UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: STARMET CMI Barnwell, Barnwell County, South Carolina Alaron Corporation, Respondent	ADMINISTRATIVE ORDER ON CONSENT U.S. EPA Region 4 CERCLA Docket No. 04-2007-3753 Proceeding Under Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9622

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I. JURISDICTION

1. This Administrative Order on Consent (Consent Order or Order) is issued pursuant to the authority vested in the President of the United States by Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), 42 U.S.C. § 9622(g)(4), to reach settlements in actions under Section 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607. The authority vested in the President has been delegated to the Administrator of the United States Environmental Protection Agency (EPA) by Executive Order 12580, 52 Fed. Reg. 2923 (Jan. 29, 1987), and further delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-E , and to the Chief of the Waste Programs Branch by Regional Delegation No. 14-14-E.

2. This Administrative Order on Consent is issued to Alaron Corporation, (Alaron) Respondent, who agrees to undertake all actions required by this Consent Order. Respondent further consents to and will not contest EPA's jurisdiction to issue this Consent Order or to implement or enforce its terms.

3. EPA and Respondent agree that the actions undertaken by the parties in accordance with this Consent Order do not constitute an admission of any liability by Respondent. Respondent does not admit, and retains the right to controvert in any subsequent proceedings, other than proceedings to implement or enforce this Consent Order, the validity of the Statement of Facts or Determinations contained in Sections IV and V, respectively, of this Consent Order.

II. STATEMENT OF PURPOSE

By entering into this Consent Order, the mutual objectives of EPA and Alaron are:

4. to reach a final settlement between EPA and Alaron with respect to the Site pursuant to Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), that allows Respondents to make a cash payment, including a premium, to resolve their alleged civil liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, for injunctive relief with regard to the Site and for response costs incurred and to be incurred at or in connection with the Site, thereby reducing litigation relating to the Site;

5. to simplify any remaining administrative and judicial enforcement activities concerning the Site by eliminating a potentially responsible party from further involvement at the Site; and

6. to obtain settlement with Respondent for their fair share of response costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, and by private parties, to provide for full and complete contribution protection for Respondent with regard to the Site pursuant to Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5).

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Consent Order that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in the statute or regulations. Whenever the terms listed below are used in this Consent Order, the following definitions shall apply:

A. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

B. "Consent Order" or "Order" shall mean this Administrative Order on Consent and all appendices attached hereto. In the event of conflict between this Order and any appendix, the Order shall control.

C. "Day" shall mean a calendar day. In computing any period of time under this Consent Order, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

D. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities.

E. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

F. "Interest" shall mean interest at the current rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a).

G. "Paragraph" shall mean a portion of this Consent Order identified by an arabic numeral.

H. "Parties" shall mean EPA and the Respondent.

I. "Respondent" shall mean Alaron Inc., (Alaron).

J. "Response Costs" shall mean all costs of response as that term is defined by Section 101(25) of CERCLA, 42 U.S.C. § 9601(25).

K. "Section" shall mean a portion of this Consent Order identified by a roman numeral.

L. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix A.

M. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

IV. STATEMENT OF FACTS

8. Alaron Corporation is in the business of handling radioactive waste, and shipped approximately 351,000 lbs of low level radioactive scrap metal to Starment.

9. At certain times during its operations, Starmet processed scrap metal that was classified as radioactive waste. The scrap was melted and recast for applications in the nuclear industry.

10. A certain amount of this scrap material was never processed, and remained at the Site until Alaron removed the material pursuant to and Administrative Order on Consent entered into

between EPA and Alaron, EPA Docket Number: CERCLA-04-2005-3783.

11. The material that was processed generated dry active waste (DAW).

12. Based on the amount of material processed at Starmet, 7.75 drums of uncompressed DAW were generated.

13. In addition to the DAW, Alaron likely contributed to some contamination in the ponds. This contamination would have occurred when protective equipment was laundered, and the contaminated waste water was discharged to the pond. Alaron's contribution would be very small.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

14. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

A. The Starmet Site is a facility as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

B. The contamination found at the Site, as identified in the Findings of Fact above, includes hazardous substances as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

C. Respondent is a person as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

D. Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for performance of response action and for Response Costs incurred and to be incurred at the Site. Respondent arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances at the facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3).

E. The conditions described in Findings of Fact above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

F. As a result of the release or threatened release of hazardous substances, EPA has undertaken response actions at or in connection with the Site under Section 104 of CERCLA, 42 U.S.C. § 9604, and will undertake response actions in the future.

G. In performing these response actions, EPA has incurred and will continue to incur response costs at or in connection with the Site. EPA has incurred over $6,149,136 in costs at the Site.

H. Respondent is a producer of uranium that sent depleted UF_6 to the Site.

I. The amount of contamination contributed to the Site by Respondent represents approximately 0.09% of the waste removed from the Site. The hazardous substances contributed by Respondent to the Site are not more toxic or of greater hazardous effect than other hazardous substances at the Site.

J. EPA estimates that the total Response Costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund and by private parties is about $37 million. The payment required to be made by Respondent pursuant to this Consent Order is a minor portion of this total amount.

VI. ORDER

Based upon the administrative record for the Site and the Statement of Facts and Determinations set forth above, and in consideration of the promises and covenants set forth herein, the following is hereby AGREED TO AND ORDERED:

VII. PAYMENT

15. Within 30 days of the effective date of this Consent Order, Respondent shall pay to the EPA Starmet Special Account (Operable Unit 5): $7,100.

16. Respondent's payment includes: a) $3,876 for past response costs incurred at or in connection with the Site; b) indirect costs of $1,804 and c) a premium of $1,420 to cover the risks and uncertainties associated with this settlement, including but not limited to, the risk that total response costs incurred or to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, or by any private party, will exceed the estimated total response costs upon which Respondent's payment is based.

17. Payment shall be made by certified or cashier's check made payable to the EPA Hazardous Substance Superfund. The check shall reference the name and address of the party making payment, the Site name and Operable Unit 5, the EPA Region and Site Spill ID Number A48Q, and the EPA docket number for this action, and shall be sent to:

EPA Superfund
U.S. Environmental Protection Agency, Region 4
Superfund Accounting
P.O. Box 100142
Atlanta, Georgia 30384
Attn: Superfund Collection Officer.

18. At the time of payment, Respondent shall send notice that such payment has been made to:

Kevin Beswick
USEPA/EAD
SNAFC
61 Forsyth St., SW
Atlanta, GA 30303

and a copy of the check shall be sent to:

Paula V. Batchelor
U. S. EPA, Region 4
Superfund Enforcement & Information Management Branch
Waste Management Division
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303-8960.

19. The total amount to be paid pursuant to this Consent Order, $7,100, shall be deposited in a Starmet Special Account for *de minimis* settlements, within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Site. Any balance remaining in the Starmet Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

VIII. FAILURE TO MAKE PAYMENT

20. If Respondent fails to make full payment within the time required by Paragraph 16, Respondent shall pay Interest on the unpaid balance. In addition, if Respondent fails to make full payment as required by Paragraph 16, the United States may, in addition to any other available remedies or sanctions, bring an action against Respondent seeking injunctive relief to compel payment and/or seeking civil penalties under Section 122(*l*) of CERCLA, 42 U.S.C. § 9622(*l*), for failure to make timely payment.

IX. CERTIFICATION OF RESPONDENT

21. By signing this Consent Order, Respondent certifies that, to the best of its knowledge and belief, it has:

A. conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to EPA, all information currently in its possession, or in the possession of its officers, directors, employees, contractors or agents, which relates in any way to the ownership, operation, or control of the Site, or to the ownership, possession, generation, treatment, transportation, storage or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the Site;

B. not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents, or other information relating to its potential liability regarding the Site after notification of potential liability or the filing of a suit against it regarding the Site; and

C. fully complied with any and all EPA requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).

X. COVENANT NOT TO SUE BY UNITED STATES

22. In consideration of the payments that will be made by Respondent under the terms of this Consent Order, and except as specifically provided in Section XI (Reservations of Rights by United States), the United States covenants not to sue or take administrative action against the Respondent pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, relating to the Site. With respect to present and future liability, this covenant not to sue shall take effect for Respondent upon receipt of Respondent's payment as required by Section VII. With respect to Respondent, this covenant not to sue is conditioned upon: a) the satisfactory performance by Respondent of all obligations under this Consent Order; and b) the veracity of the information provided to EPA by Respondent relating to Respondent's involvement with the Site. This covenant not to sue extends only to Respondent and does not extend to any other person.

XI. RESERVATIONS OF RIGHTS BY UNITED STATES

23. The covenant not to sue by the United States set forth in Section X does not pertain to any matters other than those expressly specified in Section X. The United States reserves, and this Consent Order is without prejudice to, all rights against Respondent with respect to all other matters including, but not limited to:

A. liability for failure to meet a requirement of this Consent Order;

B. criminal liability;

C. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments; or

D. liability arising from any future arrangement for disposal or treatment of a hazardous substance, pollutant or contaminant at the Site after the effective date of this Consent Order.

24. Notwithstanding any other provision in this Consent Order, the United States reserves, and this Consent Order is without prejudice to, the right to institute judicial or administrative proceedings against Respondent seeking to compel Respondent to perform response actions relating to the Site, and/or to reimburse the United States for additional costs of response, if:

A. information is discovered which indicates that Respondent contributed hazardous substances to the Site in such greater amount or of such greater toxic or other hazardous effects that Respondent no longer qualifies as a *de minimis* party at the Site because Respondent contributed greater than 5% of the hazardous substances at the Site, or contributed hazardous substances which are significantly more toxic or are of significantly greater hazardous effect than other hazardous substances at the Site.

XII. COVENANT NOT TO SUE BY RESPONDENT

25. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States or its contractors or employees with respect to the Site or this Consent Order including, but not limited to:

A. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

B. any claims arising out of response activities at the Site; and

C. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

26. Nothing in this Consent Order shall be deemed to constitute preauthorization or approval of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

XIII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

27. Nothing in this Consent Order shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Order. The United States and Respondent each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

28. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Respondent

shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant action; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue included in Section X.

29. The Parties agree that Respondent is entitled, as of the effective date of this Consent Order, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5), for matters addressed in this Consent Order. The matters addressed in this Consent Order are all response actions taken by the United States and by private parties, and all response costs incurred and to be incurred by the United States and by private parties, at or in connection with the Site.

XIV. PARTIES BOUND

30. This Consent Order shall apply to and be binding upon EPA and upon Respondent and its successors and assigns. Any change in ownership or corporate or other legal status of a Respondent, including but not limited to, any transfer of assets or real or personal property, shall in no way alter Respondent's responsibilities under this Consent Order. Each signatory to this Consent Order certifies that he or she is authorized to enter into the terms and conditions of this Consent Order and to execute and bind legally the party represented by him or her.

XV. INTEGRATION/APPENDICES

31. This Consent Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Order. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Consent Order. The following appendices are attached to and incorporated into this Consent Order: Appendix A is the map of the Site.

XVI. PUBLIC COMMENT

32. This Consent Order shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, 42 U.S.C. § 9622(i)(3), EPA may withdraw or withhold its consent to this Consent Order if comments received disclose facts or considerations which indicate that this Consent Order is inappropriate, improper, or inadequate.

XVII. ATTORNEY GENERAL APPROVAL

33. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(g)(4) of CERCLA, 42 U.S.C. § 9622(g)(4).

XVIII. EFFECTIVE DATE

34. The effective date of this Consent Order shall be the date upon which EPA issues written notice to Respondent that the public comment period pursuant to Paragraph 32 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Consent Order.

IT IS SO AGREED AND ORDERED:

U.S. Environmental Protection Agency

By: _____ On: 10/17/2006

Rosalind H. Brown, Chief,
Superfund Enforcement and Information Management Branch

THE UNDERSIGNED RESPONDENT enters into this Consent Order in the matter of U.S. EPA docket number CY-2007-3753, relating to the Starmet Superfund Site in Barnwell, South Carolina.

FOR RESPONDENT: _____
[Name]

_____
[Address]

By: _____ On: _____

U.S. Environmental Protection Agency

By: _____ On: _____

Rosalind H. Brown, Chief,
Superfund Enforcement and Information Management Branch

THE UNDERSIGNED RESPONDENT enters into this Consent Order in the matter of U.S. EPA docket number CERCLA-04-2005-3183 relating to the Starmet Superfund Site in Barnwell, South Carolina.

FOR RESPONDENT: ALARON CORPORATION
[Name]
2138 State Route 18 - Wampum, PA 16157
[Address]

By: Joseph Harrison On: 9-29-2006

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: STARMET CMI Barnwell, Barnwell County, South Carolina Cameco Corporation, Respondent	ADMINISTRATIVE ORDER ON CONSENT U.S. EPA Region 4 Docket No. CERCLA-04-2005-3781 Proceeding Under Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9622

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I. JURISDICTION

1. This Administrative Order on Consent (Consent Order or Order) is issued pursuant to the authority vested in the President of the United States by Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), 42 U.S.C. § 9622(g)(4), to reach settlements in actions under Section 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607. The authority vested in the President has been delegated to the Administrator of the United States Environmental Protection Agency (EPA) by Executive Order 12580, 52 Fed. Reg. 2923 (Jan. 29, 1987), and further delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-E , and to the Chief of the Waste Programs Branch by Regional Delegation No. 14-14-E.

2. This Administrative Order on Consent is issued to Cameco Corporation, (Cameco) Respondent, who agrees to undertake all actions required by this Consent Order. Respondent further consents to and will not contest EPA's jurisdiction to issue this Consent Order or to implement or enforce its terms.

3. EPA and Respondent agree that the actions undertaken by the parties in accordance with this Consent Order do not constitute an admission of any liability by Respondent. Respondent does not admit, and retains the right to controvert in any subsequent proceedings, other than proceedings to implement or enforce this Consent Order, the validity of the Statement of Facts or Determinations contained in Sections IV and V, respectively, of this Consent Order.

II. STATEMENT OF PURPOSE

By entering into this Consent Order, the mutual objectives of EPA and Cameco are:

4. to reach a final settlement between EPA and Cameco with respect to the Site pursuant to Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), that allows Respondents to make a cash payment, including a premium, to resolve their alleged civil liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, for injunctive relief with regard to the Site and for response costs incurred and to be incurred at or in connection with the Site, thereby reducing litigation relating to the Site;

5. to simplify any remaining administrative and judicial enforcement activities concerning the Site by eliminating a potentially responsible party from further involvement at the Site; and

6. to obtain settlement with Respondent for their fair share of response costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, and by private parties, to provide for full and complete contribution protection for Respondent with regard to the Site pursuant to Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5).

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Consent Order that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in the statute or regulations. Whenever the terms listed below are used in this Consent Order, the following definitions shall apply:

A. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

B. "Consent Order" or "Order" shall mean this Administrative Order on Consent and all appendices attached hereto. In the event of conflict between this Order and any appendix, the Order shall control.

C. "Day" shall mean a calendar day. In computing any period of time under this Consent Order, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

D. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities.

E. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

F. "Interest" shall mean interest at the current rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a).

G. "Paragraph" shall mean a portion of this Consent Order identified by an arabic numeral.

H. "Parties" shall mean EPA and the Respondent.

I. "Respondent" shall mean Cameco Corporation, (Cameco) and its subsidiaries, parent corporations, affiliates, divisions, agents, successors, and predecessors.

J. "Response Costs" shall mean all costs of response as that term is defined by Section 101(25) of CERCLA, 42 U.S.C. § 9601(25).

K. "Section" shall mean a portion of this Consent Order identified by a roman numeral.

L. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix A.

M. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

IV. STATEMENT OF FACTS

8. Cameco shipped 12 cylinders containing 325,588 lbs of depleted uranium hexafluoride (UF_6) to the Starmet facility in Barnwell, South Carolina. The UF_6 was converted into uranium tetrafluoride (UF_4) at Starmet. This process generated calcium fluoride, dry active waste (DAW), process wastewater, and other materials and waste products. This represents 1.09% of all UF_6 processed at the facility.

9. An estimated 11,800 drums of UF_4 are stored at the Site. An estimated 6,028 of the drums contain UF_4 purchased from DOE to be used for processing into uranium metal. This material was not generated from UF_6 processed at the facility. In addition, approximately 6,000 drums of calcium fluoride are stored at the Site.

10. 166 of the UF_4 drums were generated in the processing of Cameco's UF_6.

11. 264 of the calcium fluoride drums were generated in the processing of Cameco's UF_6.

12. The processing of the UF_6 resulted in contamination in two waste water ponds.

13. The processing of the UF_6 resulted in the generation of dry active waste "DAW."

14. The steel drums used for the storage of this material are deteriorating, and some of the drums are leaking.

15. Cameco's UF_6 represents less than1.0% of the total DU, both UF_6 and UF_4 sent to or processed at the facility.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

16. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

A. The Starmet Site is a facility as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

B. The contamination found at the Site, as identified in the Findings of Fact above, includes hazardous substances as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

C. Respondent is a person as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

D. Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for performance of response action and for Response Costs incurred and to be incurred at the Site. Respondent arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances at the facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3).

E. The conditions described in Findings of Fact above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

F. As a result of the release or threatened release of hazardous substances, EPA has undertaken response actions at or in connection with the Site under Section 104 of CERCLA, 42 U.S.C. § 9604, and will undertake response actions in the future.

G. In performing these response actions, EPA has incurred and will continue to incur response costs at or in connection with the Site. EPA has incurred over $6,149,136 in costs at the Site.

H. Respondent is a producer of uranium that sent depleted UF_6 to the Site.

I. The amount of UF_6 contributed to the Site by Respondent represents approximately 1.09% of the UF_6 processed at the Site. The UF_4 remaining at the Site that can be traced to Cameco represents approximately 1% of the UF_4 remaining at the Site. The hazardous substances contributed by Respondent to the Site are not more toxic or of greater hazardous effect than other hazardous substances at the Site.

J. EPA estimates that the total Response Costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund and by private parties is about $37 million. The payment required to be made by Respondent pursuant to this Consent Order is a minor portion of this total amount.

VI. ORDER

Based upon the administrative record for the Site and the Statement of Facts and Determinations set forth above, and in consideration of the promises and covenants set forth herein, the following is hereby AGREED TO AND ORDERED:

VII. PAYMENT

17. Within 30 days of the effective date of this Consent Order, Respondent shall pay to the EPA Starmet Special Account (Operable Unit 5): $894,176.

18. Respondent's payment includes: a) $33,513 for past response costs incurred at or in connection with the Site; b) $461,310 in projected future response costs to be incurred at or in connection with the Site; c) indirect costs of $230,340; and d) a premium of $169,013 to cover the risks and uncertainties associated with this settlement, including but not limited to, the risk that total response costs incurred or to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, or by any private party, will exceed the estimated total response costs upon which Respondent's payment is based.

19. Payment shall be made by certified or cashier's check or wire transfer made payable to the EPA Hazardous Substance Superfund. If by check, the check shall reference the name and address of the party making payment, the Site name and Operable Unit 5, the EPA Region and Site Spill ID Number A48Q, and the EPA docket number for this action, and shall be sent to:

U.S. Environmental Protection Agency
Cincinnati Accounting Operations
ATTN: Region 4 Superfund
Mellon lockbox 371099M
Pittsburgh, PA 15251-7099

If payment is made by wire transfer, the transfer shall make the above references and be sent to:

Mellon Bank
SWIFT address = MELNUS3P
ABA 043000261
Account 9109125
22 Morrow Drive
Pittsburgh, PA 15235

20. At the time of payment, Respondent shall send notice that such payment has been made to:

Kevin Beswick
USEPA/EAD
SNAFC
61 Forsyth St., SW
Atlanta, GA 30303

and a copy of the check or transmission shall be sent to:

Paula V. Batchelor
U. S. EPA, Region 4
Superfund Enforcement & Information Management Branch
Waste Management Division
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303-8960.

21. The total amount to be paid pursuant to this Consent Order, $894,176, shall be deposited in a Starmet Special Account for *de minimis* settlements, within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Site. Any balance remaining in the Starmet Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

VIII. FAILURE TO MAKE PAYMENT

22. If Respondent fails to make full payment within the time required by Paragraph 16, Respondent shall pay Interest on the unpaid balance. In addition, if Respondent fails to make full payment as required by Paragraph 16, the United States may, in addition to any other available remedies or sanctions, bring an action against Respondent seeking injunctive relief to compel payment and/or seeking civil penalties under Section 122(*l*) of CERCLA, 42 U.S.C. § 9622(*l*), for failure to make timely payment.

IX. CERTIFICATION OF RESPONDENT

23. By signing this Consent Order, Respondent certifies that, to the best of its knowledge and belief, it has:

A. conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to EPA, all information currently in its possession, or in the possession of its officers, directors, employees, contractors or agents, which relates in any way to the ownership, operation, or control of the Site, or to the ownership, possession, generation, treatment, transportation, storage or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the Site;

B. not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents, or other information relating to its potential liability regarding the Site after notification of potential liability or the filing of a suit against it regarding the Site; and

C. fully complied with any and all EPA requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).

X. COVENANT NOT TO SUE BY UNITED STATES

24. In consideration of the payments that will be made by Respondent under the terms of this Consent Order, and except as specifically provided in Section XI (Reservations of Rights by United States), the United States covenants not to sue or take administrative action against the Respondent to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, relating to the Site. With respect to present and future liability, this covenant not to sue shall take effect for Respondent upon receipt of Respondent's payment as required by Section VII. With respect to Respondent , this covenant not to sue is conditioned upon: a) the satisfactory performance by Respondent of all obligations under this Consent Order; and b) the veracity of the information provided to EPA by Respondent relating to Respondent's involvement with the Site. This covenant not to sue extends only to Respondent and does not extend to any other person.

XI. RESERVATIONS OF RIGHTS BY UNITED STATES

25. The covenant not to sue by the United States set forth in Section X does not pertain to any matters other than those expressly specified in Section X. The United States reserves, and this Consent Order is without prejudice to, all rights against Respondent with respect to all other matters including, but not limited to:

A. liability for failure to meet a requirement of this Consent Order;

B. criminal liability;

C. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments; or

D. liability arising from any future arrangement for disposal or treatment of a hazardous substance, pollutant or contaminant at the Site after the effective date of this Consent Order.

26. Notwithstanding any other provision in this Consent Order, the United States reserves, and this Consent Order is without prejudice to, the right to institute judicial or administrative proceedings against Respondent seeking to compel Respondent to perform response actions relating to the Site, and/or to reimburse the United States for additional costs of response, if:

A. information is discovered which indicates that Respondent contributed hazardous substances to the Site in such greater amount or of such greater toxic or other hazardous effects that Respondent no longer qualifies as a *de minimis* party at the Site because Respondent contributed greater than 5% of the hazardous substances at the Site, or contributed hazardous substances which are significantly more toxic or are of significantly greater hazardous effect than other hazardous substances at the Site.

XII. COVENANT NOT TO SUE BY RESPONDENT

27. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States or its contractors or employees with respect to the Site or this Consent Order including, but not limited to:

A. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

B. any claims arising out of response activities at the Site; and

C. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

28. Nothing in this Consent Order shall be deemed to constitute preauthorization or approval of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

XIII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

29. Nothing in this Consent Order shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Order. The United States and Respondent each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

30. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Respondent shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant action; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue included in Section X.

31. The Parties agree that Respondent is entitled, as of the effective date of this Consent Order, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5), for matters addressed in this Consent Order. The matters addressed in this Consent Order are all response actions taken by the United States and by private parties, and all response costs incurred and to be incurred by the United States and by private parties, at or in connection with the Site.

XIV. PARTIES BOUND

32. This Consent Order shall apply to and be binding upon EPA and upon Respondent and its successors and assigns. Any change in ownership or corporate or other legal status of a Respondent, including but not limited to, any transfer of assets or real or personal property, shall in no way alter Respondent's responsibilities under this Consent Order. Each signatory to this Consent Order certifies that he or she is authorized to enter into the terms and conditions of this Consent Order and to execute and bind legally the party represented by him or her.

XV. INTEGRATION/APPENDICES

33. This Consent Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Order. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Consent Order. The following appendices are attached to and incorporated into this Consent Order: Appendix A is the map of the Site.

XVI. PUBLIC COMMENT

34. This Consent Order shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, 42 U.S.C. § 9622(i)(3), EPA may withdraw or withhold its consent to this Consent Order if comments received disclose facts or considerations which indicate that this Consent Order is inappropriate, improper, or inadequate.

XVII. ATTORNEY GENERAL APPROVAL

35. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(g)(4) of CERCLA, 42 U.S.C. § 9622(g)(4).

XVIII. EFFECTIVE DATE

34. The effective date of this Consent Order shall be the date upon which EPA issues written notice to Respondent that the public comment period pursuant to Paragraph 32 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Consent Order.

IT IS SO AGREED AND ORDERED:

U.S. Environmental Protection Agency

By: Rosalind H. Brown On: 9-9-05

Rosalind H. Brown, Chief,
Superfund Enforcement and Information Management Branch

THE UNDERSIGNED RESPONDENT enters into this Consent Order in the matter of U.S. EPA docket number CERCLA-04-2005-3781, relating to the Starmet Superfund Site in Barnwell, South Carolina.

FOR RESPONDENT: CAMECO CORPORATION
[Name]
2121-11th Street W., Saskatoon, SK Canada S7M 1J3
[Address]

By: Gerald W. Grandey On: Sept 6/05
Gerald W. Grandey
President & Chief Executive Officer

By: On: Sept 2/05
Gary M.S. Chad
Sr. Vice-President, Governance, Legal &
Regulatory Affairs & Corporate Secretary

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:
STARMET CMI
Barnwell, Barnwell County, South Carolina

Alaron Corporation,

Respondent

ADMINISTRATIVE ORDER ON
CONSENT FOR REMOVAL ACTION

U.S. EPA Region 4
Docket No. CERCLA 04-2005-3783

Proceeding Under Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622

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I. JURISDICTION AND GENERAL PROVISIONS

1. Statement of Purpose: This Order is intended to expedite the identification, removal from the Site, and appropriate disposal of the hazardous substances that EPA has determined were brought to the Site by Respondent. EPA has further determined that, except for possible *de minimis* levels of contamination at the Site, caused by Starmet's past handling of Respondent's hazardous substances, Respondent is not believed to have contributed to any other contamination at the Site. EPA intends to seek a *de minimis* settlement with Respondent to resolve any remaining liability.

2. This Administrative Order on Consent ("Order" or "Consent Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), and Alaron Corporation ("Respondent"). This Order provides for the performance of the removal action by Respondent and the reimbursement of response costs incurred by the United States in connection with this work at former Starmet CMI Site in Barnwell, South Carolina, (the "Site").

3. This Order is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107, and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607, and 9622, as amended ("CERCLA").

4. EPA has notified the South Carolina Department of Health and Environmental Control, ("SCDHEC") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

5. EPA and Respondent recognize that this Order has been negotiated in good faith and that the actions undertaken by Respondent in accordance with this Order do not constitute an admission of any liability. Respondent does not admit, and retains the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity of the findings of facts, conclusions of law, and determinations of Section IV and V of this Order. Respondent agrees to comply with and be bound by the terms of this Order and further agrees that it will not contest the basis or validity of this Order or its terms. EPA and Respondent agree that this Order and the work to be performed under this Order are consistent with the NCP.

II. PARTIES BOUND

6. This Order applies to and is binding upon EPA, and upon Respondent and Respondent's successors and assigns. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Order.

7. Respondent shall ensure that its contractors, subcontractors, and representatives receive a copy of this Order and comply with this Order. Respondent shall be responsible for any noncompliance with this Order.

III. DEFINITIONS

8. Unless noted to the contrary, the terms of this Order shall have the meaning assigned to those terms pursuant to CERCLA or any regulation promulgated under CERCLA. Whenever the terms listed below are used in this Order and Appendices attached hereto, the following definitions shall apply:

a. "Action Memorandum" shall mean the EPA Action Memoranda relating to the Site signed on July 23, 2002, August 16, 2002, September 24, 2002, January 3, 2003, and June 25, 2003, by the Regional Administrator, EPA Region 4, or his delegate, and all attachments and ammendments thereto. The Action Memorandum is attached as Appendix A.

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq.

c. "Day" shall mean a calendar day. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the end of the next working day.

d. "Effective Date" shall be the effective date of this Order as provided in Section XXXI.

e. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

f. "Hazardous Substance" shall mean any substance meeting the definition provided in Section 101 (14) of CERCLA, 42 U.S.C. § 9601(14).

g. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

h. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, including any amendments thereto.

i. "Order" shall mean this Administrative Order on Consent and all appendices attached hereto (listed in Section XXX). In the event of conflict between this Order and any appendix, this Order shall control.

j. "Paragraph" shall mean a portion of this Order identified by an Arabic numeral.

k. "Parties" shall mean EPA and Respondent.

l. "Respondent" shall mean Alaron Corporation.

m. "Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, overseeing, or enforcing this Order, including but not limited to, payroll costs, contractor costs, travel costs, and laboratory costs.

n. "SCDHEC" shall mean the South Carolina Department of Health and Environmental Control.

o. "Section" shall mean a portion of this Order identified by a roman numeral.

p. "Site" shall mean the Starmet CMI Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix B. Notwithstanding the Site boundaries, the Site includes the areal extent of hazardous substances contamination, and all areas in close proximity to the contamination that are necessary for implementation of the Work.

q. "State" shall mean the State of South Carolina as represented by the South Carolina Department of Health and Environmental Control, (SCDHEC).

r. "Waste Material" shall mean: 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); and 3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

s. "Work" shall mean all activities Respondent is required to perform under this Order.

IV. FINDINGS OF FACT

For the purposes of this Order, EPA finds that:

9. The former Starmet facility is located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina.

10. Starmet's principle activity at the facility was the conversion of uranium hexafluoride, "UF6" into uranium tetrafluoride, "UF4." Starmet also further converted UF4 into uranium metal.

11. At certain times during its operations, Starmet processed scrap metal that was classified as radioactive waste. The scrap was melted and recast for applications in the nuclear industry.

12. Alaron Corporation is in the business of handling radioactive waste, and shipped approximately 351,000 lbs of low level radioactive scrap metal to Starment.

13. Scrap metal, either unprocessed or derived from the material Alaron sent, remains on site. This material includes, but is not limited to: unprocessed scrap, recast metal, partially processed metal, and slag. Some of these wastes can be identified by unique radiological profile, others by process knowledge. Also, dry active waste ("DAW") generated during the processing of the Alaron metal remains on site. That DAW includes spent ventilation filters which contain specific isotopes (i.e., cesium and/or cobalt) which are unique (for Starmet) to the material Alaron sent.

14. The radioactive nature of the Alaron materials identified in the paragraph above may pose an imminent and substantial threat to human health and the environment.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

15. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

a. The Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, include "hazardous substance(s)" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. Respondent is a "person" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a). Respondent arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances at the facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3).

e. The conditions described in the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the Site as defined by Sections 101(22) of CERCLA, 42 U.S.C. § 9601(22).

f. The removal actions required by this Order are necessary to protect the publichealth, welfare, or the environment, and if carried out in compliance with the terms of this Order, will be considered consistent with the NCP as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. ORDER

16. Based upon the foregoing Findings of Fact, Conclusions of Law and Determinations, and the Administrative Record for this Site, it is hereby ordered and agreed that Respondent shall comply with the following provisions, including but not limited to all attachments to this Order, and all documents incorporated by reference into this Order.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

17. Respondent has designated Joseph M. Harverson, President of Alaron Corporation, 2138 State Route 18 Wampum, PA 16157 (724) 535-5777 as the Project Coordinator. Mr. Harverson shall be responsible for administration of all actions by Respondent required by this Order. Respondent intends to use the EPA selected contractor presently onsite to perform all removal tasks specified in Section VIII and will employ no other contractors.

18. EPA has designated David Dorian of the EPA, Region 4 as its On-Scene Coordinator ("OSC"). Except as otherwise provided in this Order, Respondent shall direct all submissions required by this Order to the OSC at 61 Forsyth St., S.W., Atlanta, Georgia 30303.

19. EPA and Respondent shall have the right, subject to the immediately proceeding paragraphs, to change their designated Project Coordinator. Respondent shall notify EPA, fourteen (14) days before such a change is made. The initial notification may be orally made but it shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

20. This Order and the Work it requires, provides for the removal of Waste Materials attributed to Alaron at the Site. Respondent shall arrange for all work required to remove all remaining metal scrap originating from Alaron. Origin of any questionable material shall be determined by an isotopic testing methodology acceptable to EPA and to Alaron. Alaron shall perform all work described in the following Statement of Work (SOW).

21. Work Plan /Schedule

a. EPA has segregated Waste Material for return to Alaron from material for others. EPA through its contractors will provide Alaron with the number of containers, a serial number for each container, a digital photograph of each container, the weight of each container, the contact dose rate and 1 meter dose rate for each container. This data will be provided within 30 days after the Order is signed.

b. Alaron will prepare a manifest for shipping the material from Starmet to Alaron's facility in Wampum, PA. Alaron already possess the requisite characterization data for the material from records of what material was sent to Starmet from Alaron. The manifest will be prepared within 5 days of receipt of the data required in (a.) above.

c. Alaron will arrange and pay for truck transportation of the material from Starmet to Alaron's facility in Wampum, PA. The pickup will be scheduled to occur within 14 days of the manifest completion.

d. EPA through its contractors, will load and shore the containers into the transport vehicle, perform such radiological shipping surveys as directed by Alaron, and provide shipping paperwork to the driver as directed by Alaron. Such work is to be performed the day of the shipment.

e. Alaron will execute the manifest as the shipper and send back the documentation to EPA to provide to the driver. Such work is to be performed the day of the shipment.

f. Alaron will accept the material in Wampum, PA, and perform an inspection and further processing at Alaron's sole discretion. Once processing is complete, Alaron will ship material designated as waste to Envirocare of Utah for permanent disposal. Permanent disposal will be performed within 60 days of receipt of the material at Alaron.

22. Health and Safety Plan

a. EPA contractors will perform the materials handling at the Starmet facility, and Alaron employees are expected only to provide oversight until the material reaches the Alaron facility in Wampum, PA. Under these circumstances, Alaron employees will be required to sign and abide by the terms of EPA's Health and Safety Plans, EPA's Radiation Safety Plan, and any relevant Radiation Work Permits. Radiation safety concerns that apply to Alaron employees on site will be addressed by the On-Scene Coordinator and the site Radiation Safety Officer in consultation with Alaron.

b. If Alaron chooses to perform the material handling at Starmet, then Alaron and all contractors are required to submit a Health and Safety Plan and a Radiation Safety Plan, subject to EPA's approval.

23. Quality Assurance and Sampling

Alaron intends to perform no sampling or analysis at the Starmet site. However, no later than ten (10) prior to commencing the Removal Action, Alaron shall submit, subject to EPA approval, two (2) copies of the sampling protocol and quality assurance/quality control measures used to characterize the material for disposal. EPA may require amendments to this plan to ensure the proper disposal of the Alaron material removed from the site.

24. Final Report. Within sixty (60) days after completion of all removal actions required under this Order, the Respondent shall submit for EPA review and approval a final report summarizing the actions taken to comply with this Order. The final report shall conform, at a minimum, with

the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports." The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Order, a listing of quantities and types of materials removed off-Site or handled on-Site, a discussion of removal and disposal options considered for those materials, a listing of the ultimate destination of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (e.g., manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

> Under penalty of law, I certify that to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of the report, the information submitted is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

25. Off-Site Shipments.

a. Respondent shall, prior to any off-Site shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification of such shipment of Waste Material to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-Site shipments when the total volume of all such shipments will not exceed 10 cubic yards.

i. Respondent shall include in the written notification the following information: 1) the name and location of the facility to which the Waste Material is to be shipped; 2) the type and quantity of the Waste Material to be shipped; 3) the expected schedule for the shipment of the Waste Material; and 4) the method of transportation. Respondent shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.

ii. The identity of the receiving facility and state will be determined by Respondent following the award of the contract for the removal action. Respondent shall provide the information required by Paragraph 21(a) and 21(b) as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-site location, Respondent shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondent shall only send hazardous substances, pollutants, or contaminants from the Site to an off-site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

26. The Respondent and its contractors will be granted access to the Site to implement this Order pursuant to an EPA Administrative Order, Docket Number 04-2003-3750, (Appendix C) which also provides EPA, the State, and their representatives, including contractors, with access at all reasonable times to the Site for the purpose of conducting any activity related to this Order. Alaron, including its representatives and contractors, is designated as EPA's representative pursuant to 40 CFR §300.400(d)(3).

27. Notwithstanding any provision of this Order, EPA retains all of its access authorities and rights including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations.

