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November 17, 2000

Mr. Thomas Krueger
C-14J
USEPA Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507

Re: ***Fansteel – North Chicago – Administrative Order,*** Docket No. V-W-00-6-413

Dear Tom:

In accordance with Paragraph V(1) of the above-noted Administrative Order ("Order"), and subject to the following including the request for an extension discussed below, Fansteel agrees to conduct an Engineering Evaluation/Cost Analysis ("EE/CA") for its North Chicago, Illinois facility.

As you are aware, Fansteel has already conducted an agreed-upon site investigation and submitted a draft report on the results of the investigation to USEPA. A final report is due no later than January 26, 2001. Fansteel has requested a technical meeting with USEPA representatives later this month to discuss the draft report, and will submit the final report by January 26, 2001.

Fansteel understands that the Order is intended to memorialize the parties' understandings as to the necessary activities needed to meet the requirements of the June 17,1997 letter sent to Fansteel as subsequently agreed upon at our meetings. Accordingly, Fansteel believes that the following understandings must be reached with USEPA as to certain provisions of Order.

First, Fansteel understands that the Order requires an EE/CA to be performed subject to additional work deemed necessary to accomplish the objectives of the EE/CA and that Fansteel will reimburse USEPA for its oversite costs incurred in connection only with the EE/CA. Also, while USEPA retains the right to reject Fansteel's contractor, such right must be exercised in a reasonable manner especially given the unrealistic timeframe for Fansteel to obtain another contractor should its chosen contractor be rejected. Furthermore, given the above-note intent of the Order, penalties for non-compliance should be imposed only for Fansteel's failure to submit

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a draft or final EE/CA. The way the Order is currently written, if a monthly report is a day late, Fansteel could be deemed in noncompliance with the Order. Clearly, this is not USEPA's intent of the Order. Finally, Fansteel understands that modifications made orally can only be to a plan or schedule and that any other modifications must be in writing from the Director of the Superfund Division. If such a modification were deemed necessary by USEPA, Fansteel would like an opportunity to discuss the modification with USEPA before it is memorialized in writing.

Finally, in accordance with Paragraph XI of the Order, Fansteel requests an extension to submit the draft EE/CA. Fansteel is unable to complete the draft in sufficient time to meet the deadline set forth in the Order and hereby requests a 60-day extension of time to submit the draft EE/CA to USEPA.

In accordance with the USEPA-approved work plan, Fansteel has submitted a draft Site Investigation Report to USEPA for comment, and a final Report is due January 26, 2001. Based upon this final report, USEPA will need to formally advise whether an EE/CA is necessary. Fansteel must then engage a contractor to perform the EE/CA, if necessary, and conduct, as necessary, additional sampling as part of the EE/CA. Accordingly, Fansteel needs an additional 60 days to complete the draft EE/CA. Under the terms of the Administrative Order, this would make the draft EE/CA due no later than July 12, 2001.

Sincerely yours,

*Original Signed by Mark J. Steger*

Mark J. Steger

MJS/pg
cc: Michael J. Mocniak
Jon Jackson
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