie State University's Alternative Dispute Resolution conference. The workshop focused on the creation and use of effective methods of public participation in alternative dispute resolution, and included an overview of how ADR principles can be used to facilitate environmental justice efforts.

- Region 4's Waste Management Division in conjunction with OSWER awarded a $252,000 grant to Clark/Atlanta University Environmental Justice Resource Center to develop an environmental justice partnership project.

- A "Community Economic Partnership" Seminar was held in December 1994 in New Orleans, Louisiana by the Region 6 Hazardous Waste

Division in response to requests from small, minority-owned businesses in the area of the Agri-Street Superfund site to provide opportunities to community businesses to bid on subcontracts for cleanup work and related support at the site. A similar conference was held in Albuquerque, New Mexico in August 1995.

- OSRE participated in EPA's National Enforcement Training Institute Environmental Justice Training Pilot. In coordination with the Office of Solid Waste and Emergency Response and the Regions, this training is being developed to assist Headquarters and the Regions in conducting environmental justice training. The training focuses on providing employees with an awareness of environmental justice, identifying issues surrounding the incorporation of environmental justice into EPA's practices, and identifying barriers to community involvement in an effort to provide community-based environmental protection. Environmental justice modules were also added to computer-based training on Superfund enforcement, negotiations, and settlement.

4.3.7 Early PRP Searches

One of the key components of the Superfund Administrative Reform efforts is reducing the transaction costs associated with Superfund settlements for both PRPs and the government. Throughout FY95, EPA has been conducting an Administrative Reforms pilot project designed to test procedures to streamline and improve PRP search procedures in order to speed the process and reduce transaction costs. The central focus of the pilot project has been identifying PRPs early and releasing PRP information to the public early. The PRP search pilot project reorients search procedures to facilitate the expedited settlements and allocations pilot projects.

In March 1995, EPA convened a national conference on PRP search procedures to share information and brainstorm innovative ways to expedite the PRP search process. Based on the results of the conference, EPA has begun expanding and updating existing PRP search guidance. Pilot PRP search procedures got underway at 12 Superfund sites during the spring of 1995. Each pilot PRP search is designed to identify and notify *de minimis* parties of their potential liability within 12 months of the start of the search. All others parties will be notified of their potential liability within 18 months of the start of the search. Several PRP search streamlining techniques are being tested, including newspaper advertising to collect information from the public, conducting early interviews to obtain information and minimize the need for multiple rounds of information requests, and giving PRPs the opportunity to provide information regarding other potential parties. EPA anticipates that these more open and expedited PRP search procedures will speed enforcement settlements by providing more complete and reliable data concerning PRPs faster.

4.3.8 Superfund Enforcement Expedited Settlements

During FY95, EPA's Administrative Reform efforts focused on procedures for expediting settlements with *de minimis* parties and parties with limited ability to pay. In May 1995, EPA announced the initiation of pilot projects to test and evaluate these expedited settlement procedures.

EPA has begun implementing expedited settlement procedures at sites where the PRP search is substantially complete. At these sites, EPA will settle earlier (generally prior to the Record of Decision) with both small volume (*de minimis*) contributors and PRPs with a limited ability to pay response costs. EPA is developing response cost estimates and has issued premium guidance to facilitate early *de minimis* settlements as well as uniform criteria and procedures for determining a PRP's ability to pay. Where appropriate, EPA will also develop model information request clauses, consent decree language, or other tools to expedite such settlements.

Several tools were developed during FY95 to assist with the settlement of *de minimis* and ability-to-pay parties under this reform. These tools include:

- **"Overview of Ability-to-Pay Guidance and Models,"** May 1995 – This fact sheet identifies and describes documents that are relevant to

Superfund ability-to-pay analyses. The fact sheet summarizes eight general policy documents and nine documents that assist in determining a party's ability to pay status and the amounts they should pay.

- **"Standardizing the *De Minimis* Premium,"** July 1995 – This guidance document establishes presumptive premium figures, describes the most likely basis for deviating from such figures, and recommends a method for effectively communicating the premium determination process to the *de minimis* settlers and other interested parties at a site.