X. ACCESS TO INFORMATION

28. Respondent shall provide to EPA, and SCDHEC, upon request, copies of all documents and information within its possession or control or that of its contractors or agents relating to activities at the Site or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondent shall also make available to EPA, and SCDHEC, for purposes of investigation, information gathering, or testimony, its employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

29. Respondent may assert business confidentiality claims covering part or all of the documents or information submitted to EPA and SCDHEC under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, and SCDHEC, or if EPA has notified Respondent that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondent.

30. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondent asserts such a privilege in lieu of providing documents, it shall provide EPA and SCDHEC with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the contents of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated as required by this Order shall be withheld on the grounds that they are privileged.

31. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XI. RECORD RETENTION

32. Until 10 years after Respondent's receipt of EPA's notification pursuant to Section XXIX (Notice of Completion of Work), Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. Until 10 years after Respondent's receipt of EPA's notification pursuant to Section XXIX (Notice of Completion of Work), Respondent shall also instruct its contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to performance of the Work.

33. At the conclusion of this document retention period, Respondent shall notify EPA, and SCDHEC, at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA, or SCDHEC, Respondent shall deliver any such records or documents to EPA or SCDHEC. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondent asserts such a privilege, it shall provide EPA or SCDHEC with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated as required by this Order shall be withheld on the grounds that they are privileged.

34. Respondent hereby certifies individually that to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information (other than identical copies) relating to its potential liability regarding the Site since notification of potential liability by EPA or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

XII. COMPLIANCE WITH OTHER LAWS

35. Respondent shall perform all actions required pursuant to this Order in accordance with all applicable local, state, and federal laws and regulations except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-Site actions required pursuant to this Order shall, to the extent practicable, as determined by EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements (ARARs) under federal environmental or state environmental or facility siting laws. Respondent shall identify ARARs in the Work Plan subject to EPA approval.

XIII. EMERGENCY RESPONSE AND NOTIFICATION RELEASES

36. In the event of any action or occurrence during performance of the Work which causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondent shall immediately take all appropriate action. Respondent shall take these actions in accordance with all applicable provisions of this Order, including, but not limited to, the Health and Safety Plan, in order to prevent, abate or minimize such release or endangerment caused or threatened by the release. Respondent shall also immediately notify the OSC at 803-259-2071 or, in the event of his/her unavailability, shall notify the Regional Duty Officer, Emergency Planning and Response Branch, EPA Region 4 at 404-562-8700 and the EPA Region 4 Regional Emergency 24 hour telephone number at 800-424-8802 of the incident or Site conditions. In the event that Respondent fails to take appropriate response action as required by this Paragraph, and EPA takes such action instead, Respondent shall reimburse EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of Response Costs).

37. In addition, in the event of any release of a hazardous substance from the Site, Respondent shall immediately notify the OSC at 803-259-2071 and the National Response Center at (800) 424-8802. Respondent shall submit a written report to EPA within 7 days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, et seq.

XIV. AUTHORITY OF THE EPA ON-SCENE COORDINATOR

38. The OSC shall be responsible for overseeing the Respondent's implementation of this Order. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Order, or to direct any other removal action undertaken at the Site. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF RESPONSE COSTS

39. Payments for Response Costs.

a. Respondent shall pay EPA Response Costs not inconsistent with the NCP. On a periodic basis, EPA will send Respondent a bill requiring payment that includes a cost summary. Respondent shall make all payments within 30 days of receipt of each bill requiring payment, except as otherwise provided in Section XVI of this Order. The work described in Paragraph 21a is considered a response cost.

b. Respondent shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making payment and EPA Site/Spill ID number A48Q. Respondent shall send the check to:

U.S. Environmental Protection Agency
Cincinnati Accounting Operations
ATTN: Region 4 Superfund
Mellon lockbox 371099M
Pittsburgh, PA 15251-7099

If by wire transfer, send to:

SWIFT address = MELNUS3P
ABA 043000261
Account 9109125
22 Morrow Drive
Pittsburgh, PA 15235

c. At the time of payment, Respondent shall send notice that payment has been made to David Dorian, and Ms. Paula Batchelor, U.S. EPA Region 4, 61 Forsyth St., S.W., Atlanta, GA 30303.

d. The total amount to be paid pursuant to this Consent Order, shall be deposited in a Starmet Special Account for *de minimis* settlements, (Operable Unit 5), within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Site. Any balance remaining in the Starmet Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

40. In the event that the payment for Response Costs are not made within 30 days of Respondent's receipt of a bill, Respondent shall pay Interest on the unpaid balance. The Interest on Response Costs shall begin to accrue on the date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondent's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

41. Respondent may dispute all or part of a bill for Response Costs submitted under this Order, if Respondent alleges that EPA has made an accounting error, or if Respondent alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, Respondent shall pay the full amount of the uncontested costs to EPA as specified in Paragraph 40 on or before the due date. Within the same time period, Respondent shall pay the full amount of the contested costs into an interest-bearing escrow account. Respondent shall simultaneously transmit a copy of both checks to the persons listed in Paragraph 39(c) above. Respondent shall ensure that the prevailing party or parties in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within ten (10) days after the dispute is resolved.

42. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other appropriate relief relating to the Site, Settling Party shall not assert, and may not maintain, any defense or claim in any fashion, based upon any defense or claim concerning the timeliness of commencing an action for recovery of the costs in connection with the Site including a claim or defense based on the principles of laches, estoppel, or a statutory limitations period.

XVI. DISPUTE RESOLUTION

43. Unless otherwise expressly provided for in this Order, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Order. The Parties shall attempt to resolve any disagreements concerning this Order expeditiously and informally.

44. If Respondent objects to any EPA action taken pursuant to this Order, including billings for Response Costs, it shall notify EPA in writing of the objection within ten (10) days of such action, unless the objection has been resolved informally. EPA and Respondent shall have ten (10) days from EPA's receipt of Respondent's written objection to resolve the dispute through formal negotiations (the Negotiation Period). The Negotiation Period may be extended at the sole discretion of EPA.

45. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Order. If the Parties are unable to reach an agreement within the Negotiation Period, the EPA Waste Management Division Director will issue a written decision on the dispute to Respondent. EPA's decision shall be incorporated into and become an enforceable part of this Order. Respondent's obligations under this Order shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondent shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

46. Respondent agrees to perform all requirements of this Order within the time limits established under this Order, unless the performance is delayed by a force majeure. For purposes of this Order, a force majeure is defined as any event arising from causes beyond the control of Respondent, or of any entity controlled by Respondent, including but not limited to its contractors and subcontractors, which delays or prevents performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. Force majeure does not include financial inability to complete the Work, or increased cost of performance, or a failure to attain performance standards/action levels set forth in the Action Memorandum.

47. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a force majeure event, Respondent shall notify EPA orally within forty-eight (48) hours of when Respondent first knew that the event might cause a delay. Within five (5) days thereafter, Respondent shall provide to EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay;

all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondent's rationale for attributing such delay to a force majeure event if it intends to assert such a claim; and a statement as to whether, in the opinion of Respondent, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of force majeure for that event for the period of time of such failure to comply and for any additional delay caused by such failure.

48. If EPA agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Order that are affected by the force majeure event will be extended by EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify Respondent in writing of its decision. If EPA agrees that the delay is attributable to a force majeure event, EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

XVIII. STIPULATED PENALTIES

49. Respondent shall be liable to EPA for stipulated penalties in the amounts set forth in Paragraph 50 for failure to comply with the requirements of this Order specified below, unless excused under Section XVII (Force Majeure). "Compliance" by Respondent shall include completion of the activities under this Order or any work plan or other plan approved under this Order identified below in accordance with all applicable requirements of law, this Order, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order.

50. Stipulated Penalty Amounts . For each day, or portion thereof, that Respondent fails to perform, fully, any requirement of this Order in accordance with the schedule established pursuant to this Order after receipt of written notice from EPA of such non-compliance, Respondent shall be liable as follows:

Period of Noncompliance	Penalty Per Violation Per Day
1st through 14th day	$250
15th through 30th day	$500
31th day and beyond	$750

51. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: 1) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency; and 2) with respect to a decision by the Region 4 Waste Management Division Director, under Paragraph 45 of Section XVI (Dispute

Resolution), during the period, if any, beginning on the 21st day after the Negotiation Period begins until the date that the EPA Waste Management Division Director issues a final decision regarding such dispute. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

52. Following EPA's determination that Respondent failed to comply with a requirement of this Order, EPA may give Respondent written notification of the failure and describe the noncompliance. EPA may send Respondent a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether EPA has notified Respondent of a violation.

53. All penalties accruing under this Section shall be due and payable to EPA within 30 days of Respondent's receipt from EPA of a demand for payment of the penalties, unless Respondent invokes the dispute resolution procedures under Section XVI (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's check(s) made payable to:

U.S. Environmental Protection Agency
Cincinnati Accounting Operations
Mellon Lockbox 371099M
Pittsburgh, PA 15251-7099
Attn: Region 4 Superfund

and shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID Number A48Q, the EPA Docket Number CERCLA 04-2005-3783, and the name and address of the party making payment. Copies of check paid pursuant to this Section, and any accompanying transmittal letter(s), shall be sent to EPA as provided in Paragraph 18, and to Paula Batchelor, U.S. EPA Region 4, 61 Forsyth St., SW, Atlanta, GA, 30303.

54. The payment of penalties shall not alter in any way Respondent's obligation to complete performance of the Work required under this Order.

55. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until 15 days after the dispute is resolved by agreement or by receipt of EPA's decision.

56. If Respondent fails to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as Interest. Respondent shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 54. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(l) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(l), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that EPA shall not seek civil penalties pursuant to Section 106(b) or 122(l) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of this

Order. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

XIX. COVENANT NOT TO SUE BY EPA

57. In consideration of the actions that will be performed and the payments that will be made by Respondent under the terms of this Order, and except as otherwise specifically provided in this Order, EPA covenants not to sue or to take administrative action against Respondent pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for performance of the Work and for recovery of Response Costs. This covenant not to sue shall take effect upon receipt by EPA of the Response Costs due under Section XV of this Order and any Interest or Stipulated Penalties due for failure to pay Response Costs as required by Sections XV and XVIII of this Order. This covenant not to sue is conditioned upon the complete and satisfactory performance by Respondent of its obligations under this Order, including, but not limited to, payment of Response Costs pursuant to Section XV. This covenant not to sue extends only to Respondent and does not extend to any other person.

XX. RESERVATIONS OF RIGHTS BY EPA

58. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondent in the future to perform additional activities pursuant to CERCLA or any other applicable law.

59. The covenant not to sue set forth in Section XIX above does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Order is without prejudice to, all rights against Respondent with respect to all other matters, including, but not limited to:

a. claims based on a failure by Respondent to meet a requirement of this Order;

b. liability for costs not included within the definition of Response Costs;

c. liability for performance of response action other than the Work;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site.

60. Work Takeover. In the event EPA determines that Respondent has ceased implementation of any portion of the Work, is seriously or repeatedly deficient or late in its performance of the Work, or is implementing the Work in a manner which may cause an endangerment to human health or the environment, EPA may assume the performance of all or any portion of the Work as EPA determines necessary. Respondent may invoke the procedures set forth in Section XVI (Dispute Resolution) to dispute EPA's determination that takeover of the Work is warranted under this Paragraph. Costs incurred by the United States in performing the Work pursuant to this Paragraph shall be considered Response Costs that Respondent shall pay pursuant to Section XV (Payment of Response Costs). Notwithstanding any other provision of this Order, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

XXI. COVENANT NOT TO SUE BY RESPONDENT

61. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work, Response Costs, or this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the South Carolina Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

Except as provided in Paragraph 57, these covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 59(b), (c), and (e) - (g), but only to the extent that Respondent's claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

62. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

63. Respondent agrees not to assert any claims and to waive all claims or causes of action that it may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Respondent with respect to the Site is based solely on having

arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if

a. the materials contributed by such person to the Site containing hazardous substances did not exceed the greater of i) 0.002% of the total volume of waste at the Site, or ii) 110 gallons of liquid materials or 200 pounds of solid materials.

b. This waiver shall not apply to any claim or cause of action against any person meeting the above criteria if EPA has determined that the materials contributed to the Site by such person contributed or could contribute significantly to the costs of response at the Site.

XXII. OTHER CLAIMS

64. By issuance of this Order, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondent. The United States or EPA shall not be deemed a party to any contract entered into by Respondent or its directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Order.

65. Except as expressly provided in Section XIX and Section XXI, nothing in this Order constitutes a satisfaction of or release from any claim or cause of action against Respondent or any person not a party to this Order, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

66. No action or decision by EPA pursuant to this Order shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXIII. CONTRIBUTION PROTECTION

67. The Parties agree that Respondent is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are the Work and Response Costs. Except as provided in Section XXI, nothing in this Order precludes the United States or Respondent from asserting any claims, causes of action, or demands against any persons not parties to this Order for indemnification, contribution, or cost recovery.

XXIV. INDEMNIFICATION

68. Respondent shall indemnify, save and hold harmless the United States, its officials, agents, contractors, subcontractors, employees and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, or subcontractors, in carrying

out actions pursuant to this Order. In addition, Respondent agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, subcontractors and any persons acting on its behalf or under its control, in carrying out activities pursuant to this Order. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondent in carrying out activities pursuant to this Order. Neither Respondent nor any such contractor shall be considered an agent of the United States.

69. The United States shall give Respondent notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondent prior to settling such claim.

70. Respondent waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondent shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

XXV. INSURANCE

71. At least 7 days prior to commencing any on-Site work under this Order, Respondent shall secure, and shall maintain for the duration of this Order, comprehensive general liability insurance and automobile insurance with limits of one (1) million dollars, combined single limit. Within the same time period, Respondent shall provide EPA with certificates of such insurance and a copy of each insurance policy if requested. In addition, for the duration of the Order, Respondent shall satisfy, or shall ensure that its contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondent in furtherance of this Order. If Respondent demonstrates by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then Respondent need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVI. FINANCIAL ASSURANCE

72. Within 30 days of the Effective Date, Respondent shall establish and maintain financial security in the amount of $40,000 in the following form:

a. One or more irrevocable letters of credit equaling $40,000.

73. Respondent may change the form of financial assurance provided under this Section at any time, upon notice to and approval by EPA, provided that the new form of assurance meets the requirements of this Section. In the event of a dispute, Respondent may change the form of the financial assurance only in accordance with the written decision resolving the dispute.

XXVII. MODIFICATIONS

74. The OSC may make modifications to any plan or schedule in writing or by oral direction. Any oral modification will be memorialized in writing by EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

75. If Respondent seeks permission to deviate from any approved work plan or schedule, Respondent's Project Coordinator shall submit a written request to EPA for approval outlining the proposed modification and its basis. Respondent may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 74.

76. No informal advice, guidance, suggestion, or comment by the OSC or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondent shall relieve Respondent of its obligation to obtain any formal approval required by this Order, or to comply with all requirements of this Order, unless it is formally modified.

XXVIII. ADDITIONAL REMOVAL ACTIONS

77. If EPA determines that additional removal actions not included in an approved plan are necessary to protect public health, welfare, or the environment, EPA will notify Respondent of that determination. Unless otherwise stated by EPA, within 30 days of receipt of notice from EPA that additional removal actions are necessary to protect public health, welfare, or the environment, Respondent shall submit for approval by EPA a Work Plan for the additional removal actions. The plan shall conform to the applicable requirements of Section VIII (Work to Be Performed) of this Order. Upon EPA's approval of the plan pursuant to Section VIII, Respondent shall implement the plan for additional removal actions in accordance with the provisions and schedule contained therein. This Section does not alter or diminish the OSC's authority to make oral modifications to any plan or schedule pursuant to Section XXVI (Modifications).

XXIX. NOTICE OF COMPLETION OF WORK

78. When EPA determines, after EPA's review of the Final Report, that all Work has been fully performed in accordance with this Order, with the exception of any continuing obligations required by this Order, EPA will provide written notice to Respondent. If EPA determines that any such Work has not been completed in accordance with this Order, EPA will notify Respondent, provide a list of the deficiencies, and require that Respondent modify the Work Plan if appropriate in order to correct such deficiencies. Respondent shall implement the modified and approved Work Plan and shall submit a modified Final Report in accordance with the EPA notice. Failure by Respondent to implement the approved modified Work Plan shall be a violation of this Order.

XXX. SEVERABILITY/INTEGRATION/APPENDICES

79. If a court issues an order that invalidates any provision of this Order or finds that Respondent has sufficient cause not to comply with one or more provisions of this Order, Respondent shall remain bound to comply with all provisions of this Order not invalidated or determined to be subject to a sufficient cause defense by the court's order.

80. This Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Order. The parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Order. The following appendices are attached to and incorporated into this Order: (A) Action Memorandum. (B) Area Map. (C) Administrative Order for Access.

XXXI. EFFECTIVE DATE

81. This Order shall be effective seven (7) days after the Order is signed by EPA.

The undersigned representative of Respondent certifies that they are fully authorized to enter into the terms and conditions of this Order and to bind the party they represent to this document.

Agreed this 21 day of Sept., 2005.

For Respondent Aaron's Corporation

By Joseph M. Harrison

Title President

It is so ORDERED and Agreed this 23 day of September 2005.

BY: _____ DATE: September 23, 2005

Shane Hitchcock, Chief
Emergency Response and Removal Branch
Region 4
U.S. Environmental Protection Agency

EFFECTIVE DATE: 9/30/05

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:
STARMET CMI
Barnwell, Barnwell County, South Carolina

United States Enrichment Corporation

Respondent

United States Department of Energy and
United States Department of the Army

Settling Federal Agencies

ADMINISTRATIVE ORDER ON
CONSENT FOR REMOVAL ACTION

U.S. EPA Region 4
CERCLA Docket No. CER-04-2004-3758

Proceeding Under Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622

SCD987570405

04-2004-3758

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I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the United States Enrichment Corporation ("USEC" or "Respondent"), and the United States Department of Energy and Department of the Army ("Settling Federal Agencies"). This Order provides for the performance of a removal action by the Respondent, the payment by the Settling Federal Agencies for a removal action to be performed by EPA, and the reimbursement by Respondent of costs to be incurred by the United States from the actions taken pursuant to the sections of this Order which apply to the Respondent, at or in connection with the property located at the Starmet CMI facility located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina ("Site"). This Order also constitutes a settlement agreement between the United States and USEC to resolve USEC's contribution claims against the Settling Federal Agencies. This Order requires Respondent to conduct the removal action described herein and requires the Settling Federal Agencies to fund a removal action to be performed by EPA to abate what EPA believes to be an imminent and substantial endangerment to the public health, welfare or the environment that may be presented by the actual or threatened release of hazardous substances, pollutants, or contaminants at or from the Site.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622, as amended ("CERCLA"). The settlement agreement between USEC and the United States with regard to the Settling Federal Agencies is entered into pursuant to the Attorney General's authority to settle matters in anticipation of litigation.

3. EPA has notified the State of South Carolina, (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

4. The actions undertaken by Respondent and the Settling Federal Agencies in accordance with this Order do not constitute an admission of any liability. The Respondent and the Settling Federal Agencies do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity or accuracy of the findings of facts, conclusions of law, and determinations in Sections IV and V of this Order. The Respondent and the Settling Federal Agencies agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

II. PARTIES BOUND

5. This Order applies to and is binding upon EPA, the Respondent, the Respondent's agents, successors and assigns, and the Settling Federal Agencies. Any change in ownership or corporate status of the Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter the Respondent's responsibilities under this Order.

6. The Respondent shall ensure that its contractors, subcontractors, and representatives performing work under this Order receive a copy of this Order and comply with this Order. Respondent shall be responsible for any noncompliance by Respondent, its contractors or representatives with this Order.

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

a. "Action Memoranda" shall mean the EPA Action Memoranda relating to the Site signed on July 23, 2002, August 16, 2002, September 24, 2002, January 3, 2003, June 25, 2003, by the Regional Administrator, EPA Region 4, or his delegate, and all attachments thereto.

b. "AOC Oversight Costs" shall mean all costs, including but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports or other items pursuant to the USEC-Lead Work portions of this Order, verifying the USEC-Lead Work, or otherwise implementing, overseeing, or enforcing the portions of the Order relevant to USEC-Lead Work, including but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, the costs incurred pursuant to Section IX (Site Access), Section XIII (Emergency Response) and Paragraph 72 (Work Takeover).

c. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

d. "Day" shall mean a calendar day. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or Federal holiday, the period shall run until the close of business of the next working day.

e. "Effective Date" shall be the effective date of this Order as provided in Section XXXIII.

f. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

g. "EPA's Removal Action Costs" shall mean all costs not inconsistent with the NCP incurred by EPA in conducting the EPA-Lead Work at or around the Depleted Uranium Center and Reduction Building at the Site.

h. "EPA-Lead Work" shall mean all work conducted by EPA and its contractors and subcontractors, in planning, implementing and overseeing the removal and disposal of the Waste Materials that are stored in and around the Reduction Building and the Depleted Uranium Building, except for work required of Respondent in Respondent's Statement of Work (Appendix A of this Order).

i. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

j. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

k. "Order" shall mean this Administrative Order on Consent and all appendices attached hereto (listed in Section XXXII). In the event of conflict between this Order and any appendix, this Order shall control.

l. "Paragraph" shall mean a portion of this Order identified by an Arabic numeral.

m. "Parties" shall mean EPA, Settling Federal Agencies, and Respondent.

n. "Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States paid at or in connection with the Site through the Effective Date of this Order.

o. "RCRA" shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. §§ 6901, *et seq.* (also known as the Resource Conservation and Recovery Act).

p. "Respondent" or "USEC" shall mean the United States Enrichment Corporation including any of its parents, subsidiaries or affiliates, or any of officers, employees, or directors.

q. "Respondent's Statement of Work" or "SOW" shall mean the statement of work for implementation of the USEC-Lead Work, as set forth in Appendix A to this Order, and any modifications made thereto in accordance with this Order.

r. "Section" shall mean a portion of this Order identified by a Roman numeral.

s. "Settling Federal Agencies" shall mean the United States Department of Energy and United States Department of the Army, which are resolving any claims that have been or

could have been asserted against them with respect to the payment or incurrence of response and oversight costs required by this Order.

t. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix B.

u. "Starmet" shall mean Starmet CMI, Starmet Corporation and any and all of their current or former subsidiaries, parents, affiliates, predecessors, or successors.

v. "State" shall mean the State of South Carolina.

w. "United States" shall mean the United States of America, including all of its departments, agencies, and instrumentalities which includes without limitation EPA, the Settling Federal Agencies, and any Federal Natural Resources Trustee.

x. "USEC" shall mean the United States Enrichment Corporation, a Delaware corporation, and does not include the United States Enrichment Corporation, defined below as "USEC Federal," which was a government corporation, and does not include any federal agency.

y. "USEC Federal" shall mean the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States.

z. "USEC-Lead Work" shall mean all activities that Respondent is required to perform under this Order, as described in the Respondent's Statement of Work and Section VIII, Work To Be Performed.

aa. "Waste Material" shall mean 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); 3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

bb. "Work" shall mean all activities required under this order. It is the combination of EPA-Lead Work and USEC-Lead Work.

IV. FINDINGS OF FACT

EPA finds as follows:

8. From June, 1985 until August, 1993, approximately 17,079,177 pounds of depleted uranium hexafluoride ("UF6") was shipped by the U.S. Department of Energy ("DOE") from DOE's uranium enrichment facility in Paducah KY, at the request of the Department of Defense ("DOD") to the Starmet facility in Barnwell. Starmet performed work under DOD Contracts to

convert the UF6 to uranium tetrafluoride ("UF4") at Starmet. This process generated calcium fluoride, dry active waste ("DAW"), process wastewater, and other materials and waste products.

9. Prior to 1993, much of the UF4 was further processed into uranium metal (i.e., "derbies"). This process generated magnesium fluoride, DAW, process wastewater, pyrophoric uranium scrap, and other materials as waste products. The metal was used to produce counter weights for high performance aircraft, and DU munitions at the Starmet facility in Concord, Massachusetts. Approximately 281 off-spec derbies remain on site.

10. The Energy Policy Act of 1992 Pub. L. 102-486 created the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States ("USEC Federal") as an interim measure towards the privatization of DOE's uranium enrichment enterprise. On July 1, 1993, DOE's uranium enrichment enterprise was transferred to USEC Federal and portions of DOE's uranium enrichment plants in Paducah Kentucky and Portsmouth Ohio were leased to USEC Federal. Pursuant to the USEC Privatization Act, Pub. L. 104-134, the assets of USEC Federal were transferred to USEC and USEC was privatized on July 28, 1998. USEC Federal ceased to exist following this transfer.

11. From August 1998 until September 2001, USEC shipped 12,758,824 lbs of UF6 to the Starmet facility in Barnwell, to be converted into UF4. Of this amount, 88,178 pounds were returned to USEC.

12. Starmet also acquired UF4 ("lump cake" and "yellow cake") from DOE. Much of this material was unsuitable for any use due to its physical properties, and an estimated 6028 drums of this material remains stored at the Site. A portion of these drums are deteriorating. Starmet also acquired *de minimis* quantities of materials from a number of other companies.

13. In total, an estimated 11,800 drums of UF4 are stored at the Site. In addition, approximately 4,175 drums of calcium fluoride and 116 drums of magnesium fluoride are stored at the Site. There are 79 B25 boxes which contain scrap metal with UF4 residual. Additionally, there are 9 SeaLand containers on at the Site which contain, among other things, spent parts from Derby manufacturing. These parts are embedded with uranium contamination.

14. A significant number of the steel drums used for the storage of the UF4 are visibly deteriorating, and many of the drums are leaking.

15. Uranium metal scraps from machining operations were abandoned at the Site, and are generating explosive Hydrogen gas.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

16. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

a. The Starmet Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. Respondent and Settling Federal Agencies are "persons" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. Respondent and Settling Federal Agencies are liable parties under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and potentially responsible parties under Section 122(d)(3) of CERCLA, 42 U.S.C. § 9622(d)(3).

e. The conditions described in the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

f. The removal action required by this Order is necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order and the SOW and any modifications thereto, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. ORDER

Based upon the foregoing Findings of Fact, Conclusions of Law, Determinations, and the Administrative Record for this Site, it is hereby Ordered and Agreed that Respondent and the Settling Federal Agencies shall comply with all provisions of this Order, including, but not limited to, all appendices to this Order, the SOW, and all documents incorporated by reference into this Order.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

17. Respondent shall retain one or more contractors to perform all or any portion of the Respondent's Statement of Work and shall notify EPA of the names and qualifications of such contractors within thirty (30) days of the Effective Date. Respondent shall also notify EPA of the names and qualifications of any other contractors or subcontractors retained to perform the Respondent's Statement of Work at least ten (10) days prior to commencement of such work.

EPA retains the right to disapprove of any or all of the contractors and/or subcontractors retained by Respondent. If EPA disapproves of a selected contractor, Respondent shall retain a different contractor and shall notify EPA of that contractor's name and qualifications within thirty (30) days following EPA's disapproval. EPA shall notify Respondent within five (5) days after receiving notice of the designated contractor, but retains right to disapprove at any time.

18. Within fifteen (15) days after the Effective Date, Respondent shall designate a Project Coordinator who shall be responsible for administration of all actions by Respondent required by this Order and shall submit to EPA the designated Project Coordinator's name, address, telephone number, and qualifications. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during implementation of USEC-Lead Work on site. EPA retains the right to disapprove of the designated Project Coordinator. If EPA disapproves of the designated Project Coordinator, and Respondent shall retain a different Project Coordinator and shall notify EPA of that person's name, address, telephone number, and qualifications within fifteen (15) days following EPA's disapproval. Receipt by Respondent's Project Coordinator of any notice or communication from EPA relating to this Order shall constitute receipt by Respondent. EPA shall notify Respondent within five (5) days after receiving notice of the designated Project Coordinator but retains right to disapprove at any time.

19. EPA has designated David Dorian of the Emergency Response and Removal Branch, Region 4, as its On-Scene Coordinator ("OSC"). Except as otherwise provided in this Order, Respondent shall direct all submissions required by this Order to the OSC at:

US EPA
Waste Division
61 Forsyth St, S.W.
Atlanta, GA 30303

20. EPA and Respondent shall have the right, subject to Paragraph 18, to change their respective designated OSC or Project Coordinator. Respondent shall notify EPA five (5) days before such a change is made. The initial notification may be made orally, but shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

21. This Order and the Work it requires provides for the removal of Waste Materials on the Site. Respondent shall, as described in the Respondent's Statement of Work (Appendix A), perform all USEC-Lead Work required to remove all Waste Materials associated with chemical conversion of UF6 (to UF4) originating from USEC. EPA shall, with the funds provided by the Settling Federal Agencies, remove the remaining Waste Materials in and around the Reduction Building and the Depleted Uranium Center.

22. Work Plan and Implementation.

a. Within ninety (90) days after the Effective Date, Respondent shall submit to EPA for approval a draft Work Plan for performing the Respondent's Statement of Work. (Hereinafter "Work Plan"). The draft Work Plan shall provide a description of, and an expeditious schedule for, the actions required by this Order.

b. EPA may approve, disapprove, require revisions to, or modify the draft Work Plan in whole or in part. If EPA requires revisions, Respondent shall submit a revised draft Work Plan within fourteen (14) days of receipt of EPA's notification of the required revisions. Respondent shall implement the Work Plan as approved in writing by EPA in accordance with the schedule approved by EPA. Once approved, or approved with modifications, the Work Plan, the schedule, and any subsequent modifications shall be incorporated into and become fully enforceable under this Order.

c. Unless otherwise agreed to by the OSC, Respondent shall not commence implementation of the Work Plan developed hereunder until receiving written EPA approval pursuant to Paragraph 22(b).

23. Health and Safety Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a plan that ensures the protection of the public health and safety during performance of on-Site work under this Order. This plan shall be prepared in accordance with EPA's Standard Operating Safety Guide (PUB 9285.1-03, PB 92-963414, June 1992) ("Guide"). In addition, the plan shall comply with all currently applicable Occupational Safety and Health Administration ("OSHA") regulations found at 29 C.F.R. Part 1910. If EPA determines that it is appropriate, the plan shall also include contingency planning. Respondent shall incorporate all changes to the plan recommended by EPA and shall implement the plan during the pendency of the removal action.

24. Radiation Protection Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a Radiation Protection Plan. This plan shall comply with the State of South Carolina Department of Health and Environmental Control Regulation 61-63 Radioactive Materials and applicable OSHA regulations found in 10 C.F.R. Part 20.

25. EPA Approval of Plans and Other Submissions.

a. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA shall, consistent with the SOW, the Guide and ARARs (as that term is defined in Paragraph 40): (i) approve, in whole or in part, the submission; (ii) approve the submission upon specified conditions; (iii) modify the submission to cure the deficiencies; (iv) disapprove, in whole or in part, the submission, directing that the Respondent modify the submission; or (v) any combination of the above. However, EPA shall not modify a submission without first providing Respondent

at least one notice of deficiency and an opportunity to cure within twenty (20) days (unless the EPA and Respondent agree to a longer time period), except where to do so would cause serious disruption to the work or where previous submissions have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

b. In the event of approval, approval upon conditions, or modification by EPA, pursuant to subparagraphs (i), (ii) or (iii), Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA, subject only to their right to invoke the Dispute Resolution procedures set forth in Section XVI (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to subparagraph (iii) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XVIII (Stipulated Penalties).

26. Resubmission of Plans

a. Upon receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall, within twenty (20) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XVIII, shall accrue during the 20-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 26d.

b. Notwithstanding the receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of any non-deficient portion of a submission shall not relieve Respondent of any liability for stipulated penalties under Section XVIII (Stipulated Penalties).

c. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, EPA may again require the Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to modify or develop the plan, report or other item. Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to their right to invoke the procedures set forth in Section XVI (Dispute Resolution).

d. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the Respondent invokes the dispute resolution procedures set forth in Section XVI (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XVI(Dispute Resolution) and Section XVIII (Stipulated Penalties) shall govern the implementation of the work and accrual and

payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, stipulated penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XVIII.

e. All plans, reports, and other items required to be submitted to EPA under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

27. Quality Assurance and Sampling.

a. All sampling and analyses performed pursuant to this Order shall conform to EPA direction, approval, and guidance regarding sampling, quality assurance/quality control ("QA/QC"), data validation, and chain of custody procedures. Respondent shall ensure that the laboratory used to perform the analyses participates in a QA/QC program that complies with the appropriate EPA guidance. Respondent shall follow, as appropriate, "Guidance for the Data Quality Objectives Process" (EPA/600/R-96/055) and "EPA Guidance for Quality Assurance Project Plans" (EPA/600/R-98/018). Respondent shall only use laboratories that have a documented Quality System that complies with ANSI/ASQC E-4 1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), and "EPA Requirements for Quality Management Plans (QA/R-2) (EPA/240/B-01/002, March 2001)," or equivalent documentation as determined by EPA. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements.

b. Upon request by EPA, Respondent shall have such a laboratory analyze samples submitted by EPA for QA monitoring. Respondent shall provide to EPA the QA/QC procedures followed by all sampling teams and laboratories performing data collection and/or analysis.

c. Upon request by EPA, Respondent shall allow EPA or its authorized representatives to take split and/or duplicate samples. Respondent shall notify EPA not less than seven (7) days in advance of any sample collection activity, unless shorter notice is agreed to by EPA. EPA shall have the right to take any additional samples that EPA deems necessary. Upon request, EPA shall allow Respondent to take split or duplicate samples of any samples it takes as part of its oversight of USEC-Lead Work.

28. Reporting

a. Respondent shall submit a written progress report to EPA concerning actions undertaken pursuant to this Order on a monthly basis, with the first report to be issued

within ten (10) days following the month of EPA's approval of the Work Plan until termination of this Order, unless otherwise directed in writing by the OSC. These reports shall describe all significant developments during the preceding period, including the actions performed and any problems encountered, analytical data received during the reporting period, and the developments anticipated during the next reporting period, including a schedule of actions to be performed, anticipated problems, and planned resolutions of past or anticipated problems. The monthly reports shall also include a listing of the quantities and types of materials sent offsite and the ultimate destination of such materials.

b. Respondent shall submit three (3) copies of all plans, reports or other submissions required by this Order, the Respondent's Statement of Work, or any approved work plan. Upon request by EPA, Respondent shall submit such documents in electronic form.

29. Final Report. Within ninety (90) days after completion of all USEC-Lead Work required by this Order, Respondent shall submit for EPA review a final report summarizing the actions taken to comply with this Order. The final report shall conform, at a minimum, with the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports." The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Order, a listing of quantities and types of materials removed off-Site or handled on-Site, a discussion of removal and disposal options that it considered for those materials, a listing of the ultimate destination of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (*e.g.*, manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

30. Off-Site Shipments.

a. Respondent shall, prior to any off-Site shipment of a hazardous substance from the Site to an out-of-state waste management facility, provide written notification of such shipment of a hazardous substance to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-Site shipments when both the total volume of all such shipments will not exceed 10 cubic yards and the activity of such material neither exceeds 30 pCi/gram nor presents a dose of 10 mRem at the surface of the material.

Respondent shall include in the written notification the following information: 1) the name and location of the facility to which the hazardous substance is to be shipped; 2) the type and quantity of the hazardous substance to be shipped; 3) the expected schedule for the shipment of the hazardous substance; and 4) the method of transportation. Respondent shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the hazardous substance to another facility within the same state, or to a facility in another state.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-site location other than as provided in the SOW, Respondent shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondent shall only send hazardous substances, pollutants, or contaminants from the Site to an off-site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

31. The Respondent and its contractors will be granted access to the Site to implement this Order pursuant to an EPA Administrative Order, Docket Number 04-2003-3750, (Attachment A) which also provides EPA, the State, and their representatives, including contractors, with access at all reasonable times to the Site for the purpose of conducting any activity related to this Order. USEC, including its representatives and contractors, is designated as EPA's representative pursuant to 40 CFR §300.400(d)(3).

32. Notwithstanding any provision of this Order, EPA retains all of its access authorities and rights including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations

X. ACCESS TO INFORMATION

33. Respondent shall provide to EPA, upon request, copies of all documents and information within their possession or control or that of their contractors or agents relating to activities at the Site under this Order, or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondent shall also make available to EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work under this Order.

34. Respondent may assert business confidentiality claims covering part or all of the documents or information submitted to EPA under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R.

§ 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, or if EPA has notified Respondent that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondent.

35. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondent assert such a privilege in lieu of providing documents, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

36. No claim of confidentiality shall be made with respect to any data, concerning the conditions at or around the Site, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XI. RECORD RETENTION

37. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall also instruct their contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to performance of the Work.

