UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

RLM
#141

OFFICE OF
THE ADMINISTRATOR

June 1, 1988

MEMORANDUM

SUBJECT: DeLonghi American, Inc.
TSCA-87-H-04

FROM: Ronald L. McCallum
Chief Judicial Officer (A-101)

TO: Bob Pittman, Jr.
Attorney, Toxics Litigation Division
OECM (LE-134P)

Here is the final order approving the consent agreement. It is dated June 1, 1988. I am also returning the original consent agreement you sent earlier. Note that it contains the substitute version of Attachment C pursuant to your instructions on May 6th. I have drawn a large "X" through the original version, which I am also returning to you. Please take care of any filing requirements. Thanks.

Attachments

cc: Frederick F. Stiehl
Associate Enforcement Counsel

Carol Clayton (w/encl.)
1440 New York Avenue, NW
Washington, DC 20005-2107

bcc: Michael Walker

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:	)	
DELONGHI AMERICA, INCORPORATED,	)	Docket No. TSCA-87-H-04
Respondent.	)	CONSENT AGREEMENT AND ORDER

Notice of Treatment of Confidential Business Information

Portions of the attached Consent Agreement require use of information which Respondent submitted to the United States Environmental Protection Agency (EPA) as Confidential Business Information (CBI). Information in the Consent Agreement constituting or based on CBI has been deleted as indicated by blank spaces. The original Consent Agreement containing CBI is filed with the Headquarters Hearing Clerk. It will be treated as confidential unless and until Respondent waives confidentiality thereto or EPA releases the information in accordance with 40 C.F.R. Part 2.

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

In the Matter of	)	
	)	
DELONGHI AMERICA, INCORPORATED,	)	Docket No. TSCA-87-H-04
	)	CONSENT AGREEMENT AND
Respondent.	)	FINAL ORDER

CONSENT AGREEMENT

The United States Environmental Protection Agency ("EPA" or "the Agency") as Complainant, and DeLonghi America, Incorporated ("DeLonghi" or "the Company") as Respondent, the Parties herein, having consented to entry of this Consent Agreement and Final Order,

NOW, THEREFORE, before the taking of any testimony, without any adjudication of any issues of law or fact herein, and without any admission of violation of law by the Company, the Parties agree to comply with the terms of this Consent Agreement and the attached Final Order.

I. PRELIMINARY STATEMENT

A. EPA initiated this proceeding for the assessment of a civil penalty pursuant to Section 16(a) of the Toxic Substances Control Act ("TSCA" or "the Act" - 15 U.S.C. §2601 et seq.) by issuing an administrative Complaint and Notice of Opportunity for Hearing, dated and served upon DeLonghi on

November 17, 1986. The Complaint charged DeLonghi with having manufactured (imported) and distributed in commerce for use within the United States three types of oil-filled radiator heaters identified by the model numbers 5108, 5108T, and 5307. A number of these heaters contained polychlorinated biphenyls (PCBs). The Complaint also charged the Company with having distributed in commerce for export from the United States many of these same PCB-contaminated heaters without having obtained approval from EPA. This conduct was in violation of TSCA §6(e)(3)(A), §15(1)(B), and §15(1)(C).

B. For purposes of this proceeding, without trial or other actual litigation of the issues or any adjudication of the facts, and in order to avoid disruption of orderly business activity and the expense of protracted and costly litigation, DeLonghi (1) admits that EPA has jurisdiction over the subject matters alleged in the Complaint, pursuant to TSCA §16; (2) neither admits nor denies the findings of fact contained in the Complaint and this Consent Agreement; (3) neither admits nor denies the conclusions of law set forth below; and (4) consents to the terms of this Consent Agreement and Final Order.

C. This Consent Agreement does not constitute evidence of any violation of law or regulation.

D. DeLonghi now waives its right to request a judicial or administrative hearing on any issue of law or fact set forth in the Complaint, including but not limited to its

right under Section 16(a)(2)(A) of TSCA to request a hearing within twenty (20) days of receipt of the Complaint.