- **Revised Model CERCLA Section 122(g)(4) *De Minimis* Contributor Consent Decree**, September 1995 – The model, which supersedes the October 19, 1987 interim model, provides guidance for EPA and DOJ staff when negotiating *de minimis* contributor judicial consent decrees. The model is expected to expedite negotiations of *de minimis* settlements, increase fairness and consistency of settlements, and streamline review of *de minimis* consent decrees.

- **Revised Model CERCLA Section 122(g)(4) *De Minimis* Contributor Administrative Order on Consent**, September 1995 – The model, which supersedes the October 19, 1987 interim model, provides guidance for EPA and DOJ staff when negotiating *de minimis* contributor administrative orders on consent. The model is expected to expedite negotiation of *de minimis* settlements, increase fairness and consistency of settlements, and streamline review of *de minimis* consent orders.

A workshop was also conducted for financial analysts in June 1995 where the concepts of new guidance documents on ability-to-pay settlements were developed. Additional information and contractor support resources were also made available to increase the Regions' financial analysis capacity.

Four expedited settlements were successfully completed during FY95, resulting in the release of 236 *de minimis* parties from the Superfund process prior to signature of the Record of Decision. At two of the four sites, EPA settled early with four parties based upon their inability or limited ability to pay their proposed share of the cleanup costs. In addition, the PRPs associated with the pilot sites were provided the opportunity to nominate other parties to the process. This was done in a variety of ways, i.e., through the PRP Steering Committees, highlighting the nominations process in the 104(e) and general notice letters, and at meetings with PRPs to inform them about nominations opportunity. Guidelines for nominating additional parties to the process were developed and used to implement this portion of the reform.

Exhibit 4.2-4
Highlights of Successful Enforcement Accomplishments

Ewan Property New Jersey (Region 2) Settlement: UAO (UAO07) for RD/RA at OU2 - issued on 5/19/95; PRPs notified EPA on 6/8/95 of their intent to comply Estimated Value: $30 million	Eighteen PRPs are performing remedial work at the Ewan Property site located in Burlington County, New Jersey, pursuant to a UAO issued on May 18, 1995. The PRPs' notice of intent to comply with the order was dated June 8, 1995. The UAO directs the PRPs to perform the remedial design and action, the first phase of which consisted of removing buried drums and associated soils. This phase was completed in July 1995. The second phase will consist of pumping and on-site treatment of contaminated ground water, using a combination of chemical, physical and biological treatment, followed by on-site discharge of treated water to infiltration basins. The estimated value of this settlement is $30 million. The Ewan Property consists of 43 heavily wooded acres located within the Central Pine Barrens portion of the New Jersey Pinelands. Ground water and soil are contaminated with volatile organic compounds (VOCs), including acetone and benzene, semi-volatiles, and the metals lead, chromium, and aluminum. The New Jersey Pinelands is a major ground water recharge zone, and the aquifer underneath has been designated a sole-source aquifer for the area. Approximately 330 people live in the area and are served by individual domestic water wells. The PRPs performed earlier remedial actions at the site, including the restoration of a small on-site wetland area.
Goodyear Tire and Rubber Company Niagara Falls Plant New York (Region 2) Settlement: Region 2 issued an administrative consent order on 9/28/95, settling a case in which EPA cited Goodyear with violations of CERCLA Section 103 and EPCRA Section 304. The settlement includes a supplemental environmental project (SEP). Estimated Value: $75,000 civil penalty $95,000 SEP	The order asserted that Goodyear failed on three occasions to immediately notify the National Response Center and state and local emergency response agencies of releases of vinyl chloride, a hazardous substance, from its facility in Niagara Falls, New York. Goodyear subsequently documented changes in its internal release notification procedures and provided training in those procedures to its staff to prevent late notifications from occurring in the future. The settlement also included a supplemental environmental project (SEP). The SEP will provide equipment and materials including a response vehicle, communications equipment, the CAMEO computer equipment program and a computer to run it, confined space rescue material, self-contained air supply equipment, and expendable materials such as sorbent materials to assist the fire departments of the cities of Niagara Falls, North Tonawanda, and Lockport, New York.