38. At the conclusion of this document retention period, Respondent shall notify EPA at least ninety (90) days prior to the destruction of any such records or documents, and, upon request by EPA, Respondent shall deliver any such records or documents to EPA. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondent asserts such a privilege, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the

privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

39. Respondent hereby certifies that to the best of its knowledge and belief, after reasonable inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information (other than identical copies, drafts or documents received from or provided to EPA) relating to its potential liability regarding the Site since notification of potential liability by EPA or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

XII. COMPLIANCE WITH OTHER LAWS

40. Respondent shall perform all actions required pursuant to this Order in accordance with all applicable local, state, and federal laws and regulations except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-Site actions required pursuant to this Order shall, to the extent practicable, as determined by EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws.

XIII. EMERGENCY RESPONSE AND NOTIFICATION OF RELEASES

41. In the event of any action or occurrence during performance of the USEC-Lead Work which causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondent shall immediately take all appropriate action. Respondent shall take these actions in accordance with all applicable provisions of this Order, including, but not limited to, the Health and Safety Plan, in order to prevent, abate or minimize such release or endangerment caused or threatened by the release. Respondent shall also immediately notify the OSC or, in the event of his/her unavailability, the Regional Duty Officer Region 4, EERB at 404-562-8700 of the incident or Site conditions. In the event that Respondent fails to take appropriate response action as required by this Paragraph, and EPA takes such action instead, Respondent shall reimburse EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of AOC Oversight Costs by Respondent.)

42. In addition, in the event of any release of a hazardous substance from the Site to an off-Site location in the course of implementing USEC-Lead Work, Respondent shall immediately notify the OSC at (404)-562-8700 and the National Response Center at (800) 424-8802. Respondent shall submit a written report to EPA within seven (7) days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a

release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, *et seq.*

XIV. AUTHORITY OF ON-SCENE COORDINATOR

43. The OSC shall be responsible for overseeing Respondent's implementation of this Order. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Order. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF AOC OVERSIGHT COSTS BY RESPONDENT

44. Payments for AOC Oversight Costs.

a. Respondent shall reimburse EPA for Respondent's share of AOC Oversight Costs that were incurred not inconsistent with the NCP. Respondent's share of EPA's AOC Oversight Costs includes (1) all costs that are attributable to oversight of Respondent's activities under this Order, (2) one-half of the cost of services shared by Respondent and EPA, such as site security and utilities that cannot be separately metered, and that have been paid or incurred by EPA, (3) Respondent's proportional cost of services, such as wastewater treatment, where it is practicable to apply a unit rate to Respondent's usage, and (4) EPA's indirect costs associated with 1-3 above.

b. On a periodic basis, EPA will send Respondent a bill that identifies and requires payment of Respondent's share of AOC Oversight Costs. The bill shall include a SCORPIOS report. Respondent shall make all payments within thirty (30) days of receipt of each bill requiring payment, except as otherwise provided in Paragraph 46 of this Order.

c. Respondent shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the parties making payment and EPA Site/Spill ID number A48Q. Respondent shall send the checks to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384

d. At the time of payment, Respondent shall send notice that payment has been made to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

e. The total amount to be paid by Respondent pursuant to Paragraph 44(a) shall be deposited in the Starmet Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

45. In the event that the payment for AOC Oversight Costs are not made within thirty (30) days of Respondent's receipt of a bill, Respondent shall pay Interest on the unpaid balance. The Interest on AOC Oversight Costs shall begin to accrue on the due date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondent's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

46. Respondent may dispute all or part of a bill for AOC Oversight Costs submitted under this Order, if Respondent alleges that EPA has made an accounting error, or if Respondent alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, Respondent shall pay the full amount of the uncontested costs to EPA as specified in Paragraph 44 on or before the due date. Within the same time period, Respondent shall pay the full amount of the contested costs into an interest-bearing escrow account. Respondent shall simultaneously transmit a copy of both checks to the persons listed in Paragraph 44(d) above. Respondent shall ensure that the prevailing party or parties in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within fifteen (15) days after the dispute is resolved.

XVI. DISPUTE RESOLUTION

47. Unless otherwise expressly provided for in this Order, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Order. The Parties shall attempt to resolve any disagreements concerning this Order expeditiously and informally.

48. If Respondent objects to any EPA action taken pursuant to this Order, including billings for AOC Oversight Costs, they shall notify EPA in writing of their objections within fifteen (15) days of such action, unless the objections has/have been resolved informally. EPA and Respondent shall have thirty (30) days from EPA's receipt of Respondent's written

objections to resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of EPA.

49. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Order. If the Parties are unable to reach an agreement within the Negotiation Period, an EPA management official at the Division Director level or higher will issue a written decision on the dispute to Respondent. EPA's decision shall be incorporated into and become an enforceable part of this Order. Respondent's obligations under this Order shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondent shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

50. Respondent agrees to perform all requirements of this Order within the time limits established under this Order, unless the performance is delayed by a *force majeure*. For purposes of this Order, a *force majeure* is defined as any event arising from causes beyond the control of Respondent, or of any entity controlled by Respondent, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. *Force majeure* does not include financial inability to complete the USEC-Lead Work or increased cost of performance.

51. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a *force majeure* event, Respondent shall notify EPA orally within forty-eight (48) hours of when Respondent first knew that the event might cause a delay. Within five (5) days thereafter, Respondent shall provide to EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondent's rationale for attributing such delay to a *force majeure* event if they intend to assert such a claim; and a statement as to whether, in the opinion of Respondent, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of *force majeure* for that event for the period of time of such failure to comply and for any additional delay caused by such failure.

52. If EPA agrees that the delay or anticipated delay is attributable to a *force majeure* event, the time for performance of the obligations under this Order that are affected by the *force majeure* event will be extended by EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the *force majeure* event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a *force majeure* event, EPA will notify Respondent in writing of its decision. If EPA agrees that the

delay is attributable to a *force majeure* event, EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the *force majeure* event. In either case, EPA shall endeavor to provide its response to Respondent within ten (10) days of receiving Respondent's written notification provided to EPA in accordance with Paragraph 51.

XVIII. STIPULATED PENALTIES

53. Respondent shall be liable to EPA for stipulated penalties in the amounts set forth in Paragraphs 54 and 55 for failure to comply with the requirements of this Order specified below, unless excused under Section XVII (*Force Majeure*). "Compliance" by Respondent shall include completion of the Respondent's activities required under this Order, or any USEC-Lead Work under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order.

54. Stipulated Penalty Amounts - Work.

a. The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Paragraph 54.b:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

b. Compliance Milestones: Completion of the USEC-Lead Work described in Respondent's Statement of Work, on or before the date for the completion of all work as set forth in the approved Respondent's Work Plan, unless (1) EPA shall have agreed to an extension of such scheduled completion date, or (2) if excused under Section XVII (Force Majeure).

55. Stipulated Penalty Amounts - Reports. The following stipulated penalties shall accrue per report per day for failure to submit timely or adequate reports or other written documents pursuant to Paragraphs 22 through 29:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

56. In the event that EPA assumes performance of a portion or all of the USEC Lead Work required under this Order, pursuant to Paragraph 72, Respondent shall be liable for a stipulated penalty in the amount of $200,000.

57. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: 1) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency; and 2) with respect to a decision by the EPA Management Official at the Division Director level or higher, under Paragraph 49 of Section XVI (Dispute Resolution), during the period, if any, beginning on the 21st day after the Negotiation Period begins until the date that the EPA management official issues a final decision regarding such dispute. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

58. Following EPA's determination that Respondent has failed to comply with a requirement of this Order, EPA may give Respondent written notification of the failure and describe the noncompliance. EPA may send Respondent a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether EPA has notified Respondent of a violation.

59. All penalties accruing under this Section shall be due and payable to EPA within thirty (30) days of Respondent's receipt from EPA of a demand for payment of the penalties, unless Respondent invokes the dispute resolution procedures under Section XVI (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's checks made payable to "EPA Hazardous Substances Superfund," and mailed to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384 ,

The check shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID Number A48Q, the EPA Docket Number CER-04-2004-3758 and the name and address of the party making payment. Copies of checks paid pursuant to this Section, and any accompanying transmittal letters, shall be sent to EPA as provided in Paragraph 19, and to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

60. The payment of penalties shall not alter in any way Respondent's obligation to complete performance of the USEC-Lead Work required under this Order.

61. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until fifteen (15) days after the dispute is resolved by agreement or by receipt of EPA's decision.

62. If Respondent fails to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as Interest. Respondent shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 58. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(*l*) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(*l*), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that EPA shall not seek civil penalties pursuant to Section 106(b) or 122(*l*) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of this Order, or in the event that EPA assumes performance of a portion or all of the Work pursuant to Section XXI, Paragraph 72. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

XIX. PAYMENT OF EPA's REMOVAL ACTION COSTS BY SETTLING FEDERAL AGENCIES

63. Settling Federal Agencies shall pay EPA for EPA's Removal Action Costs. Payment to EPA of EPA's Removal Action Costs shall be made by Settling Federal Agencies in installments as provided below.

(a) Initial Installment. As soon as reasonably practicable after the execution of this agreement, the United States, on behalf of the Settling Federal Agencies, shall pay to the EPA Hazardous Substance Superfund $15,000,000.00 by Electronic Funds Transfer. EPA shall deposit this money paid pursuant to this AOC into the EPA Hazardous Substance Superfund, Starmet Special Account. This payment amount is based on the total currently-estimated cost to perform the EPA-Lead Work in this Order.

(b) Contingent Second Installment. If, at any time, but no earlier than six (6) months after the Effective Date hereof, EPA determines that the cost to perform the EPA-Lead Work will exceed $15 million, and thus the amount of money in the Starmet Special Account is less than the amount projected by the OSC to be needed to complete the EPA-Lead Work, the Parties shall execute an amendment to this AOC which shall provide for an additional payment by the United States, on behalf of the Settling Federal Agencies, into the EPA Hazardous Substance Superfund, Starmet Special Account, of a sum equal to the newly-estimated cost of completing the EPA-

Lead Work. The Parties' agreement concerning the payment of any such second installment shall be memorialized in writing and made an enforceable part of this Order, which may be amended only by mutual consent of the Parties.

(c). Contingent Final Payment - In the event that the second installment payment is not sufficient to pay for all costs of EPA-Lead Work, then upon completion of the Work, EPA shall submit to Settling Federal Agencies a bill requiring payment of such unreimbursed EPA-Lead Work Costs. Such bill shall include a SCORPIOS report. Settling Federal Agencies shall make payment to EPA as soon as reasonably practical.

64. If any payment to the EPA Hazardous Substances Superfund required by this section is not made as soon as reasonably practicable, the appropriate EPA Regional Branch Chief may raise any issues relating to payment to the appropriate DOJ Assistant Section Chief for the Environmental Defense Section. In any event, if this payment is not made within one hundred twenty (120) days after the effective date of this Agreement, EPA and DOJ have agreed to resolve the issue within thirty (30) days in accordance with procedures set forth in the letter agreement entitled "Agreement On Procedures To Address Consent Decree Payments By Federal PRPs to the Superfund", dated December 28, 1998.

65. In the event that payment by the Settling Federal Agencies is not made within ninety (90) days of the effective date of this Agreement, interest on the unpaid balance shall be paid at the rate established pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), commencing on the effective date of this Agreement and accruing through the date of the payment.

66. The parties to this Order recognize and acknowledge that the payment obligations of the Settling Federal Agencies under Paragraphs 63 (a) (b) and (c) of this Order can only be paid from appropriated funds legally available for such purpose. Nothing in this Order shall be interpreted or construed as a commitment or requirement that the Settling Federal Agencies obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

67. Following completion of the EPA-Lead Work, any money remaining in the Starmet Special Account shall only be applied to credit the further liability of the United States in contribution for additional response costs at the Site. Such money shall be retained and used to conduct or finance response actions at or in connection with the Site.

XX. COVENANTS NOT TO SUE BY THE UNITED STATES

68. In consideration of the actions that will be performed and the payments that will be made by Respondent under the terms of this Order, and except as otherwise specifically provided in this Order, the United States covenants not to sue or to take administrative action against Respondent pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for performance of the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs. These covenants not to sue or take administrative action shall

take effect upon the Effective Date and are conditioned upon the complete and satisfactory performance of all obligations under this Order, including, but not limited to, payment of AOC Oversight Costs by Respondent pursuant to Section XV and payment of EPA's Removal Action Costs by the Settling Federal Agencies pursuant to Section XIX. These covenants extends only to Respondent and do not extend to any other person.

69. Except as otherwise specifically provided in this Order, in consideration of the payments that will be made by the United States on behalf of the Settling Federal Agencies under the terms of this Order, including payment of all of EPA's Removal Action Costs, EPA covenants not to take administrative action against the Settling Federal Agencies pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), for the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs under this Order. EPA's covenant shall take effect upon receipt of the payment required under Paragraph 63. This covenant is conditioned upon the satisfactory performance by the Settling Federal Agencies of their obligations under this Order. This covenant extends only to the Settling Federal Agencies and does not extend to any other person.

XXI. RESERVATIONS OF RIGHTS BY THE UNITED STATES

70. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondent or Settling Federal Agencies in the future to perform additional activities pursuant to CERCLA or any other applicable law.

71. The covenants set forth in Section XX above do not pertain to any matters other than those expressly identified therein. EPA reserves the right to bring an action against the Respondent, and to take administrative action against the Settling Federal Agencies, with respect to all other matters, including, but not limited to:

a. claims based on a failure by Respondent or a Settling Federal Agency to meet a requirement of this Order;

b. liability for costs not included within the definition of AOC Oversight Costs or EPA's Removal Action Costs;

c. liability for performance of response action other than the Work;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of hazardous substances outside of the Site; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site.

72. USEC-Lead Work Takeover. In the event EPA determines that Respondent has ceased implementation of any portion of the USEC-Lead Work, is seriously or repeatedly deficient or late in their performance of that work, or is implementing that work in a manner which may cause an endangerment to human health or the environment, EPA may assume the performance of all or any portion of that work as EPA determines necessary. Except when EPA determines it is necessary to prevent endangerment to human health or the environment, prior to assuming performance of all or any portion of the USEC-Lead Work, EPA shall provide Respondent with notice of the deficiencies and at least thirty (30) days to cure any deficiencies identified in the notice. Respondent may invoke the procedures set forth in Section XVI (Dispute Resolution) to dispute EPA's determination that takeover of the USEC-Lead Work is warranted under this Paragraph. Costs incurred by the United States in performing the USEC-Lead Work pursuant to this Paragraph shall be considered AOC Oversight Costs that Respondent shall pay pursuant to Section XV (Payment of AOC Oversight Costs by Respondent). Notwithstanding any other provision of this Order, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

XXII. COVENANT NOT TO SUE BY RESPONDENT

73. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work or the costs of the Work, for AOC Oversight Costs, for EPA's Removal Action Costs, or for any other costs incurred pursuant to this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions, oversight or response activities, or approval of plans for such activities at or in connection with the Site, including any claim under the United States Constitution, the South Carolina State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Work, AOC Oversight Costs, EPA's Removal Action Costs, or any other costs incurred under this Order.

74. Except as provided in Paragraph 76 (Waiver of Claims), these covenants not to sue shall not apply (i) in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 71(b), (c), and (e) - (g), but only to the extent that Respondent's claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation; or (ii) in the event the Settling Federal Agencies fail to meet their responsibilities to pay EPA's Removal Action Costs or the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63 through 66 above, and Respondent is required to incur such costs or perform such work, then Respondent shall retain the right to bring an action to recover any such EPA Removal Action Costs paid by Respondent, or to recover any costs incurred by Respondent in performing any portion of the work that is part of the EPA-Lead Work.

75. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

76. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Respondent with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if

a. the materials contributed by such person to the Site containing hazardous substances did not exceed the greater of i) 0.002% of the total volume of waste at the Site, or ii) 110 gallons of liquid materials or 200 pounds of solid materials.

b. This waiver shall not apply to any claim or cause of action against any person meeting the above criteria if EPA has determined that the materials contributed to the Site by such person contributed or could contribute significantly to the costs of response at the Site. This waiver also shall not apply with respect to any defense, claim, or cause of action that a Respondent may have against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

77. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person that has entered into a final *de minimis* settlement under Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), with EPA with respect to the Site as of the Effective Date. This waiver shall not apply with respect to any defense, claim, or cause of action that a Respondent may have

against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

XXIII. COVENANT NOT TO SEEK REIMBURSEMENT BY SETTLING FEDERAL AGENCIES

78. The Settling Federal Agencies hereby agree not to assert any direct or indirect claim for reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through CERCLA §§ 106(b)(2), 107, 111, 112, 113, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, 9613, or any other provision of law with respect to EPA's Future Response Costs at the Site, or USEC-Lead Work.

XXIV. OTHER CLAIMS

79. By issuance of this Order, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondent. The United States or EPA shall not be deemed a party to any contract entered into by Respondent or their directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Order.

80. Except as expressly provided in Paragraph 77, De Minimis Waivers, and Section XX (COVENANTS NOT TO SUE BY THE UNITED STATES), nothing in this Order constitutes a satisfaction of or release from any claim or cause of action against Respondent, Settling Federal Agencies, or any person not a party to this Order, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

81. No action or decision by EPA pursuant to this Order shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXV. CONTRIBUTION PROTECTION

82. The Parties agree that Respondent and the Settling Federal Agencies are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are the Work, EPA's Removal Action Costs, and AOC Oversight Costs. Except as provided in Paragraph 77, of this Order (De Minimis Waivers), nothing in this Order precludes the United States or Respondent from asserting any claims, causes of action, or demands against any persons not parties to this Order for indemnification, contribution, or cost recovery. Provided that if the Settling Federal Agencies fail to meet their responsibilities to pay the EPA's Removal Action Costs and the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63-67 above, and respondent is required to incur such costs or perform such work, nothing in this Order shall

preclude Respondent from recovering any costs incurred or paid by Respondent for the EPA's Removal Action Costs and any such costs incurred or paid to perform any portion of the work that is part of the EPA-Lead Work.

XXVI. INDEMNIFICATION

83. Respondent shall indemnify, save and hold harmless the United States, its officials, agents, contractors, subcontractors, employees and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to USEC-Lead Work required by this Order, provided that Respondent shall not indemnify the United States for any work performed by EPA or others in the event that EPA assumes performance of the Work pursuant to Paragraph 72 (Work Takeover). In addition, Respondent agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, subcontractors and any persons acting on their behalf or under their control, in carrying out activities pursuant to USEC-Lead Work required under this Order. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondent in carrying out activities pursuant to USEC-Lead Work required under this Order. Neither Respondent nor any such contractor shall be considered an agent of the United States.

84. The United States shall give Respondent notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondent prior to settling such claim.

85. Except as provided in Section XXII (Covenant Not to Sue by Respondent), Respondent waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondent shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

XXVII. INSURANCE

86. At least seven (7) days prior to commencing any on-Site work under this Order, Respondent shall secure, and shall maintain for the duration of this Order, comprehensive general liability insurance and automobile insurance with limits of five (5) million dollars, combined single limit. Within the same time period, Respondent shall provide EPA with certificates of such insurance. At EPA's request, Respondent shall provide a copy of each insurance policy. In

addition, for the duration of the Order, Respondent shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondent in furtherance of this Order. If Respondent demonstrates by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then Respondent need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVIII. FINANCIAL ASSURANCE

87. Within thirty (30) days of the Effective Date, Respondent shall establish and maintain financial security in the amount of $7,850,000 in one or more of the following forms:

a. A surety bond guaranteeing performance of the Work;

b. One or more irrevocable letters of credit equaling the total estimated cost of the Work;

c. A trust fund;

d. A guarantee to perform the Work by one or more parent corporations or subsidiaries, or by one or more unrelated corporations that have a substantial business relationship with Respondent; or

e. A demonstration that one or more of the Respondent satisfy the requirements of 40 C.F.R. Part 264.143(f).

88. If Respondent seeks to demonstrate the ability to complete the USEC-Lead Work through a guarantee by a third party pursuant to Paragraph 87(a) of this Section, Respondent shall demonstrate that the guarantor satisfies the requirements of 40 C.F.R. Part 264.143(f). If Respondent seeks to demonstrate their ability to complete the Work by means of the financial test or the corporate guarantee pursuant to Paragraph 87(d) or (e) of this Section, they shall resubmit sworn statements conveying the information required by 40 C.F.R. Part 264.143(f) annually, on the anniversary of the Effective Date. In the event that EPA determines at any time that the financial assurances provided pursuant to this Section are inadequate, Respondent shall, within thirty (30) days of receipt of notice of EPA's determination, obtain and present to EPA for approval one of the other forms of financial assurance listed in Paragraph 87 of this Section. Respondent's inability to demonstrate financial ability to complete the Work shall not excuse performance of any activities required under this Order.

89. If, after the Effective Date, Respondent can show that the estimated cost to complete the remaining USEC-Lead Work has diminished below the amount set forth in Paragraph 87 of this Section, Respondent may, on any anniversary date of the Effective Date, or at any other time agreed to by the Parties, reduce the amount of the financial security provided under this Section

to the estimated cost of the remaining work to be performed. Respondent shall submit a proposal for such reduction to EPA, in accordance with the requirements of this Section, and may reduce the amount of the security upon approval by EPA. In the event of a dispute, Respondent may reduce the amount of the security in accordance with the written decision resolving the dispute.

90. Respondent may change the form of financial assurance provided under this Section at any time, upon notice to and approval by EPA, provided that the new form of assurance meets the requirements of this Section. In the event of a dispute, Respondent may change the form of the financial assurance only in accordance with the written decision resolving the dispute.

XXIX. MODIFICATIONS

91. The OSC may make modifications to any plan or schedule in writing or by oral direction. Any oral modification will be memorialized in writing by EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

92. If Respondent seeks permission to deviate from any approved work plan or schedule or Respondent's Statement of Work, Respondent's Project Coordinator shall submit a written request to EPA for approval outlining the proposed modification and its basis. Respondent may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 22.

93. No informal advice, guidance, suggestion, or comment by the OSC or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondent shall relieve Respondent of its obligation to obtain any formal approval required by this Order, or to comply with all requirements of this Order, unless it is formally modified.

XXX. NOTICE OF COMPLETION OF WORK

94. When EPA determines, after EPA's review of the Final Report, that all USEC-Lead Work has been fully performed in accordance with this Order, with the exception of any continuing obligations required by this Order, including payment of AOC Oversight Costs, or record retention, EPA will provide written notice to Respondent. If EPA determines that any such USEC-Lead Work has not been completed in accordance with this Order, EPA will notify Respondent, provide a list of the deficiencies, and require that Respondent modify the Work Plan if appropriate in order to correct such deficiencies. Respondent shall implement the modified and approved Work Plan and shall submit a modified Final Report in accordance with the EPA notice. Failure by Respondent to implement the approved modified Work Plan shall be a violation of this Order.

XXXI. ATTORNEY GENERAL APPROVAL

95. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(h)(1) of CERCLA, 42 U.S.C. § 9622(h)(1).

XXXII. SEVERABILITY/INTEGRATION/APPENDICES

96. If a court issues an order that invalidates any provision of this Order or finds that Respondent has sufficient cause not to comply with one or more provisions of this Order, Respondent shall remain bound to comply with all provisions of this Order not invalidated or determined to be subject to a sufficient cause defense by the court's order.

97. This Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Order. The parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Order. The following appendices are attached to and incorporated into this Order: Respondent's Statement of Work, Appendix A. Site Map, Appendix B.

XXXIII. EFFECTIVE DATE

98. This Order shall be effective seven (7) days after the Order is signed by the Regional Administrator or his delegate.

The undersigned representative of Respondent certifies that he or she is fully authorized to enter into the terms and conditions of this Order and to bind the party he or she represents to this document.

Agreed this 12th day of January, 2004.

For Respondent USEC

By Philip G. Sewell

Title Senior Vice President

Agreed this 5th day of Feb, 2004.

For settling Federal Agency United States Department of the Army

By Jacqueline R Little

Title LTC, JA, Chief, Environmental Law Division

Agreed this 5th day of Feb., 2004.

For settling Federal Agency United States Department of Energy

By _____
Gerald Boyd

Title _____
Manager
U. S. Department of Energy
Oak Ridge Operations

It is so ORDERED and Agreed this 6th day of FEB 2004.

BY: [signature] DATE: 6-FEB-04

Name
Shane Hitchcock
Region 4
U.S. Environmental Protection Agency

EFFECTIVE DATE: 13-FEB-04

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:
STARMET CMI
Barnwell, Barnwell County, South Carolina

United States Enrichment Corporation

Respondent

United States Department of Energy and
United States Department of the Army

Settling Federal Agencies

ADMINISTRATIVE ORDER ON
CONSENT FOR REMOVAL ACTION

U.S. EPA Region 4
CERCLA Docket No. CER-04-2004-3758

Proceeding Under Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622

10115041

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I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the United States Enrichment Corporation ("USEC" or "Respondent"), and the United States Department of Energy and Department of the Army ("Settling Federal Agencies"). This Order provides for the performance of a removal action by the Respondent, the payment by the Settling Federal Agencies for a removal action to be performed by EPA, and the reimbursement by Respondent of costs to be incurred by the United States from the actions taken pursuant to the sections of this Order which apply to the Respondent, at or in connection with the property located at the Starmet CMI facility located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina ("Site"). This Order also constitutes a settlement agreement between the United States and USEC to resolve USEC's contribution claims against the Settling Federal Agencies. This Order requires Respondent to conduct the removal action described herein and requires the Settling Federal Agencies to fund a removal action to be performed by EPA to abate what EPA believes to be an imminent and substantial endangerment to the public health, welfare or the environment that may be presented by the actual or threatened release of hazardous substances, pollutants, or contaminants at or from the Site.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622, as amended ("CERCLA"). The settlement agreement between USEC and the United States with regard to the Settling Federal Agencies is entered into pursuant to the Attorney General's authority to settle matters in anticipation of litigation.

3. EPA has notified the State of South Carolina, (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

4. The actions undertaken by Respondent and the Settling Federal Agencies in accordance with this Order do not constitute an admission of any liability. The Respondent and the Settling Federal Agencies do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity or accuracy of the findings of facts, conclusions of law, and determinations in Sections IV and V of this Order. The Respondent and the Settling Federal Agencies agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

II. PARTIES BOUND

5. This Order applies to and is binding upon EPA, the Respondent, the Respondent's agents, successors and assigns, and the Settling Federal Agencies. Any change in ownership or corporate status of the Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter the Respondent's responsibilities under this Order.

6. The Respondent shall ensure that its contractors, subcontractors, and representatives performing work under this Order receive a copy of this Order and comply with this Order. Respondent shall be responsible for any noncompliance by Respondent, its contractors or representatives with this Order.

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

a. "Action Memoranda" shall mean the EPA Action Memoranda relating to the Site signed on July 23, 2002, August 16, 2002, September 24, 2002, January 3, 2003, June 25, 2003, by the Regional Administrator, EPA Region 4, or his delegate, and all attachments thereto.

b. "AOC Oversight Costs" shall mean all costs, including but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports or other items pursuant to the USEC-Lead Work portions of this Order, verifying the USEC-Lead Work, or otherwise implementing, overseeing, or enforcing the portions of the Order relevant to USEC-Lead Work, including but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, the costs incurred pursuant to Section IX (Site Access), Section XIII (Emergency Response) and Paragraph 72 (Work Takeover).

c. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

d. "Day" shall mean a calendar day. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or Federal holiday, the period shall run until the close of business of the next working day.

e. "Effective Date" shall be the effective date of this Order as provided in Section XXXIII.

f. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

g. "EPA's Removal Action Costs" shall mean all costs not inconsistent with the NCP incurred by EPA in conducting the EPA-Lead Work at or around the Depleted Uranium Center and Reduction Building at the Site.

h. "EPA-Lead Work" shall mean all work conducted by EPA and its contractors and subcontractors, in planning, implementing and overseeing the removal and disposal of the Waste Materials that are stored in and around the Reduction Building and the Depleted Uranium Building, except for work required of Respondent in Respondent's Statement of Work (Appendix A of this Order).

i. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

j. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

k. "Order" shall mean this Administrative Order on Consent and all appendices attached hereto (listed in Section XXXII). In the event of conflict between this Order and any appendix, this Order shall control.

l. "Paragraph" shall mean a portion of this Order identified by an Arabic numeral.

m. "Parties" shall mean EPA, Settling Federal Agencies, and Respondent.

n. "Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States paid at or in connection with the Site through the Effective Date of this Order.

o. "RCRA" shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. §§ 6901, *et seq.* (also known as the Resource Conservation and Recovery Act).

p. "Respondent" or "USEC" shall mean the United States Enrichment Corporation including any of its parents, subsidiaries or affiliates, or any of officers, employees, or directors.

q. "Respondent's Statement of Work" or "SOW" shall mean the statement of work for implementation of the USEC-Lead Work, as set forth in Appendix A to this Order, and any modifications made thereto in accordance with this Order.

r. "Section" shall mean a portion of this Order identified by a Roman numeral.

s. "Settling Federal Agencies" shall mean the United States Department of Energy and United States Department of the Army, which are resolving any claims that have been or

could have been asserted against them with respect to the payment or incurrence of response and oversight costs required by this Order.

t. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix B.

u. "Starmet" shall mean Starmet CMI, Starmet Corporation and any and all of their current or former subsidiaries, parents, affiliates, predecessors, or successors.

v. "State" shall mean the State of South Carolina.

w. "United States" shall mean the United States of America, including all of its departments, agencies, and instrumentalities which includes without limitation EPA, the Settling Federal Agencies, and any Federal Natural Resources Trustee.

x. "USEC" shall mean the United States Enrichment Corporation, a Delaware corporation, and does not include the United States Enrichment Corporation, defined below as "USEC Federal,"which was a government corporation, and does not include any federal agency.

y. "USEC Federal" shall mean the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States.

z. "USEC-Lead Work" shall mean all activities that Respondent is required to perform under this Order, as described in the Respondent's Statement of Work and Section VIII, Work To Be Performed.

aa. "Waste Material" shall mean 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); 3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

bb. "Work" shall mean all activities required under this order. It is the combination of EPA-Lead Work and USEC-Lead Work.

IV. FINDINGS OF FACT

EPA finds as follows:

8. From June, 1985 until August, 1993, approximately 17,079,177 pounds of depleted uranium hexafluoride ("UF6") was shipped by the U.S. Department of Energy ("DOE") from DOE's uranium enrichment facility in Paducah KY, at the request of the Department of Defense ("DOD") to the Starmet facility in Barnwell. Starmet performed work under DOD Contracts to

convert the UF6 to uranium tetrafluoride ("UF4") at Starmet. This process generated calcium fluoride, dry active waste ("DAW"), process wastewater, and other materials and waste products.

9. Prior to 1993, much of the UF4 was further processed into uranium metal (i.e., "derbies"). This process generated magnesium fluoride, DAW, process wastewater, pyrophoric uranium scrap, and other materials as waste products. The metal was used to produce counter weights for high performance aircraft, and DU munitions at the Starmet facility in Concord, Massachusetts. Approximately 281 off-spec derbies remain on site.

10. The Energy Policy Act of 1992 Pub. L. 102-486 created the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States ("USEC Federal") as an interim measure towards the privatization of DOE's uranium enrichment enterprise. On July 1, 1993, DOE's uranium enrichment enterprise was transferred to USEC Federal and portions of DOE's uranium enrichment plants in Paducah Kentucky and Portsmouth Ohio were leased to USEC Federal. Pursuant to the USEC Privatization Act, Pub. L. 104-134, the assets of USEC Federal were transferred to USEC and USEC was privatized on July 28, 1998. USEC Federal ceased to exist following this transfer.

11. From August 1998 until September 2001, USEC shipped 12,758,824 lbs of UF6 to the Starmet facility in Barnwell, to be converted into UF4. Of this amount, 88,178 pounds were returned to USEC.

12. Starmet also acquired UF4 ("lump cake" and "yellow cake") from DOE. Much of this material was unsuitable for any use due to its physical properties, and an estimated 6028 drums of this material remains stored at the Site. A portion of these drums are deteriorating. Starmet also acquired *de minimis* quantities of materials from a number of other companies.

13. In total, an estimated 11,800 drums of UF4 are stored at the Site. In addition, approximately 4,175 drums of calcium fluoride and 116 drums of magnesium fluoride are stored at the Site. There are 79 B25 boxes which contain scrap metal with UF4 residual. Additionally, there are 9 SeaLand containers on at the Site which contain, among other things, spent parts from Derby manufacturing. These parts are embedded with uranium contamination.

14. A significant number of the steel drums used for the storage of the UF4 are visibly deteriorating, and many of the drums are leaking.

15. Uranium metal scraps from machining operations were abandoned at the Site, and are generating explosive Hydrogen gas.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

16. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

a. The Starmet Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. Respondent and Settling Federal Agencies are "persons" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. Respondent and Settling Federal Agencies are liable parties under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and potentially responsible parties under Section 122(d)(3) of CERCLA, 42 U.S.C. § 9622(d)(3).

e. The conditions described in the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

f. The removal action required by this Order is necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order and the SOW and any modifications thereto, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. ORDER

Based upon the foregoing Findings of Fact, Conclusions of Law, Determinations, and the Administrative Record for this Site, it is hereby Ordered and Agreed that Respondent and the Settling Federal Agencies shall comply with all provisions of this Order, including, but not limited to, all appendices to this Order, the SOW, and all documents incorporated by reference into this Order.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

17. Respondent shall retain one or more contractors to perform all or any portion of the Respondent's Statement of Work and shall notify EPA of the names and qualifications of such contractors within thirty (30) days of the Effective Date. Respondent shall also notify EPA of the names and qualifications of any other contractors or subcontractors retained to perform the Respondent's Statement of Work at least ten (10) days prior to commencement of such work.

EPA retains the right to disapprove of any or all of the contractors and/or subcontractors retained by Respondent. If EPA disapproves of a selected contractor, Respondent shall retain a different contractor and shall notify EPA of that contractor's name and qualifications within thirty (30) days following EPA's disapproval. EPA shall notify Respondent within five (5) days after receiving notice of the designated contractor, but retains right to disapprove at any time.

18. Within fifteen (15) days after the Effective Date, Respondent shall designate a Project Coordinator who shall be responsible for administration of all actions by Respondent required by this Order and shall submit to EPA the designated Project Coordinator's name, address, telephone number, and qualifications. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during implementation of USEC-Lead Work on site. EPA retains the right to disapprove of the designated Project Coordinator. If EPA disapproves of the designated Project Coordinator, and Respondent shall retain a different Project Coordinator and shall notify EPA of that person's name, address, telephone number, and qualifications within fifteen (15) days following EPA's disapproval. Receipt by Respondent's Project Coordinator of any notice or communication from EPA relating to this Order shall constitute receipt by Respondent. EPA shall notify Respondent within five (5) days after receiving notice of the designated Project Coordinator but retains right to disapprove at any time.

19. EPA has designated David Dorian of the Emergency Response and Removal Branch, Region 4, as its On-Scene Coordinator ("OSC"). Except as otherwise provided in this Order, Respondent shall direct all submissions required by this Order to the OSC at:

US EPA
Waste Division
61 Forsyth St, S.W.
Atlanta, GA 30303

20. EPA and Respondent shall have the right, subject to Paragraph 18, to change their respective designated OSC or Project Coordinator. Respondent shall notify EPA five (5) days before such a change is made. The initial notification may be made orally, but shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

21. This Order and the Work it requires provides for the removal of Waste Materials on the Site. Respondent shall, as described in the Respondent's Statement of Work (Appendix A), perform all USEC-Lead Work required to remove all Waste Materials associated with chemical conversion of UF6 (to UF4) originating from USEC. EPA shall, with the funds provided by the Settling Federal Agencies, remove the remaining Waste Materials in and around the Reduction Building and the Depleted Uranium Center.

22. Work Plan and Implementation.

a. Within ninety (90) days after the Effective Date, Respondent shall submit to EPA for approval a draft Work Plan for performing the Respondent's Statement of Work. (Hereinafter "Work Plan"). The draft Work Plan shall provide a description of, and an expeditious schedule for, the actions required by this Order.

b. EPA may approve, disapprove, require revisions to, or modify the draft Work Plan in whole or in part. If EPA requires revisions, Respondent shall submit a revised draft Work Plan within fourteen (14) days of receipt of EPA's notification of the required revisions. Respondent shall implement the Work Plan as approved in writing by EPA in accordance with the schedule approved by EPA. Once approved, or approved with modifications, the Work Plan, the schedule, and any subsequent modifications shall be incorporated into and become fully enforceable under this Order.

c. Unless otherwise agreed to by the OSC, Respondent shall not commence implementation of the Work Plan developed hereunder until receiving written EPA approval pursuant to Paragraph 22(b).