II. FINDINGS OF FACT

A. On August 26, 1986, DeLonghi provided EPA with documents in response to a TSCA subpoena. The documents revealed that the Company, between about and manufactured (imported) and distributed in commerce for use within the United States approximately 485,000 oil-filled radiator heaters bearing the model numbers 5108, 5108T, and 5307.

B. Subsequent testing of suspected heaters by EPA's National Enforcement Investigation Center (NEIC) and by DeLonghi revealed PCBs in certain DeLonghi heaters bearing model numbers 5108, 5108T, and 5307 at concentrations up to 420 parts per million (ppm). DeLonghi did not obtain an exemption under TSCA for the importation and distribution in commerce of these heaters.

C. TSCA §6(e)(3)(A) provides that no person may manufacture (import) any PCB after January 1, 1979, and no person may distribute in commerce any PCB after June 30, 1979. EPA's regulation at 40 C.F.R. §761.20(b), promulgated pursuant to TSCA §6(e), provides that no person may manufacture (import) PCBs for use within the United States without an exemption. Further, 40 C.F.R. §761.20(c) prohibits the distribution in commerce for use within the United States any PCB or PCB Item, regardless of concentration, without an exemption.

TSCA §15(1)(B) provides that it is unlawful for any person to fail or refuse to comply with any requirement prescribed by §6. TSCA §15(1)(C) provides that it is unlawful for any person to fail or refuse to comply with any rule promulgated under §6.

D. The documents provided to EPA by DeLonghi on August 26, 1986 also revealed that the Company, without having obtained an exemption from EPA, between about July 25, 1986 and August 2, 1986 distributed in commerce for export from the United States approximately 37,500 oil-filled radiator heaters bearing the model numbers 5108, 5108T, and 5307. Certain of these heaters were among those determined to contain approximately one gallon of PCB-contaminated mineral oil at concentrations up to 420 parts per million (ppm).

E. TSCA §6(e)(3)(A) provides that no person may distribute in commerce any PCB after June 30, 1979. EPA's regulation at 40 C.F.R. §761.20(c), promulgated pursuant to TSCA §6(e), provides that no person may distribute in commerce any PCB or PCB Item, regardless of concentration, for export from the United States without an exemption. TSCA §15(1)(B) provides that it is unlawful for any person to fail or refuse to comply with any requirement prescribed by §6. TSCA §15(1)(C) provides that it is unlawful for any person to fail or refuse to comply with any rule promulgated under §6.

F. This Consent Agreement resolves all civil claims and civil causes of action under TSCA §6(e)(3)(A), §15(1)(B), and

§15(1)(C) concerning the matters at issue in this proceeding, based upon facts known to EPA on or before the effective date of this Consent Agreement.

III. CONCLUSIONS OF LAW

A. The conduct described in Paragraph II-A-2 was in violation of Sections 6(e)(3)(A), 15(1)(B), and 15(1)(C) of TSCA, in that DeLonghi, without having obtained an exemption from EPA, manufactured (imported) and distributed in commerce PCBs and PCB Items for use within the United States.

B. The conduct described in Paragraph II-B-2 was in violation of Sections 6(e)(3)(A), 15(1)(B), and 15(1)(C) of TSCA, in that DeLonghi, without having obtained an exemption from EPA, distributed in commerce PCBs and PCB Items for export from the United States.

IV. PROPOSED CIVIL PENALTIES

Pursuant to EPA's TSCA Civil Penalty Policy, the Agency proposed in its Complaint in this case civil penalties of $1,507,000.

V. TERMS OF SETTLEMENT

In order to address concerns raised by those violations of TSCA which are the subject of this proceeding, and to ensure future compliance, the following actions have and will be taken by DeLonghi and its parent company, DeLonghi Italy.

A.1. DeLonghi will implement an oil testing and certification program, and will import only those radiator heaters that, based on

test results from gas chromatography, are certified to contain no detectable levels of PCBs.

2. DeLonghi Italy has purchased a gas chromatograph and has hired an analytical specialist and chemical engineer to operate the gas chromatograph for use in the oil testing and certification program.