Delaware Sand and Gravel Site Delaware (Region 3) Three settlements: Settlement 1: CD for part of EPAs past costs incurred after April 1988 - entered in the District Court for the District of Delaware on 9/22/95 Estimated Value: $375,000 Settlement 2: CD for past costs - entered in the District Court for the District of Delaware on 9/22/95 Estimated Value: $300,000 Settlement 3: CD for RA at OU3, RD/RA for OUs4&5 and site-wide O&M. PRPs will also reimburse EPA for RD/RA at OU1, and RD at OU2. CD was lodged in the District Court for the District of Delaware on 4/18/95 and entered on 6/16/95. Estimated Value: $33.5 million	EPA reached three separate agreements with PRPs to recover past costs and conduct cleanup work at the Delaware Sand and Gravel Site in New Castle County, Delaware. These settlements recover approximately 97% of the costs that EPA incurred cleaning up the site. Consent decrees detailing two of the settlements were entered in the U.S. District Court for the District of Delaware on September 22, 1995. In one, Avon Products, Inc. agreed to reimburse EPA for $375,000 in response costs incurred at the site. In the other, MRC Holdings, Inc. agreed to reimburse the Agency for $300,000 in response costs. A third decree was entered on June 16, 1995. Under the terms of this settlement, 33 cooperating companies will spend approximately $33.5 million performing remedial action at three disposal areas that have not yet been cleaned up. They will install a multi-layer cap over the Inert Area (Operable Unit 3), an 11-acre landfill containing 25 to 30 feet of mixed chemical and industrial wastes, and perform remedial design and remedial action (RD/RA) for the Drum Disposal/Ridge Areas (Operable Units 4 and 5). This work will include installation of a slurry wall, excavation and off-site disposal of drummed waste, treatment of contaminated soils using bio-venting technology, placement of a RCRA-type cap over the treated soils, and site-wide operation and maintenance. The 33 settling PRPs will also reimburse EPA $4.3 million for performing RD/RA at the Grantham South Area (Operable Unit 1) and RD for Operable Unit 2, an abandoned plan to incinerate wastes at the Drum Disposal/Ridge Areas.
Halby Chemical Co. Delaware (Region 3) Settlement: UAO (UAO01) for removal activities issued on 7/20/95; PRPs notified EPA on 7/28/95 of their intent to comply Estimated Value: $13 million	On July 20, 1995, EPA issued a UAO (UAO01) requiring Witco Corporation to perform removal activities at the 14-acre Halby Chemical site located in Wilmington, Delaware. Witco Corporation notified EPA of its intent to comply with the order on July 28, 1995. Removal activities worth an estimated $13 million will address highly contaminated and flammable soils in the vicinity of a public water line. A treatability study exploring the possibility of in-place chemical neutralization of carbon disulfide in soils is under way. EPA expects to select a remedy for ground water and sediment contamination in the lagoon and marsh area in December 1996. In 1991, EPA issued a record of decision calling for the excavation, stabilization and capping of the upper six inches of surface soil in the former process plant area. In 1992, Witco agreed to design and construct the soil stabilization remedy, but implementation has been delayed due to a land use conflict between Witco and Brandywine Chemical Company, the current property owner. Work is expected to resume in the spring of 1996.

