UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

JUL 25 2016

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William H. Hyatt, Jr.
Coordinating Counsel
LPRSA Cooperating Parties Group
K & L Gates
One Newark Center, Tenth Floor
Newark, New Jersey 07102-5252

Re: Diamond Alkali Superfund Site, Lower Passaic River Study Area
Administrative Order on Consent, Index No. CERCLA 02-2007-2009
Bill for Collection No. 2721626S0043

Dear Mr. Hyatt:

The United States Environmental Protection Agency ("EPA") is charged with responding to the release or threatened release of hazardous substances into the environment and with enforcement responsibilities under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), as amended, 42 U.S.C. § 9601, *et seq*. EPA has documented the release or threat of release of hazardous substances into the Lower Passaic River Study Area portion of the Diamond Alkali Superfund Site. In response to the release or threatened release of hazardous substances, EPA has spent, and will continue to spend, public funds on actions to investigate and control such releases and threatened releases at the site pursuant to Section 104 of CERCLA.

On May 8, 2007, EPA entered into an Administrative Order on Consent ("Order"), Index No. CERCLA 02-2007-2009, with the Cooperating Parties Group ("CPG") for the performance of the Remedial Investigation and Feasibility Study ("RI/FS"). Pursuant to Paragraph 80(a) of this Order, the CPG agreed to reimburse EPA for all Future Response Costs, as defined in the Order, incurred by the EPA in connection with the RI/FS from the effective date of the Order.

This letter serves as Bill for Collection No. 2721626S0043, covering the period from September 1, 2014 through August 31, 2015.

Enclosure A is a narrative statement describing the Future Response Costs paid during the time period covered by the Bill for Collection. Enclosure B consists of two itemized cost summaries, referred to as Superfund Cost Recovery Package Imaging and On-Line System ("SCORPIO$") reports for the Diamond Alkali Site, site identification number 02-96, Operable Unit ("OU") 00 and OU03 17 Mile. For the purposes of the SCORPIO$ report, OU03 represents the expansion

of the CERCLA investigation from the six-mile Passaic River Study Area to the seventeen-mile Lower Passaic River Study Area. EPA charges time for the CPG-lead RI/FS, CPG-lead Removal and EPA-lead work to OU03, but only charges for the CPG-lead RI/FS are included in the OU03 17 Mile SCORPIO$ report that appears in Enclosure B, except for the excluded costs noted in Enclosure A.

Some personnel charged their time to OU00 to represent time spent on all OUs. Therefore, the OU00 costs have been apportioned among OU01, OU02 (Occidental Chemical Corporation ["OCC"]/Tierra Solutions, Inc. ["TSI"] Removal and OCC/TSI Combined Sewer Overflow/Storm Water Outfall ["CSO/SWO"] Sampling), OU03 (CPG-lead RI/FS, CPG-lead Removal, and EPA-lead work) and OU04, as described in the enclosure. While all OU00 charges are included in the SCORPIO$ report for OU00 that appears in Enclosure B, this Bill for Collection includes only those costs that EPA has apportioned to the CPG-lead RI/FS.

EPA certifies that as of August 31, 2015, it has paid at least $2,540,570.75 in Future Response Costs in connection with the RI/FS for the Lower Passaic River Study Area.

As per Section XVIII 80.a. of the Order, payment shall be made within thirty (30) days of receipt of this letter via electronic funds transfer ("EFT"). To make this payment, you should instruct your bank to remit payment in the required amount to EPA via EFT accompanied by the following information:

Amount of payment: **$2,540,570.75**
EFT to be directed to: **Federal Reserve Bank of New York**
Bank routing number: **021030004**
Bank account number receiving payment: **68010727**
SWIFT address: **FRNYUS33**
Address: **Federal Reserve Bank of New York**
33 Liberty Street
New York, NY 10045
Field tag 4200 of Fedwire message to read (for Fedwire payments):
D 68010727 Environmental Protection Agency
Name of remitter: **LPRSA Cooperating Parties Group**
Case number: **CERCLA 02-2007-2009**
Site name: **Diamond Alkali Superfund Site, Lower Passaic River Study Area**
Site/spill identifier: **02-96**