23. Health and Safety Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a plan that ensures the protection of the public health and safety during performance of on-Site work under this Order. This plan shall be prepared in accordance with EPA's Standard Operating Safety Guide (PUB 9285.1-03, PB 92-963414, June 1992) ("Guide"). In addition, the plan shall comply with all currently applicable Occupational Safety and Health Administration ("OSHA") regulations found at 29 C.F.R. Part 1910. If EPA determines that it is appropriate, the plan shall also include contingency planning. Respondent shall incorporate all changes to the plan recommended by EPA and shall implement the plan during the pendency of the removal action.

24. Radiation Protection Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a Radiation Protection Plan. This plan shall comply with the State of South Carolina Department of Health and Environmental Control Regulation 61-63 Radioactive Materials and applicable OSHA regulations found in 10 C.F.R. Part 20.

25. EPA Approval of Plans and Other Submissions.

a. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA shall, consistent with the SOW, the Guide and ARARs (as that term is defined in Paragraph 40): (i) approve, in whole or in part, the submission; (ii) approve the submission upon specified conditions; (iii) modify the submission to cure the deficiencies; (iv) disapprove, in whole or in part, the submission, directing that the Respondent modify the submission; or (v) any combination of the above. However, EPA shall not modify a submission without first providing Respondent

at least one notice of deficiency and an opportunity to cure within twenty (20) days (unless the EPA and Respondent agree to a longer time period), except where to do so would cause serious disruption to the work or where previous submissions have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

b. In the event of approval, approval upon conditions, or modification by EPA, pursuant to subparagraphs (i), (ii) or (iii), Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA, subject only to their right to invoke the Dispute Resolution procedures set forth in Section XVI (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to subparagraph (iii) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XVIII (Stipulated Penalties).

26. Resubmission of Plans

a. Upon receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall, within twenty (20) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XVIII, shall accrue during the 20-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 26d.

b. Notwithstanding the receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of any non-deficient portion of a submission shall not relieve Respondent of any liability for stipulated penalties under Section XVIII (Stipulated Penalties).

c. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, EPA may again require the Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to modify or develop the plan, report or other item. Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to their right to invoke the procedures set forth in Section XVI (Dispute Resolution).

d. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the Respondent invokes the dispute resolution procedures set forth in Section XVI (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XVI(Dispute Resolution) and Section XVIII (Stipulated Penalties) shall govern the implementation of the work and accrual and

payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, stipulated penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XVIII.

e. All plans, reports, and other items required to be submitted to EPA under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

27. Quality Assurance and Sampling.

a. All sampling and analyses performed pursuant to this Order shall conform to EPA direction, approval, and guidance regarding sampling, quality assurance/quality control ("QA/QC"), data validation, and chain of custody procedures. Respondent shall ensure that the laboratory used to perform the analyses participates in a QA/QC program that complies with the appropriate EPA guidance. Respondent shall follow, as appropriate, "Guidance for the Data Quality Objectives Process" (EPA/600/R-96/055) and "EPA Guidance for Quality Assurance Project Plans" (EPA/600/R-98/018). Respondent shall only use laboratories that have a documented Quality System that complies with ANSI/ASQC E-4 1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), and "EPA Requirements for Quality Management Plans (QA/R-2) (EPA/240/B-01/002, March 2001)," or equivalent documentation as determined by EPA. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements.

b. Upon request by EPA, Respondent shall have such a laboratory analyze samples submitted by EPA for QA monitoring. Respondent shall provide to EPA the QA/QC procedures followed by all sampling teams and laboratories performing data collection and/or analysis.

c. Upon request by EPA, Respondent shall allow EPA or its authorized representatives to take split and/or duplicate samples. Respondent shall notify EPA not less than seven (7) days in advance of any sample collection activity, unless shorter notice is agreed to by EPA. EPA shall have the right to take any additional samples that EPA deems necessary. Upon request, EPA shall allow Respondent to take split or duplicate samples of any samples it takes as part of its oversight of USEC-Lead Work.

28. Reporting.

a. Respondent shall submit a written progress report to EPA concerning actions undertaken pursuant to this Order on a monthly basis, with the first report to be issued

within ten (10) days following the month of EPA's approval of the Work Plan until termination of this Order, unless otherwise directed in writing by the OSC. These reports shall describe all significant developments during the preceding period, including the actions performed and any problems encountered, analytical data received during the reporting period, and the developments anticipated during the next reporting period, including a schedule of actions to be performed, anticipated problems, and planned resolutions of past or anticipated problems. The monthly reports shall also include a listing of the quantities and types of materials sent offsite and the ultimate destination of such materials.

b. Respondent shall submit three (3) copies of all plans, reports or other submissions required by this Order, the Respondent's Statement of Work, or any approved work plan. Upon request by EPA, Respondent shall submit such documents in electronic form.

29. Final Report. Within ninety (90) days after completion of all USEC-Lead Work required by this Order, Respondent shall submit for EPA review a final report summarizing the actions taken to comply with this Order. The final report shall conform, at a minimum, with the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports." The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Order, a listing of quantities and types of materials removed off-Site or handled on-Site, a discussion of removal and disposal options that it considered for those materials, a listing of the ultimate destination of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (*e.g.*, manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

30. Off-Site Shipments.

a. Respondent shall, prior to any off-Site shipment of a hazardous substance from the Site to an out-of-state waste management facility, provide written notification of such shipment of a hazardous substance to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-Site shipments when both the total volume of all such shipments will not exceed 10 cubic yards and the activity of such material neither exceeds 30 pCi/gram nor presents a dose of 10 mRem at the surface of the material.

Respondent shall include in the written notification the following information: 1) the name and location of the facility to which the hazardous substance is to be shipped; 2) the type and quantity of the hazardous substance to be shipped; 3) the expected schedule for the shipment of the hazardous substance; and 4) the method of transportation. Respondent shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the hazardous substance to another facility within the same state, or to a facility in another state.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-site location other than as provided in the SOW, Respondent shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondent shall only send hazardous substances, pollutants, or contaminants from the Site to an off-site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

31. The Respondent and its contractors will be granted access to the Site to implement this Order pursuant to an EPA Administrative Order, Docket Number 04-2003-3750, (Attachment A) which also provides EPA, the State, and their representatives, including contractors, with access at all reasonable times to the Site for the purpose of conducting any activity related to this Order. USEC, including its representatives and contractors, is designated as EPA's representative pursuant to 40 CFR §300.400(d)(3).

32. Notwithstanding any provision of this Order, EPA retains all of its access authorities and rights including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations

X. ACCESS TO INFORMATION

33. Respondent shall provide to EPA, upon request, copies of all documents and information within their possession or control or that of their contractors or agents relating to activities at the Site under this Order, or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondent shall also make available to EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work under this Order.

34. Respondent may assert business confidentiality claims covering part or all of the documents or information submitted to EPA under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R.

§ 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, or if EPA has notified Respondent that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondent.

35. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondent assert such a privilege in lieu of providing documents, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

36. No claim of confidentiality shall be made with respect to any data, concerning the conditions at or around the Site, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XI. RECORD RETENTION

37. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall also instruct their contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to performance of the Work.

38. At the conclusion of this document retention period, Respondent shall notify EPA at least ninety (90) days prior to the destruction of any such records or documents, and, upon request by EPA, Respondent shall deliver any such records or documents to EPA. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondent asserts such a privilege, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the

privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

39. Respondent hereby certifies that to the best of its knowledge and belief, after reasonable inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information (other than identical copies, drafts or documents received from or provided to EPA) relating to its potential liability regarding the Site since notification of potential liability by EPA or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

XII. COMPLIANCE WITH OTHER LAWS

40. Respondent shall perform all actions required pursuant to this Order in accordance with all applicable local, state, and federal laws and regulations except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-Site actions required pursuant to this Order shall, to the extent practicable, as determined by EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws.

XIII. EMERGENCY RESPONSE AND NOTIFICATION OF RELEASES

41. In the event of any action or occurrence during performance of the USEC-Lead Work which causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondent shall immediately take all appropriate action. Respondent shall take these actions in accordance with all applicable provisions of this Order, including, but not limited to, the Health and Safety Plan, in order to prevent, abate or minimize such release or endangerment caused or threatened by the release. Respondent shall also immediately notify the OSC or, in the event of his/her unavailability, the Regional Duty Officer Region 4, EERB at 404-562-8700 of the incident or Site conditions. In the event that Respondent fails to take appropriate response action as required by this Paragraph, and EPA takes such action instead, Respondent shall reimburse EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of AOC Oversight Costs by Respondent.)

42. In addition, in the event of any release of a hazardous substance from the Site to an off-Site location in the course of implementing USEC-Lead Work, Respondent shall immediately notify the OSC at (404)-562-8700 and the National Response Center at (800) 424-8802. Respondent shall submit a written report to EPA within seven (7) days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a

release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, *et seq*.

XIV. AUTHORITY OF ON-SCENE COORDINATOR

43. The OSC shall be responsible for overseeing Respondent's implementation of this Order. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Order. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF AOC OVERSIGHT COSTS BY RESPONDENT

44. Payments for AOC Oversight Costs.

a. Respondent shall reimburse EPA for Respondent's share of AOC Oversight Costs that were incurred not inconsistent with the NCP. Respondent's share of EPA's AOC Oversight Costs includes (1) all costs that are attributable to oversight of Respondent's activities under this Order, (2) one-half of the cost of services shared by Respondent and EPA, such as site security and utilities that cannot be separately metered, and that have been paid or incurred by EPA, (3) Respondent's proportional cost of services, such as wastewater treatment, where it is practicable to apply a unit rate to Respondent's usage, and (4) EPA's indirect costs associated with 1-3 above.

b. On a periodic basis, EPA will send Respondent a bill that identifies and requires payment of Respondent's share of AOC Oversight Costs. The bill shall include a SCORPIOS report. Respondent shall make all payments within thirty (30) days of receipt of each bill requiring payment, except as otherwise provided in Paragraph 46 of this Order.

c. Respondent shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the parties making payment and EPA Site/Spill ID number A48Q. Respondent shall send the checks to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384

d. At the time of payment, Respondent shall send notice that payment has been made to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

e. The total amount to be paid by Respondent pursuant to Paragraph 44(a) shall be deposited in the Starmet Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

45. In the event that the payment for AOC Oversight Costs are not made within thirty (30) days of Respondent's receipt of a bill, Respondent shall pay Interest on the unpaid balance. The Interest on AOC Oversight Costs shall begin to accrue on the due date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondent's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

46. Respondent may dispute all or part of a bill for AOC Oversight Costs submitted under this Order, if Respondent alleges that EPA has made an accounting error, or if Respondent alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, Respondent shall pay the full amount of the uncontested costs to EPA as specified in Paragraph 44 on or before the due date. Within the same time period, Respondent shall pay the full amount of the contested costs into an interest-bearing escrow account. Respondent shall simultaneously transmit a copy of both checks to the persons listed in Paragraph 44(d) above. Respondent shall ensure that the prevailing party or parties in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within fifteen (15) days after the dispute is resolved.

XVI. DISPUTE RESOLUTION

47. Unless otherwise expressly provided for in this Order, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Order. The Parties shall attempt to resolve any disagreements concerning this Order expeditiously and informally.

48. If Respondent objects to any EPA action taken pursuant to this Order, including billings for AOC Oversight Costs, they shall notify EPA in writing of their objections within fifteen (15) days of such action, unless the objections has/have been resolved informally. EPA and Respondent shall have thirty (30) days from EPA's receipt of Respondent's written

objections to resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of EPA.

49. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Order. If the Parties are unable to reach an agreement within the Negotiation Period, an EPA management official at the Division Director level or higher will issue a written decision on the dispute to Respondent. EPA's decision shall be incorporated into and become an enforceable part of this Order. Respondent's obligations under this Order shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondent shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

50. Respondent agrees to perform all requirements of this Order within the time limits established under this Order, unless the performance is delayed by a *force majeure*. For purposes of this Order, a *force majeure* is defined as any event arising from causes beyond the control of Respondent, or of any entity controlled by Respondent, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. *Force majeure* does not include financial inability to complete the USEC-Lead Work or increased cost of performance.

51. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a *force majeure* event, Respondent shall notify EPA orally within forty-eight (48) hours of when Respondent first knew that the event might cause a delay. Within five (5) days thereafter, Respondent shall provide to EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondent's rationale for attributing such delay to a *force majeure* event if they intend to assert such a claim; and a statement as to whether, in the opinion of Respondent, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of *force majeure* for that event for the period of time of such failure to comply and for any additional delay caused by such failure.

52. If EPA agrees that the delay or anticipated delay is attributable to a *force majeure* event, the time for performance of the obligations under this Order that are affected by the *force majeure* event will be extended by EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the *force majeure* event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a *force majeure* event, EPA will notify Respondent in writing of its decision. If EPA agrees that the

delay is attributable to a *force majeure* event, EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the *force majeure* event. In either case, EPA shall endeavor to provide its response to Respondent within ten (10) days of receiving Respondent's written notification provided to EPA in accordance with Paragraph 51.

XVIII. STIPULATED PENALTIES

53. Respondent shall be liable to EPA for stipulated penalties in the amounts set forth in Paragraphs 54 and 55 for failure to comply with the requirements of this Order specified below, unless excused under Section XVII (*Force Majeure*). "Compliance" by Respondent shall include completion of the Respondent's activities required under this Order, or any USEC-Lead Work under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order.

54. Stipulated Penalty Amounts - Work.

a. The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Paragraph 54.b:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

b. Compliance Milestones: Completion of the USEC-Lead Work described in Respondent's Statement of Work, on or before the date for the completion of all work as set forth in the approved Respondent's Work Plan, unless (1) EPA shall have agreed to an extension of such scheduled completion date, or (2) if excused under Section XVII (Force Majeure).

55. Stipulated Penalty Amounts - Reports. The following stipulated penalties shall accrue per report per day for failure to submit timely or adequate reports or other written documents pursuant to Paragraphs 22 through 29:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

56. In the event that EPA assumes performance of a portion or all of the USEC Lead Work required under this Order, pursuant to Paragraph 72, Respondent shall be liable for a stipulated penalty in the amount of $200,000.

57. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: 1) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency; and 2) with respect to a decision by the EPA Management Official at the Division Director level or higher, under Paragraph 49 of Section XVI (Dispute Resolution), during the period, if any, beginning on the 21st day after the Negotiation Period begins until the date that the EPA management official issues a final decision regarding such dispute. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

58. Following EPA's determination that Respondent has failed to comply with a requirement of this Order, EPA may give Respondent written notification of the failure and describe the noncompliance. EPA may send Respondent a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether EPA has notified Respondent of a violation.

59. All penalties accruing under this Section shall be due and payable to EPA within thirty (30) days of Respondent's receipt from EPA of a demand for payment of the penalties, unless Respondent invokes the dispute resolution procedures under Section XVI (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's checks made payable to "EPA Hazardous Substances Superfund," and mailed to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384 ,

The check shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID Number A48Q, the EPA Docket Number CER-04-2004-3758 and the name and address of the party making payment. Copies of checks paid pursuant to this Section, and any accompanying transmittal letters, shall be sent to EPA as provided in Paragraph 19, and to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

60. The payment of penalties shall not alter in any way Respondent's obligation to complete performance of the USEC-Lead Work required under this Order.

61. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until fifteen (15) days after the dispute is resolved by agreement or by receipt of EPA's decision.

62. If Respondent fails to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as Interest. Respondent shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 58. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(*l*) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(*l*), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that EPA shall not seek civil penalties pursuant to Section 106(b) or 122(*l*) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of this Order, or in the event that EPA assumes performance of a portion or all of the Work pursuant to Section XXI, Paragraph 72. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

XIX. PAYMENT OF EPA's REMOVAL ACTION COSTS BY SETTLING FEDERAL AGENCIES

63. Settling Federal Agencies shall pay EPA for EPA's Removal Action Costs. Payment to EPA of EPA's Removal Action Costs shall be made by Settling Federal Agencies in installments as provided below.

(a) Initial Installment. As soon as reasonably practicable after the execution of this agreement, the United States, on behalf of the Settling Federal Agencies, shall pay to the EPA Hazardous Substance Superfund $15,000,000.00 by Electronic Funds Transfer. EPA shall deposit this money paid pursuant to this AOC into the EPA Hazardous Substance Superfund, Starmet Special Account. This payment amount is based on the total currently-estimated cost to perform the EPA-Lead Work in this Order.

(b) Contingent Second Installment. If, at any time, but no earlier than six (6) months after the Effective Date hereof, EPA determines that the cost to perform the EPA-Lead Work will exceed $15 million, and thus the amount of money in the Starmet Special Account is less than the amount projected by the OSC to be needed to complete the EPA-Lead Work, the Parties shall execute an amendment to this AOC which shall provide for an additional payment by the United States, on behalf of the Settling Federal Agencies, into the EPA Hazardous Substance Superfund, Starmet Special Account, of a sum equal to the newly-estimated cost of completing the EPA-

Lead Work. The Parties' agreement concerning the payment of any such second installment shall be memorialized in writing and made an enforceable part of this Order, which may be amended only by mutual consent of the Parties.

(c). Contingent Final Payment - In the event that the second installment payment is not sufficient to pay for all costs of EPA-Lead Work, then upon completion of the Work, EPA shall submit to Settling Federal Agencies a bill requiring payment of such unreimbursed EPA-Lead Work Costs. Such bill shall include a SCORPIOS report. Settling Federal Agencies shall make payment to EPA as soon as reasonably practical.

64. If any payment to the EPA Hazardous Substances Superfund required by this section is not made as soon as reasonably practicable, the appropriate EPA Regional Branch Chief may raise any issues relating to payment to the appropriate DOJ Assistant Section Chief for the Environmental Defense Section. In any event, if this payment is not made within one hundred twenty (120) days after the effective date of this Agreement, EPA and DOJ have agreed to resolve the issue within thirty (30) days in accordance with procedures set forth in the letter agreement entitled "Agreement On Procedures To Address Consent Decree Payments By Federal PRPs to the Superfund", dated December 28, 1998.

65. In the event that payment by the Settling Federal Agencies is not made within ninety (90) days of the effective date of this Agreement, interest on the unpaid balance shall be paid at the rate established pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), commencing on the effective date of this Agreement and accruing through the date of the payment.

66. The parties to this Order recognize and acknowledge that the payment obligations of the Settling Federal Agencies under Paragraphs 63 (a) (b) and (c) of this Order can only be paid from appropriated funds legally available for such purpose. Nothing in this Order shall be interpreted or construed as a commitment or requirement that the Settling Federal Agencies obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

67. Following completion of the EPA-Lead Work, any money remaining in the Starmet Special Account shall only be applied to credit the further liability of the United States in contribution for additional response costs at the Site. Such money shall be retained and used to conduct or finance response actions at or in connection with the Site.

XX. COVENANTS NOT TO SUE BY THE UNITED STATES

68. In consideration of the actions that will be performed and the payments that will be made by Respondent under the terms of this Order, and except as otherwise specifically provided in this Order, the United States covenants not to sue or to take administrative action against Respondent pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for performance of the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs. These covenants not to sue or take administrative action shall

take effect upon the Effective Date and are conditioned upon the complete and satisfactory performance of all obligations under this Order, including, but not limited to, payment of AOC Oversight Costs by Respondent pursuant to Section XV and payment of EPA's Removal Action Costs by the Settling Federal Agencies pursuant to Section XIX. These covenants extends only to Respondent and do not extend to any other person.

69. Except as otherwise specifically provided in this Order, in consideration of the payments that will be made by the United States on behalf of the Settling Federal Agencies under the terms of this Order, including payment of all of EPA's Removal Action Costs, EPA covenants not to take administrative action against the Settling Federal Agencies pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), for the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs under this Order. EPA's covenant shall take effect upon receipt of the payment required under Paragraph 63. This covenant is conditioned upon the satisfactory performance by the Settling Federal Agencies of their obligations under this Order. This covenant extends only to the Settling Federal Agencies and does not extend to any other person.

XXI. RESERVATIONS OF RIGHTS BY THE UNITED STATES

70. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondent or Settling Federal Agencies in the future to perform additional activities pursuant to CERCLA or any other applicable law.

71. The covenants set forth in Section XX above do not pertain to any matters other than those expressly identified therein. EPA reserves the right to bring an action against the Respondent, and to take administrative action against the Settling Federal Agencies, with respect to all other matters, including, but not limited to:

a. claims based on a failure by Respondent or a Settling Federal Agency to meet a requirement of this Order;

b. liability for costs not included within the definition of AOC Oversight Costs or EPA's Removal Action Costs;

c. liability for performance of response action other than the Work;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of hazardous substances outside of the Site; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site.

72. USEC-Lead Work Takeover. In the event EPA determines that Respondent has ceased implementation of any portion of the USEC-Lead Work, is seriously or repeatedly deficient or late in their performance of that work, or is implementing that work in a manner which may cause an endangerment to human health or the environment, EPA may assume the performance of all or any portion of that work as EPA determines necessary. Except when EPA determines it is necessary to prevent endangerment to human health or the environment, prior to assuming performance of all or any portion of the USEC-Lead Work, EPA shall provide Respondent with notice of the deficiencies and at least thirty (30) days to cure any deficiencies identified in the notice. Respondent may invoke the procedures set forth in Section XVI (Dispute Resolution) to dispute EPA's determination that takeover of the USEC-Lead Work is warranted under this Paragraph. Costs incurred by the United States in performing the USEC-Lead Work pursuant to this Paragraph shall be considered AOC Oversight Costs that Respondent shall pay pursuant to Section XV (Payment of AOC Oversight Costs by Respondent). Notwithstanding any other provision of this Order, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

XXII. COVENANT NOT TO SUE BY RESPONDENT

73. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work or the costs of the Work, for AOC Oversight Costs, for EPA's Removal Action Costs, or for any other costs incurred pursuant to this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions, oversight or response activities, or approval of plans for such activities at or in connection with the Site, including any claim under the United States Constitution, the South Carolina State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Work, AOC Oversight Costs, EPA's Removal Action Costs, or any other costs incurred under this Order.

74. Except as provided in Paragraph 76 (Waiver of Claims), these covenants not to sue shall not apply (i) in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 71(b), (c), and (e) - (g), but only to the extent that Respondent's claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation; or (ii) in the event the Settling Federal Agencies fail to meet their responsibilities to pay EPA's Removal Action Costs or the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63 through 66 above, and Respondent is required to incur such costs or perform such work, then Respondent shall retain the right to bring an action to recover any such EPA Removal Action Costs paid by Respondent, or to recover any costs incurred by Respondent in performing any portion of the work that is part of the EPA-Lead Work.

75. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

76. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Respondent with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if

a. the materials contributed by such person to the Site containing hazardous substances did not exceed the greater of i) 0.002% of the total volume of waste at the Site, or ii) 110 gallons of liquid materials or 200 pounds of solid materials.

b. This waiver shall not apply to any claim or cause of action against any person meeting the above criteria if EPA has determined that the materials contributed to the Site by such person contributed or could contribute significantly to the costs of response at the Site. This waiver also shall not apply with respect to any defense, claim, or cause of action that a Respondent may have against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

77. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person that has entered into a final *de minimis* settlement under Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), with EPA with respect to the Site as of the Effective Date. This waiver shall not apply with respect to any defense, claim, or cause of action that a Respondent may have

against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

XXIII. COVENANT NOT TO SEEK REIMBURSEMENT BY SETTLING FEDERAL AGENCIES

78. The Settling Federal Agencies hereby agree not to assert any direct or indirect claim for reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through CERCLA §§ 106(b)(2), 107, 111, 112, 113, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, 9613, or any other provision of law with respect to EPA's Future Response Costs at the Site, or USEC-Lead Work.

XXIV. OTHER CLAIMS

79. By issuance of this Order, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondent. The United States or EPA shall not be deemed a party to any contract entered into by Respondent or their directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Order.

80. Except as expressly provided in Paragraph 77, De Minimis Waivers, and Section XX (COVENANTS NOT TO SUE BY THE UNITED STATES), nothing in this Order constitutes a satisfaction of or release from any claim or cause of action against Respondent, Settling Federal Agencies, or any person not a party to this Order, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

81. No action or decision by EPA pursuant to this Order shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXV. CONTRIBUTION PROTECTION

82. The Parties agree that Respondent and the Settling Federal Agencies are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are the Work, EPA's Removal Action Costs, and AOC Oversight Costs. Except as provided in Paragraph 77, of this Order (De Minimis Waivers), nothing in this Order precludes the United States or Respondent from asserting any claims, causes of action, or demands against any persons not parties to this Order for indemnification, contribution, or cost recovery. Provided that if the Settling Federal Agencies fail to meet their responsibilities to pay the EPA's Removal Action Costs and the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63-67 above, and respondent is required to incur such costs or perform such work, nothing in this Order shall

preclude Respondent from recovering any costs incurred or paid by Respondent for the EPA's Removal Action Costs and any such costs incurred or paid to perform any portion of the work that is part of the EPA-Lead Work.

XXVI. INDEMNIFICATION

83. Respondent shall indemnify, save and hold harmless the United States, its officials, agents, contractors, subcontractors, employees and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to USEC-Lead Work required by this Order, provided that Respondent shall not indemnify the United States for any work performed by EPA or others in the event that EPA assumes performance of the Work pursuant to Paragraph 72 (Work Takeover). In addition, Respondent agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, subcontractors and any persons acting on their behalf or under their control, in carrying out activities pursuant to USEC-Lead Work required under this Order. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondent in carrying out activities pursuant to USEC-Lead Work required under this Order. Neither Respondent nor any such contractor shall be considered an agent of the United States.

84. The United States shall give Respondent notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondent prior to settling such claim.

85. Except as provided in Section XXII (Covenant Not to Sue by Respondent), Respondent waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondent shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

XXVII. INSURANCE

86. At least seven (7) days prior to commencing any on-Site work under this Order, Respondent shall secure, and shall maintain for the duration of this Order, comprehensive general liability insurance and automobile insurance with limits of five (5) million dollars, combined single limit. Within the same time period, Respondent shall provide EPA with certificates of such insurance. At EPA's request, Respondent shall provide a copy of each insurance policy. In

addition, for the duration of the Order, Respondent shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondent in furtherance of this Order. If Respondent demonstrates by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then Respondent need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVIII. FINANCIAL ASSURANCE

87. Within thirty (30) days of the Effective Date, Respondent shall establish and maintain financial security in the amount of $7,850,000 in one or more of the following forms:

a. A surety bond guaranteeing performance of the Work;

b. One or more irrevocable letters of credit equaling the total estimated cost of the Work;

c. A trust fund;

d. A guarantee to perform the Work by one or more parent corporations or subsidiaries, or by one or more unrelated corporations that have a substantial business relationship with Respondent; or

e. A demonstration that one or more of the Respondent satisfy the requirements of 40 C.F.R. Part 264.143(f).

88. If Respondent seeks to demonstrate the ability to complete the USEC-Lead Work through a guarantee by a third party pursuant to Paragraph 87(a) of this Section, Respondent shall demonstrate that the guarantor satisfies the requirements of 40 C.F.R. Part 264.143(f). If Respondent seeks to demonstrate their ability to complete the Work by means of the financial test or the corporate guarantee pursuant to Paragraph 87(d) or (e) of this Section, they shall resubmit sworn statements conveying the information required by 40 C.F.R. Part 264.143(f) annually, on the anniversary of the Effective Date. In the event that EPA determines at any time that the financial assurances provided pursuant to this Section are inadequate, Respondent shall, within thirty (30) days of receipt of notice of EPA's determination, obtain and present to EPA for approval one of the other forms of financial assurance listed in Paragraph 87 of this Section. Respondent's inability to demonstrate financial ability to complete the Work shall not excuse performance of any activities required under this Order.

89. If, after the Effective Date, Respondent can show that the estimated cost to complete the remaining USEC-Lead Work has diminished below the amount set forth in Paragraph 87 of this Section, Respondent may, on any anniversary date of the Effective Date, or at any other time agreed to by the Parties, reduce the amount of the financial security provided under this Section

to the estimated cost of the remaining work to be performed. Respondent shall submit a proposal for such reduction to EPA, in accordance with the requirements of this Section, and may reduce the amount of the security upon approval by EPA. In the event of a dispute, Respondent may reduce the amount of the security in accordance with the written decision resolving the dispute.

90. Respondent may change the form of financial assurance provided under this Section at any time, upon notice to and approval by EPA, provided that the new form of assurance meets the requirements of this Section. In the event of a dispute, Respondent may change the form of the financial assurance only in accordance with the written decision resolving the dispute.

XXIX. MODIFICATIONS

91. The OSC may make modifications to any plan or schedule in writing or by oral direction. Any oral modification will be memorialized in writing by EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

92. If Respondent seeks permission to deviate from any approved work plan or schedule or Respondent's Statement of Work, Respondent's Project Coordinator shall submit a written request to EPA for approval outlining the proposed modification and its basis. Respondent may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 22.

93. No informal advice, guidance, suggestion, or comment by the OSC or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondent shall relieve Respondent of its obligation to obtain any formal approval required by this Order, or to comply with all requirements of this Order, unless it is formally modified.

XXX. NOTICE OF COMPLETION OF WORK

94. When EPA determines, after EPA's review of the Final Report, that all USEC-Lead Work has been fully performed in accordance with this Order, with the exception of any continuing obligations required by this Order, including payment of AOC Oversight Costs, or record retention, EPA will provide written notice to Respondent. If EPA determines that any such USEC-Lead Work has not been completed in accordance with this Order, EPA will notify Respondent, provide a list of the deficiencies, and require that Respondent modify the Work Plan if appropriate in order to correct such deficiencies. Respondent shall implement the modified and approved Work Plan and shall submit a modified Final Report in accordance with the EPA notice. Failure by Respondent to implement the approved modified Work Plan shall be a violation of this Order.

XXXI. ATTORNEY GENERAL APPROVAL

95. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(h)(1) of CERCLA, 42 U.S.C. § 9622(h)(1).

XXXII. SEVERABILITY/INTEGRATION/APPENDICES

96. If a court issues an order that invalidates any provision of this Order or finds that Respondent has sufficient cause not to comply with one or more provisions of this Order, Respondent shall remain bound to comply with all provisions of this Order not invalidated or determined to be subject to a sufficient cause defense by the court's order.

97. This Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Order. The parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Order. The following appendices are attached to and incorporated into this Order: Respondent's Statement of Work, Appendix A. Site Map, Appendix B.

XXXIII. EFFECTIVE DATE

98. This Order shall be effective seven (7) days after the Order is signed by the Regional Administrator or his delegate.

The undersigned representative of Respondent certifies that he or she is fully authorized to enter into the terms and conditions of this Order and to bind the party he or she represents to this document.

Agreed this 12th day of January, 2004.

For Respondent USEC

By Philip G. Sewell

Title Senior Vice President

002

Agreed this 5th day of Feb, 2004.

For settling Federal Agency United States Department of the Army

By Jacqueline R Little

Title LTC, JA, Chief, Environmental Law Division

Agreed this 5th day of Feb., 2004.

For settling Federal Agency United States Department of Energy

By _____
Gerald Boyd

Title _____
Manager
U. S. Department of Energy
Oak Ridge Operations

It is so ORDERED and Agreed this 6th day of FEB, 2004.

BY: R. D. Ryz DATE: 6-FEB-04

Name

Shane Hitchcock

Region 4

U.S. Environmental Protection Agency

EFFECTIVE DATE: 13-FEB-04

USEC
A Global Energy Company

January 12, 2004

VIA FEDERAL EXPRESS
Mr. Kevin Beswick
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth St., SW
Atlanta GA 30303

Re: Administrative Order on Consent for Removal Action Concerning Starmet CMI Site

Dear Mr. Beswick:

Enclosed please find two original executed copies of the Administrative Order on Consent ("AOC") for the Starmet CMI site in Barnwell, SC ("Site"). Please return one fully executed original to me. The final Statement of Work ("SOW") is also attached together with a black line showing our correction of typos in the SOW which I believe were the result of converting the document from Word Perfect to Word.

I appreciate your cooperation on this matter. Please let me know the date on which the AOC will become effective. If you have any questions please contact me at (301) 564-3352.

Sincerely,

Dennis J Scott
Assistant General Counsel

10493211

USEC Inc.
6903 Rockledge Drive, Bethesda MD 20817-1818
Telephone 301-564-3200 Fax 301-564-3201 http://www.usec.com

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: STARMET CMI Barnwell, Barnwell County, South Carolina United States Enrichment Corporation Respondent United States Department of Energy and United States Department of the Army Settling Federal Agencies	ADMINISTRATIVE ORDER ON CONSENT FOR REMOVAL ACTION U.S. EPA Region 4 CERCLA Docket No. CER-04-2004-3758 Proceeding Under Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622

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I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the United States Enrichment Corporation ("USEC" or "Respondent"), and the United States Department of Energy and Department of the Army ("Settling Federal Agencies"). This Order provides for the performance of a removal action by the Respondent, the payment by the Settling Federal Agencies for a removal action to be performed by EPA, and the reimbursement by Respondent of costs to be incurred by the United States from the actions taken pursuant to the sections of this Order which apply to the Respondent, at or in connection with the property located at the Starmet CMI facility located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina ("Site"). This Order also constitutes a settlement agreement between the United States and USEC to resolve USEC's contribution claims against the Settling Federal Agencies. This Order requires Respondent to conduct the removal action described herein and requires the Settling Federal Agencies to fund a removal action to be performed by EPA to abate what EPA believes to be an imminent and substantial endangerment to the public health, welfare or the environment that may be presented by the actual or threatened release of hazardous substances, pollutants, or contaminants at or from the Site.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622, as amended ("CERCLA"). The settlement agreement between USEC and the United States with regard to the Settling Federal Agencies is entered into pursuant to the Attorney General's authority to settle matters in anticipation of litigation.

3. EPA has notified the State of South Carolina, (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

4. The actions undertaken by Respondent and the Settling Federal Agencies in accordance with this Order do not constitute an admission of any liability. The Respondent and the Settling Federal Agencies do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity or accuracy of the findings of facts, conclusions of law, and determinations in Sections IV and V of this Order. The Respondent and the Settling Federal Agencies agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

II. PARTIES BOUND

5. This Order applies to and is binding upon EPA, the Respondent, the Respondent's agents, successors and assigns, and the Settling Federal Agencies. Any change in ownership or corporate status of the Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter the Respondent's responsibilities under this Order.

6. The Respondent shall ensure that its contractors, subcontractors, and representatives performing work under this Order receive a copy of this Order and comply with this Order. Respondent shall be responsible for any noncompliance by Respondent, its contractors or representatives with this Order.

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

a. "Action Memoranda" shall mean the EPA Action Memoranda relating to the Site signed on July 23, 2002, August 16, 2002, September 24, 2002, January 3, 2003, June 25, 2003, by the Regional Administrator, EPA Region 4, or his delegate, and all attachments thereto.

b. "AOC Oversight Costs" shall mean all costs, including but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports or other items pursuant to the USEC-Lead Work portions of this Order, verifying the USEC-Lead Work, or otherwise implementing, overseeing, or enforcing the portions of the Order relevant to USEC-Lead Work, including but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, the costs incurred pursuant to Section IX (Site Access), Section XIII (Emergency Response) and Paragraph 72 (Work Takeover).

c. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

d. "Day" shall mean a calendar day. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or Federal holiday, the period shall run until the close of business of the next working day.

e. "Effective Date" shall be the effective date of this Order as provided in Section XXXIII.

f. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

g. "EPA's Removal Action Costs" shall mean all costs not inconsistent with the NCP incurred by EPA in conducting the EPA-Lead Work at or around the Depleted Uranium Center and Reduction Building at the Site.

h. "EPA-Lead Work" shall mean all work conducted by EPA and its contractors and subcontractors, in planning, implementing and overseeing the removal and disposal of the Waste Materials that are stored in and around the Reduction Building and the Depleted Uranium Building, except for work required of Respondent in Respondent's Statement of Work (Appendix A of this Order).

i. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

j. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

k. "Order" shall mean this Administrative Order on Consent and all appendices attached hereto (listed in Section XXXII). In the event of conflict between this Order and any appendix, this Order shall control.

l. "Paragraph" shall mean a portion of this Order identified by an Arabic numeral.

m. "Parties" shall mean EPA, Settling Federal Agencies, and Respondent.

n. "Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States paid at or in connection with the Site through the Effective Date of this Order.

o. "RCRA" shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. §§ 6901, *et seq.* (also known as the Resource Conservation and Recovery Act).

p. "Respondent" or "USEC" shall mean the United States Enrichment Corporation including any of its parents, subsidiaries or affiliates, or any of officers, employees, or directors.

q. "Respondent's Statement of Work" or "SOW" shall mean the statement of work for implementation of the USEC-Lead Work, as set forth in Appendix A to this Order, and any modifications made thereto in accordance with this Order.

r. "Section" shall mean a portion of this Order identified by a Roman numeral.

s. "Settling Federal Agencies" shall mean the United States Department of Energy and United States Department of the Army, which are resolving any claims that have been or

could have been asserted against them with respect to the payment or incurrence of response and oversight costs required by this Order.

t. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix B.

u. "Starmet" shall mean Starmet CMI, Starmet Corporation and any and all of their current or former subsidiaries, parents, affiliates, predecessors, or successors.

v. "State" shall mean the State of South Carolina.

w. "United States" shall mean the United States of America, including all of its departments, agencies, and instrumentalities which includes without limitation EPA, the Settling Federal Agencies, and any Federal Natural Resources Trustee.

x. "USEC" shall mean the United States Enrichment Corporation, a Delaware corporation, and does not include the United States Enrichment Corporation, defined below as "USEC Federal,"which was a government corporation, and does not include any federal agency.

y. "USEC Federal" shall mean the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States.

z. "USEC-Lead Work" shall mean all activities that Respondent is required to perform under this Order, as described in the Respondent's Statement of Work and Section VIII, Work To Be Performed.

aa. "Waste Material" shall mean 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); 3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

bb. "Work" shall mean all activities required under this order. It is the combination of EPA-Lead Work and USEC-Lead Work.