Novak Sanitary Landfill Pennsylvania (Region 3) Settlement 1: UAO (UAO01) for RD/RA at OU1 issued on 6/30/95; PRPs notified EPA on 8/1/95 of their intent to comply Estimated Value: $16,105,149 Settlement 2: *De minimis* AOC for past RI/FS costs and future costs signed on 9/29/95 Estimated Value: $300,920	On June 30, 1995, EPA issued a UAO to 20 PRPs requiring them to perform all remedial design and remedial action work necessary to clean up the Novak Sanitary Landfill site in Lehigh County, Pennsylvania. By early August, EPA had received notices of intent to comply with the order from all 20 PRPs. The work, which includes installation of a landfill cap, a gas and leachate collection system, possible treatment of the leachate, further investigation of another potential source area, and monitoring of residences and wells in the vicinity of the site, will cost an estimated $16,105,149. The Agency may direct the PRPs to install an active gas collection system if the proposed passive collection system proves ineffective. In addition, EPA reached an agreement with seven *de minimis* parties on September 29, 1995. The agreement, an AOC, recovers past costs, RI/FS costs, and remedial design and remedial action costs in return for a release from further liability. This settlement recovers $300,920.
Revere Chemical Co. Pennsylvania (Region 3) Settlement: UAO (UAO02) for RD/RA issued on 12/14/94; PRPs notified EPA on 1/20/95 of their intent to comply Estimated Value: $15,581,432	EPA issued a UAO (UAO02) on December 14, 1994, requiring 12 PRPs to perform an estimated $11,152,824 worth of cleanup work at the Revere Chemical Co. site in Bucks County, Pennsylvania. In January 1995, the PRPs notified EPA of their intent to comply with the order to perform remedial design and action at the site, including removal of solid waste and debris, excavation of a lagoon for buried drums, design of an *in situ* vacuum extraction system to treat organically contaminated soil, construction of a slurry wall around former basins to contain organics unsuitable for *in situ* treatment, and installation of a semi-impermeable cap to prevent release of metals from contaminated soils.
William Dick Lagoons Pennsylvania (Region 3) Settlement: CD (CD01) for RD/RA, oversight, and other cost recovery for OU1, RD for OU2, and RD/RA for OU3. PRPs will also pay $260,000 in penalties for violating a 1992 EPA order. CD was lodged in the U.S. District Court for the Eastern District of Pennsylvania on 7/10/95 and entered on 10/10/95. Estimated Value: $14.57 million	EPA reached an agreement with Chemical Leaman Tank Lines, Inc. (CLTL) regarding the William Dick Lagoons site in Chester County, Pennsylvania. A consent decree (CD01) setting forth the terms of the settlement was entered in the U.S. District Court for the Eastern District of Pennsylvania on October 10, 1995. The settlement requires CLTL to reimburse EPA $1.57 million for installation of a public water supply line to protect nearby homes from potential ground water contamination and $420,000 for additional response costs associated with the site. CLTL will also install a pump and treat system as an interim ground water cleanup measure, and use a combination of low temperature thermal absorption, soil vapor extraction/bio-remediation, and hot air vapor extraction to clean up contaminated soil. In addition, CLTL will pay $260,000 in penalties for violating a 1992 EPA order requiring cleanup of contaminated ground water. The total estimated value of the settlement is $14.57 million. The groundwater was contaminated with trichloroethylene (TCE), chloroform, and other volatile organic compounds (VOCs), and soil was contaminated with a variety of VOCs and semi-VOCs, polycyclic aromatic hydrocarbons (PAHs), and pesticides.

Woodlawn County Landfill Maryland (Region 3) Settlement: UAO (UAO01) for RD/RA issued on 11/25/94; PRPs notified EPA on 12/28/94 of their intent to comply Estimated Value: $24 million	On November 25, 1994, EPA issued a UAO (UAO01) requiring Bridgestone/Firestone, Inc. and the Board of County Commissioners for Cecil County to conduct the remedial design and remedial action at the Woodlawn County Landfill in Cecil County, Maryland. Both parties notified EPA of their intent to comply with the order in December 1994. The work, valued at $24 million, includes design, construction, and operation and maintenance of a cap over the landfill, a ground water extraction system, and an on-site air stripping system to treat contaminated ground water.
Bypass 601 Groundwater Contamination Site North Carolina (Region 4) Settlement: Consent Decree for RD/RA entered on 1/25/95 in the Middle District Court of North Carolina. CD provides for cleanup costs and collection of 100% of past costs, utilizing preauthorization mixed-funding and "de micromis" settlements. Estimated Value: $40 million	The Bypass 601 Groundwater Contamination Site includes an inactive battery cracking facility and 10 source areas around the site, where the battery casings were buried after being cracked. Approximately 4,000 PRPs were identified, including approximately 2,400 "de micromis" parties. Of the "non-de micromis" parties, only approximately 500 PRPs were located, creating an orphan share of approximately 1,100 PRPs. The $40 million remedy selected for the site includes soil solidification and stabilization and a pump-and-treat system. The Consent Decree at the site provides for Preauthorization Mixed Funding of approximately $10.1 million, because of the large orphan share at the site. Region 4 will recover 100% of its past costs, and has negotiated a "de micromis" settlement which provides for a covenant by the settling defendants not to sue "de micromis" parties at the site. This approach protects small parties from contribution suits and unnecessary transaction costs.
Maxey Flats Landfill Kentucky (Region 4) Settlement 1: CD (CD03) for RD/RA at OU1, and past costs - lodged with the U.S. District Court for the Eastern District of Kentucky Frankfort Division on 7/5/95 and entered on 4/18/96. Estimated Value: $60 million Settlement 2: *De minimis* CD (CD02) for initial remedial phase of cleanup, and future costs - lodged with the U.S. District Court for the Eastern District of Kentucky Frankfort Division on 7/5/95 and entered on 4/18/96. Estimated Value: $9.27 million	EPA reached two separate agreements with approximately 400 private and government parties to clean up contamination at the Maxey Flats Landfill site in Fleming County, Kentucky. Both consent decrees (CD02 and CD03) were lodged with the U.S. District Court for the Eastern District of Kentucky, Frankfort Division on July 5, 1995. CD03 requires 43 settling private parties to spend approximately $35 million to perform the initial phase of the remedial action, which consists of designing and constructing a cap to replace the one currently over the landfill and performing 10 years of operation and maintenance. The settlors will also reimburse EPA $5 million for past cleanup costs. CD02 directs 366 *de minimis* PRPs, including several universities, Fortune 500 companies, and 12 federal agencies, to pay approximately $9.27 million into a special trust fund for the initial phase of the cleanup and possible cost overruns.