3. Using gas chromatography, DeLonghi Italy will measure the PCB content of each shipment of mineral oil purchased for use in radiator heaters. DeLonghi Italy will, as an additional safeguard, contract with an independent testing laboratory to sample every mineral oil shipment for PCBs. DeLonghi Italy will fill its radiator heaters sent to the United States only with mineral oil found to contain no detectable levels of PCBs.

4. As required by TSCA §13, DeLonghi Italy will certify to the United States Customs Service that each shipment of radiator heaters delivered to the United States complies with the Toxic Substances Control Act (TSCA). Each certification shall be substantially in the form of Attachment A.

5. DeLonghi will certify to EPA that each shipment of radiator heaters imported complies with TSCA. Each certification shall be substantially in the form of Attachment B.

6. The testing and certification requirements of Paragraphs V-A-3 and 5 will be in full force and effect for a period of ten (10) years from the effective date of the Final Order in this matter.

B.1. DeLonghi will develop and implement, subject to the approval of EPA, a consumer awareness program.

2. The Company will mail to the approximately 70,000 warranty card holders included in its computerized warranty list a letter of notification that the radiator heaters bearing model numbers 5108, 5108T, and 5307 manufactured before June 1986 may contain PCB-contaminated mineral oil.

3. The notification letter chall contain the exact language set out in Attachment C.

4. DeLonghi will mail the notification letters to the approximately 70,000 warranty card holders by no later than thirty (30) calendar days following the effective date of the Final Order in this matter. A single copy of the notification letter shall be submitted to EPA by the same date.

5. As a complement to the written notification program for consumers, DeLonghi will establish a special toll-free telephone number for use by consumers seeking additional information concerning these radiator heaters. This telephone number will be in operation by no later than thirty (30) calendar days following the effective date of the Final Order and will be maintained for a period of one calendar year from the effective date of the Final Order in this matter. Information available through this telephone number will include return and replacement procedures, and proper heater disposal methods.

6. Within thirty (30) days of the effective date of the Final Order in this matter, DeLonghi will mail to the Consumers Union of U.S., Inc. ("Consumers Union") a letter of notification that the radiator heaters bearing model numbers 5108, 5108T, and 5307 manufactured before June 1986 may contain PCB-contaminated mineral oil.

7. The notification letter to the Consumers Union shall contain the exact language set out in Attachment D.

C.1. Attached to this Agreement as Attachment E is a listing of every service center with which DeLonghi has a contract and the twenty (20) retailers that nationally account for more than 90 percent of sales of DeLonghi radiator heaters.

2. The Company will mail to these parties written instructions for responding to consumer inquiries concerning DeLonghi radiator heaters. The instructions will direct service centers and retailers to advise consumers (a) how to avoid contact with oil from the radiator heaters, and (b) how to dispose of the units in accordance with the directions provided by EPA in its November 17, 1986 press release.

3. The instructions will also advise service centers and retailers how to handle DeLonghi radiator heaters returned to them directly by consumers. Specifically, the instructions will direct that service center and retailer employees be advised to avoid skin contact with leaking oil and to use disposable materials in cleaning up leaked oil. Service centers and retailers will be instructed to dispose of returned

DeLonghi radiator heaters in accordance with the requirements of 40 C.F.R. §761.60(b)(5) or to return the units to DeLonghi for proper disposal.

4. DeLonghi will submit to EPA for approval by no later than ten (10) calendar days following the effective date of the Final Order in this matter proposed instructions for mailing to service centers and retailers. EPA shall advise DeLonghi after receiving the instructions whether EPA approves or disapproves the instructions. In the event EPA disapproves the instructions, it shall apprise DeLonghi of the specific revisions required in order to make the instructions acceptable. No later than seven (7) calendar days after receiving EPA's specific revisions, DeLonghi shall submit to EPA a revised version of the instructions. After receiving the revised instructions, EPA shall advise DeLonghi whether the Agency approves or disapproves the revised instructions. In the event EPA disapproves of the revised instructions, DeLonghi shall accept EPA's version of the instructions as final.

