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April 28, 2016

Rich Campbell
U.S. EPA Region 9
Office of Regional Counsel
75 Hawthorne Street (mail code: ORC-2)
San Francisco, CA 94105

Re: **Sims Group USA Corporation – Final Sediment Sampling and Analysis Plan and Quality Assurance Project Plan, Redwood City Facility**

Dear Rich:

I am writing on behalf of Sims Group USA Corporation ("Sims") to acknowledge receipt of EPA's April 25, 2016 letter conditionally approving Sims' Final Sediment Sampling and Analysis Plan and Quality Assurance Project Plan ("SSAP"). We appreciate EPA's willingness to work with Sims and its consultant Terraphase Engineering to resolve all outstanding technical questions, and in particular, EPA's concurrence that the sediment investigation may proceed in an iterative manner, with the need for any subsequent phase of investigation being determined by and guided by the sampling results from the prior phase of work. Sims will coordinate with EPA technical staff on implementation of the SSAP and is mindful of the 120-day period for completion of the scope of work. We also appreciate your acknowledgement that EPA would not consider a request for extension of the 120-day period to constitute a material modification of the Consent Decree. While we hope it will not be necessary to request an extension, Sims understands that any such extension may be granted administratively, without need for modification of the Consent Decree.

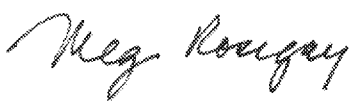
I would like to raise one other formality. As we have discussed before, Sims does have a lingering concern that EPA technical staff may view the purpose of the sediment investigation more broadly than is contemplated by the Consent Decree. EPA's April 25 letter notes that EPA may require additional samples to be taken and analyzed either from deeper sediments, or samples from locations further

away from the sampling required in the Final SSAP, or both. EPA also states that it may require additional background samples to be taken and analyzed from deeper in the sediment and/or from different locations from those in the initial sites approved in the Final SSAP.

While Sims acknowledges the potential need for a subsequent phase (or possibly phases) of investigation, we believe the scope of any follow-up sediment analyses must be guided by and consistent with the original purpose and intent of the Consent Decree, i.e., "to determine if the area underneath and proximate to Sims' ship-loading Conveyor located at Wharf 3 at the Port of Redwood City has been impacted by total metals and PCBs associated with Sims' scrap metal ship-loading activities." Consent Decree, ¶ 12. The Consent Decree delineates the area of interest by reference to "observed scrap metal impacts." The Consent Decree does not address the broader question of historical PCB contamination that may be present in other areas of Redwood Creek, the timing and source of which are unknown. We spent considerable time during the negotiations on the Consent Decree discussing the issue of "background," and it is a central tenet of our agreement that, for purposes of this investigation, " 'background concentrations' shall be assumed to be the concentrations of metals and PCBs that are present in the sediments due to industrial activities of other sources unrelated to Sims." Consent Decree, ¶ 12.e. While we recognize these determinations may be technically complex, and may necessitate additional sampling, these basic principles will remain relevant to any future scope of work for a subsequent phase of investigation.

Again, we appreciate EPA's conditional approval of the Final SSAP, and look forward to working cooperatively with EPA to conclude the investigation.

Very truly yours,



Margaret Rosegay

cc: Steve Shinn
Scott Miller
Melisa Cohen