IV. FINDINGS OF FACT

EPA finds as follows:

8. From June, 1985 until August, 1993, approximately 17,079,177 pounds of depleted uranium hexafluoride ("UF6") was shipped by the U.S. Department of Energy ("DOE") from DOE's uranium enrichment facility in Paducah KY, at the request of the Department of Defense ("DOD") to the Starmet facility in Barnwell. Starmet performed work under DOD Contracts to

convert the UF6 to uranium tetrafluoride ("UF4") at Starmet. This process generated calcium fluoride, dry active waste (" DAW"),process wastewater, and other materials and waste products.

9. Prior to 1993, much of the UF4 was further processed into uranium metal (i.e., "derbies"). This process generated magnesium fluoride, DAW, process wastewater, pyrophoric uranium scrap, and other materials as waste products. The metal was used to produce counter weights for high performance aircraft, and DU munitions at the Starmet facility in Concord, Massachusetts. Approximately 281 off-spec derbies remain on site.

10. The Energy Policy Act of 1992 Pub. L. 102-486 created the United States Enrichment Corporation, a wholly owned government corporation and an agency and instrumentality of the United States ("USEC Federal") as an interim measure towards the privatization of DOE's uranium enrichment enterprise. On July 1, 1993, DOE's uranium enrichment enterprise was transferred to USEC Federal and portions of DOE's uranium enrichment plants in Paducah Kentucky and Portsmouth Ohio were leased to USEC Federal. Pursuant to the USEC Privatization Act, Pub. L. 104-134, the assets of USEC Federal were transferred to USEC and USEC was privatized on July 28, 1998. USEC Federal ceased to exist following this transfer.

11. From August 1998 until September 2001, USEC shipped 12,758,824 lbs of UF6 to the Starmet facility in Barnwell, to be converted into UF4. Of this amount, 88,178 pounds were returned to USEC.

12. Starmet also acquired UF4 ("lump cake" and "yellow cake") from DOE. Much of this material was unsuitable for any use due to its physical properties, and an estimated 6028 drums of this material remains stored at the Site. A portion of these drums are deteriorating. Starmet also acquired *de minimis* quantities of materials from a number of other companies.

13. In total, an estimated 11,800 drums of UF4 are stored at the Site. In addition, approximately 4,175 drums of calcium fluoride and 116 drums of magnesium fluoride are stored at the Site. There are 79 B25 boxes which contain scrap metal with UF4 residual. Additionally, there are 9 SeaLand containers on at the Site which contain, among other things, spent parts from Derby manufacturing. These parts are embedded with uranium contamination.

14. A significant number of the steel drums used for the storage of the UF4 are visibly deteriorating, and many of the drums are leaking.

15. Uranium metal scraps from machining operations were abandoned at the Site, and are generating explosive Hydrogen gas.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

16. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

a. The Starmet Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. Respondent and Settling Federal Agencies are "persons" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. Respondent and Settling Federal Agencies are liable parties under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and potentially responsible parties under Section 122(d)(3) of CERCLA, 42 U.S.C. § 9622(d)(3).

e. The conditions described in the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

f. The removal action required by this Order is necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order and the SOW and any modifications thereto, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. ORDER

Based upon the foregoing Findings of Fact, Conclusions of Law, Determinations, and the Administrative Record for this Site, it is hereby Ordered and Agreed that Respondent and the Settling Federal Agencies shall comply with all provisions of this Order, including, but not limited to, all appendices to this Order, the SOW, and all documents incorporated by reference into this Order.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

17. Respondent shall retain one or more contractors to perform all or any portion of the Respondent's Statement of Work and shall notify EPA of the names and qualifications of such contractors within thirty (30) days of the Effective Date. Respondent shall also notify EPA of the names and qualifications of any other contractors or subcontractors retained to perform the Respondent's Statement of Work at least ten (10) days prior to commencement of such work.

EPA retains the right to disapprove of any or all of the contractors and/or subcontractors retained by Respondent. If EPA disapproves of a selected contractor, Respondent shall retain a different contractor and shall notify EPA of that contractor's name and qualifications within thirty (30) days following EPA's disapproval. EPA shall notify Respondent within five (5) days after receiving notice of the designated contractor, but retains right to disapprove at any time.

18. Within fifteen (15) days after the Effective Date, Respondent shall designate a Project Coordinator who shall be responsible for administration of all actions by Respondent required by this Order and shall submit to EPA the designated Project Coordinator's name, address, telephone number, and qualifications. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during implementation of USEC-Lead Work on site. EPA retains the right to disapprove of the designated Project Coordinator. If EPA disapproves of the designated Project Coordinator, and Respondent shall retain a different Project Coordinator and shall notify EPA of that person's name, address, telephone number, and qualifications within fifteen (15) days following EPA's disapproval. Receipt by Respondent's Project Coordinator of any notice or communication from EPA relating to this Order shall constitute receipt by Respondent. EPA shall notify Respondent within five (5) days after receiving notice of the designated Project Coordinator but retains right to disapprove at any time.

19. EPA has designated David Dorian of the Emergency Response and Removal Branch, Region 4, as its On-Scene Coordinator ("OSC"). Except as otherwise provided in this Order, Respondent shall direct all submissions required by this Order to the OSC at:

US EPA
Waste Division
61 Forsyth St, S.W.
Atlanta, GA 30303

20. EPA and Respondent shall have the right, subject to Paragraph 18, to change their respective designated OSC or Project Coordinator. Respondent shall notify EPA five (5) days before such a change is made. The initial notification may be made orally, but shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

21. This Order and the Work it requires provides for the removal of Waste Materials on the Site. Respondent shall, as described in the Respondent's Statement of Work (Appendix A), perform all USEC-Lead Work required to remove all Waste Materials associated with chemical conversion of UF6 (to UF4) originating from USEC. EPA shall, with the funds provided by the Settling Federal Agencies, remove the remaining Waste Materials in and around the Reduction Building and the Depleted Uranium Center.

22. Work Plan and Implementation.

a. Within ninety (90) days after the Effective Date, Respondent shall submit to EPA for approval a draft Work Plan for performing the Respondent's Statement of Work. (Hereinafter "Work Plan"). The draft Work Plan shall provide a description of, and an expeditious schedule for, the actions required by this Order.

b. EPA may approve, disapprove, require revisions to, or modify the draft Work Plan in whole or in part. If EPA requires revisions, Respondent shall submit a revised draft Work Plan within fourteen (14) days of receipt of EPA's notification of the required revisions. Respondent shall implement the Work Plan as approved in writing by EPA in accordance with the schedule approved by EPA. Once approved, or approved with modifications, the Work Plan, the schedule, and any subsequent modifications shall be incorporated into and become fully enforceable under this Order.

c. Unless otherwise agreed to by the OSC, Respondent shall not commence implementation of the Work Plan developed hereunder until receiving written EPA approval pursuant to Paragraph 22(b).

23. Health and Safety Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a plan that ensures the protection of the public health and safety during performance of on-Site work under this Order. This plan shall be prepared in accordance with EPA's Standard Operating Safety Guide (PUB 9285.1-03, PB 92-963414, June 1992) ("Guide"). In addition, the plan shall comply with all currently applicable Occupational Safety and Health Administration ("OSHA") regulations found at 29 C.F.R. Part 1910. If EPA determines that it is appropriate, the plan shall also include contingency planning. Respondent shall incorporate all changes to the plan recommended by EPA and shall implement the plan during the pendency of the removal action.

24. Radiation Protection Plan. Within ninety (90) days after the Effective Date, Respondent shall submit for EPA review and comment a Radiation Protection Plan. This plan shall comply with the State of South Carolina Department of Health and Environmental Control Regulation 61-63 Radioactive Materials and applicable OSHA regulations found in 10 C.F.R. Part 20.

25. EPA Approval of Plans and Other Submissions.

a. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA shall, consistent with the SOW, the Guide and ARARs (as that term is defined in Paragraph 40): (i) approve, in whole or in part, the submission; (ii) approve the submission upon specified conditions; (iii) modify the submission to cure the deficiencies; (iv) disapprove, in whole or in part, the submission, directing that the Respondent modify the submission; or (v) any combination of the above. However, EPA shall not modify a submission without first providing Respondent

at least one notice of deficiency and an opportunity to cure within twenty (20) days (unless the EPA and Respondent agree to a longer time period), except where to do so would cause serious disruption to the work or where previous submissions have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

b. In the event of approval, approval upon conditions, or modification by EPA, pursuant to subparagraphs (i), (ii) or (iii), Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA, subject only to their right to invoke the Dispute Resolution procedures set forth in Section XVI (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to subparagraph (iii) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XVIII (Stipulated Penalties).

26. Resubmission of Plans

a. Upon receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall, within twenty (20) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XVIII, shall accrue during the 20-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 26d.

b. Notwithstanding the receipt of a notice of disapproval pursuant to subparagraph (iv), Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of any non-deficient portion of a submission shall not relieve Respondent of any liability for stipulated penalties under Section XVIII (Stipulated Penalties).

c. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, EPA may again require the Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to modify or develop the plan, report or other item. Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to their right to invoke the procedures set forth in Section XVI (Dispute Resolution).

d. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the Respondent invokes the dispute resolution procedures set forth in Section XVI (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XVI(Dispute Resolution) and Section XVIII (Stipulated Penalties) shall govern the implementation of the work and accrual and

payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, stipulated penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XVIII.

e. All plans, reports, and other items required to be submitted to EPA under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

27. Quality Assurance and Sampling.

a. All sampling and analyses performed pursuant to this Order shall conform to EPA direction, approval, and guidance regarding sampling, quality assurance/quality control ("QA/QC"), data validation, and chain of custody procedures. Respondent shall ensure that the laboratory used to perform the analyses participates in a QA/QC program that complies with the appropriate EPA guidance. Respondent shall follow, as appropriate, "Guidance for the Data Quality Objectives Process" (EPA/600/R-96/055) and "EPA Guidance for Quality Assurance Project Plans" (EPA/600/R-98/018). Respondent shall only use laboratories that have a documented Quality System that complies with ANSI/ASQC E-4 1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), and "EPA Requirements for Quality Management Plans (QA/R-2) (EPA/240/B-01/002, March 2001)," or equivalent documentation as determined by EPA. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements.

b. Upon request by EPA, Respondent shall have such a laboratory analyze samples submitted by EPA for QA monitoring. Respondent shall provide to EPA the QA/QC procedures followed by all sampling teams and laboratories performing data collection and/or analysis.

c. Upon request by EPA, Respondent shall allow EPA or its authorized representatives to take split and/or duplicate samples. Respondent shall notify EPA not less than seven (7) days in advance of any sample collection activity, unless shorter notice is agreed to by EPA. EPA shall have the right to take any additional samples that EPA deems necessary. Upon request, EPA shall allow Respondent to take split or duplicate samples of any samples it takes as part of its oversight of USEC-Lead Work.

28. Reporting

a. Respondent shall submit a written progress report to EPA concerning actions undertaken pursuant to this Order on a monthly basis, with the first report to be issued

within ten (10) days following the month of EPA's approval of the Work Plan until termination of this Order, unless otherwise directed in writing by the OSC. These reports shall describe all significant developments during the preceding period, including the actions performed and any problems encountered, analytical data received during the reporting period, and the developments anticipated during the next reporting period, including a schedule of actions to be performed, anticipated problems, and planned resolutions of past or anticipated problems. The monthly reports shall also include a listing of the quantities and types of materials sent offsite and the ultimate destination of such materials.

b. Respondent shall submit three (3) copies of all plans, reports or other submissions required by this Order, the Respondent's Statement of Work, or any approved work plan. Upon request by EPA, Respondent shall submit such documents in electronic form.

29. Final Report. Within ninety (90) days after completion of all USEC-Lead Work required by this Order, Respondent shall submit for EPA review a final report summarizing the actions taken to comply with this Order. The final report shall conform, at a minimum, with the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports." The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Order, a listing of quantities and types of materials removed off-Site or handled on-Site, a discussion of removal and disposal options that it considered for those materials, a listing of the ultimate destination of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (*e.g.*, manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

30. Off-Site Shipments.

a. Respondent shall, prior to any off-Site shipment of a hazardous substance from the Site to an out-of-state waste management facility, provide written notification of such shipment of a hazardous substance to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-Site shipments when both the total volume of all such shipments will not exceed 10 cubic yards and the activity of such material neither exceeds 30 pCi/gram nor presents a dose of 10 mRem at the surface of the material.

Respondent shall include in the written notification the following information: 1) the name and location of the facility to which the hazardous substance is to be shipped; 2) the type and quantity of the hazardous substance to be shipped; 3) the expected schedule for the shipment of the hazardous substance; and 4) the method of transportation. Respondent shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the hazardous substance to another facility within the same state, or to a facility in another state.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-site location other than as provided in the SOW, Respondent shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondent shall only send hazardous substances, pollutants, or contaminants from the Site to an off-site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

31. The Respondent and its contractors will be granted access to the Site to implement this Order pursuant to an EPA Administrative Order, Docket Number 04-2003-3750, (Attachment A) which also provides EPA, the State, and their representatives, including contractors, with access at all reasonable times to the Site for the purpose of conducting any activity related to this Order. USEC, including its representatives and contractors, is designated as EPA's representative pursuant to 40 CFR §300.400(d)(3).

32. Notwithstanding any provision of this Order, EPA retains all of its access authorities and rights including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations

X. ACCESS TO INFORMATION

33. Respondent shall provide to EPA, upon request, copies of all documents and information within their possession or control or that of their contractors or agents relating to activities at the Site under this Order, or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondent shall also make available to EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work under this Order.

34. Respondent may assert business confidentiality claims covering part or all of the documents or information submitted to EPA under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R.

§ 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, or if EPA has notified Respondent that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondent.

35. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondent assert such a privilege in lieu of providing documents, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

36. No claim of confidentiality shall be made with respect to any data, concerning the conditions at or around the Site, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XI. RECORD RETENTION

37. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. Until five (5) years after Respondent's receipt of EPA's notification pursuant to Section XXX (Notice of Completion of Work), Respondent shall also instruct their contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to performance of the Work.

38. At the conclusion of this document retention period, Respondent shall notify EPA at least ninety (90) days prior to the destruction of any such records or documents, and, upon request by EPA, Respondent shall deliver any such records or documents to EPA. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondent asserts such a privilege, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the

privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Order shall be withheld on the grounds that they are privileged.

39. Respondent hereby certifies that to the best of its knowledge and belief, after reasonable inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information (other than identical copies, drafts or documents received from or provided to EPA) relating to its potential liability regarding the Site since notification of potential liability by EPA or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

XII. COMPLIANCE WITH OTHER LAWS

40. Respondent shall perform all actions required pursuant to this Order in accordance with all applicable local, state, and federal laws and regulations except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-Site actions required pursuant to this Order shall, to the extent practicable, as determined by EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws.

XIII. EMERGENCY RESPONSE AND NOTIFICATION OF RELEASES

41. In the event of any action or occurrence during performance of the USEC-Lead Work which causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondent shall immediately take all appropriate action. Respondent shall take these actions in accordance with all applicable provisions of this Order, including, but not limited to, the Health and Safety Plan, in order to prevent, abate or minimize such release or endangerment caused or threatened by the release. Respondent shall also immediately notify the OSC or, in the event of his/her unavailability, the Regional Duty Officer Region 4, EERB at 404-562-8700 of the incident or Site conditions. In the event that Respondent fails to take appropriate response action as required by this Paragraph, and EPA takes such action instead, Respondent shall reimburse EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of AOC Oversight Costs by Respondent.)

42. In addition, in the event of any release of a hazardous substance from the Site to an off-Site location in the course of implementing USEC-Lead Work, Respondent shall immediately notify the OSC at (404)-562-8700 and the National Response Center at (800) 424-8802. Respondent shall submit a written report to EPA within seven (7) days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a

release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, *et seq.*

XIV. AUTHORITY OF ON-SCENE COORDINATOR

43. The OSC shall be responsible for overseeing Respondent's implementation of this Order. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Order. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF AOC OVERSIGHT COSTS BY RESPONDENT

44. Payments for AOC Oversight Costs.

a. Respondent shall reimburse EPA for Respondent's share of AOC Oversight Costs that were incurred not inconsistent with the NCP. Respondent's share of EPA's AOC Oversight Costs includes (1) all costs that are attributable to oversight of Respondent's activities under this Order, (2) one-half of the cost of services shared by Respondent and EPA, such as site security and utilities that cannot be separately metered, and that have been paid or incurred by EPA, (3) Respondent's proportional cost of services, such as wastewater treatment, where it is practicable to apply a unit rate to Respondent's usage, and (4) EPA's indirect costs associated with 1-3 above.

b. On a periodic basis, EPA will send Respondent a bill that identifies and requires payment of Respondent's share of AOC Oversight Costs. The bill shall include a SCORPIOS report. Respondent shall make all payments within thirty (30) days of receipt of each bill requiring payment, except as otherwise provided in Paragraph 46 of this Order.

c. Respondent shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the parties making payment and EPA Site/Spill ID number A48Q. Respondent shall send the checks to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384

d. At the time of payment, Respondent shall send notice that payment has been made to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

e. The total amount to be paid by Respondent pursuant to Paragraph 44(a) shall be deposited in the Starmet Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

45. In the event that the payment for AOC Oversight Costs are not made within thirty (30) days of Respondent's receipt of a bill, Respondent shall pay Interest on the unpaid balance. The Interest on AOC Oversight Costs shall begin to accrue on the due date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondent's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

46. Respondent may dispute all or part of a bill for AOC Oversight Costs submitted under this Order, if Respondent alleges that EPA has made an accounting error, or if Respondent alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, Respondent shall pay the full amount of the uncontested costs to EPA as specified in Paragraph 44 on or before the due date. Within the same time period, Respondent shall pay the full amount of the contested costs into an interest-bearing escrow account. Respondent shall simultaneously transmit a copy of both checks to the persons listed in Paragraph 44(d) above. Respondent shall ensure that the prevailing party or parties in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within fifteen (15) days after the dispute is resolved.

XVI. DISPUTE RESOLUTION

47. Unless otherwise expressly provided for in this Order, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Order. The Parties shall attempt to resolve any disagreements concerning this Order expeditiously and informally.

48. If Respondent objects to any EPA action taken pursuant to this Order, including billings for AOC Oversight Costs, they shall notify EPA in writing of their objections within fifteen (15) days of such action, unless the objections has/have been resolved informally. EPA and Respondent shall have thirty (30) days from EPA's receipt of Respondent's written

objections to resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of EPA.

49. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Order. If the Parties are unable to reach an agreement within the Negotiation Period, an EPA management official at the Division Director level or higher will issue a written decision on the dispute to Respondent. EPA's decision shall be incorporated into and become an enforceable part of this Order. Respondent's obligations under this Order shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondent shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

50. Respondent agrees to perform all requirements of this Order within the time limits established under this Order, unless the performance is delayed by a *force majeure*. For purposes of this Order, a *force majeure* is defined as any event arising from causes beyond the control of Respondent, or of any entity controlled by Respondent, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. *Force majeure* does not include financial inability to complete the USEC-Lead Work or increased cost of performance.

51. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a *force majeure* event, Respondent shall notify EPA orally within forty-eight (48) hours of when Respondent first knew that the event might cause a delay. Within five (5) days thereafter, Respondent shall provide to EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondent's rationale for attributing such delay to a *force majeure* event if they intend to assert such a claim; and a statement as to whether, in the opinion of Respondent, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of *force majeure* for that event for the period of time of such failure to comply and for any additional delay caused by such failure.

52. If EPA agrees that the delay or anticipated delay is attributable to a *force majeure* event, the time for performance of the obligations under this Order that are affected by the *force majeure* event will be extended by EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the *force majeure* event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a *force majeure* event, EPA will notify Respondent in writing of its decision. If EPA agrees that the

delay is attributable to a *force majeure* event, EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the *force majeure* event. In either case, EPA shall endeavor to provide its response to Respondent within ten (10) days of receiving Respondent's written notification provided to EPA in accordance with Paragraph 51.

XVIII. STIPULATED PENALTIES

53. Respondent shall be liable to EPA for stipulated penalties in the amounts set forth in Paragraphs 54 and 55 for failure to comply with the requirements of this Order specified below, unless excused under Section XVII (*Force Majeure*). "Compliance" by Respondent shall include completion of the Respondent's activities required under this Order, or any USEC-Lead Work under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order.

54. Stipulated Penalty Amounts - Work.

a. The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Paragraph 54.b:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

b. Compliance Milestones: Completion of the USEC-Lead Work described in Respondent's Statement of Work, on or before the date for the completion of all work as set forth in the approved Respondent's Work Plan, unless (1) EPA shall have agreed to an extension of such scheduled completion date, or (2) if excused under Section XVII (Force Majeure).

55. Stipulated Penalty Amounts - Reports. The following stipulated penalties shall accrue per report per day for failure to submit timely or adequate reports or other written documents pursuant to Paragraphs 22 through 29:

Penalty Per Violation Per Day	Period of Noncompliance
$100	1st through 30th day
$200	31st through 60th day
$500	61st day and beyond

56. In the event that EPA assumes performance of a portion or all of the USEC Lead Work required under this Order, pursuant to Paragraph 72, Respondent shall be liable for a stipulated penalty in the amount of $200,000.

57. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: 1) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency; and 2) with respect to a decision by the EPA Management Official at the Division Director level or higher, under Paragraph 49 of Section XVI (Dispute Resolution), during the period, if any, beginning on the 21st day after the Negotiation Period begins until the date that the EPA management official issues a final decision regarding such dispute. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

58. Following EPA's determination that Respondent has failed to comply with a requirement of this Order, EPA may give Respondent written notification of the failure and describe the noncompliance. EPA may send Respondent a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether EPA has notified Respondent of a violation.

59. All penalties accruing under this Section shall be due and payable to EPA within thirty (30) days of Respondent's receipt from EPA of a demand for payment of the penalties, unless Respondent invokes the dispute resolution procedures under Section XVI (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's checks made payable to "EPA Hazardous Substances Superfund," and mailed to:

US EPA Region 4
Superfund Accounting
PO Box 100142
Atlanta, GA 30384 ,

The check shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID Number A48Q, the EPA Docket Number CER-04-2004-3758 and the name and address of the party making payment. Copies of checks paid pursuant to this Section, and any accompanying transmittal letters, shall be sent to EPA as provided in Paragraph 19, and to:

Paula Batchelor
U.S. EPA Region 4
4WD-PSB/11th floor
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

Kevin Beswick, Esq.
U.S. EPA Region 4
Environmental Accountability Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

60. The payment of penalties shall not alter in any way Respondent's obligation to complete performance of the USEC-Lead Work required under this Order.

61. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until fifteen (15) days after the dispute is resolved by agreement or by receipt of EPA's decision.

62. If Respondent fails to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as Interest. Respondent shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 58. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(*l*) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(*l*), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that EPA shall not seek civil penalties pursuant to Section 106(b) or 122(*l*) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of this Order, or in the event that EPA assumes performance of a portion or all of the Work pursuant to Section XXI, Paragraph 72. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

XIX. PAYMENT OF EPA's REMOVAL ACTION COSTS BY SETTLING FEDERAL AGENCIES

63. Settling Federal Agencies shall pay EPA for EPA's Removal Action Costs. Payment to EPA of EPA's Removal Action Costs shall be made by Settling Federal Agencies in installments as provided below.

(a) Initial Installment. As soon as reasonably practicable after the execution of this agreement, the United States, on behalf of the Settling Federal Agencies, shall pay to the EPA Hazardous Substance Superfund $15,000,000.00 by Electronic Funds Transfer. EPA shall deposit this money paid pursuant to this AOC into the EPA Hazardous Substance Superfund, Starmet Special Account. This payment amount is based on the total currently-estimated cost to perform the EPA-Lead Work in this Order.

(b) Contingent Second Installment. If, at any time, but no earlier than six (6) months after the Effective Date hereof, EPA determines that the cost to perform the EPA-Lead Work will exceed $15 million, and thus the amount of money in the Starmet Special Account is less than the amount projected by the OSC to be needed to complete the EPA-Lead Work, the Parties shall execute an amendment to this AOC which shall provide for an additional payment by the United States, on behalf of the Settling Federal Agencies, into the EPA Hazardous Substance Superfund, Starmet Special Account, of a sum equal to the newly-estimated cost of completing the EPA-

Lead Work. The Parties' agreement concerning the payment of any such second installment shall be memorialized in writing and made an enforceable part of this Order, which may be amended only by mutual consent of the Parties.

(c). Contingent Final Payment - In the event that the second installment payment is not sufficient to pay for all costs of EPA-Lead Work, then upon completion of the Work, EPA shall submit to Settling Federal Agencies a bill requiring payment of such unreimbursed EPA-Lead Work Costs. Such bill shall include a SCORPIOS report. Settling Federal Agencies shall make payment to EPA as soon as reasonably practical.

64. If any payment to the EPA Hazardous Substances Superfund required by this section is not made as soon as reasonably practicable, the appropriate EPA Regional Branch Chief may raise any issues relating to payment to the appropriate DOJ Assistant Section Chief for the Environmental Defense Section. In any event, if this payment is not made within one hundred twenty (120) days after the effective date of this Agreement, EPA and DOJ have agreed to resolve the issue within thirty (30) days in accordance with procedures set forth in the letter agreement entitled "Agreement On Procedures To Address Consent Decree Payments By Federal PRPs to the Superfund", dated December 28, 1998.

65. In the event that payment by the Settling Federal Agencies is not made within ninety (90) days of the effective date of this Agreement, interest on the unpaid balance shall be paid at the rate established pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), commencing on the effective date of this Agreement and accruing through the date of the payment.

66. The parties to this Order recognize and acknowledge that the payment obligations of the Settling Federal Agencies under Paragraphs 63 (a) (b) and (c) of this Order can only be paid from appropriated funds legally available for such purpose. Nothing in this Order shall be interpreted or construed as a commitment or requirement that the Settling Federal Agencies obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

67. Following completion of the EPA-Lead Work, any money remaining in the Starmet Special Account shall only be applied to credit the further liability of the United States in contribution for additional response costs at the Site. Such money shall be retained and used to conduct or finance response actions at or in connection with the Site.

XX. COVENANTS NOT TO SUE BY THE UNITED STATES

68. In consideration of the actions that will be performed and the payments that will be made by Respondent under the terms of this Order, and except as otherwise specifically provided in this Order, the United States covenants not to sue or to take administrative action against Respondent pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for performance of the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs. These covenants not to sue or take administrative action shall

take effect upon the Effective Date and are conditioned upon the complete and satisfactory performance of all obligations under this Order, including, but not limited to, payment of AOC Oversight Costs by Respondent pursuant to Section XV and payment of EPA's Removal Action Costs by the Settling Federal Agencies pursuant to Section XIX. These covenants extends only to Respondent and do not extend to any other person.

69. Except as otherwise specifically provided in this Order, in consideration of the payments that will be made by the United States on behalf of the Settling Federal Agencies under the terms of this Order, including payment of all of EPA's Removal Action Costs, EPA covenants not to take administrative action against the Settling Federal Agencies pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), for the Work, for recovery of the costs of the Work or AOC Oversight Costs, and for EPA's Removal Action Costs under this Order. EPA's covenant shall take effect upon receipt of the payment required under Paragraph 63. This covenant is conditioned upon the satisfactory performance by the Settling Federal Agencies of their obligations under this Order. This covenant extends only to the Settling Federal Agencies and does not extend to any other person.

XXI. RESERVATIONS OF RIGHTS BY THE UNITED STATES

70. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondent or Settling Federal Agencies in the future to perform additional activities pursuant to CERCLA or any other applicable law.

71. The covenants set forth in Section XX above do not pertain to any matters other than those expressly identified therein. EPA reserves the right to bring an action against the Respondent, and to take administrative action against the Settling Federal Agencies, with respect to all other matters, including, but not limited to:

a. claims based on a failure by Respondent or a Settling Federal Agency to meet a requirement of this Order;

b. liability for costs not included within the definition of AOC Oversight Costs or EPA's Removal Action Costs;

c. liability for performance of response action other than the Work;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of hazardous substances outside of the Site; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site.

72. USEC-Lead Work Takeover. In the event EPA determines that Respondent has ceased implementation of any portion of the USEC-Lead Work, is seriously or repeatedly deficient or late in their performance of that work, or is implementing that work in a manner which may cause an endangerment to human health or the environment, EPA may assume the performance of all or any portion of that work as EPA determines necessary. Except when EPA determines it is necessary to prevent endangerment to human health or the environment, prior to assuming performance of all or any portion of the USEC-Lead Work, EPA shall provide Respondent with notice of the deficiencies and at least thirty (30) days to cure any deficiencies identified in the notice. Respondent may invoke the procedures set forth in Section XVI (Dispute Resolution) to dispute EPA's determination that takeover of the USEC-Lead Work is warranted under this Paragraph. Costs incurred by the United States in performing the USEC-Lead Work pursuant to this Paragraph shall be considered AOC Oversight Costs that Respondent shall pay pursuant to Section XV (Payment of AOC Oversight Costs by Respondent). Notwithstanding any other provision of this Order, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

XXII. COVENANT NOT TO SUE BY RESPONDENT

73. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work or the costs of the Work, for AOC Oversight Costs, for EPA's Removal Action Costs, or for any other costs incurred pursuant to this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions, oversight or response activities, or approval of plans for such activities at or in connection with the Site, including any claim under the United States Constitution, the South Carolina State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Work, AOC Oversight Costs, EPA's Removal Action Costs, or any other costs incurred under this Order.

74. Except as provided in Paragraph 76 (Waiver of Claims), these covenants not to sue shall not apply (i) in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 71(b), (c), and (e) - (g), but only to the extent that Respondent's claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation; or (ii) in the event the Settling Federal Agencies fail to meet their responsibilities to pay EPA's Removal Action Costs or the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63 through 66 above, and Respondent is required to incur such costs or perform such work, then Respondent shall retain the right to bring an action to recover any such EPA Removal Action Costs paid by Respondent, or to recover any costs incurred by Respondent in performing any portion of the work that is part of the EPA-Lead Work.

75. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

76. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Respondent with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if

a. the materials contributed by such person to the Site containing hazardous substances did not exceed the greater of i) 0.002% of the total volume of waste at the Site, or ii) 110 gallons of liquid materials or 200 pounds of solid materials.

b. This waiver shall not apply to any claim or cause of action against any person meeting the above criteria if EPA has determined that the materials contributed to the Site by such person contributed or could contribute significantly to the costs of response at the Site. This waiver also shall not apply with respect to any defense, claim, or cause of action that a Respondent may have against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

77. Respondent agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person that has entered into a final *de minimis* settlement under Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), with EPA with respect to the Site as of the Effective Date. This waiver shall not apply with respect to any defense, claim, or cause of action that a Respondent may have

against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

XXIII. COVENANT NOT TO SEEK REIMBURSEMENT BY SETTLING FEDERAL AGENCIES

78. The Settling Federal Agencies hereby agree not to assert any direct or indirect claim for reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through CERCLA §§ 106(b)(2), 107, 111, 112, 113, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, 9613, or any other provision of law with respect to EPA's Future Response Costs at the Site, or USEC-Lead Work.

XXIV. OTHER CLAIMS

79. By issuance of this Order, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondent. The United States or EPA shall not be deemed a party to any contract entered into by Respondent or their directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Order.

80. Except as expressly provided in Paragraph 77, De Minimis Waivers, and Section XX (COVENANTS NOT TO SUE BY THE UNITED STATES), nothing in this Order constitutes a satisfaction of or release from any claim or cause of action against Respondent, Settling Federal Agencies, or any person not a party to this Order, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

81. No action or decision by EPA pursuant to this Order shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXV. CONTRIBUTION PROTECTION

82. The Parties agree that Respondent and the Settling Federal Agencies are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are the Work, EPA's Removal Action Costs, and AOC Oversight Costs. Except as provided in Paragraph 77, of this Order (De Minimis Waivers), nothing in this Order precludes the United States or Respondent from asserting any claims, causes of action, or demands against any persons not parties to this Order for indemnification, contribution, or cost recovery. Provided that if the Settling Federal Agencies fail to meet their responsibilities to pay the EPA's Removal Action Costs and the costs of performing the work that is part of the EPA-Lead Work, as provided in paragraphs 63-67 above, and respondent is required to incur such costs or perform such work, nothing in this Order shall

preclude Respondent from recovering any costs incurred or paid by Respondent for the EPA's Removal Action Costs and any such costs incurred or paid to perform any portion of the work that is part of the EPA-Lead Work.

XXVI. INDEMNIFICATION

83. Respondent shall indemnify, save and hold harmless the United States, its officials, agents, contractors, subcontractors, employees and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to USEC-Lead Work required by this Order, provided that Respondent shall not indemnify the United States for any work performed by EPA or others in the event that EPA assumes performance of the Work pursuant to Paragraph 72 (Work Takeover). In addition, Respondent agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, subcontractors and any persons acting on their behalf or under their control, in carrying out activities pursuant to USEC-Lead Work required under this Order. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondent in carrying out activities pursuant to USEC-Lead Work required under this Order. Neither Respondent nor any such contractor shall be considered an agent of the United States.

84. The United States shall give Respondent notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondent prior to settling such claim.

85. Except as provided in Section XXII (Covenant Not to Sue by Respondent), Respondent waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondent shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

XXVII. INSURANCE

86. At least seven (7) days prior to commencing any on-Site work under this Order, Respondent shall secure, and shall maintain for the duration of this Order, comprehensive general liability insurance and automobile insurance with limits of five (5) million dollars, combined single limit. Within the same time period, Respondent shall provide EPA with certificates of such insurance. At EPA's request, Respondent shall provide a copy of each insurance policy. In

addition, for the duration of the Order, Respondent shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondent in furtherance of this Order. If Respondent demonstrates by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then Respondent need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVIII. FINANCIAL ASSURANCE

87. Within thirty (30) days of the Effective Date, Respondent shall establish and maintain financial security in the amount of $7,850,000 in one or more of the following forms:

a. A surety bond guaranteeing performance of the Work;

b. One or more irrevocable letters of credit equaling the total estimated cost of the Work;

c. A trust fund;

d. A guarantee to perform the Work by one or more parent corporations or subsidiaries, or by one or more unrelated corporations that have a substantial business relationship with Respondent; or

e. A demonstration that one or more of the Respondent satisfy the requirements of 40 C.F.R. Part 264.143(f).

88. If Respondent seeks to demonstrate the ability to complete the USEC-Lead Work through a guarantee by a third party pursuant to Paragraph 87(a) of this Section, Respondent shall demonstrate that the guarantor satisfies the requirements of 40 C.F.R. Part 264.143(f). If Respondent seeks to demonstrate their ability to complete the Work by means of the financial test or the corporate guarantee pursuant to Paragraph 87(d) or (e) of this Section, they shall resubmit sworn statements conveying the information required by 40 C.F.R. Part 264.143(f) annually, on the anniversary of the Effective Date. In the event that EPA determines at any time that the financial assurances provided pursuant to this Section are inadequate, Respondent shall, within thirty (30) days of receipt of notice of EPA's determination, obtain and present to EPA for approval one of the other forms of financial assurance listed in Paragraph 87 of this Section. Respondent's inability to demonstrate financial ability to complete the Work shall not excuse performance of any activities required under this Order.