5. DeLonghi will mail the instructions to the service centers and retailers listed in Attachment E, and will send a single copy to EPA, by no later than thirty (30) calendar days following the effective date of the Final Order in this matter. In the event DeLonghi has not received EPA's approval of the instructions within thirty (30) calendar days following the effective date of the Final Order, the deadline for mailing the instructions shall be extended to seven (7)

calendar days after the date on which EPA notifies DeLonghi of its approval or disapproval of the revised instructions.

6. As a complement to the written notification program for retailers and service centers, DeLonghi will establish a special toll-free telephone number for use by the retailers and service centers seeking clarification of the instructions or for discussion of special cases. This telephone number will be in operation by no later than thirty (30) calendar days following the effective date of the Final Order and will be maintained for a period of one calendar year from the effective date of the Final Order in this matter. At DeLonghi's option, this telephone number may be the same as the telephone number required by Paragraph B.5. above.

D.1. With respect to all returned radiator heaters manufactured before June 1986 (when DeLonghi Italy began testing and certifying its radiator heaters as containing no detectable levels of PCBs), DeLonghi will treat them as if they contained PCBs at levels between 50 ppm and 500 ppm, unless the Company establishes to EPA's satisfaction that individual units do not contain PCBs at levels of 50 ppm or greater. These units will be disposed of in accordance with the requirements of 40 C.F.R. §761.60(b)(5).

2. DeLonghi will, by no later than thirty (30) calendar days following the effective date of the Final Order in this matter, establish a "starter" fund in the sum of $200,000 to cover costs associated with disposal of returned radiator

heaters and providing replacements or refunds. This fund will be established in the form of a trust fund, performance bond, letter of credit, or combination thereof. It is the express understanding of both DeLonghi and EPA that this is a "starter" fund and in no way is intended to limit expenditures by DeLonghi in connection with disposal of returned units and providing replacements or refunds. Nothing in this Consent Agreement shall be construed to require DeLonghi to modify its general replacement and refund policies or to limit DeLonghi's discretion in determining which customers are entitled to replacement radiators or refunds.

3. In connection with this fund, DeLonghi will maintain a detailed log of transactions, which shall be made available to EPA upon request.

4. At the end of one calendar year from the effective date of the Final Order in this matter, this fund shall be closed. Any remaining balance in the fund will within five (5) calendar days of the date of closure be forwarded by cashier's or certified check, payable to the Treasurer, United States of America to: EPA-Washington (Hearing Clerk), P. O. Box 360277M, Pittsburgh, Pennsylvania 15251. This payment shall be considered a civil penalty in addition to the amount specified in paragraph V-E, below. In the event that monies in the fund are exhausted prior to that date, DeLonghi will immediately notify EPA in writing of this fact.

E. In consideration of the aforementioned Terms of Settlement, the Parties agree to a settlement consisting of the payment of a civil penalty in the sum of $500,000. Payment of the civil penalty will be made in two installments. The first payment of $250,000 will be made not later than sixty (60) days following the effective date of the Final Order in this matter. Interest at the rate of 10 percent will be charged on the remaining balance. The second installment, in the sum of $275,000, will be paid one calendar year after the due date of the initial installment. Payments of the civil penalty are to be made by forwarding cashier's or certified checks, payable to the Treasurer, United States of America in the appropriate amounts to: EPA-Washington (Hearing Clerk), P. O. Box 360277M, Pittsburgh, Pennsylvania 15251.

VI. STIPULATED PENALTIES

A. If any of the following events occur, DeLonghi shall pay the stipulated penalty in the amount prescribed for each such event, except where EPA in writing excuses or mitigates any such penalty:

1. Failure to accurately certify, for the time period specified in Paragraphs V-A-4 and 5, to either the United States Customs Service or EPA that each shipment of radiator heaters delivered to the United States complies with TSCA: EPA's TSCA Civil Penalty Policy shall apply.

2. Failure to mail consumer notification letters to the approximately 70,000 warranty card holders and to EPA by

the date specified in Paragraph V-B-4: $500 for each calendar day that the mailing is late.