To ensure that your payment is properly recorded, you should send either an email or a letter contemporaneously with the EFT, which references the date of the EFT, the payment amount, the name of the Site, the Site identification number, the case number, and your name and address to:

Jennifer LaPoma, Remedial Project Manager
Emergency & Remedial Response Division
U.S. Environmental Protection Agency, Region 2
290 Broadway, 20th floor
New York, New York 10007-1866
email: lapoma.jennifer@epa.gov

and

Frances Zizila, Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th floor
New York, New York 10007-1866
email: zizila.frances@epa.gov

and

Elizabeth McGuffey
U.S. Environmental Protection Agency
26 West Martin Luther King Drive
Attention: FINANCE
MS: NWD2
Cincinnati, Ohio 45268
emails: mcguffey.elizabeth@epa.gov and cinwd_acctsreceivable@epa.gov

The United States reserves its rights to recover any costs paid during the time period covered by this accounting but not included in this billing, and all other oversight and response costs incurred pursuant to the Administrative Order on Consent.

EPA reaffirms its commitment to conduct appropriate and cost-effective oversight of work performed by consenting parties while ensuring protective cleanups. To this end, EPA is prepared to discuss its plans for the oversight of ongoing work at the Site, and to provide you with the opportunity to suggest ways to effectively streamline the work and its oversight.

If you have any questions regarding this matter, please contact Jennifer LaPoma at (212) 637-4328. Legal inquiries should be directed to Ms. Zizila at (212) 637-3135. Thank you for your prompt attention to this matter.

Sincerely yours,

Michael Sivak, Acting Branch Chief
Special Projects Branch
Emergency & Remedial Response Division

Enclosures

cc: Bill Potter, demaximis, inc.

ENCLOSURE A
Summary of Costs Paid by EPA
09/01/14 through 08/31/15
Diamond Alkali Superfund Site, Newark, New Jersey
Operable Unit Three – Lower Passaic River Study Area
Remedial Investigation and Feasibility Study
Site ID: 02-96

COSTS FROM OU03 17 MILE SCORPIO$ REPORT

Payroll and Travel from OU03 17 Mile SCORPIO$ Report:

These costs consist of direct EPA personnel charges and travel for time spent by EPA employees in overseeing work performed under the Administrative Order on Consent, Index No. CERCLA-02-2007-2009 ("AOC"), including review of CPG technical submissions, meetings and/or conferring with CPG representatives, internal meetings and conferences concerning the RI/FS, community relations/outreach and coordination with Partner Agencies. See enclosed Payroll Sections 3-4 and Travel Sections 5-6 of EPA's Itemized Cost Summary.

[$208,243.17 + $6,195.66 + $31.60 + $1,833.64] $ 216,304.07

Interagency Agreement (IAG) from OU03 17 Mile SCORPIO$ Report:

These costs are related to the New York/New Jersey Baykeeper's Technical Assistance Grant. See enclosed Contract Costs Section 7 of EPA's Itemized Cost Summary. EPA determined that 20 percent of these costs were related to EPA oversight of work performed by the CPG under this AOC.

[20% of $16,190.24] $ 3,238.05

Interagency Agreement (IAG) from OU03 17 Mile SCORPIO$ Report:

These costs consist of technical support by the U.S. Army Corps of Engineers, Kansas City, for oversight of work performed under this AOC. See enclosed Contract Costs Section 8 of EPA's Itemized Cost Summary. Oversight of the Occidental Chemical Corporation/Tierra Solutions (OCC/TSI) Combined Sewer Overflow and Stormwater Outfall (CSO/SWO) Sampling, CPG-lead Removal and OCC/TSI River Mile (RM) 10.9 Pipeline Survey is also performed under this IA, under separate task orders. The enclosed documents "CSO/SWO Sampling Oversight – Summary of Costs", "CPG RM10.9 Oversight – Summary of Cost" and "OCC/TSI RM10.9 Pipeline Survey Oversight – Summary of Costs" provide a breakdown of the oversight costs billed under IA DW96942125 that were excluded from this bill.