89. If, after the Effective Date, Respondent can show that the estimated cost to complete the remaining USEC-Lead Work has diminished below the amount set forth in Paragraph 87 of this Section, Respondent may, on any anniversary date of the Effective Date, or at any other time agreed to by the Parties, reduce the amount of the financial security provided under this Section

to the estimated cost of the remaining work to be performed. Respondent shall submit a proposal for such reduction to EPA, in accordance with the requirements of this Section, and may reduce the amount of the security upon approval by EPA. In the event of a dispute, Respondent may reduce the amount of the security in accordance with the written decision resolving the dispute.

90. Respondent may change the form of financial assurance provided under this Section at any time, upon notice to and approval by EPA, provided that the new form of assurance meets the requirements of this Section. In the event of a dispute, Respondent may change the form of the financial assurance only in accordance with the written decision resolving the dispute.

XXIX. MODIFICATIONS

91. The OSC may make modifications to any plan or schedule in writing or by oral direction. Any oral modification will be memorialized in writing by EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

92. If Respondent seeks permission to deviate from any approved work plan or schedule or Respondent's Statement of Work, Respondent's Project Coordinator shall submit a written request to EPA for approval outlining the proposed modification and its basis. Respondent may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 22.

93. No informal advice, guidance, suggestion, or comment by the OSC or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondent shall relieve Respondent of its obligation to obtain any formal approval required by this Order, or to comply with all requirements of this Order, unless it is formally modified.

XXX. NOTICE OF COMPLETION OF WORK

94. When EPA determines, after EPA's review of the Final Report, that all USEC-Lead Work has been fully performed in accordance with this Order, with the exception of any continuing obligations required by this Order, including payment of AOC Oversight Costs, or record retention, EPA will provide written notice to Respondent. If EPA determines that any such USEC-Lead Work has not been completed in accordance with this Order, EPA will notify Respondent, provide a list of the deficiencies, and require that Respondent modify the Work Plan if appropriate in order to correct such deficiencies. Respondent shall implement the modified and approved Work Plan and shall submit a modified Final Report in accordance with the EPA notice. Failure by Respondent to implement the approved modified Work Plan shall be a violation of this Order.

XXXI. ATTORNEY GENERAL APPROVAL

95. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(h)(1) of CERCLA, 42 U.S.C. § 9622(h)(1).

XXXII. SEVERABILITY/INTEGRATION/APPENDICES

96. If a court issues an order that invalidates any provision of this Order or finds that Respondent has sufficient cause not to comply with one or more provisions of this Order, Respondent shall remain bound to comply with all provisions of this Order not invalidated or determined to be subject to a sufficient cause defense by the court's order.

97. This Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Order. The parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Order. The following appendices are attached to and incorporated into this Order: Respondent's Statement of Work, Appendix A. Site Map, Appendix B.

XXXIII. EFFECTIVE DATE

98. This Order shall be effective seven (7) days after the Order is signed by the Regional Administrator or his delegate.

The undersigned representative of Respondent certifies that he or she is fully authorized to enter into the terms and conditions of this Order and to bind the party he or she represents to this document.

Agreed this 12th day of January, 2001.

For Respondent USEC

By Philip G. Sewell

Title Senior Vice President

Agreed this 5th day of Feb, 2004.

For settling Federal Agency United States Department of the Army

By Jacqueline R Little

Title LTC, JA, Chief, Environmental Law Division

Agreed this 5th day of Feb., 2004.

For settling Federal Agency United States Department of Energy

By _____
Gerald Boyd

Title _____
Manager
U. S. Department of Energy
Oak Ridge Operations

It is so ORDERED and Agreed this 6th day of FEB. 2004

BY: R. D. R[illegible] DATE: 6-FEB-04

Name

for Shane Hitchcock

Region 4

U.S. Environmental Protection Agency

EFFECTIVE DATE: 13-FEB-04

APPENDIX A
RESPONDENT'S STATEMENT OF WORK
for
STARMET, CMI SITE
Barnwell, South Carolina

This Respondent's Statement of Work ("SOW") specifies the activities, procedures, and criteria by which USEC shall perform the removal action pursuant to the EPA's Administrative Order On Consent for Removal Action ("AOC"). USEC shall be responsible for the removal from the Starmet, CMI Site of all materials associated with processing (i.e., conversion of UF6 to UF4) UF6 that originated from USEC on or after July 28, 1998. Although USEC and EPA have developed estimates of the amount of material to be removed by USEC, the final determination as to whether a material can be reasonably associated with UF6 to UF4 conversion of USEC material shall be made on-site.

For the purposes of this AOC, USEC UF4 drums and USEC CaF2 drums are drums that can be attributed to conversion of depleted UF6 sent to the Starmet facility after July 28, 1998. These field determinations shall be based on: (a) markings on the drum (e.g., marked with a cylinder number which can be traced to USEC operations after July 28, 1998); and/or (b) Starmet process records, inventories or EPA's and USEC's knowledge of Starmet operations. To facilitate the identification of materials identified in this SOW, a photo log of waste materials identified to date has been prepared by EPA. A copy of this photo log is maintained on the Starmet site, where it is available for review by USEC and/or its selected contractor.

Prior to mobilization, USEC and/or its selected contractor shall contact the USEPA, On-Scene Coordinator, David Dorian, at (404) 562-8767 to arrange a scoping meeting to obtain background information and discuss removal activities. The USEC and/or its selected contractor is required to be onsite and prepared to commence work as specified by the AOC and this SOW.

USEC and/or its selected contractor shall furnish the personnel, materials, services, and facilities necessary to perform all tasks as required by the AOC to the performance of work set forth below in this SOW.

USEC and/or its selected contractor shall mobilize personnel and equipment necessary to sample for disposal, treat as appropriate, prepare for transport, transport, and dispose of the following materials in a manner consistent with all applicable regulations:

UF4 and CaF2 in the Reduction Building. A recent estimate for USEC UF4 drums and USEC CaF2 drums in the Reduction Building is 4118 and 3219 drums, respectively. Drums of neutralization solids associated with the Derby Pickling Process are not considered USEC CaF2 for the purposes of this SOW. When there are insufficient records to distinguish Derby Pickling Solids from CaF2, chemical analysis will be used to distinguish Derby Pickling neutralization solids.

UF4 and CaF2 in the DU Building. A recent estimate for USEC UF4 drums and USEC CaF2 drums in the DU Building is 1488 and 432 drums, respectively.

The 40 cubic foot roll-off of CaF2, located adjacent to the autoclave, outside the Reduction Building.

Drums of Scrubber water , Sintered Filter material, Antifreeze, and used oil in the Reduction Building High Bay.

The two "heeling" cylinders of uranium hexafluoride (UF6), currently located on the loading bay of the Reduction Building.

Hydrogen Fluoride (HF), Potassium Fluoride (KF), Potassium Hydroxide (KOH) and Calcium Hydroxide (Ca(OH)2) and residual Calcium Fluoride on the Plate and Frame Filter Press in the Reduction Building High Bay. The associated Tanks, Clarifier, and the Plate and Frame Filter Press that contained these materials shall be cleaned, at the minimum, so that there is no visible residual material remaining.

37% (by volume, compacted) of the Dry Active Waste (DAW) in the Reduction Building and DU building (as of the effective date of the AOC, excluding any DAW created by EPA during EPA activities). DAW may include drummed or unpackaged material; however, for the purposes of this AOC, DAW shall include: PPE (in drums or bags), filters, metal filter casings, maintenance waste (in either drums or bags), and vacuum waste drums (marked "Vac waste" or "Vac Baghouse") that cannot be associated with a specific process. Furniture, file cases, and wooden palettes are not considered DAW for the purposes of this AOC. Maintenance equipment is not considered DAW for the purposes of this AOC.

Empty Drums in the Reduction Building Low Bay and Reduction Building Addition (see site map).

All material handling work described above shall be conducted in, at the minimum, Level C protective gear except for removal of the HF (Item number 6 above), which shall be conducted in Level A protective gear. USEC and/or its selected contractor shall not conduct any material handling removal activities in a lower level of protective gear unless site conditions warrant such a change and OSC approval is obtained prior to commencing the material handling removal activity.

USEC and/or its selected contractor shall also mobilize personnel and equipment, as required, to:

Ensure (through inspection and repair), in the event that USEC chooses to discharge wastewater from the Reduction Building to the on-site wastewater treatment plant, that the sumps in the Reduction Building are in compliance with Good Engineering Practices prior to discharging

wastewater to the sumps.

Mitigate, clean, and repackage all spills of material (be it USEC material or non-USEC material) resulting from USEC removal activities in a manner consistent with good radiation waste practices.

USEC shall dispose of all radioactive materials discussed above in accordance with all applicable regulations (including the CERCLA Off-site Rule) and waste acceptance criteria for the designated waste disposal facility. At the signing of this AOC, there are three commercial facilities licensed to accept radioactive waste. These facilities also, at the signing of this AOC, meet the criteria for off-site disposal specified by the CERCLA Off-Site Rule. The facilities are: 1. Envirocare in Clive, Utah; 2. Waste Control Specialist (WCS) in Andrews, Texas; and, 3. Chem-Nuclear Systems in Barnwell, SC. Materials covered by this SOW which do not meet the waste acceptance criteria (or cannot be stabilized and/or treated to meet the waste acceptance criteria) of any of the three facilities (excluding non-radioactive wastes), listed in the preceding sentence will be returned to the Starmet Site (if transported off site) and moved to the DU building or other location on the Starmet Site as directed by the OSC for disposition by another party.

SITE: Starmet
BREAK: 10.1
OTHER: V.3

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	))	IN THE COURT OF COMMON PLEAS C/A NO. 02-CP-40-4602
Starmet CMI, Inc., Petitioner/Appellant, vs. South Carolina Department of Health and Environmental Control, Respondent/Appellee.	)))))))))))	**ORDER**

03 NOV 19 PM 2:18
C.C.C. & C.S.

STATEMENT OF THE CASE

This matter comes before the Court on appeal from the final Order of the Board of the South Carolina Department of Health and Environmental Control ("DHEC") issued on August 29, 2002, affirming DHEC staff's issuance of an Emergency and Administrative Order on June 25, 2002, and overturning the July 19, 2002, Final Order and Decision of the Honorable Marvin F. Kittrell, Chief Administrative Law Judge ("ALJ").

PROCEDURAL HISTORY

Starmet CMI, Inc. ("Starmet") owns and operates a facility near Barnwell, South Carolina, which processes depleted uranium pursuant to a Radioactive Materials License issued by the DHEC. DHEC staff issued an Emergency & Administrative Order to Starmet dated June 25, 2002 ("the Emergency Order"), pursuant to the au hority granted by the South Carolina Pollution Control Act ("PCA"), the South Carolina A omic Energy and Radiation Control Act ("AERCA"), and the South Carolina Hazardous Wast Management Act ("HWMA"), S.C. Code § 48-1-290, §13-7-50, and §§ 44-56-50 and -200, as a nended. Among other things, the

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Emergency Order required Starmet to immediately cease operations and shipments of radioactive materials, and to stop discharging radioactive contaminated wastewater to two on-site evaporation ponds. Pursuant to the Emergency Order, DHEC staff and contractors secured the site and provided security and electricity. Petitioner appealed to the ALJ. The ALJ set an expedited hearing. The hearing lasted for three days, during which the Department put up six witnesses including two DHEC inspectors, the Director of the radioactive material license program, a DHEC expert hydrogeologist, the DHEC contractor who arrived on-site after issuance of the Emergency Order, and the DHEC Environmental Quality Control Deputy Commissioner. Starmet put up one facility representative witness, the sole officer and Board member of Starmet.

At the conclusion of the three-day hearing, the ALJ issued an Interlocutory Order pending issuance of a final decision; the Interlocutory Order vacated the Emergency Order but enjoined any operations, including receipt or shipment of material, and discharge of any depleted uranium wastewater to the two evaporation ponds at Starmet and required that 24 hour security be maintained on-site. The Interlocutory Order further directed that DHEC agents have continued access to the Site to perform necessary response actions. On July 19, 2002, the ALJ issued a final Order (the July 19 ALJ Order). The July 19 ALJ Order vacated the Emergency Order and allowed Starmet to resume all activities subject only to the proviso that it provide security for the facility.

DHEC staff filed a petition for DHEC Board review of the July 19 ALJ Order on July 19, 2002, and an amended petition on July 26, 2002. On July 19, 2002, the Department also filed a Notice of Motion and Motion to Affirm the Existence of the Automatic Stay or, Alternatively, for an Automatic Stay of the July 19 ALJ Order. At a specially called meeting on July 20, 2002, the

DHEC Board temporarily stayed the ALJ Order, reinstated the Emergency Order and set the petition for full expedited hearing at the regularly scheduled August 8, 2002, Board meeting. At the conclusion of the August 8, 2002, Board meeting, the DHEC Board verbally vacated the July 19 ALJ Order and reinstated the Emergency Order in full. The DHEC Board issued its written Order on August 29, 2002 ("the Board Order").

Petitioner filed a Summons and Complaint appealing the Board Order in Circuit Court on September 20, 2002, and served it on the Department on September 24, 2002. Six days later, on September 26, 2002, Petitioner filed the Motion for a Stay or Supersedeas. A hearing was held before the Honorable G. Thomas Cooper, Jr. on Petitioner's Motion for a Stay or Supersedeas. On October 22, 2002, Judge Cooper issued an Order denying Petitioner's Motion for a Stay or Supersedeas and thus did not stay the Board Order until a full hearing on Starmet's appeal could be held.

Over a year later, on October 27, 2003, Starmet's counsel of record, Mr. John Adams Hodge, Esquire and his firm, Haynsworth Sinkler Boyd, filed with this Court a Motion to Be Relieved as Counsel in this matter. A hearing was held on November 5, 2003, on Mr. Hodge's Motion. At the hearing, the Court verbally relieved Mr. Hodge and his firm as counsel and on November 6, 2003, issued a written Order to this effect. At the November 5, 2003, hearing, the Court instructed Mr. Hodge to contact Starmet immediately by facsimile to notify company representatives that the Court had granted his motion to be relieved and ordered that if Starmet planned to have new counsel appear on its behalf, Starmet must notify DHEC's attorney, Jessica King, Esquire, of its new counsel prior to the end of business on November 5, 2003. On November 6, 2003, DHEC's attorney was present for the scheduled hearing on Starmet's appeal

but no attorney or Starmet representative appeared in the courtroom. Furthermore, the Court was provided with copies of a letter, fax confirmation sheet, and electronic message timely sent by Mr. Hodge to Starmet representatives on November 5, 2003, communicating the Court's decision to relieve Mr. Hodge as counsel and ordering Starmet to contact Ms. King that day. Ms. King further stated to the Court at the beginning of the hearing on November 6, 2003, that she had not been contacted by any person on behalf of Starmet since the hearing concluded on November 5, 2003. Therefore, the Court held the hearing in Petitioner's absence and makes its decision on the record before it and on argument by counsel for DHEC.

FACTS

The ALJ July 19 Order includes a lengthy recitation of numerous findings of fact in this matter. Starmet owns and operates a facility near Barnwell, South Carolina, which processes depleted uranium in various forms pursuant to DHEC Radioactive Materials License 322, issued pursuant to the Atomic Energy and Radiation Control Act (AERCA), S.C. Code Ann. § 13-7-10 et seq., and Regulation 61-63, Radioactive Materials . Pursuant to Starmet's license, Starmet is permitted to receive, acquire, possess and transfer certain amounts depleted uranium at its facility in Barnwell. The facility generally conducts four processes: conversion of uranium hexafluoride ("UF6") to uranium tetrafluoride ("UF4" or "greensalt"); conversion of UF4 to uranium metal (also referred to as "derbies"); re-plating uranium metal counterweights used in the aircraft industry; and production of uranium oxide compounds from the oxidation of uranium metal. These processes create a waste inventory that includes radioactive waste.

Based on the findings of DHEC regulatory inspections of the facility from the summer of 2000 to the spring of 2001, DHEC and Starmet entered into a consent order on June 19, 2001,

that generally required Starmet to bring its facility into compliance with various requirements of Regulation 61-63 and its license. Among other issues, the consent order required schedules for reducing the inventory of radioactive material waste at the facility which had grown to levels that were deemed unacceptable by DHEC, repairing process water evaporation ponds damaged in a fire in February of 2001, properly disposing of all newly generated waste, repairing problem areas in the facility, and reducing contamination levels and radiation levels in and around the facility.

On October 29, 2001, the Department issued an administrative order without consent ("the Administrative Order") which addressed *inter alia* Starmet's alleged non-compliance with requirements of the consent order relating to the damaged evaporation ponds and disposal of old and newly generated radioactive waste. The Administrative Order further addressed alleged new violations of the license and Regulation 61-63. Starmet appealed to the ALJ.

Subsequent to issuance and appeal of the Administrative Order in October of 2001, the Department staff became concerned with alleged new violations of the consent order and of State environmental laws and regulations. These concerns included but are not limited to lack of security, exceedance of radiation exposure limits, improper shipments of radioactive materials and equipment to the facility, deteriorating drums and mismanagement of drums of radioactive wastes, and potential radioactive contamination from evaporation ponds damaged by the fire in February of 2001. Therefore,, DHEC staff issued the Emergency Order dated June 25, 2002, pursuant to the authority granted by S.C. Code § 48-1-290 of the PCA, § 13-7-50 of the AERCA, and §§ 44-56-50 and -200 of the HWMA, as amended. Among other things, the Emergency Order required Starmet to immediately cease operations and shipments of radioactive materials,

and to cease discharging radioactive contaminated wastewater to the evaporation ponds. Pursuant to the Emergency Order, DHEC staff and contractors secured the site and provided security and electricity.

STANDARD OF REVIEW

This matter is before the Court on appeal by Starmet from an order of the Board of Health and Environmental Control as authorized by S.C. Code Ann. Section 1-23-380(A) (Supp. 2003). The party challenging a governmental body's decision bears the burden. *See Leventis v. South Carolina Department of Health and Envtl. Control*, 530 S.E.2d 643 (Ct. App. 2000). A court may reverse an agency decision only if it is clearly erroneous in view of the substantial evidence on the record, arbitrary or capricious, characterized by abuse of discretion or clearly unwarranted exercise of discretion. S.C. Code Ann. § 1-23-380(a)(6)(Supp. 2003). The Court need only determine that the findings of the agency are supported by substantial evidence in the record as a whole. *Grant v. South Carolina Coastal Council*, 319 S.C. 348, 351; 461 S.E.2d 388, 391 (1995). Substantial evidence is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Midlands Utility, Inc. v. South Carolina Department of Health and Environmental Control*, 298 S.C. 66, 378 S.E.2d 256 (1989). "Substantial evidence is not a mere scintilla of evidence nor evidence viewed blindly from one side, but is evidence which, when considering the record as a whole, would allow reasonable minds to reach the conclusion that the agency reached..." *Welch Moving & Storage Co. v. Public Service Comm.*, 301 S.C. 259, 261, 191 S.E.2d 556, 557 (1990)(*quoting Palmetto Alliance, Inc. v. South Carolina Public Service Comm.*, 282 S.C. 430, 432, 319 S.E.2d 695, 696 (1984)). To reverse a final agency action under the "substantial evidence" test, the reviewing court must conclude that there is no

possibility any rational person could have reached the conclusion the agency reached.

The "substantial evidence" rule is a deferential standard of review that must be applied so that the evidence is construed in a light most favorable to the agency, and with a construction that favors justifying the agency decision. "Substantial evidence is---enough to justify, if the trial were to a jury, a refusal to direct a verdict when the conclusion sought to be drawn from it is one fact for the jury." *Hoxit v. Michelin Tire Corp.*, 304 S.C. 461, 463, 405 S.E.2d 407, 408-09(1991)(*citing Lark v. Bi-Lo, Inc.*, 276 S.C. 130, 135-36, 276 S.E.2d 304, 307 (1981). "The construction of a statute by the agency charged with its administration will be accorded the most respectful consideration and will not be overruled absent compelling reasons." *Dorman & May v. SCDHEC*, 565 S.E.2d 119, 123-124 (S.C.Ct. App. 2002); *citing Brown et al. v. SCDHEC et al.*, 560 S.E.2d 410, at 414 (2002), *reh'g denied* (March 21, 2002).

ISSUES

I. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ in violation of constitutional and statutory provisions, in excess of statutory authority of the Agency, or made upon unlawful procedure?

II. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ arbitrary or capricious in view of the reliable probative and substantial evidence on the record as a whole?

III. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ affected by other error of law?

LAW/ANALYSIS

I. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ in violation of constitutional and statutory provisions, in excess of statutory authority of the Agency, or made upon unlawful procedure?

In its Petition to the Court, Starmet claims, *inter alia*, that the Board's Order is in

violation of constitutional and statutory provisions, in excess of the statutory authority of the Agency, and made upon unlawful procedure. However, it does not specifically state the grounds for these claims and Starmet was not present at the hearing to further elaborate on them. Based on the whole record and the argument of DHEC's counsel, the Court finds that the Board's Order is not in violation of constitutional and statutory provisions, not in excess of the statutory authority of the Agency, and not made upon unlawful procedure. To the contrary, the DHEC Board Order sets forth the proper standard of review used by the Board in making its decision to reverse the ALJ. Specifically, the Board Order, correctly states that the Board sits as a quasi-judicial tribunal, follows the scope of review set forth in the Administrative Procedures Act ("APA"), § 1-23-610(D), and as such can only reverse the ALJ if any one of the criteria set forth in § 1-23-610(D) is met. *See Board Order,* page 3, *citing Brown et al. v. S.C. Dept. of Health and Environmental Control et al.*, 560 S.E.2d 410 (S.C. 2002), *reh'g denied* (March 21, 2002). Thus the Board found that it could reverse or modify the ALJ decision if it is in violation of statutory provisions, affected by other error of law; clearly erroneous in view of the reliable, probative and substantial evidence on the whole record, or is arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion. This is the correct standard of review. Furthermore, the Board reversed the ALJ because it found that the ALJ committed errors of law – reversal based on this conclusion are allowed by the §1-23-610(D) of the APA. The Board further limited its review to the record and found that, looking at the record as a whole and properly applying the law, the ALJ Order is clearly erroneous and not supported by substantial evidence. *Board Order*, page 8. Therefore, this Court finds that the Board's Order is not in violation of constitutional and statutory provisions, is not in excess of the

statutory authority of the Agency, and is not made upon unlawful procedure.

II. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ arbitrary or capricious in view of the reliable probative and substantial evidence on the record as a whole?

In its Petition to the Court, Starmet further claims, *inter alia*, that the DHEC Board Order is arbitrary or capricious in view of the reliable probative and substantial evidence on the record as a whole? The Court disagrees.

A. Definition of "emergency"

"An administrative decision is "arbitrary" if it is without rational basis, is based alone on one's will and not upon any course of reasoning and exercise of judgment, is made at pleasure, without adequate determining principles, or is governed by no fixed rules or standards." *Converse Power Corporation v. SCDHEC*, 350 S.C. 39, 564 S.E.2d 341, 347 (S.C.Ct.App. 2002), *reh'g denied* June 19, 2002; *citing Deese v. State Bd. Of Dentistry*, 286 S.C. 182, 184-85, 332 S.E.2d 539, 541 (S.C.Ct.App. 1985). The DHEC Board found the July 19 ALJ Order relies on an overly restrictive definition of "emergency" to reach the conclusion that no emergency existed justifying DHEC's issuance of the June 25 Emergency Order. The Board found that this was error. The ALJ based its conclusion that no emergency order was justified on the definition of "emergency" set forth in a New Jersey case, *In the Matter of Emergency Redirection of Solid Waste from Atlantic County of the Cape May County Landfill*, 275 N.J. Super. 1, 645 A.2d 144 (N.J. Super. A.D., 1994). In contradistinction to the matter before this Court, the New Jersey statute at issue in the case cited in the July 19 ALJ Order did not define "emergency," forcing the New Jersey court to rely on Merriam-Webster. In relying on this NJ Case, the ALJ found that an "emergency" must be "an unforeseen, sudden, or unexpected set of circumstances calling for

immediate action." July 19 ALJ Order, p. 28. The DHEC Board found that the definition applicable under South Carolina law does not require such an unforeseen initiating event. Specifically, the DHEC Board found that DHEC is authorized to issue emergency orders ceasing operations under various statutes, including the AERCA, §§ 13-7-10(8) and -50 (1976 & Supp. 2001), the PCA, § 48-1-290 (1987), and the HWMA, § 44-56-50 (2001). The DHEC Board further found that these statutes clearly define the necessary standards that DHEC must look for in determining whether the issuance of an emergency order is warranted. The AERCA states that "whenever the Department finds that an emergency as herein defined, exists ... the Department may ... issue an order ...requiring that such action be taken as is necessary to meet the emergency." S.C. Code Ann. §13-7-50 (1976). Section 13-7-10(8) defines "emergency" as "any condition existing within or outside of the jurisdictional confines of a facility licensed by the Department arising out of the handling or the transportation of ... radioactive material, which is endangering *or could reasonably be expected to endan*ger the health and safety of the public, or to contaminate the environment." (emphasis added). Secondly, the PCA authorizes the Department to issue orders in an emergency requiring immediate action to protect the public health or property. S.C. Code Ann. § 48-1-290 (1987). Thirdly, the HWMA states that "upon receipt of information that the storage, transportation, treatment, or disposal of any waste *may present* an *imminent and substantial hazard to the health of persons or to the environment*, the Commissioner may take action as he determines necessary to protect the health of persons or the environment. . . Such action may include, with respect to a facility or site, permanent or temporary cessation of operation. S.C. Code Ann. § 44-56-50(l)(1976 & Supp. 2001). Courts have held that "imminent and substantial endangerment" under federal environmental statutes

requires only a showing of a risk or threat of harm, not actual harm, even where the impact of the risk or threat may not be felt until later. *See Trinity American Corp. v. USEPA*, 150 F.3d 389 (4th Cir. 1998) and *Mehrig v. KFC Western, Inc.*, 116 S.Ct. 1251 (1996), *citing Price v. U.S. Navy*, 39 F.3d 1011, 1019 (9th Cir. 1994).

The Board applied the standards and definitions set forth in the AERCA, the PCA, and the SCHWMA to the facts found by the ALJ, in determining that the ALJ erred. The Board found that the history and the conditions at the site, including lists of environmental, health and safety concerns, when taken as a whole, meet the applicable statutory standards found in the AERCA, the PCA, and the HWMA for issuance of an emergency order. The Department provided the ALJ with numerous witnesses, including two experts, to support its conclusion that an emergency existed on June 25, 2002. Furthermore, the ALJ Order lists numerous findings to support such a conclusion by DHEC. Therefore, this Court finds that there is substantial evidence in the record to support the DHEC Board's conclusion that DHEC staff was justified in issuing the Emergency Order and finding that conditions at the site constitute an "emergency," as defined by the AERCA, and a threat to the citizens of this State and to the environment. Furthermore, this Court finds that the DHEC Board Order is not arbitrary or capricious in view of the reliable probative and substantial evidence on the record as a whole.

B. Deference to an agency decision.

The DHEC Board's reliance on the applicable statutory definition, and its technical judgment that a condition meeting the definition exists, should be given great deference by a reviewing court. See *Cardinal Chemical Companies, L.L.P. v SCDHEC*, 2000 WL 1683692 (SCALJD 2000)(finding the general assembly has vested in DHEC broad statutory discretion to

respond to emergency situations), *citing Trinity American Corp. v. USEPA*, 150 F.3d 389 (4th Cir. 1998). Furthermore, construction of a statute by an agency charged with its administration will be accorded the most respectful consideration and will not be overruled absent compelling reasons. *Dorman & May*, 565 S.E.2d, at 123-124 (2002); *citing Brown*, 560 S.E.2d at 414 (2002). This is particularly true in cases where the agency at issue, like DHEC, is one that regulates radioactive materials due to the highly scientific nature of this duty. *See Environmental Defense Fund v. USNRC*, 902 F.2d 785 (10th Cir. 1990)(unusual degree of deference is due the National Regulatory Commission under the Atomic Energy Act); *Duke Power v. USNRC*, 770 F.2d. 386 (4th Cir. 1985), *citing North Anna Environmental Coalition v. NRC*, 533 F.2d 655, 659 (D.C.Cir.1976) (Court reviewing if agency action was arbitrary, capricious and abuse of discretion or not in accordance with the law should not substitute its judgment for that of the agency but rather should show deference to expertise of agency.) Here, the National Regulatory Commission has delegated to DHEC the responsibility to issue radioactive materials licenses to facilities like Petitioner's and to regulate those facilities. As such, this Court finds that DHEC should be given a high degree of deference to interpret and enforce its atomic energy and radiation control regulations and law.

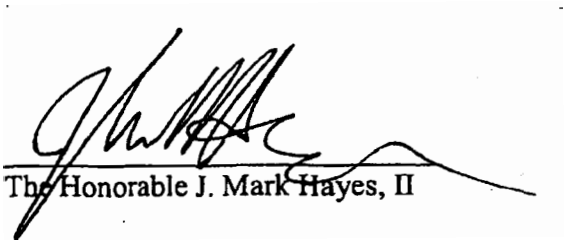
III. Is the DHEC Board Order dated August 29, 2002, reversing the ALJ affected by other error of law?

Lastly, in its Petition to the Court, Starmet further claims, *inter alia*, that the DHEC Board Order is affected by other error of law. The Petition does not list any specific other errors of law affecting the Board Order. Having not been provided any specific areas and reviewing the record, the Court disagrees and finds that the DHEC Board Order is not affected by other error of law.

CONCLUSION

For the foregoing reasons, the DHEC Board Order of August 29, 2003, is hereby **AFFIRMED**.

IT IS SO ORDERED.



The Honorable J. Mark Hayes, II

November 17, 2003
Columbia, SC

SITE: Starmet
BREAK: a.1
OTHER: 3

STATE OF SOUTH CAROLINA

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

OFFICE OF GENERAL COUNSEL
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TO: Kevin Beswick, Esq.
EPA Region IV

FAX NO: 404-562-9487

FROM: Jessica O. King
Staff Counsel

SENT BY:

DATE SENT: October 24, 2002

PAGES TO FOLLOW: 7

RE: Starmet: Circuit Court Order denying Starmet's Motion for a Stay of the Board Order
Emergency Order dated June 25, 2002

CONFIDENTIALITY NOTICE: The information contained in this telefacsimile message is privileged and confidential, and intended only for the use of the individual(s) and/or entity(ies) named above: If you are not the intended recipient, you are hereby notified that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the telecopied materials is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of the attorney/client privilege. If you have received this transmission in error, please immediately notify us by telephone (collect) to arrange for the return of the materials. Thank you.

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND	)	FIFTH JUDICIAL CIRCUIT
Starmet CMI, Inc.,	)	CIVIL ACTION: 02-CP-40-4602
Petitioner/Appellant,	)	
vs.	)	**ORDER**
South Carolina Department of Health and Environmental Control,	)	
Respondent/Appellee.	)	

FILED
02 OCT 22 PM 2:30
BARBARA A. SCOTT
C.C.C. & G.S.

In Re: Motion for a stay, supersedeas, or injunction to allow Starmet CMI, Inc. to operate pending final resolution of this matter; to reverse the SCDHEC Board's Order of August 29, 2002 and reinstate the Order of the Administrative Law Judge of July 19, 2002, and to assess costs and attorney's fees against SCDHEC.

INTRODUCTION

This matter is before the Court on Motion for a stay or supersedeas of the Department of Health and Environmental Control Board's ("DHEC Board") Order dated August 29, 2002, vacating the Order of the Honorable Marvin F. Kittrell dated July 19, 2002. The matter arises from the closing of Petitioner's plant in Barnwell, South Carolina as a result of an Emergency and Administrative Order issued by the DHEC staff on June 25, 2002, pursuant to the authority granted by the South Carolina Pollution Control Act, the South Carolina Atomic Energy and Radiation Control Act, and the South Carolina Hazardous Waste Management Act, South Carolina Code Sections 48-1-290, 13-7-50, and 44-56-50, as amended. The Order of the Administrative Law Judge (ALJ) vacated the Emergency and Administrative Order. The DHEC Board then vacated the Order of the ALJ and this action was filed. Petitioner filed its Petition for Judicial Review September 20, 2002. The Court conducted this Motion hearing on October 14, 2002.

Pursuant to S.C. Code Ann. Section 1-23-380, Petitioner alleges nine grounds of error associated with the decision of the DHEC Board as follows:

The Board:

1. Erroneously concluded that the Administrative Law Judge applied the incorrect definition of an emergency to the facts in the record in concluding that no emergency existed justifying SCDHEC's issuance of its emergency order;
2. Erred in reversing the Administrative Law Judge on the ground that his Order failed to make adequate reference to the South Carolina Hazardous Waste Management Act;
3. Erred in finding that the Administrative Law Judge did not properly apply the definition of an emergency because he did not address contamination of the environment, but addressed only protection of public health and welfare;
4. Erred in finding that the Administrative Law Judge's ruling was clearly erroneous in view of the record as a whole and not supported by substantial evidence;
5. Improperly made findings of fact or otherwise replaced the findings of the ALJ with its own view of the facts in contravention of South Carolina law, under which the Board is not entitled to make findings of fact;
6. Improperly substituted its judgment for the of the Administrative Law Judge as to the weight of the evidence and findings of fact;
7. Improperly applied the substantial evidence test in its order;
8. Improperly considered matters outside of the record; and
9. Committed other errors of law as determined from a review of the records as a whole.

STANDARD OF REVIEW

In this matter, the Court is sitting as an appellate court to review the decision of the DHEC Board to vacate the ALJ decision and reinstate the Emergency and Administrative Order of June 25, 2002 pursuant to S.C. Code Ann. Section 1-23-380 (Supp. 2001). See Kiawah Resort Associates v. S.C. Tax Comm'n, 318 S.C. 502, 458 S.E.2d 542 (1995). Pursuant to Section 1-23-380, a reviewing court may reverse or modify a final agency decision only where a substantial right of an appellant has been prejudiced as a result of an error of the agency based on one of the following enumerated grounds:

(a) in violation of constitutional or statutory provisions;

E.C.

(b) in excess of the statutory authority of the agency;

(c) made upon unlawful procedure;

(d) affected by other error of law;

(e) clearly erroneous in view of the reliable, probative and substantial evidence of the whole record; or

(f) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

S.C. Code Ann. Section 1-23-380(A)(6)(a-f). It is this Court's opinion that the standard of review for a stay or supersedeas is the same.

The party challenging a governmental body's decision bears the burden. See Leventis v. South Carolina Dep't of Health and Envtl. Control, 340 S.C. 118, 530 S.E.2d 643 (Ct. App. 2000) In reviewing factual findings, the proper standard of review in this matter is the "substantial evidence" standard, and to uphold such a decision, the Court need only find that the findings of the agency are supported by substantial evidence on the record as a whole. Grant v. South Carolina Coastal Council, 319 S.C. 348, 351, 461 S.E. 2d 388, 391 (1995). "Substantial evidence is not a mere scintilla of evidence nor evidence viewed blindly from one side, but is evidence which, when considering the record as a whole, would allow reasonable minds to reach the conclusion that the agency reached...." Welch Moving & Storage Co. v. Public Service Com., 301 S.C. 259, 261, 391 S.E.2d 556, 557 (1990)(quoting Palmetto Alliance, Inc. v. South Carolina Public Service Com., 282 S.C. 430, 432, 319 S.E.2d 695, 696 (1984)). To reverse a final agency action or grant a stay of its action under the "substantial evidence" test, the reviewing court must conclude that there is no possibility that any rational person could have reached the conclusion that the agency reached. The "substantial evidence" rule is a deferential standard of review that must be applied so that the evidence is construed in a light most favorable to the agency, and with a construction that favors justifying the agency decision. In fact, the South Carolina Supreme Court has ruled that "[s]ubstantial evidence is...enough to justify, if the trial were to a jury, a refusal to direct a verdict when the conclusion sought to be drawn from it is one fact for the jury." Hoxit v. Michelin Tire Corp., 304 S.C. 461, 463, 405 S.E.2d 407, 408-09 (1991)(citing Lark v. Bi-Lo, Inc., 276 S.C. 130, 135-36, 276 S.E.2d 304, 307 (1981)).