3. Failure to mail the notification letter to the Consumers Union of U.S., Inc. by the date specified in Paragraph V-B-6: $500 for each calendar day that the mailing is late.

4. Failure to establish by the date specified in Paragraphs V-B-5 and V-C-6 a special toll-free telephone number to be used by consumers, service centers, and retailers seeking additional information about DeLonghi radiator heaters: $500 for each calendar day the establishment of an operational toll-free telephone number is late.

5. Failure to maintain an operational toll-free telephone number for the period specified in Paragraphs V-B-5 and V-C-6: $500 for each calendar day less than one calendar year from the effective date of the Final Order in this matter that the telephone number is operational.

6. Failure to submit to EPA proposed instructions to service centers and retailers within the time period specified in Paragraph V-C-4: $250 for each calendar day the proposed instructions are late.

7. Failure to mail instructions to the service centers, retailers, and EPA by the date specified in Paragraph V-C-5: $250 for each calendar day the mailing is late.

8. Failure to establish a $200,000 "starter" fund to cover costs associated with disposal of returned radiator heaters and providing replacements and refunds within the

time period specified in Paragraph V-D-2: $1,000 for each calendar day the establishment of the fund is late.

B. Payment of stipulated penalties shall be made within thirty (30) calendar days of written demand by forwarding a cashier's or certified check, payable to the Treasurer, United States of America, to: EPA-Washington (Hearing Clerk), P. O. Box 360277M, Pittsburgh, Pennsylvania 15251.

VII. FORCE MAJEURE

If DeLonghi fails to comply with any performance date or other requirement of this Agreement, and if such failure is caused by persons or events beyond the control of the Company, despite the exercise of all reasonable efforts, such failure shall not be considered a violation of this Agreement. When circumstances are occurring or have occurred which may delay the completion of any requirement of this Agreement, DeLonghi shall notify EPA in writing of the reason(s) for and duration or expected duration of such delay, the measures to be taken by the Company to prevent or minimize the delay, and the timetable by which those measures will be implemented. Such notice shall be sent no later than thirty (30) calendar days following the date DeLonghi becomes aware of the occurrence. DeLonghi's failure to notify EPA of the fact of the delay shall constitute a waiver of claims or defenses under this provision. DeLonghi shall have the burden of establishing the existence of a force majeure event.

VIII. OTHER MATTERS

A. Nothing in this Consent Agreement shall relieve DeLonghi of the duty to comply with all applicable provisions of TSCA and other applicable environmental laws.

B. This Consent Agreement shall be binding upon the Parties and in full effect upon execution of the Final Order by EPA's Chief Judicial Officer or his designated representative.

C. Modification of any of the terms of this Consent Agreement may be made only through a written agreement between the Parties.

D. Notifications -- Whenever reports, documents, or other written information is transmitted in implementation, or with respect to the subject matter, of this Consent Agreement, such communications shall be made to the following persons:

1. EPA

Ms. Mary McDonnell
Office of Compliance Monitoring (EN-342)
Office of Pesticides and Toxic Substances
United States Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

2. DeLonghi

Mr. James K. McCusker, President
DeLonghi America, Inc.
350 Fifth Avenue, Suite 7712
New York, NY 10118

- and -

James A. Rogers, Esq.
1440 New York Avenue, N.W.
Washington, D.C. 20005

Verbal communications shall be directed to Ms. McDonnell (202-382-7835) and Mr. McCusker (212-947-3915), on behalf of EPA and DeLonghi, respectively.