Olin Corporation (McIntosh Plant) Alabama (Region 4) Settlement: CD for RD/RA and O&M - lodged with the U.S. District Court for the Southern District of Alabama, Southern Division on 7/5/95. Estimated Value: $10 million	EPA and the Department of Justice reached an agreement with Olin Corporation to perform approximately $10 million worth of ground water cleanup work at the 60-acre McIntosh plant in McIntosh, Alabama. A consent decree setting forth the terms of the settlement was lodged in the U.S. District Court for the Southern District of Alabama, Southern Division on July 5, 1995. Olin will pump and treat ground water on the plant property and extend and/or upgrade existing caps over old disposal areas. Olin is currently conducting studies to determine the most effective method for treating contaminated ground water. Once the construction phase of the remedy is complete, operation and maintenance at the site could last up to 30 years.
A O Smith Electric Motor Company Indiana (Region 5) Settlement: UAO (UAO01) for two removal actions, issued 02/26/95; notice of intent to comply given 12/15/95. Estimated Value: $14 million	On February 26, 1995 EPA issued a UAO (UAO01) for two separate removals at the A O Smith Electric Motor Company site located in Union City, Indiana. On 12/15/95, AO Smith Electric notified EPA of its intent to comply with the order. The PRP will perform cleanup work worth an estimated $14 million. One of the removal actions, estimated to cost $4 million and the other is valued at an estimated $10 million.
Arrowhead Refinery Company Minnesota (Region 5) Settlement: CD (CD01) for RD/RA at Operable Unit 1, lodged with U.S. District Court for the District of Minnesota, Fifth Division 03/09/95; entered 05/24/95 Estimated Value: $16,135,000	EPA entered into a mixed-funding agreement with 72 PRPs to perform cleanup work at the Arrowhead Refining Company site in Hermantown, Minnesota. The terms of the agreement are set forth in a consent decree (CD01) that was entered in the U.S. District Court for the District of Minnesota, Fifth Division on May 24, 1995. The PRPs agreed to remove approximately 4,600 cubic yards of contaminated sludge and filter cake from a two-acre lagoon and recycle the sludge as fuel oil. EPA agreed to commit Superfund money to stabilize and dispose of the residual solids from this process in an off-site facility and to excavate approximately 40,000 cubic yards of contaminated soil and dispose of them off site. Superfund is paying for part of the cleanup because of the site's large "orphan share" — contamination for which no viable PRP can be identified. In a related settlement, 137 *de minimis* and "de micromis" PRPs agreed to reimburse the 72 major PRPs for part of the cleanup costs in exchange for a release from further liability. The total estimated value of the cleanup work to be performed by the PRPs is $16,135,000. The PRP has completed excavation of the lagoon sludge; EPA expects to complete its excavation, stabilization, and disposal activities in FY 1996.