In appeals alleging the final agency decision was "arbitrary and capricious" in violation of S.C. Code Ann. Section 1-23-380(A)(6)(f), the "rational basis" test applies. The final decision of an administrative agency cannot be characterized as "arbitrary or capricious" unless it is "...without a rational basis, is based alone on one's will and not upon any course of reasoning and exercise of judgment, is made at pleasure, without adequate determining principles, or is governed by no fixed rules or standards." S.C. Code Ann. Section 1-23-380(A)(6)(f); Deese v. S.C. State Board of Dentistry, 286 S.C. 182, 184, 332 S.E.2d 539, 541 (1985) (interpreting Section 1-23-380(g)(6), now Section 1-23-380(A)(6)(f)(Supp. 2001)). The agency may exercise its discretion so long as there is a rational basis for its decision. Id. The issue is not whether the rational basis the agency may have relied upon is agreeable to petitioner, but rather whether there is any rational basis underlying the agency decision. Thus, consistent with this deferential standard of review, the issue is simply whether the DHEC Board acted with any rational basis in reaching its decision to vacate the Order of the ALJ and reinstate the Emergency and Administrative Order of June 25, 2002, and that its decision is supported by substantial evidence. Further, even if an error is found, such must also be shown to have prejudiced the Petitioner's substantial right before the final agency decision can be modified, reversed, or stayed.

Petitioner claims a substantial right will be violated if this stay is not granted. It alleges through the affidavit of Gerald Hoolahan, the former Managing Director of Petitioner, that the company will suffer irreparable damage if not allowed to reopen the plant and that the workers will lose their opportunity to reorganize and survive. Petitioner's counsel argues that the action of the DHEC Board is a "death sentence" that will be fatal to the company if a stay is not granted. However, as pointed out in Respondent's memorandum, "mere economic loss, in and of itself, does not constitute irreparable harm necessary to justify preliminary injunctive relief. Bellam v. Clayton County Hosp. Authority, 758 F. Supp. 1488 (N.D.G.a. 1990); Housing Study Group v. Kemp, 736 F. Supp. 321 (order clarified 739 F. Supp. 633 (D.D.C. 1990)); and Goldstein v. Miller, 488 F. Supp. 156, 175 (D. Md. 1980) ("mere economic injury is rarely, if ever sufficient to warrant an entry of a stay of judgment to protect a party against it"); *See also* Sprouse v. Winston, 46 S.E.2d 874, 876 (1948), and Sea Pines Plantation Co. v. Wells, 363 S.E.2d 891, 896 (1987) ("injunction ought not be withheld merely for the reason that it will cause some pecuniary loss"). The fact that Respondent

filed a voluntary petition for bankruptcy pursuant to Chapter 11 of the U.S. Bankruptcy Code on March 26, 2002, gives this Court concern that Respondent would be able to reopen and address, in a timely fashion, the environmental concerns that have plagued the operation of this plant for the past several years.

The Respondent argues, on the other hand, that this Court must balance the potential for irreparable harm to the State and the environment if the stay is granted and the Petitioner is allowed to reopen the plant and re-commence operations. Respondent lists thirteen (13) issues of immediate concern dealing primarily with the two (2) evaporation ponds that hold radioactive contaminated wastewater and the improper storage of other radioactive materials on site. Respondent also cites a continuing pattern of neglect and disregard of previous DHEC Orders, some of which have been Consent Orders. Respondent points out that Petitioner's Radioactive Material License 322 has been permanently revoked by the Emergency and Administrative Order of June 25, 2002. Following closure, the U.S. Environmental Protection Agency (EPA) Emergency Response and Removal Branch (ERRB) has been on site since July 24, 2002, conducting repair and clear-up operations in conjunction with DHEC. This Court has reviewed the EPA "Action Memorandum" dated August 16, 2002, produced by Respondent at the hearing. It is apparent that Judge Kittrel could not have had reference to this document when considering his Order of July 19, 2002. This Court, however, is of the opinion that the following contents of this document are very relevant when considering the risk of harm analysis which must be made.

III. THREATS TO PUBLIC HEALTH OR WELFARE OR THE ENVIRONMENT, AND STATUTORY AND REGULATORY AUTHORITIES

B. Threats to Public Health or Welfare

The ERRB has determined that a threat of release as defined by Section 101 of CERCLA, exists at the site. The site meets the requirements for initiating a time-critical removal in accordance with criteria listed in Section 300.415 of the NCP. The removal action criteria outlined in the NCP will continue to exist until all removal response actions are completed. The site meets the following NCP criteria as outlined in 300.415:

GZ25

(b) (2) (i) Actual or potential exposure to nearby human population, animals, or the food chain from hazardous substances or pollution or contaminants; and

There is evidence that the ponds have been breached in the past. Soil surrounding the ponds, outside the chain linked fence, indicate uranium concentrations in excess of background. There is currently no access restriction to the areas impacted by the overflow from the ponds. Rain will move the contamination into surface water impoundments or streams.

(iii) Hazardous substances or pollutants or contaminants in drums, barrels, tanks or other bulk storage containers, that may pose a threat of release; and

There are over 12,000 drums of radioactive material as well as hazardous waste stored at this facility. There is no one at the facility to maintain the ventilation system or fire suppression system.

(v) Weather conditions that may cause hazardous substances or pollutants or contaminants to migrate or be released; and

Due to the lack of a roof over the ponds, rain water continues to increase the volume of water in the ponds, causing the ponds to overflow,

(vi) The availability of other appropriate federal or state response mechanisms to respond to the release;

DHEC is not able to support the cost of the response. EPA is investigating the possibility of assistance from the Department of Energy and the Department of Defense.

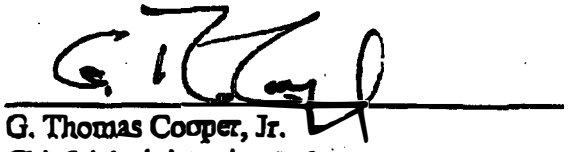
(IV). ENDANGERMENT DETERMINATION

Actual or threatened release of hazardous substances, pollutants, and contaminants from this site, if not addressed by implementing the response action selection in this Action Memorandum, may present an imminent and substantial endangerment to public health, welfare and the environment.

Based on the terms of the Administrative and Emergency Order of June 25, 2002, and the terms of the EPA Action Memorandum of August 16, 2002, I find that the risk of harm to the State in this case outweighs the risk of harm to the Petitioner.

In consideration of a stay the Court must also look to the potential for success on the merits for the moving party's claim. The Board was within its authority to vacate the decision of the ALJ. Brown et al. v. S.C. Dept. of Health and Envir. Control, et al., 560 S.E.2d 410 (S.C. 2002) *(reh'g denied* March 21, 2002). The question before me is... Did the Board make its decision within the limitations set forth in Section 1-23-610(D)? The Board determined that the ALJ had committed an error of law by using the wrong definition for the word "emergency". This Court is of the opinion that the Order of the Board dated August 29, 2002, correctly defines the term under existing statutes and that the Board's decision does not violate Section 1-23-380. Thus, at this stage of the proceedings, this Court is unable to say that Petitioner has made out a likelihood of success on the merits at judicial review.

THEREFORE, I respectfully DENY the Motion of Starmet CMI, Inc. for Stay or Supersedeas.



G. Thomas Cooper, Jr.
Chief Administrative Judge
Fifth Judicial Circuit

October 22, 2002
Columbia, South Carolina

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

Starmet CMI, Inc.

PLAINTIFF(S)

JUDGMENT IN A CIVIL CASE

CASE NO. 02-CP-40-4602

S.C. Dept. of Health & Environmental Control

DEFENDANT(S)

RECEIVED
OCT 23 2002
DHEC
OFFICE OF GENERAL COUNSEL

FILED
OCT 22 PM 2:30
A. SCOTT
C.C.P. & G.S.

CHECK ONE:

[ ] **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

[✓] **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

[ ] **ACTION DISMISSED** (*CHECK REASON*): [ ] Rule 12(b), SCRCP; [ ] Rule 41(a), SCRCP (Vol. Nonsuit); [ ] Rule 43(k), SCRCP (Settled); [ ] Other _____.

[ ] **ACTION STRICKEN** (*CHECK REASON*): [ ] Rule 40(j) SCRCP; [ ] Bankruptcy; [ ] Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; [ ] Other _____.

IT IS ORDERED AND ADJUDGED: [✓] See attached order; [ ] Statement of Judgment by the Court:

Dated at _____, South Carolina, this _____ day of _____, 20____.

_____
PRESIDING JUDGE

This judgment was entered on the ____ day of _____, 20____, and a copy mailed first class this 22 day of October, 2002 to attorneys of record or to parties (when appearing pro se) as follows:

John Adams Hodge

ATTORNEY(S) FOR THE PLAINTIFF(S)

Jessica J. O. King

ATTORNEY(S) FOR THE DEFENDANT(S)

s/ Barbara P. Scott
CLERK OF COURT

FAX MESSAGE

SITE: Starmet
BREAK: 10.6
OTHER: V3

DHEC
PROMOTE PROTECT PROSPER
South Carolina Department of Health and Environmental Control

DATE: 10-22-02
pages including cover sheet: 8

PLEASE DELIVER THIS FAX MESSAGE

TO: Roberta Runyan
NAME

EPA
ORGANIZATION/DEPARTMENT

(803) 259-2094 FAX NUMBER
(803) 259-2071 OFFICE NUMBER

FROM: Henry Porter
NAME

Division of Waste Management/ Bureau of Land and Waste Management

(803) 896-4242 FAX NUMBER
(803) 896-4245 OFFICE NUMBER

SUBJECT/COMMENTS:

Roberta,

We just received the attached decision from the Circuit Court Today on the Emergency order.

- EMERGENCY ORDER STANDS.
- NRC LIC. ISSUE STILL NEEDS TO BE HEARD BY ALC JUDGE
- HEARING ON MERITS WILL BE IN 6-12 MONTHS.

10603527

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND Starmet CMI, Inc., Petitioner/Appellant, vs. South Carolina Department of Health and Environmental Control, Respondent/Appellee.	)	IN THE COURT OF COMMON PLEAS FIFTH JUDICIAL CIRCUIT CIVIL ACTION: 02-CP-40-4602 ORDER

FILED
02 OCT 22 PM 2:30
BARBARA A. SCOTT
C.C.C. & G.S.

In Re: Motion for a stay, supersedeas, or injunction to allow Starmet CMI, Inc. to operate pending final resolution of this matter; to reverse the SCDHEC Board's Order of August 29, 2002 and reinstate the Order of the Administrative Law Judge of July 19, 2002, and to assess costs and attorney's fees against SCDHEC.

INTRODUCTION

This matter is before the Court on Motion for a stay or supersedeas of the Department of Health and Environmental Control Board's ("DHEC Board") Order dated August 29, 2002, vacating the Order of the Honorable Marvin F. Kittrell dated July 19, 2002. The matter arises from the closing of Petitioner's plant in Barnwell, South Carolina as a result of an Emergency and Administrative Order issued by the DHEC staff on June 25, 2002, pursuant to the authority granted by the South Carolina Pollution Control Act, the South Carolina Atomic Energy and Radiation Control Act, and the South Carolina Hazardous Waste Management Act, South Carolina Code Sections 48-1-290, 13-7-50, and 44-56-50, as amended. The Order of the Administrative Law Judge (ALJ) vacated the Emergency and Administrative Order. The DHEC Board then vacated the Order of the ALJ and this action was filed. Petitioner filed its Petition for Judicial Review September 20, 2002. The Court conducted this Motion hearing on October 14, 2002.

Pursuant to S.C. Code Ann. Section 1-23-380, Petitioner alleges nine grounds of error associated with the decision of the DHEC Board as follows:

The Board:

1. Erroneously concluded that the Administrative Law Judge applied the incorrect definition of an emergency to the facts in the record in concluding that no emergency existed justifying SCDHEC's issuance of its emergency order;
2. Erred in reversing the Administrative Law Judge on the ground that his Order failed to make adequate reference to the South Carolina Hazardous Waste Management Act;
3. Erred in finding that the Administrative Law Judge did not properly apply the definition of an emergency because he did not address contamination of the environment, but addressed only protection of public health and welfare;
4. Erred in finding that the Administrative Law Judge's ruling was clearly erroneous in view of the record as a whole and not supported by substantial evidence;
5. Improperly made findings of fact or otherwise replaced the findings of the ALJ with its own view of the facts in contravention of South Carolina law, under which the Board is not entitled to make findings of fact;
6. Improperly substituted its judgment for the of the Administrative Law Judge as to the weight of the evidence and findings of fact;
7. Improperly applied the substantial evidence test in its order;
8. Improperly considered matters outside of the record; and
9. Committed other errors of law as determined from a review of the records as a whole.

STANDARD OF REVIEW

In this matter, the Court is sitting as an appellate court to review the decision of the DHEC Board to vacate the ALJ decision and reinstate the Emergency and Administrative Order of June 25, 2002 pursuant to S.C. Code Ann. Section 1-23-380 (Supp. 2001). See Kiawah Resort Associates v. S.C. Tax Comm'n, 318 S.C. 502, 458 S.E.2d 542 (1995). Pursuant to Section 1-23-380, a reviewing court may reverse or modify a final agency decision only where a substantial right of an appellant has been prejudiced as a result of an error of the agency based on one of the following enumerated grounds:

(a) in violation of constitutional or statutory provisions;

(b) in excess of the statutory authority of the agency;

(c) made upon unlawful procedure;

(d) affected by other error of law;

(e) clearly erroneous in view of the reliable, probative and substantial evidence of the whole record; or

(f) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

S.C. Code Ann. Section 1-23-380(A)(6)(a-f). It is this Court's opinion that the standard of review for a stay or supersedeas is the same.

The party challenging a governmental body's decision bears the burden. See Leventis v. South Carolina Dep't of Health and Envtl. Control, 340 S.C. 118, 530 S.E.2d 643 (Ct. App. 2000) In reviewing factual findings, the proper standard of review in this matter is the "substantial evidence" standard, and to uphold such a decision, the Court need only find that the findings of the agency are supported by substantial evidence on the record as a whole. Grant v. South Carolina Coastal Council, 319 S.C. 348, 351, 461 S.E. 2d 388, 391 (1995). "Substantial evidence is not a mere scintilla of evidence nor evidence viewed blindly from one side, but is evidence which, when considering the record as a whole, would allow reasonable minds to reach the conclusion that the agency reached...." Welch Moving & Storage Co. v. Public Service Com., 301 S.C. 259, 261, 391 S.E.2d 556, 557 (1990)(quoting Palmetto Alliance, Inc. v. South Carolina Public Service Com., 282 S.C. 430, 432, 319 S.E.2d 695, 696 (1984)). To reverse a final agency action or grant a stay of its action under the "substantial evidence" test, the reviewing court must conclude that there is no possibility that any rational person could have reached the conclusion that the agency reached. The "substantial evidence" rule is a deferential standard of review that must be applied so that the evidence is construed in a light most favorable to the agency, and with a construction that favors justifying the agency decision. In fact, the South Carolina Supreme Court has ruled that "[s]ubstantial evidence is...enough to justify, if the trial were to a jury, a refusal to direct a verdict when the conclusion sought to be drawn from it is one fact for the jury." Hoxit v. Michelin Tire Corp., 304 S.C. 461, 463, 405 S.E.2d 407, 408-09 (1991)(citing Lark v. Bi-Lo, Inc., 276 S.C. 130, 135-36, 276 S.E.2d 304, 307 (1981)).

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Petitioner claims a substantial right will be violated if this stay is not granted. It alleges through the affidavit of Gerald Hoolahan, the former Managing Director of Petitioner, that the company will suffer irreparable damage if not allowed to reopen the plant and that the workers will lose their opportunity to reorganize and survive. Petitioner's counsel argues that the action of the DHEC Board is a "death sentence" that will be fatal to the company if a stay is not granted. However, as pointed out in Respondent's memorandum, "mere economic loss, in and of itself, does not constitute irreparable harm necessary to justify preliminary injunctive relief. Bellam v. Clayton County Hosp. Authority, 758 F. Supp. 1488 (N.D.Ga. 1990); Housing Study Group v. Kemp, 736 F. Supp. 321 (order clarified 739 F. Supp. 633 (D.D.C. 1990)); and Goldstein v. Miller, 488 F. Supp. 156, 175 (D. Md. 1980) ("mere economic injury is rarely, if ever sufficient to warrant an entry of a stay of judgment to protect a party against it"); *See also* Sprouse v. Winston, 46 S.E.2d 874, 876 (1948), and Sea Pines Plantation Co. v. Wells, 363 S.E.2d 891, 896 (1987) ("injunction ought not be withheld merely for the reason that it will cause some pecuniary loss"). The fact that Respondent

filed a voluntary petition for bankruptcy pursuant to Chapter 11 of the U.S. Bankruptcy Code on March 26, 2002, gives this Court concern that Respondent would be able to reopen and address, in a timely fashion, the environmental concerns that have plagued the operation of this plant for the past several years.

The Respondent argues, on the other hand, that this Court must balance the potential for irreparable harm to the State and the environment if the stay is granted and the Petitioner is allowed to reopen the plant and re-commence operations. Respondent lists thirteen (13) issues of immediate concern dealing primarily with the two (2) evaporation ponds that hold radioactive contaminated wastewater and the improper storage of other radioactive materials on site. Respondent also cites a continuing pattern of neglect and disregard of previous DHEC Orders, some of which have been Consent Orders. Respondent points out that Petitioner's Radioactive Material License 322 has been permanently revoked by the Emergency and Administrative Order of June 25, 2002. Following closure, the U.S. Environmental Protection Agency (EPA) Emergency Response and Removal Branch (ERRB) has been on site since July 24, 2002, conducting repair and clear-up operations in conjunction with DHEC. This Court has reviewed the EPA "Action Memorandum" dated August 16, 2002, produced by Respondent at the hearing. It is apparent that Judge Kittrel could not have had reference to this document when considering his Order of July 19, 2002. This Court, however, is of the opinion that the following contents of this document are very relevant when considering the risk of harm analysis which must be made.

III. THREATS TO PUBLIC HEALTH OR WELFARE OR THE ENVIRONMENT, AND STATUTORY AND REGULATORY AUTHORITIES

B. Threats to Public Health or Welfare

The ERRB has determined that a threat of release as defined by Section 101 of CERCLA, exists at the site. The site meets the requirements for initiating a time-critical removal in accordance with criteria listed in Section 300.415 of the NCP. The removal action criteria outlined in the NCP will continue to exist until all removal response actions are completed. The site meets the following NCP criteria as outlined in 300.415:

(b) (2) (i) Actual or potential exposure to nearby human population, animals, or the food chain from hazardous substances or pollution or contaminants; and

There is evidence that the ponds have been breached in the past. Soil surrounding the ponds, outside the chain linked fence, indicate uranium concentrations in excess of background. There is currently no access restriction to the areas impacted by the overflow from the ponds. Rain will move the contamination into surface water impoundments or streams.

(iii) Hazardous substances or pollutants or contaminants in drums, barrels, tanks or other bulk storage containers, that may pose a threat of release; and

There are over 12,000 drums of radioactive material as well as hazardous waste stored at this facility. There is no one at the facility to maintain the ventilation system or fire suppression system.

(v) Weather conditions that may cause hazardous substances or pollutants or contaminants to migrate or be released; and

Due to the lack of a roof over the ponds, rain water continues to increase the volume of water in the ponds, causing the ponds to overflow,

(vi) The availability of other appropriate federal or state response mechanisms to respond to the release;

DHEC is not able to support the cost of the response. EPA is investigating the possibility of assistance from the Department of Energy and the Department of Defense.

(IV). ENDANGERMENT DETERMINATION

Actual or threatened release of hazardous substances, pollutants, and contaminants from this site, if not addressed by implementing the response action selection in this Action Memorandum, may present an imminent and substantial endangerment to public health, welfare and the environment.

Based on the terms of the Administrative and Emergency Order of June 25, 2002, and the terms of the EPA Action Memorandum of August 16, 2002, I find that the risk of harm to the State in this case outweighs the risk of harm to the Petitioner.

In consideration of a stay the Court must also look to the potential for success on the merits for the moving party's claim. The Board was within its authority to vacate the decision of the ALJ. Brown et al. v. S.C. Dept. of Health and Envir. Control, et al., 560 S.E.2d 410 (S.C. 2002) *(reh'g denied* March 21, 2002). The question before me is... Did the Board make its decision within the limitations set forth in Section 1-23-610(D)? The Board determined that the ALJ had committed an error of law by using the wrong definition for the word "emergency". This Court is of the opinion that the Order of the Board dated August 29, 2002, correctly defines the term under existing statutes and that the Board's decision does not violate Section 1-23-380. Thus, at this stage of the proceedings, this Court is unable to say that Petitioner has made out a likelihood of success on the merits at judicial review.

THEREFORE, I respectfully DENY the Motion of Starmet CMI, Inc. for Stay or Supersedeas.

G. Thomas Cooper, Jr.
Chief Administrative Judge
Fifth Judicial Circuit

October 22, 2002
Columbia, South Carolina

92626

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: Starmet, CMI Barnwell, Barnwell County, South Carolina, Starmet, CMI, Respondent	UNILATERAL ADMINISTRATIVE ORDER DIRECTING COMPLIANCE WITH REQUEST FOR ACCESS TO CONDUCT REMOVAL ACTION U.S. EPA Region 4 CERCLA Docket No. 04-2003-3750 Proceeding Under Section 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9606(a)

UCIS 2656062

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I. JURISDICTION AND GENERAL PROVISIONS

This Order is issued pursuant to the authority vested in the President of the United States by Section 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9606(a), as amended ("CERCLA"), and delegated to the Administrator of the United States Environmental Protection Agency ("EPA") by Executive Order No. 12580, January 23, 1987, 52 Federal Register 2923, and further delegated to the Regional Administrators by EPA Delegation Nos. 14-14-A and 14-14-B, and further delegated through the Director, Waste Management Division to the Associate Division Directors, Waste Management by EPA Region 4 Delegation No 14-14B. EPA has notified the State of South Carolina of this action pursuant to section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

II. STATEMENT OF PURPOSE

This Order pertains to property formerly operated by Starmet CMI ("Starmet"), located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, (the "Starmet Site," or the "Site"). This Order requires the Respondent to provide access for EPA and its authorized representatives and contractors to abate an imminent and substantial endangerment to the public health, welfare or the environment that may be presented by the actual or threatened release of hazardous substances at or from the Site. The Order further requires Respondent to refrain from interfering with access to the Site by EPA and its authorized representatives for the purposes set forth herein.

III. FINDINGS OF FACT

For the purposes of this Order, EPA finds that:

1. Starmet processed uranium hexafluoride (UF6) which is a bi-product of the gaseous diffusion process used to segregate U_{235} from U_{238}. The UF6 was shipped in cylinders to Starmet to be processed into uranium tetrafluoride (UF4), which is a fairly stable solid compound (also known as "green salt").

2. Starmet used the UF4 in the manufacture of uranium metal "derbies" which were shipped to Starmet NMI in Concord Massachusetts, to be processed into armor piercing ammunition for the Department of Defense. Starmet NMI is no longer operating and became a listed Superfund site (Site # 0100550) as of June 14, 2001.

3. The Emergency Response and Removal Branch (ERRB) initiated an emergency removal action at the Starmet Site on June 24, 2002, to prevent the release of U_{238} from the waste water retention ponds behind the facility. U_{238} is a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Analytical data indicated a concentration of U_{238} in excess of 1.6×10^5 pico Curies/liter in the waste water ponds. The two

ponds, measuring 240 ft by 50 ft, contain approximately 500,000 gallons waste water. The roof covering the ponds was destroyed in a fire in February 2001, allowing the volume of waste water in the ponds to increase due to rain water infiltration. The pond liners are in poor condition and are leaking. At the time of the initial response, the ponds were in danger of overflowing due to heavy rains.

4. The ponds are hydraulically connected and both ponds are heavily contaminated with U_{238} and other hazardous substances.

5. UF4 not used by Starmet to produce uranium metal was stored at the Site in 55 gallon drums. The drums stored at the Site are beginning to deteriorate. Many have been crushed by the weight of the drums stacked on top of them. Several of the drums are leaking.

6. Uranium metal waste generated in machining the uranium derbies was stored by Starmet under water in open drums. The stored uranium metal is generating hydrogen gas. Hydrogen gas is a potential explosion hazard.

7. Process operations for the uranium derbies included treatment in a "pickling" nitric acid bath. Nitric acid and other hazardous substances and wastes from this process have been disposed of at the Site.

8. Starmet operated a cadmium plating line for uranium metal counter-weights used in high performance aircraft. Hazardous substances and wastes generated from this process have been disposed of at the Site.

9. At present, over 12,600 drums of various radioactive waste material is stored at the Site.

10. Starmet had the power to the facility shut off on July 26, 2002 potentially allowing UF4 dust, hydrogen gas, radon gas and plating vat fumes to accumulate in the buildings.

11. On August 21, 2002, EPA sent by facsimile, a request for access that included an access agreement for Starmet's execution.

12. On August 29, 2002, Starmet received the same access agreement by certified mail, requesting execution within 48 hours of receipt.

13. Starmet responded on September 6, 2002, with a modified version of the access agreement that added terms and conditions that were not acceptable to EPA.

14. Over the course of the next two weeks, EPA attempted to negotiate an access agreement that would be acceptable to both parties.

15. On September 18, 2002, John Hodge, attorney for Starmet, was informed by voice mail, that an executed access agreement, acceptable to EPA must be received no later than Friday, September 20, 2002.

16. As of Monday, September 23, 2002, no acceptable executed access agreement has been received by EPA.

IV. DETERMINATIONS OF LAW

Based upon the information available on the date of issuance of this Administrative Order, the Regional Administrator of EPA makes the following Determinations of Law:

1. The Site is a "facility" as defined in Section 101(9) of CERCLA, 42 U.S.C. Section 9601(9).

2. The Respondent is a "person" as defined in Section 101(21) of CERCLA, 42 U.S.C. Section 9601(21).

3. The Respondent is the "owner" of the Site, as defined by Section 101(20) of CERCLA, 42 U.S.C. Section 9601(20) and within the meaning of Section 107(a)(1) of CERCLA, 42 U.S.C. Section 9607(a)(1).

4. The contaminants found at the Site are "hazardous substances" as defined in Section 101(14) of CERCLA, 42 U.S.C. Section 9601(14).

5. The presence of hazardous substances at the Site and/or the potential and actual migration of such substances constitutes an actual or threatened "release" as that term is defined in Section 101(22) of CERCLA, 42 U.S.C. Section 9601(22). Consequently, EPA has a reasonable basis to believe there may be a release or threat of release of a hazardous substance or pollutant or contaminant from the Site.

6. The conditions present at the Site constitute and imminent and substantial endangerment to public health, welfare or the environment.

7. Section 104(e) of CERCLA, 42 U.S.C. Section 9604(e) authorizes EPA and its authorized representatives to have access to the Site to perform response actions under CERCLA at the Site.

8. Section 104(e) of CERCLA, 42 U.S.C. Section 9604(e) authorizes EPA to issue an Order for access when such access is denied.

9. Respondent's failure to agree to provide an acceptable access agreement to EPA in a timely manner constitutes such a denial of access.

V. PARTIES BOUND

1. This Administrative Order shall apply to and be binding upon Respondent, its agents, successors and assigns.

2. Respondent shall provide a copy of this Administrative Order to any person other than EPA or EPA's authorized representatives to whom Respondent allows access to the property for any purpose, including any tenant.

VI. ORDER

Based upon the foregoing Findings of Fact and Determinations of Law, it is hereby Ordered pursuant to Section 104(e) of CERCLA, that Respondent provide EPA and its authorized representatives and their contractors access to the Starmet Site property for the purpose of conducting activities required to complete the Removal Action, as specified in the attached Special Polrep, dated July 23, 2002, and Action Memorandum, dated August 16, 2002, and any amendments thereto (hereinafter the "Removal Action"), in accordance with the following paragraphs:

1. Respondent shall provide EPA and its authorized representatives and their contractors unimpeded access to the property known as the Starmet Site, located in Barnwell, Barnwell County, South Carolina, for the purposes set forth herein. The purpose for which EPA and its authorized representatives and contractors require access to the Site shall be to conduct the Removal Action or to perform any additional work required by EPA.

2. Access to the Site shall be provided for a period necessary to complete the Removal Action at the Starmet Site, or to perform any additional work at the Site required by EPA.

3. Respondent shall allow EPA and its authorized representatives and contractors to enter the Starmet Site and conduct activities required by the Removal Action at all reasonable times as required by Section 104(e)(3) of CERCLA, 42 U.S.C. Section 9604(e)(3).

4. Respondent shall not interfere in any way with the Removal Action being conducted at the Starmet Site, nor shall it attempt to interfere with any additional work determined by EPA to be necessary. Any such interference shall be deemed a violation of this Order.

5. In the event of any conveyance by Respondent of any interest in the Starmet property, Respondent shall convey the interest subject to this Order, so as to insure continued access by EPA, its authorized representatives and contractors to the Starmet Site. Any such conveyance shall restrict the use of the property so as not to interfere with such access. Respondent shall notify EPA in writing at least 15 days before the conveyance of an interest in the Starmet property. Prior to any such conveyance, Respondent shall provide notification to the transferee of

the provisions of this Order.

VII. CONFIDENTIAL BUSINESS INFORMATION

Respondent is hereby advised that, consistent with 18 U.S.C. Section 1905, it may assert a confidentiality claim with respect to any information obtained in the course of activities performed at the Site under the authority of this Administrative Order. Information accorded protection by 18 U.S.C. Section 1905 includes information relating to or concerning trade secrets, processes, operation, style of work, or amount or source of any income, profits, losses or expenditures of any person, firm, partnership, corporation or association.

VIII. ACCESS TO ADMINISTRATIVE RECORD

The Administrative Record upon which the Removal Action and this Administrative Order is based is available for review between the hours of 8:00 a.m. and 5:00 p.m. in the Record Center, United States Environmental Protection Agency, Region 4, 61 Forsyth St. SW, Atlanta, Georgia 30303. Please contact Kevin Beswick, Associate Regional Counsel at 404-562-9580 in advance if you wish to review the Administrative Record at the offices of EPA, Region 4.

IX. OPPORTUNITY TO CONFER AND EFFECTIVE DATE OF ADMINISTRATIVE ORDER

1. Within three (3) days after receipt of this order, the Respondent may request a conference with EPA to be held no later than two (2) days before the effective date of this Order on any matter pertinent to this Order, including its applicability, the factual findings and the determinations upon which it is based, the appropriateness of any actions the Respondent is ordered to take, or any other relevant and material issues or contentions which it may have regarding this Order. This conference is not an adversarial proceeding and is not part of any proceeding to enforce or challenge this Order. The Respondent may appear in person or by an attorney or other representative at the conference. The Respondent may also submit written comments or statements of position on any matter pertinent to this Order no later than the time of the conference, or two (2) days before the effective date of the Order if the Respondent does not request a conference. EPA will deem the Respondent to have waived its opportunity to the conference and its opportunity to submit written comments, if it fails to request the conference or submit comments within the specified time. Any request for a conference or written comments or statements should be submitted to:

Kevin Beswick
U.S. Environmental Protection Agency, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

ATTACHMENTS

1. Special Polrep, Notification of $200,000 Activation, dated July 23, 2002

2. Action Memorandum, dated August 16, 2002

2. This Order shall be effective ten (10) days from the date it is received.

X. NOTICE OF INTENTION TO COMPLY

Within 48 hours of the effective date of this Order, Respondent shall provide written notice to Kevin Beswick, at the address above, stating whether Respondent intends to comply with the terms hereof. Such notice shall be sent by overnight carrier, return receipt requested. In the event Respondent fails to provide such notice, Respondent shall be deemed not to have complied with the terms of this Order.

XI. RESERVATION OF RIGHTS

Except as expressly provided in this Administrative Order, EPA reserves all rights and defenses it may have and nothing shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Administrative Order, including the right to seek equitable relief and imposition of statutory penalties. Nothing herein shall restrict or limit any of EPA's access or information gathering authorities under applicable law.

XII. OTHER CLAIMS

Nothing in this Administrative Order shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation not named by this Administrative Order for any liability it may have arising out of or relating in any way to the generation, storage, treatment, handling, transportation, release, or disposal of any hazardous substances, hazardous wastes, pollutants, or contaminants, found at, taken to, or taken from, the Site.

XIII. PENALTIES FOR NONCOMPLIANCE

Respondent is hereby advised that, pursuant to Section 104(e)(5)(B) of CERCLA, 42 U.S.C. Section 9604(e)(5)(B), a court may assess a civil penalty not to exceed $27,500 per day, for each day that Respondent unreasonably fails to comply with this Administrative Order or any part thereof.

IT IS SO ORDERED this 27th day of September 2002.

BY:

Jewell Harper
Deputy Division Director
Waste Management Division
United States Environmental Protection Agency
Region 4

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

Site: Starmet
Date: 10.11
Code: V.1

SEP 27 2002

By Certified Mail

Mr. John Adams Hodge
Haynesworth Sinkler Boyd P.A
1201 Main St., Suite 2400
Columbia, SC 29201-3226

Re: Unilateral Administrative Order - Starmet CMI Superfund Site
Barnwell, South Carolina

Dear Mr. Hodge,

The purpose of this letter is to transmit the enclosed Unilateral Administrative Order (Order) to Starmet CMI, regarding the Starmet Superfund Site (the Site), in Barnwell, South Carolina. This Order is issued pursuant to the authority of the United States Environmental Protection Agency (EPA) under Section 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (CERCLA), 42 U.S.C. § 9606(a), as amended.

As you have been previously notified, EPA has information indicating that Starmet CMI is a potentially responsible party under Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Site. The enclosed Order directs Starmet CMI to allow EPA and its representatives access to the Site to perform a removal response.

Please review the Order carefully, paying particular attention to Sections IX, X, and XIII of the Order which address the obligations of the Respondent to give notice of its intent to comply, the effective date of the Order and the right of the Respondent to request a conference to discuss the terms of the Order, and penalties for noncompliance.

If you have any questions, please contact Kevin Beswick at 404-562-9580.

Sincerely,

Jewell Harper
Deputy Division Director
Waste Management Division,
US EPA, Region 4

10603646

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: Starmet, CMI Barnwell, Barnwell County, South Carolina, Starmet, CMI, Respondent	UNILATERAL ADMINISTRATIVE ORDER DIRECTING COMPLIANCE WITH REQUEST FOR ACCESS TO CONDUCT REMOVAL ACTION U.S. EPA Region 4 CERCLA Docket No. *Proceeding Under Section 106(a) of the* Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9606(a)

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I. JURISDICTION AND GENERAL PROVISIONS

This Order is issued pursuant to the authority vested in the President of the United States by Section 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9606(a), as amended ("CERCLA"), and delegated to the Administrator of the United States Environmental Protection Agency ("EPA") by Executive Order No. 12580, January 23, 1987, 52 Federal Register 2923, and further delegated to the Regional Administrators by EPA Delegation Nos. 14-14-A and 14-14-B, and further delegated through the Director, Waste Management Division to the Associate Division Directors, Waste Management by EPA Region 4 Delegation No 14-14B. EPA has notified the State of South Carolina of this action pursuant to section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

II. STATEMENT OF PURPOSE

This Order pertains to property formerly operated by Starmet CMI ("Starmet"), located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, (the "Starmet Site," or the "Site"). This Order requires the Respondent to provide access for EPA and its authorized representatives and contractors to abate an imminent and substantial endangerment to the public health, welfare or the environment that may be presented by the actual or threatened release of hazardous substances at or from the Site. The Order further requires Respondent to refrain from interfering with access to the Site by EPA and its authorized representatives for the purposes set forth herein.

III. FINDINGS OF FACT

For the purposes of this Order, EPA finds that:

1. Starmet processed uranium hexafluoride (UF6) which is a bi-product of the gaseous diffusion process used to segregate U_{235} from U_{238}. The UF6 was shipped in cylinders to Starmet to be processed into uranium tetrafluoride (UF4), which is a fairly stable solid compound (also known as "green salt").

2. Starmet used the UF4 in the manufacture of uranium metal "derbies" which were shipped to Starmet NMI in Concord Massachusetts, to be processed into armor piercing ammunition for the Department of Defense. Starmet NMI is no longer operating and became a listed Superfund site (Site # 0100550) as of June 14, 2001.

3. The Emergency Response and Removal Branch (ERRB) initiated an emergency removal action at the Starmet Site on June 24, 2002, to prevent the release of U_{238} from the waste water retention ponds behind the facility. U_{238} is a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Analytical data indicated a concentration of U_{238} in excess of 1.6×10^5 pico Curies/liter in the waste water ponds. The two

ponds, measuring 240 ft by 50 ft, contain approximately 500,000 gallons waste water. The roof covering the ponds was destroyed in a fire in February 2001, allowing the volume of waste water in the ponds to increase due to rain water infiltration. The pond liners are in poor condition and are leaking. At the time of the initial response, the ponds were in danger of overflowing due to heavy rains.

4. The ponds are hydraulically connected and both ponds are heavily contaminated with U_{238} and other hazardous substances.

5. UF4 not used by Starmet to produce uranium metal was stored at the Site in 55 gallon drums. The drums stored at the Site are beginning to deteriorate. Many have been crushed by the weight of the drums stacked on top of them. Several of the drums are leaking.