[$1,579,143.14 - $16,899.00 - $99,246.00 - $20,791.00] $ 1,442,207.14

Other Expenditures from OU03 17 Mile SCORPIO$ Report:

These costs consist of charges for contractor support for file storage and maintenance by Ensoftek. These costs have been apportioned among EPA-lead activities, EPA oversight of CPG-lead Removal and EPA oversight of work performed under this AOC. See enclosed Contract Costs Section 9 of EPA's Itemized Cost Summary.

[$659.52 / 3] $ 219.84

Subtotal Direct Costs for OU03 RI/FS from OU03 17 Mile SCORPIO$ Report ***$ 1,661,969.10***

Indirect Costs for OU03 RI/FS from OU03 17 Mile SCORPIO$ Report:

Indirect costs are those costs which are necessary to the operation of the Superfund program and the support of site cleanup efforts, but which cannot be tied directly to the efforts at any one site. Indirect costs are allocated to particular Superfund sites by means of a methodology established by EPA Headquarters.

Subtotal Indirect Costs for OU03 RI/FS from OU03 17 Mile SCORPIO$ Report
*[$1,661,969.10 * 49.2%]* ***$ 817,688.80***

Total Direct and Indirect Costs for OU03 CPG-lead RI/FS from OU03 17 Mile SCORPIO$ Report: **$ 2,479,657.90**

COSTS FROM OU00 SCORPIO$ REPORT

Payroll from OU00 SCORPIO$ Report:

The OU00 SCORPIO$ report includes payroll for OU01, OU02 (OCC/TSI Removal and OCC/TSI CSO/SWO Sampling), OU03 (EPA-lead work, CPG-lead Removal and CPG-lead RI/FS) and OU04. Therefore, these costs were divided evenly among the seven components.

[$13,384.24 / 7] $ 1,912.03

Other Expenditures from OU00 SCORPIO$ Report:

The OU 00 SCORPIO$ report includes charges for contractor support for file storage and maintenance by Ensoftek for OU 01, OU 02 (OCC/TSI Removal and OCC/TSI CSO/SWO Sampling), OU 03 (EPA-lead work, CPG-lead Removal and CPG-lead RI/FS) and OU 04. Therefore, these costs were divided evenly among the seven components.

[$806.36 / 7] $ 115.19

Technical and Analytical Support Services from OU00 SCORPIO$ Report:

These costs consist of "Systems Research & Applications Corp" charges for contractor support for Community Advisory Group (CAG) facilitation. EPA determined that approximately 73 percent of these costs were related to EPA oversight of work performed by the CPG under this AOC.

[$54,574.64 * 73%] $ 39,839.49

Subtotal Direct Costs from OU00 SCORPIO$ Report apportioned to OU03 CPG-lead RI/FS:
$ 41,866.71

Indirect Costs from OU00 SCORPIO$ Report:

See description above.

Subtotal Indirect Costs from OU00 SCORPIO$ Report apportioned to OU03 CPG-lead RI/FS:
*[$41,866.71 * 49.2%]* ***$ 20,598.42***

Subtotal Direct and Indirect Costs from OU00 SCORPIO$ Report apportioned to OU03 CPG-lead RI/FS: **$ 62,465.13**

BANKRUPTCY SETTLEMENT CREDIT

This is a credit in the amount of 10 percent of the payment of $15,552.76 received by EPA on January 20, 2012 pursuant to the Settlement Agreement between the United States and Hercules Chemical Company, Inc., Debtor, in In re Hercules Chemical Company, Inc., Case No. 08-27822-MS.

($ 1,552.28)

OU03 CPG-lead RI/FS Bill for Collection Amount		**$ 2,479,657.90**
	Plus	**$ 62,465.13**
	Minus	**$ 1,552.28**
		$ 2,540,570.75