For Complainant:

KEN SHIROISHI
Office of Compliance Monitoiring
Office of Pesticides and
Toxic Substances
U.S. Environmental Protection
Agency
Washington, D.C. 20460

Date: 12/16/87

BOB W. PITTMAN, JR., Esq.
Special Litigation Division
U.S. Environmental Protection
Agency
Washington, D.C. 20460

Date: 12/16/87

FREDERICK F. STIEHL, Esq.
Associate Enforcement Counsel
for Pesticides and Toxic
Substances
U.S. Environmental Protection
Agency
Washington, D.C. 20460

Date: 12/17/87

For Respondent:

JAMES K. McCUSKER, President
DeLonghi America, Inc.
350 Fifth Avenue, Suite 7712
New York, NY 10118

Date: 12-14-87

Frederick J. Stoll for

THOMAS L. ADAMS, JR., Esq.
Assistant Administrator for
Enforcement and Compliance
Monitoring
U.S. Environmental Protection
Agency
Washington, D.C. 20460

Date: 12/21/87

ATTACHMENT A

UNITED STATES CUSTOMS SERVICE
DECLARATION OF TSCA COMPLIANCE

[Date] Ref. Invoice No. _____ dated _____

On [date], DeLonghi S.p.A. loaded into [#] containers [#] oil-filled radiators to be shipped under Bill of Lading No. _____ with [name of vessel] destined for [city]. DeLonghi S.p.A. certifies that this shipment complies with the Toxic Substances Control Act (TSCA) and the regulations implementing TSCA.

_____
[Signature and title]

ATTACHMENT B

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
CERTIFICATION OF TSCA COMPLIANCE

[Date] Ref. Invoice No. _____ dated _____

On [date], DeLonghi America, Inc. accepted delivery of [#] oil-filled radiators shipped from Italy to [destination]. DeLonghi America, Inc. certifies that its importation of the radiators is in full compliance with the Toxic Substances Control Act (TSCA) and the regulations implementing TSCA.

_____
(Signature and title)

ATTACHMENT C

Dear Customer:

Our records indicate that you purchased a DeLonghi oil-filled electric radiator. We appreciate your business and hope that we are able to include you among our many satisfied customers.

DeLonghi makes every effort to ensure the quality of its radiators. At several steps in the manufacturing process, the radiators are subjected to rigorous quality control. One result of this is that only one in 10,000 radiators has been found to leak oil. Despite the very low risk that your radiator will ever leak, we want to caution you regarding proper handling if it does so. A leak is of special concern to you because certain substances that may cause human health effects could be in the oil. Some DeLonghi radiators made until May 1986 contain recycled mineral oil containing polychlorinated biphenyls (PCBs). (As soon as DeLonghi learned that one of its oil suppliers had provided recycled oil, the company took steps to ensure that only pure mineral oil would be used in its radiators.) Based on extensive testing, DeLonghi has certified to the federal government that all radiators manufactured since May 1986 contain only pure mineral oil.

Available test results suggest that forty-three percent of the DeLonghi radiators manufactured before June 1986 contain recycled oil. If the serial number on your radiator is 86-21 or higher, your radiator does not have recycled oil and you need not concern yourself with this notice. You can find the serial number on your radiator by looking on the underside of the control panel or on the bottom of the heater.

If the serial number on your radiator is 86-20 or lower, your radiator is still usable, but you should observe the precautions described below in the unlikely event that the oil leaks. This advice is based on a study by the United States Environmental Protection Agency (EPA) of the risks posed by the use of these radiators. EPA's study found that the use of these radiators does not present an unreasonable risk of PCB exposure.

Based on its study, EPA stated:

> Should an oil leak occur from an oil-filled radiator, EPA recommends avoiding skin contact with the oil, using disposable cleanup materials to clean up the leaked oil and placing the unit and disposable cleanup materials in a plastic bag, securely tied, for collection by local trash disposal services. If furniture, carpets, or other household items are stained or contaminated with the leaked oil, they too should be disposed of in a like manner.

If this notice applies to your radiator, you should keep it in a safe place for future reference. Also, if you have any questions concerning this notice, please call us toll-free at 1-800-___-____.

ATTACHMENT C

Dear Customer:

Our records indicate that you purchased a DeLonghi oil-filled electric radiator. We appreciate your business and hope that we are able to include you among our many satisfied customers.

