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August 15, 2014

VIA EMAIL

Jenny Chambers, Division Administrator
Remediation Division
Montana Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Dear Ms. Chambers:

This is in response to your letter to Cheryl Driscoll dated July 31, 2014. As we discussed in our July 9, 2014 meeting with you, the Columbia Falls Aluminum Company ("CFAC") site is owned and operated by CFAC and CFAC is a separate company from Glencore Ltd. Therefore, please address all future correspondence regarding the CFAC site to me.

We are interested in moving forward with discussions with the Montana Department of Environmental Quality ("MDEQ") as long as such discussions can be performed in good faith by both sides. We are uninterested in discussing this matter through the media.

When we met at your offices on July 9, 2014, you stated that you would send to us a short, 2-3 page conceptual discussion of how the CFAC site could be addressed under various programs applicable to the site under Montana law. This conceptual paper was then going to form the basis of a discussion that would result in an effective program for efficiently addressing site environmental issues. You did not do that. Instead, you unilaterally decided to send us a draft Administrative Order on Consent ("AOC") under the Montana Comprehensive Environmental Cleanup and Responsibility Act ("CECRA") with scopes of work attached to it for three major studies. You have asked for our preliminary response by August 15 and detailed responses by September 1, 2014 with the goal of finalizing the AOC and scopes of work by September 15, 2014.

It also appears that either a copy or a very detailed description of the draft AOC has been provided to the local media. We would expect that the MDEQ would follow its usual

process of seeking public comments on any AOC or compliance order that we agree to through notice and comment.

On July 25, 2014, another division of the MDEQ issued CFAC a final water discharge permit under the Water Quality Act which significantly changed how site surface and groundwater, which would also be the subject of any additional investigation, had been regulated for the past 20 years and left the regulatory status of previously regulated sources uncertain. CFAC is still evaluating the permit and trying to understand its internal inconsistencies and vague language. It is very likely CFAC will appeal the newly issued permit which will extend the current permit.

We had discussed the fact that CFAC had provided extensive comments on the draft water permit in our July 9, 2014 meeting and we had hoped that the conceptual paper that you committed to draft would help us understand how the MDEQ thought that the permit and the other regulatory programs that could apply to CFAC would fit together to form a consistent regulatory approach to the site. Instead, you sent us a draft AOC without any explanation as to how it relates to the final permit or to other Montana programs and without any explanation of other applicable programs. And, after years of silence on this matter or prior discussion, you ask for our preliminary comments on this unexpected proposal in approximately two weeks.

We agree that the site assessments that you propose are, in general, reasonable next steps with regard to the CFAC site, although we reserve the right to object to any specific scope of work. We will provide more detailed comments on such scopes of work in the near future.

Sincerely,

Andrew D. Otis

cc: Bill Kirley, Chief Remediation Counsel