Kerr-McGee Residential Areas Illinois (Region 5) Settlement: UAO (UAO01) for removal actions, issued 11/18/94; notice of intent to comply given 11/30/94. Estimated Value: $70 million	Kerr-McGee Chemical Corporation is conducting cleanup activities at the Kerr-McGee Residential Areas site in West Chicago, Illinois pursuant to a UAO (UAO01) issued by EPA on November 18, 1994. The order requires the PRP to excavate radioactive soil at area residences, backfill and restore the properties, and transport the excavated soil to a licensed off-site disposal facility. The PRP notified the Agency of its intent to comply with the order on November 30, 1994. EPA has so far identified 65 properties as contaminated; of these, the PRP has completely cleaned up 42 and is at work on others. EPA field crews are intensively surveying approximately 1,200 individual properties in the site study area for elevated levels of radioactivity, and is continuing to identify contaminated properties. The Agency may also identify other contaminated areas and designate them part of the site. When the survey work is completed, EPA will seek to recover its costs from the PRP. The cleanup work alone has an estimated value of $70 million.
Ninth Avenue Dump Indiana (Region 5) Settlement: UAO (UAO03) for RD/RA at Operable Unit 2, issued 12/27/94; notice of intent to comply given 01/31/95 Estimated Value: $20 million	EPA issued a UAO (UAO03) on December 27, 1994, requiring 95 PRPs to perform cleanup work at the Ninth Avenue Dump site in Gary, Indiana. By January 31, 1995, 20 PRPs had notified the Agency of their intent to comply with the order. The cleanup work consists of constructing an inner slurry wall around an 11-acre area of the site, placing an impermeable cap over the area, and installing a soil vapor extraction system. The work has an estimated value of $20 million. Earlier remedial work at the site, which also cost approximately $20 million, included construction of an outer slurry wall, pumping and on-site treatment of oil-contaminated ground water, and installation and operation of a surface water treatment system. The slurry walls prevent migration of contaminated ground water off site. Construction of the inner wall will also preserve an on-site pond. The Agency is also seeking an agreement with the PRPs for recovery of approximately $2.5 million in outstanding past response costs and reimbursement of future oversight costs.
Missouri Electric Works Missouri (Region 7) Settlement: CD (CD02) for cost recovery and RA at Operable Unit 1, lodged with U.S. District Court for the Eastern District of Missouri 03/09/95; entered 05/10/95 Estimated Value: $13 million	EPA and DOJ reached a settlement with a major PRP to recover past response costs and conduct cleanup work at the Missouri Electric Works site in Cape Girardeau, Missouri. The terms of the settlement, which is worth approximately $15 million, are set forth in a consent decree (CD02) that was entered in the U.S. District Court for the Eastern District of Missouri on May 10, 1995. The cleanup work consists of excavation and off-site disposal of contaminated soil.