DeLonghi makes every effort to ensure the quality of its radiators. At several steps in the manufacturing process, the radiators are subjected to rigorous quality control. One result of this is that only one in 10,000 radiators has been found to leak oil. Despite the very low risk that your radiator will ever leak, we want to caution you regarding proper handling if it does so. Until May 1986, some DeLonghi radiators contained recycled mineral oil containing polychlorinated biphenyls (PCBs). (As soon as DeLonghi learned that one of its oil suppliers had provided recycled oil, the company took steps to ensure that only pure mineral oil would be used in its radiators.) Based on extensive testing, DeLonghi has certified to the federal government that all radiators manufactured since May 1986 contain only pure mineral oil.

Available test results suggest that forty-three percent of the DeLonghi radiators manufactured before June 1986 contain recycled oil. If the serial number on your radiator is 86-21 or higher, your radiator does <u>not</u> have recycled oil and you need not concern yourself with this notice. You can find the serial number on your radiator by looking on the underside of the control panel or on the bottom of the heater.

Because PCBs may cause human health effects, the United States Environmental Protection Agency (EPA) commissioned a study of the risks posed by the use of these radiators. EPA's study found that the use of these radiators does not present an unreasonable risk of PCB exposure.

Based on its study, EPA has stated:

> Should an oil leak occur from an oil-filled radiator, EPA recommends avoiding skin contact with the oil, using disposable cleanup materials

to clean up the leaked oil and placing the unit and disposable cleanup materials in a plastic bag, securely tied, for collection by local trash diposal services.

If you have any questions concerning this notice, please call us toll-free at 1-800-_____.

ATTACHMENT D

_____, 1987

Consumers Union of U.S., Inc.
256 Washington Street
Mount Vernon, New York 10553

To Whom It May Concern:

DeLonghi America has established a toll-free telephone number for consumers, retailers, and service centers in connection with the settlement of a civil action brought by the United States Environmental Protection Agency (EPA). The toll-free number will be manned by personnel equipped to answer any questions regarding the company's oil-filled radiators and to provide information concerning returns, replacements, and proper disposal methods. The toll-free telephone number is 1-800-_____.

EPA's civil action grew out of DeLonghi's inadvertent use of recycled PCB-contaminated mineral oil in a portion of the oil-filled radiators manufactured prior to May 1986. As soon as DeLonghi discovered that one of its four oil suppliers had furnished oil with low levels of polychlorinated biphenyls (PCBs), it immediately took steps to ensure that only pure oil would be used in all subsequent production. DeLonghi now employs a technician who uses specialized testing equipment to check all oil deliveries. Based on the testing, DeLonghi certifies to the federal government that the heaters contain only pure mineral oil.

It is only in cases where a heater is leaking oil that there may be some exposure to the low-level PCBs. However, a survey of DeLonghi's service centers indicated that only one in 10,000 radiators had been found to leak. Consequently, there is little risk that radiator owners will come in physical contact with PCB-contaminated mineral oil. EPA's press release dated November 17, 1986, advised:

> Should an oil leak occur from an oil-filled radiator, EPA recommends avoiding skin contact with the oil, using disposable cleanup materials to clean up the

leaked oil and placing the unit and disposable cleanup materials in a plastic bag, securely tied, for collection by local trash disposal services.

Radiators with serial numbers 86-21 and above were manufactured after May 1986 and have been certified to contain only pure mineral oil. Serial numbers are located on the underside of the control panel.

Available test results suggest that forty-three percent of the radiators with serial numbers below 86-21 contain recycled PCB-contaminated oil. It should also be noted that the presence of recycled oil does not interfere with the efficient operation of these radiators.

DeLonghi seeks to provide its customers with the best service possible and is hopeful that establishing the toll-free number will assist in attaining that goal. Please let me know if I can provide any additional information concerning DeLonghi's radiators.

Sincerely,

J. K. McCusker
President

ATTACHMENT E

Service Centers

State	Name
Arizona	Elliott Electric Appliance Service (2 locations)
California	California Electric Service (15 locations)
Colorado	Nelson Appliance Repair
	Midwest Appliance Service
Connecticut	Utility Electric Service
	Appliance Service Center of Stamford
Florida	Whites Service Inc.
	Whites Small Appliances
	Authorized Appliance Service Company (2 locations)
Georgia	A&A Appliance Parts & Service
	The Kitchen Outlet
Illinois	Master Electric Service Company
Maryland	Don Reedy Appliance Service
	Electric Motor Repair
	Duran Service
Massachusetts	Utility Electric Service
	Suburban Appliance Servicenter

State	Name
Michigan	McNichols Electric Service (3 locations)
Nebraska	Myers Electric Company Inc.
New Jersey	Boulevard Appliance Service
New York	Turnpike Service Center
	Turnpike Appliance Service
	Approved Appliance Service Center
North Carolina	Authorized Appliance Service Center (4 locations)
North Dakota	General Parts & Supply
Ohio	Demers Service Center
	Broadway Sales & Appliance Repair
	Layer Electric
Oklahoma	Krueger Electric Service
Oregon	Oregon Appliance Service (2 locations)
Pennsylvania	Appliance Care Service
	Ferry Electric Service (3 locations)
	Electric Repair Company
Texas	Electric Shaver Sales
Tennessee	Camp Electric Company (4 locations)
	Factory Service Center

State	Name
Utah	Appliance Service Center
Virginia	National Electric Appliance Service
Washington	Ajax Electric Inc. (2 locations)
	Action Small Appliance (2 locations)

Major Retailers

Best Products
P.O. Box 26303
Richmond, VA 23260

Builders Square
100 Gill Road
Suite 100
San Antonio, TX 78201-6508

Consumers Distributing
205 Campus Plaza
Edison, NJ 08837

Costco
10809 120th Ave., N.E.
Kirkland, WA 98083-9777

Emporium Capwell
835 Market Street
San Francisco, CA 94103

Hechinger's
3500 Pennsy Drive
Landover, MD 20785

Jordan Marsh
P.O. Box C2506
Boston, MA 02205

K-Mart
3100 West Big Beaver
Troy, MI 48084

Lechmere Sales
275 Wildwood Street
Woburn, MA 01801

Longs Drug Stores
141 North Civic Drive
Walnut Creek, CA 94596

Macy's
151 West 34th Street
New York, NY 10001

Montgomery Ward
Montgomery Ward Plaza
Chicago, IL 60672

Mr. Goodbuys
3025 Walnut Street
Philadelphia, PA 19104

Osco Drug, Inc.
3030 North Cullerton
Franklin Park, IL 60131

Price Club
P.O. Box 85466
San Diego, CA 92138

Richels
200 Helen Street
S. Plainfield, NJ 07080

Stern's
Route 4
Paramus, NJ 07652

Target Stores
33 South Sixth Street
P.O. Box 1392
Minneapolis, MN 55440-1392

Wal-Mart Stores
702 S.W. 8th Street
Bentonville, AZ 72716

Warehouse Club
7235 N. Linder
Skokie, IL 60077

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

In the Matter of: DELONGHI AMERICA, INCORPORATED, Respondent.	)	Docket No. TSCA-87-H-04 FINAL ORDER

FINAL ORDER

Pursuant to TSCA §16(a)(2)(C), 15 U.S.C. §2615(a)(2)(C), upon consideration of the foregoing Consent Agreement, upon consideration of the factors expressed in TSCA §16(a)(2)(B), and after consideration of the good faith exhibited by Respondent, it is this 1st day of June, 1988,

ORDERED THAT:

1. Respondent comply with the terms of the Consent Agreement;

2. Respondent is assessed a civil penalty in the sum of $500,000 to be paid in two installments. Respondent shall pay the first installment in the sum of $250,000 not later than sixty (60) days following this date. Interest at the rate of 10 percent will be charged on the remaining balance. The second installment, in the sum of $275,000 will be paid one calendar year after the due date of the initial installment.

3. Payments of the civil penalty are to be made by forwarding cashier's or certified checks, payable to the Treasurer, United States of America in the appropriate amounts to: EPA-Washington (Hearing Clerk), P.O. Box 360277M, Pittsburgh, Pennsylvania 15251.

RONALD L. McCALLUM
Chief Judicial Officer
U.S. Environmental Protection Agency