Broderick Wood Products Colorado (Region 8) Settlement: CD (CD02) for RD/RA at Operable Unit 2, lodged with U.S. District Court for the District of Colorado 05/22/95; UAO (UAO01) for same issued 02/22/95 Estimated Value: $24,330,000	On May 22, 1995, EPA and DOJ lodged a consent decree (CD02) with the U.S. District Court for the District of Colorado, requiring Broderick Investment Company (BIC) to perform an estimated $13 million worth of cleanup work at the Broderick Wood Products site in south Adams County. Under the terms of the settlement, the PRP will operate a soil treatment unit, remove oil that is currently floating on top of contaminated ground water, de-water the aquifer system, and treat it with a process called bioventing, which stimulates the growth of natural organisms that help break down contaminants. The settlement also requires the PRP to reimburse EPA $10.7 million and the State of Colorado $630,000 in past response costs. In order to take advantage of the construction season, cleanup work began in the summer of 1995 under the authority of a UAO (UAO01) issued on February 22, 1995. The UAO will expire when the district court approves and enters the CD. The Agency and DOJ are currently seeking to recover an additional $10.5 million in past response costs from another PRP.
Lowry Landfill Colorado (Region 8) Settlement: UAO (UAO02) for RD/RA at Operable Unit 1, issued 11/18/94; notice of intent to comply give 01/17/95; CD (CD09) for cost recovery and cash-out lodged with U.S. District Court for the District of Colorado 07/10/95 Estimated Value: $101,283,104	EPA issued a UAO (UAO02) to 34 PRPs, requiring them to undertake approximately $94 million in cleanup work at the Lowry Landfill site in Arapahoe County, 15 miles southeast of downtown Denver. The Agency ordered the PRPs to implement a sitewide remedy affecting contaminated soil, sediment, and ground and surface water, landfill gas, waste pit liquids, and buried drums. Three PRPs – the City and County of Denver (Denver), Waste Management of Colorado, Inc. (WMC), and Chemical Waste Management, Inc. (CWM) – have notified EPA that they intend to comply with the order, and have reached agreements with 22 other PRPs to perform the work on their behalf. Another PRP agreed to pay $7,283,104 to resolve its liability for cleanup work and to reimburse the Agency for past response costs. A consent decree setting forth the agreement was lodged with the U.S. District Court for the District of Colorado on July 10, 1995.
Apache Powder Company Arizona (Region 9) Settlement: UAO (UAO02) for RD/RA at Operable Unit 1, issued 12/21/94; notice of intent to reply given 01/06/95 Estimated Value: $20 million	EPA issued a UAO (UAO02) on December 21, 1994, requiring Apache Nitrogen Products, Inc. (ANP) to perform cleanup design and construction work at the Apache Powder site in St. David, Arizona, approximately 50 miles southeast of Tucson. The PRP notified EPA of its intent to comply with the order on January 6, 1995. The Agency's remedy for nitrate contamination at the site includes pumping and treating perched ground water in a brine concentrator, pumping and treating shallow aquifer ground water in constructed wetlands, excavating and removing lead- and dinitrotoluene-contaminated soils for off-site treatment and disposal, and conducting additional ground water investigation and monitoring during the design phase. Heavy-metal-contaminated soil and sediment in several inactive disposal ponds will be covered with a low-permeability clay cap. In compliance with the UAO, ANP has connected eight area households whose well water was contaminated to deep aquifer replacement wells. ANP supplied these households with bottled water since 1989 at EPA's direction. In response to comments received from members of the community, EPA also directed ANP to study various alternatives for recharge of the treated ground water, including possible use for agricultural irrigation. The design and construction work is expected to cost approximately $10 million to $15 million.

King Neptune Site California (Region 9) Settlement: *De Minimis* Administrative Cost Recovery Settlement completed on 11/22/94 for reimbursement of EPA's incurred costs at the site. Estimated Value: $580,264	A hospital group made up of 240 *de minimis* PRPs will reimburse EPA for costs incurred in removal actions at the site. The site operated as a former lead smelter, and the major generators were area hospitals disposing of lead "pigs" from radioactive isotopes. This settlement utilized transaction cost reduction techniques such as conducting non-confrontational, business negotiations, providing microfiche documentation with the settlement offer, and accepting payment as proof of settlement. Most of the hospitals completed their settlement negotiations within 30-60 days.
Operating Industries, Inc. Landfill California (Region 9) Settlement: CD (CD06) for RD/RA and cost recovery at Operable Units 1-4, lodged with U.S. District Court for the Central District of California 12/29/94; entered 04/03/95 Estimated Value: $36 million	EPA negotiated settlement of a contribution action involving two groups of parties at the Operating Industries, Inc. Landfill site in Montebello, California. A consent decree (CD04) setting forth the terms of the agreement was entered in the U.S. District Court for the Central District of California on April 3, 1995. Under the terms of the decree, 14 municipalities, the County of Los Angeles, the California Department of Transportation, six garbage disposal districts, and numerous waste haulers, will contribute approximately $63 million toward cleaning up the landfill, bringing to over $268 million the total amount committed by PRPs to site cleanup. The lawsuit dated from 1989, when a group of PRPs who had settled with EPA brought a contribution action against 29 municipal entities. Other parties were brought in through third-party claims. EPA facilitated the settlement by agreeing to provide the defendants contribution protection as part of an overall settlement agreement. Some *de minimis* defendants settled with EPA under a previous administrative agreement.

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