6. Uranium metal waste generated in machining the uranium derbies was stored by Starmet under water in open drums. The stored uranium metal is generating hydrogen gas. Hydrogen gas is a potential explosion hazard.

7. Process operations for the uranium derbies included treatment in a "pickling" nitric acid bath. Nitric acid and other hazardous substances and wastes from this process have been disposed of at the Site.

8. Starmet operated a cadmium plating line for uranium metal counter-weights used in high performance aircraft. Hazardous substances and wastes generated from this process have been disposed of at the Site.

9. At present, over 12,600 drums of various radioactive waste material is stored at the Site.

10. Starmet had the power to the facility shut off on July 26, 2002 potentially allowing UF4 dust, hydrogen gas, radon gas and plating vat fumes to accumulate in the buildings.

11. On August 21, 2002, EPA sent by facsimile, a request for access that included an access agreement for Starmet's execution.

12. On August 29, 2002, Starmet received the same access agreement by certified mail, requesting execution within 48 hours of receipt.

13. Starmet responded on September 6, 2002, with a modified version of the access agreement that added terms and conditions that were not acceptable to EPA.

14. Over the course of the next two weeks, EPA attempted to negotiate an access agreement that would be acceptable to both parties.

15. On September 18, 2002, John Hodge, attorney for Starmet, was informed by voice mail, that an executed access agreement, acceptable to EPA must be received no later than Friday, September 20, 2002.

16. As of Monday, September 23, 2002, no acceptable executed access agreement has been received by EPA.

IV. DETERMINATIONS OF LAW

Based upon the information available on the date of issuance of this Administrative Order, the Regional Administrator of EPA makes the following Determinations of Law:

1. The Site is a "facility" as defined in Section 101(9) of CERCLA, 42 U.S.C. Section 9601(9).

2. The Respondent is a "person" as defined in Section 101(21) of CERCLA, 42 U.S.C. Section 9601(21).

3. The Respondent is the "owner" of the Site, as defined by Section 101(20) of CERCLA, 42 U.S.C. Section 9601(20) and within the meaning of Section 107(a)(1) of CERCLA, 42 U.S.C. Section 9607(a)(1).

4. The contaminants found at the Site are "hazardous substances" as defined in Section 101(14) of CERCLA, 42 U.S.C. Section 9601(14).

5. The presence of hazardous substances at the Site and/or the potential and actual migration of such substances constitutes an actual or threatened "release" as that term is defined in Section 101(22) of CERCLA, 42 U.S.C. Section 9601(22). Consequently, EPA has a reasonable basis to believe there may be a release or threat of release of a hazardous substance or pollutant or contaminant from the Site.

6. The conditions present at the Site constitute and imminent and substantial endangerment to public health, welfare or the environment.

7. Section 104(e) of CERCLA, 42 U.S.C. Section 9604(e) authorizes EPA and its authorized representatives to have access to the Site to perform response actions under CERCLA at the Site.

8. Section 104(e) of CERCLA, 42 U.S.C. Section 9604(e) authorizes EPA to issue an Order for access when such access is denied.

9. Respondent's failure to agree to provide an acceptable access agreement to EPA in a timely manner constitutes such a denial of access.

V. PARTIES BOUND

1. This Administrative Order shall apply to and be binding upon Respondent, its agents, successors and assigns.

2. Respondent shall provide a copy of this Administrative Order to any person other than EPA or EPA's authorized representatives to whom Respondent allows access to the property for any purpose, including any tenant.

VI. ORDER

Based upon the foregoing Findings of Fact and Determinations of Law, it is hereby Ordered pursuant to Section 104(e) of CERCLA, that Respondent provide EPA and its authorized representatives and their contractors access to the Starmet Site property for the purpose of conducting activities required to complete the Removal Action, as specified in the attached Special Polrep, dated July 23, 2002, and Action Memorandum, dated August 16, 2002, and any amendments thereto (hereinafter the "Removal Action"), in accordance with the following paragraphs:

1. Respondent shall provide EPA and its authorized representatives and their contractors unimpeded access to the property known as the Starmet Site, located in Barnwell, Barnwell County, South Carolina, for the purposes set forth herein. The purpose for which EPA and its authorized representatives and contractors require access to the Site shall be to conduct the Removal Action or to perform any additional work required by EPA.

2. Access to the Site shall be provided for a period necessary to complete the Removal Action at the Starmet Site, or to perform any additional work at the Site required by EPA.

3. Respondent shall allow EPA and its authorized representatives and contractors to enter the Starmet Site and conduct activities required by the Removal Action at all reasonable times as required by Section 104(e)(3) of CERCLA, 42 U.S.C. Section 9604(e)(3).

4. Respondent shall not interfere in any way with the Removal Action being conducted at the Starmet Site, nor shall it attempt to interfere with any additional work determined by EPA to be necessary. Any such interference shall be deemed a violation of this Order.

5. In the event of any conveyance by Respondent of any interest in the Starmet property, Respondent shall convey the interest subject to this Order, so as to insure continued access by EPA, its authorized representatives and contractors to the Starmet Site. Any such conveyance shall restrict the use of the property so as not to interfere with such access. Respondent shall notify EPA in writing at least 15 days before the conveyance of an interest in the Starmet property. Prior to any such conveyance, Respondent shall provide notification to the transferee of

the provisions of this Order.

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Respondent is hereby advised that, consistent with 18 U.S.C. Section 1905, it may assert a confidentiality claim with respect to any information obtained in the course of activities performed at the Site under the authority of this Administrative Order. Information accorded protection by 18 U.S.C. Section 1905 includes information relating to or concerning trade secrets, processes, operation, style of work, or amount or source of any income, profits, losses or expenditures of any person, firm, partnership, corporation or association.

VIII. ACCESS TO ADMINISTRATIVE RECORD

The Administrative Record upon which the Removal Action and this Administrative Order is based is available for review between the hours of 8:00 a.m. and 5:00 p.m. in the Record Center, United States Environmental Protection Agency, Region 4, 61 Forsyth St. SW, Atlanta, Georgia 30303. Please contact Kevin Beswick, Associate Regional Counsel at 404-562-9580 in advance if you wish to review the Administrative Record at the offices of EPA, Region 4.

IX. OPPORTUNITY TO CONFER AND EFFECTIVE DATE OF ADMINISTRATIVE ORDER

1. Within three (3) days after receipt of this order, the Respondent may request a conference with EPA to be held no later than two (2) days before the effective date of this Order on any matter pertinent to this Order, including its applicability, the factual findings and the determinations upon which it is based, the appropriateness of any actions the Respondent is ordered to take, or any other relevant and material issues or contentions which it may have regarding this Order. This conference is not an adversarial proceeding and is not part of any proceeding to enforce or challenge this Order. The Respondent may appear in person or by an attorney or other representative at the conference. The Respondent may also submit written comments or statements of position on any matter pertinent to this Order no later than the time of the conference, or two (2) days before the effective date of the Order if the Respondent does not request a conference. EPA will deem the Respondent to have waived its opportunity to the conference and its opportunity to submit written comments, if it fails to request the conference or submit comments within the specified time. Any request for a conference or written comments or statements should be submitted to:

Kevin Beswick
U.S. Environmental Protection Agency, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

ATTACHMENTS

1. Special Polrep, Notification of $200,000 Activation, dated July 23, 2002

2. Action Memorandum, dated August 16, 2002

2. This Order shall be effective ten (10) days from the date it is received.

X. NOTICE OF INTENTION TO COMPLY

Within 48 hours of the effective date of this Order, Respondent shall provide written notice to Kevin Beswick, at the address above, stating whether Respondent intends to comply with the terms hereof. Such notice shall be sent by overnight carrier, return receipt requested. In the event Respondent fails to provide such notice, Respondent shall be deemed not to have complied with the terms of this Order.

XI. RESERVATION OF RIGHTS

Except as expressly provided in this Administrative Order, EPA reserves all rights and defenses it may have and nothing shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Administrative Order, including the right to seek equitable relief and imposition of statutory penalties. Nothing herein shall restrict or limit any of EPA's access or information gathering authorities under applicable law.

XII. OTHER CLAIMS

Nothing in this Administrative Order shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation not named by this Administrative Order for any liability it may have arising out of or relating in any way to the generation, storage, treatment, handling, transportation, release, or disposal of any hazardous substances, hazardous wastes, pollutants, or contaminants, found at, taken to, or taken from, the Site.

XIII. PENALTIES FOR NONCOMPLIANCE

Respondent is hereby advised that, pursuant to Section 104(e)(5)(B) of CERCLA, 42 U.S.C. Section 9604(e)(5)(B), a court may assess a civil penalty not to exceed $27,500 per day, for each day that Respondent unreasonably fails to comply with this Administrative Order or any part thereof.

IT IS SO ORDERED this 27th day of September, 2002.

BY:

Jewell Harper
Deputy Division Director
Waste Management Division
United States Environmental Protection Agency
Region 4

THIS IS A TRUE COPY & ENVIRONMENTAL CONTROL RECORDS

STATE OF SOUTH CAROLINA)
COUNTY OF BARNWELL)

THE DEPARTMENT OF HEALTH
AND ENVIRONMENTAL CONTROL

IN RE: STARMET CMI, INC.

SITE: Starmet
BREAK: 10.6
OTHER: VI

EMERGENCY AND ADMINISTRATIVE ORDER

Starmet CMI, Inc. owns and operates a uranium processing facility in Barnwell, South Carolina. Starmet is currently in Chapter 11 Bankruptcy. For over two years, Starmet has failed to address violations of State environmental laws and regulations relating to radioactive materials, hazardous substances, and hazardous and radioactive wastes. Starmet has not exhibited a good faith concern for these issues despite repeated attempts by the Department to bring the company into compliance. This has resulted in the improper storage of almost 8000 metric tons of radioactive waste material on site. Starmet has demonstrated an unwillingness to adequately address this material. This issue, along with soil and groundwater contamination resulting from an uncontrolled and continuing release of hazardous substances, and the facility's lack of security and oversight, has created an imminent threat to the public and the environment. Therefore, the Department is issuing this Order to shut down the facility and address the environmental, health and safety issues that require immediate attention. The Department intends to close the facility permanently.

The South Carolina Department of Health and Environmental Control (DHEC or the Department), hereby finds as follows:

1. DHEC is an agency of the State, authorized and directed to implement the provisions of the Atomic Energy and Radiation Control Act (AERCA), S.C. Code Ann. § 13-7-10 *et seq.* (1976 & Supp. 2001), the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. § 9601 *et seq., the* South Carolina Hazardous Waste

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Management Act, § 44-56-10 *et seq.*, and the South Carolina Pollution Control Act, S. C. Code Ann. § 48-1-10 *et seq.* (1987 & Supp. 2001).

2. Starmet CMI, Inc. owns and operates a manufacturing facility located in Barnwell, South Carolina.

3. The Starmet facility is a chemical plant that works with uranium compounds. Among other things, Starmet has previously engaged in or currently engages in the following activities and processes:

a. Conversion of uranium hexafluoride (UF6) to uranium tetrafluoride (UF4). UF6 is a low level radioactive by-product of the enrichment of uranium. Starmet converts the UF6 to UF4 in a reaction column. Hydrogen Fluoride (HF) is produced as a by-product of this conversion and is captured in a scrubber that mixes it with water to form hydrofluoric acid. The hydrofluoric acid is neutralized with lime that forms calcium fluoride that is a waste that is sometimes contaminated with uranium.

b. Reduction of UF4 (green salt) to uranium metal at the facility in Barnwell by mixing the UF4 with magnesium in a crucible and heating it in a furnace. The uranium metal that is produced is called a derby. From this process, magnesium fluoride contaminated with uranium is produced as a waste. Also, a nitric acid bath pickling process is used to form a uniform layer of oxide on the surface of the derby to prevent pitting. The derby is sold as a product.

c. Re-plating uranium metal counterweights that are used in the aircraft industry. This is a metal plating process that produces a mixed radioactive hazardous waste that must be disposed of properly.

d. Production of uranium oxide compounds from the oxidation of uranium metal for sale as a product.

These processes create a waste inventory that consists of waste UF4, dry active waste (DAW), calcium fluoride and magnesium fluoride contaminated with uranium, hexane/nitric acid waste, acidic waste, waste uranium metal, dried sludges, lab waste and waste oil.

4. Uranium and uranium compounds are radioactive materials subject to regulation pursuant to the AERCA and Regulation 61-63, Radioactive Materials. Pursuant to Radioactive

Material License 322 (the License), Amendment 26 (the license in effect prior to the Department's issuance of Administrative Order 01-01-RW and its June 17, 2002, amendment decision), Starmet was allowed, among other things, to receive, acquire, possess and transfer 7799 metric tons (17,196,795 pounds) of depleted uranium in any form, including UF6, UF4, metal, counterweights, and oxide.

5. On July 26, 27 and 28, 2000, the Department inspected Starmet and observed that the licensee had multiple violations of its license and DHEC Regulation 61-63 (the Regulation). Starmet was notified of these violations following the inspections and communicated to the Department that it would address the problems without the need for an enforcement action.

6. The Department inspected the Site on about a weekly basis between the end of July of 2000 and May of 2001. During a specific inspection conducted on May 15 and 16, 2001, the Department again observed multiple violations of its License and DHEC Reg. 61-63. Among other things, the Department observed many of the same violations observed in July of 2000 as well as damage to two evaporation ponds that hold uranium-contaminated wastewater. The cause of the damage was a fire that occurred on February 27, 2001, which destroyed the fiberglass roof panels and the metal roof support structure covering the evaporation ponds, which resulted in damage to the pond liner. The roof is an integral part of the evaporation pond system. Starmet uses sumps for both evaporation ponds to detect failure in the pond liners. Samples taken by Starmet and split with the Department on May 15, 2001, January 25, 2002, and on April 24, 2002, from sump number two indicated total uranium levels of 11,144 pico Curies per liter (pCi/L), 50,069 pCi/L, and 18,800 pCi/L, respectively. The established limit for liquid effluent release containing uranium is 300 pCi/L.

7. On June 19, 2001, Starmet and the Department executed a Consent Order (the

June Consent Order) relating to the violations observed during the July of 2000 and May of 2001 inspections referenced above. In the June Consent Order, Starmet admitted to many violations (a few of which are listed below) and agreed to perform the following listed activities to remedy the violations:

a. ***Hazardous & Radioactive Waste Disposal.*** Starmet had failed to dispose of waste and equipment in accordance with its License requirements and with a schedule approved by the Department by letter dated July 10, 2000, to deal with legacy waste. In the June Consent Order, Starmet agreed to dispose of all newly generated waste within 45 days of generation and to stay within its license capacity limits;

b. ***Ponds.*** Starmet had allowed material to escape from the two evaporation ponds that hold uranium contaminated wastewater, sludge and sediment. Starmet agreed to comply with all requirements approved by Department letter dated April 20, 2001, which included forced air evaporation using evaporator coolers placed between the ponds in a containment system draining to one of the ponds, collection of contaminated sludge, and removal of the damaged pond liner in the west pond. Starmet specifically agreed also to provide a schedule for this remediation by July 18, 2001, to complete evaporation of the ponds by December 18, 2001, and to submit a remediation plan by December 18, 2001;

c. ***Soil Contamination.*** Starmet failed to prevent or detect contamination within restricted and unrestricted areas, including outside areas. Specifically, results of soil sampling performed by the Department in May of 2001 indicated the presence of contamination in (2) unrestricted areas outdoors that is prohibited by the License. Soil sample results are as follows: 36.5 pico Curies per gram (pCi/gm) and 36.0 pCi/gm of Uranium 238 (U-238). In addition, contamination and direct surveys indicated limits were exceeded in one (1) soil sample taken on the ground near the Autoclave area. Specifically, the soil sample showed 161 pCi/gm of U-238. To address this issue, Starmet consented to complete an assessment and remediation of all outside areas pursuant to an approved plan by December 18, 2001;

d. ***Public Radiation Exposure.*** Starmet failed to limit potential doses to members of the public by failing to control radiation levels along the compliance boundary fence. Starmet therefore agreed to move the compliance boundary fence in order to protect the public from radiation and to establish security patrol of the fenceline area on a Department-approved schedule until the fence was moved;

e. ***Security.*** Starmet failed to secure controlled areas and prevent unauthorized public access;

f. ***Drums.*** Starmet had failed to secure, store and label stacked drummed liquid waste. Specifically, the drums contained a liquid/sludge mixture in the process area that were

damaged, unlabeled or mislabeled, and stacked two (2) high in some cases. During the July 2000 inspections, the Department observed approximately 500 drums in this condition, some of which Starmet identified as waste products from its neutralization process containing radioactive limewater and sediment. By May of 2001, there were still approximately 144 drums observed in the same condition. The contents of these drums have not been verified and therefore, are considered radioactive. Starmet had not properly evaporated the liquid wastewater in the drums. The drums were damaged, lids were missing, and residue was visible on the outside surface of the drums. In addition, the drums were not properly labeled and no container weight was provided; and,

g. ***Legacy Radioactive Waste Reduction.*** Starmet agreed to properly dispose of 25 % of its current waste inventory within 6 months, develop a waste reduction schedule to eliminate the remainder of all waste currently stored on site, and comply with radioactive material possession limits established by license condition 5, 6, and 7.

8. Starmet failed to comply with multiple requirements of the Consent Order and continued to violate the License requirements and the Regulation.

9. On September 19 and 24, 2001, the Department inspected the facility and again found multiple violations of the June Consent Order, its License, and the Regulation.

10. On September 28, 2001, the Department sent Starmet a letter addressing the violations that Starmet was required to remedy by the June Consent Order and others discovered during the September 19 and 24, 2001 inspections. The specific violations included the following:

a. ***Hazardous & Radioactive Waste Disposal.*** Waste had not been disposed of within forty-five (45) days of generation as required in Item 5 of the June Consent Order, as shown in Starmet's monthly inventories and observed during the September 2001 inspections;

b. ***Ponds.*** Starmet failed to submit a plan to remediate the ponds and the related roofing by July 18, 2001. Starmet submitted a plan and schedule on July 25, 2001, which was approved by the Department by letter dated August 2, 2001, contingent upon documented operational verification of the equipment and the specific location for its operation. However, Starmet had not commenced evaporation of the ponds as of the September 2001, inspections;

c. ***Soil Contamination.*** Starmet had failed to assess and remediate all outside areas by

December 18, 2001, as required and consented to in the June Consent Order;

d. ***Public Radiation Exposure.*** Starmet failed to move the fenceline boundary or otherwise ensure that radiation exposure limits were not being exceeded beyond the fenceline area. The limits were consistently exceeded in 2001 as evidenced in Starmet's own 2001 Annual Report dated March 13, 2002.

e. ***Drums.*** By September 2001, the drums were still being mismanaged as noted in May of 2001. The continued mismanagement included not labeling or mislabeling the drums, not closing or storing the drums properly, and otherwise leaving them in improper and damaged condition.

f. ***Legacy Radioactive Waste Reduction.*** Starmet's own monthly inventory reports indicated that the facility had not complied with its waste reduction schedule that was approved by the Department on July 10, 2000.

g. ***Inventory.*** Starmet had amassed large quantities of licensed material in the form of UF6, UF4, uranium oxide, uranium metal, counterweights, other waste, and contaminated equipment and failed to provide an accurate inventory of these radioactive materials, wastes and contaminated equipment received and processed at the facility as required by its license. Specifically, the Department noted during the September 2001 inspections that:

1. During the inspection, Starmet presented to the Department what purported to be the monthly inventory required by the license to be accurate, however, it was discovered that this inventory was only an estimate. In fact, Starmet failed to account for the following materials on its inventory: approximately 2,730 55-gallon drums containing solid depleted uranium (DU) metal shielding, surface contaminated metal, slag sludge, soil, concrete, filters, and non-compacted loose dry active waste (DAW); approximately 3,796 55-gallon drums of CaF2 (concentrations of uranium greater than 30 pCi/gm); an unknown quantity of licensed material in the evaporation pond sludge; an unknown quantity of licensed material within approximately seventy-nine (79) B-25 boxes; an unknown quantity of licensed material within eleven (11) cargo containers; and an unknown quantity of licensed material within process equipment and facilities; and,

2. Starmet had not performed and documented physical inventories of all licensed material at the facility every six (6) months. As a result, all licensed material has not been accounted for on the physical inventory. By two letters, dated October 5 and 12, 2001, Starmet responded that it could not prove that its physical inventory was accurate but rather, it was an estimate. Therefore, the facility could not prove with any degree of certainty that its possession limit found in Condition 7B of its License had not been exceeded.

Therefore, on September 28, 2001, the Department put a moratorium on Starmet CMI to prohibit the receipt of any radioactive material until Starmet

provided the Department with an accurate inventory.

h. ***Improper Shipments from Starmet NMI.*** Under its license, Starmet is not authorized to receive licensed material for special projects from another facility unless arrangements for return of the product and/or waste have been made. Starmet continues to receive and store licensed materials designated for Starmet NMI, Inc.'s facility in Concord, Massachusetts. Because the Concord facility is banned from receiving these materials under a State of Massachusetts Cease and Desist Order (dated May 16, 2001), Starmet could not make arrangements for the return of the materials to that facility since that time. As a result, many of these materials have been stored at Starmet for longer than six (6) months.

11. The Department conducted another inspection on October 25, 2001. During this inspection, a district inspector documented that Starmet was also violating the SCHWMA and the regulations promulgated thereunder as it related to its handling of hazardous wastes. Specifically, Starmet previously notifed the Department that it qualified as a Small Quantity Generator under the hazardous waste regulations because it generates the following amounts of two hazardous waste streams: (1) one drum every 2 to 3 months of an acidic waste; and (2) one drum a year of a hexane/nitric acid waste. Despite this representation, the Department observed during the October 25, 2001, inspection that Starmet was not meeting the requirements to qualify as a SCG and was otherwise in violating of the SCHWMA and the regulations promulgated thereunder. Specifically, the Department observed the following: (1) Starmet had at least 257 drums of acidic waste that had not been characterized whether the contents were hazardous; (2) Starmet had stored 215 of the 257 drums for greater than 90 days and had failed to label them with the accumulation start date; (3) many of the 257 drums were leaking and/or were not labeled, lacked EPA waste codes, and were not inspected weekly; (4) 27 of the drums were open; (5) two satellite storage containers were open; (6) Starmet had not submitted Quarterly Reports; and, (7) there was inadequate aisle space between some drums.

12. Based on the findings of the May and September, 2001, inspections, Starmet's

noncompliance with the June Consent Order, and subsequent conversations with Starmet, the Department issued Administrative Order 01-01-RW (the AO) to Starmet on October 31, 2001, pursuant to the AERCA, S.C. Code Ann. Sections 13-7-40 and 13-7-85 (Supp. 2000) and the Radioactive Materials (Title A) Regulation, 25 S.C. Code Ann. Reg. 61-63 (the Regulation).

13. The AO cited Starmet for violations of AEARCA, the Regulation, its License and approved procedures, and the June Consent Order. Specifically, the AO cited Starmet, *inter alia*, for the following historically reoccurring issues: (1) storing regulated materials, products or wastes for more than 6 months; (2) failing to maintain a compete and accurate inventory of uranium and other radioactive materials on site; (3) failing to reduce its radioactive materials inventory to comply with its license and the consent orders; (4) receiving unauthorized shipments of radioactive materials which it could not certify would be shipped back to the owner or otherwise properly removed; (5) failing to dispose of radioactive waste within 45 days of generation; (6) failing to evaporate the contents of the ponds and repair the evaporation ponds and related roofing; (7) failing to maintain occupational doses that are As Low As Reasonably Achievable (a regulatory concept based on state and federal statutes and regulations) or to limit doses to the public to regulatory limits; and, (8) failing to properly label its material.

14. Starmet is required under its License and the Regulation to have a decommissioning funding plan adequate to shut down the plant and properly close it. The AO further cited Starmet for failure to adjust its financial assurance for decommissioning the site to cover increased levels of radioactive wastes at the facility. Starmet has a Decommissioning Plan dated November 1996 that is insufficient to cover the following:

a. Remediation of the evaporation ponds and soil and groundwater contamination in areas at the facility;

b. Repairs to evaporation pond facilities and filter equipment;

c. Removal of waste stored in areas not designated in the plan for storage;

d. Removal of all operational waste authorized for storage (newly generated waste which is required to be disposed of within forty-five days of production) that is in accordance with the license; and,

e. Addition of three processes in the DU building: shredding process line, counterweight refurbishment line, and Ducrete process line.

15. Starmet timely appealed the AO to the Clerk of the DHEC Board and the Department transmitted the appeal to the Administrative Law Judge Division (ALJD) on November 21, 2001.

16. Shortly thereafter, the Department moved for an injunction requiring Starmet to cease bringing on additional radioactive materials to the Site during the pendency of the appeal due to the Department's calculation that Starmet had exceeded its licensed capacity and Starmet's own calculation (which, if anything, was overly conservative inasmuch as it did not include significant quantities of regulated materials) that it was near capacity.

17. The parties entered into a Consent Order approved by the Honorable Marvin F. Kittrell of the ALJD on December 20, 2001, (the December ALJ Consent Order) to address the issues raised in the Department's Motion. The December ALJ Consent Order required Starmet to do the following: (a) cease bringing any additional radioactive materials on site other than a one-time shipment of 40,000 pounds of UF4 until it had proven to the Department that it had removed an equal or greater amount prior to receipt of any shipments; (b) remove 40,000 pounds of UF4 from its Barnwell facility prior to January 15, 2002; (c) notify the Department within 72 hours prior to any shipment; (d) haul off-site approximately 1,500,000 pounds (and up to 3,000,000 pounds) of low grade UF4 by February 28, 2002; and, (e) provide the Department with copies of all fully executed

written contracts, agreements, and shipping schedules.

18. Starmet filed a voluntary petition for bankruptcy on March 26, 2002, in the U.S. Bankruptcy Court, South Carolina Division, pursuant to Chapter 11 of the U.S. Bankruptcy Code. Starmet's parent company (Starmet Corporation) and a sister company located in Concord, Massachusetts (Starmet NMI, Inc.) also filed for Chapter 11 Bankruptcy in South Carolina in March of 2002.

19. By Order dated April 30, 2002, the Honorable Marvin F. Kittrell retained jurisdiction over the appeal of the AO pursuant to 11 USC § 362(b)(4). The Order further stayed the case for an additional 45 days to allow the parties time to conduct discovery and pursue a possible settlement.

20. Conditions at the Site have continued to deteriorate, additional serious environmental and public safety concerns have arisen, and Starmet has made very little progress in reducing the inventory of radioactive materials on the Site as consented to and ordered in the December 20, 2001, ALJ Consent Order. Specifically, the following has occurred:

a. ***Hazardous & Radioactive Waste Disposal.*** Since June of 2001, Starmet has consistently failed to ship off its hazardous and radioactive waste within 45 days of generation as required by and promised in the June Consent Order. For example, since December 2001, Starmet has only shipped off two 55-gallon drums of waste of the three hundred ninety 55-gallon drums generated.

b. ***Ponds.*** Starmet sampled 3 groundwater monitoring wells (mws) adjacent to the evaporation ponds and split those samples with the Department on March 26 and April 24, 2002. Results from these sampling events along with the contamination in the sumps mentioned above show that there is a release of uranium and possibly other constituents from the pond area that needs to be immediately mitigated and investigated to determine the precise source(s), nature and extent of the release(s) and prevent further migration. Drinking water for employees of Starmet is provided from a well in the vicinity of these ponds. Starmet has done nothing to stop contaminated water from being released from the ponds or mitigate the problem by repairing the roof over the ponds or keeping the water level below the damaged upper portion of the liner. Starmet has just recently started using two evaporator coolers in a failed

attempt to slowly evaporate the ponds. The evaporator coolers have been ineffective. Starmet did not place the evaporaror coolers in the appropriate location or in a containment area as required by the Department and within weeks of operation, samples indicate that they have contaminated surrounding soils. Long-term repairs to the ponds and surrounding areas will require removal of contaminated sludge from the bottom of the ponds, sampling and removal of any contaminated soils under and around the ponds, and repair or replacement of the liners.

c. ***Soil Contamination.*** Starmet has still not commenced or completed an assessment and remediation of all outside areas pursuant to an approved plan due by December 18, 2001, pursuant to the June Consent Order.

d. ***Public Radiation Exposure.*** Starmet continues to exceed radiation limits along the compliance boundary fenceline, has not moved the fence and has not established a security patrol along the fenceline in the meantime, as agreed upon and ordered in the June Consent Order.

e. ***Security.*** Adequate security is not currently being provided by the facility as required by Reg. 61-63, R.3.20. Starmet does not currently employ twenty-four hour security staff. After months of requests by the Department, within the past week Starmet has provided security for the A shift (morning or first shift) and C shift (night or third shift). Upon information and belief, security for the A shift is provided by a receptionist and security for the C shift is provided by a tower operator. Starmet does not currently provide security for B shift (day shift or business hour shift) or weekends. This inadequate security is a threat to Homeland Security because the radioactive materials on site could be used to make what is commonly referred to as a "Dirty Bomb". The Department discussed the importance of security to prevent theft of radioactive material shortly after the terrorist attacks on the World Trade Center on 9/11/01 and repeatedly thereafter.

f. ***Drums.*** Many drums are still not secure, and are not stored and labeled properly.

g. ***Legacy Radioactive Waste Reduction.*** Starmet failed to ship the 40,000 pounds of UF4 off-site prior to January 15, 2001, as promised and ordered in the December ALJ Consent Order. Furthermore, upon information and belief, as of June 13, 2002, Starmet has only shipped off approximately 483,980 pounds of uranium in all forms. This is at most only 1.5% of the current waste inventory. Therefore, Starmet violated the June Consent Order by significantly failing to reduce its inventory by 25% by December 18, 2001, and violated the December ALJ Consent Order by failing to ship off 1,500,000 pounds of radioactive materials by February 28, 2002.

h. ***Inventory.*** Although Starmet has submitted proposed methods to determine an accurate physical inventory of all radioactive materials on site, it still relies on estimates rather than objective measurements to account for the uranium content of a large amount of DAW in drums, metal boxes, roll-offs and cargo containers. Therefore, to date Starmet can only give an estimate of the amount of radioactive

materials on Site. This estimate also indicates the facility is extremely close to its license limit. These materials have no processing use. Among these materials, as of May 15, 2002, Starmet reported at least 21,000 drums, 80 metal boxes and 11 cargo containers of radioactive waste on Site.

i. ***Improper Shipments and Storage of Material from Starmet, NMI and Other Sources.*** First, wastes from the facility in Concord, Massachusetts have been stored in Barnwell in excess of the six (6) month limit as specified in Condition 18 of the License. Second, although Starmet is not authorized or licensed to receive waste uranium for repackaging for disposal, it has repeatedly received obsolete aviation uranium counterweights from airlines. Upon information and belief, Starmet has received much of this material for repackaging for disposal as a waste broker for profit. Third, upon information and belief, Starmet has shipped equipment from Starmet NMI in Concord to the Barnwell facility, including one extremely large piece used to provide non-radioactive metal powder to the pharmaceutical industry only for storage and not for use in the process.

j. ***72 Hour Notification.*** Starmet has failed to provide the Department 72 hours notification for all shipments of radioactive materials to the facility as required by its License, DHEC Regulation 61-83, and the December ALJ Consent Order. In addition, Starmet has repeatedly received equipment and licensed material without prior Department authorization, including but not limited to the large piece of equipment that came from Starmet NMI to Barnwell for storage purposes.

20. By letter dated June 17, 2002, the Department denied Starmet's application to renew its Radioactive Materials License 322 and amended Radioactive Materials License 322 to allow Starmet to store uranium on site solely for the purpose of decommissioning and shutting down the facility within a year.

21. Starmet's financial assurance is not adequate to cover the environmental issues addressed herein. In its recent license renewal application, Starmet failed to provide additional adequate financial assurance. Upon information and belief, Starmet cannot secure any additional financial assurance.

22. Although the bankruptcy filing is for reorganization and despite promises to the Department to do so, Starmet has made no filings in the Bankruptcy Court to support its contention that it will be financially able to deal with the numerous environmental concerns to

protect the public and the environment.

23. Based on Starmet's habitual noncompliance with its License and the laws and regulations relating to radioactive and hazardous materials, Starmet will not be able to address the serious issues discussed herein to ensure protection of the public health and the environment.

24. Upon information and belief, Starmet Corporation and Starmet NMI, Inc., both based in Concord, Massachusetts, have been or are currently operated by the same officers and management associated with Starmet CMI. Upon information and belief, Starmet Corporation and Starmet NMI bring in no profit at this time and in fact, Starmet NMI ceased operating and has become a Federal Superfund site on the National Priorities List (NPL) due to a release or threat of a release of uranium and other hazardous substances on Site. Starmet NMI and Starmet Corporation have abandoned that facility and the Commonwealth of Massachusetts and the U.S. Environmental Protection Agency (EPA) have been left to remediate the Site. Upon information and belief, the Commonwealth of Massachusetts was also forced to get a "Cease and Desist" Order from a state court to prevent company officials from using the site as a dumping ground for waste materials that it could not afford to and would not dispose of properly.

25. Upon information and belief, Starmet management has repeatedly made decisions to use its very limited financial resources for processing and administrative duties rather than to address the multitude of environmental, public health and safety, and employee health and safety concerns. The Department brought these issues to Starmet's attention approximately two years ago. Starmet consented to remedy these issues and has been ordered to do so by the Department and the December ALJ orders. Starmet has made promises and representations, which, in hindsight, it appears to have had no intention of honoring.

26. The Pollution Control Act (PCA) prohibits the discharge or release by any person

of any organic or inorganic matter into the environment of the State without a permit from the Department. S.C. Code § 48-1-90, as amended (Law Co-op 1987 & Supp. 2001). The discharges of contaminated process water and particulates from the evaporators and ponds were not authorized by permit and are, therefore, violations of the Pollution Control Act.

27. The South Carolina Hazardous Waste Management Act (SCHWMA) defines an "uncontrolled hazardous waste site" as one where hazardous wastes or other hazardous substances have been released, abandoned, or otherwise improperly managed so that governmental response action is deemed necessary to remedy actual or potential damages to public health or welfare of the environment. S.C. Code § 44-56-20, as amended (Law Co-op 1987 & Supp. 2001).

28. Radioactive materials qualify as a hazardous substance under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Public Law 96-510) and the SCHWMA. 42 USC §§ 9601(14) & (22) and 9602(a)(as amended)(Starmet does not qualify for the limited exemption for certain radioactive materials in that it is not licensed by the NRC and is not a designated site in the Uranium Mill Tailings Radiation Control Act of 1978); 40 C.F.R. § 302.4 (Appendix B); Amoco Oil Co. v. Borden, Inc., 889 F.2d 664 (5th Cir. 1989); Commonwealth Edison Co. v. U.S., 271 F.3d 1327, 1350 (Fed. Cir. 2001); and, U.S. v. United Nuclear Corporation, 814 F. Supp 1552, 1557 (D.N.M. 1992).

29. The AERCA designates the Department as the agency of the State responsible for the control and regulation of radiation sources outside those regulated by the federal government. The Department is empowered under the AERCA to issue orders as may be necessary to implement this responsibility. S.C. Code Ann. § 13-7-40(A) & F (Supp. 2001).

30. The AERCA empowers the Department to provide by regulation for the licensing

of radiation sources and requires that these regulations provide for amendment, suspension, or revocation of licenses. S.C. Code Ann. Section 13-7-40(F)(9). The Department has promulgated Regulation 61-63, Radioactive Materials, which implements these responsibilities.

31. In an emergency the Department may impound sources of ionizing or nonionizing radiation in the possession of a person who is not equipped to comply with or fails to comply with the provision of the Act or the Regulation. S.C. Code Ann. § 13-7-40(M)(Supp. 2001).

32. Whenever the Department finds that an emergency exists requiring immediate action to protect the public health and safety, it may, without notice or hearing, issue an order reciting the existence of such emergency and requiring that such action be taken as is necessary to meet the emergency. "Notwithstanding any other provision of law, such order shall be effective immediately and any person to whom such order is directed shall comply therewith immediately..." S.C. Code Ann. §§ 13-7-50 & 13-7-200 (Supp 2001).

33. The AERCA defines an "emergency" as used in the Act as "any condition existing . . . within or outside the jurisdictional confines of a facility licensed by the Department arising out of the handling or the transportation of by-product material, source material or special atomic energy materials . . . which is endangering or could reasonably be expected to endanger the health and safety of the public, or to contaminate the environment." S.C. Code Ann. § 13-7-10(8)(Supp. 2001).

34. As stated herein, Starmet has on many occasions violated the AERCA, the South Carolina Hazardous Waste Management Act (SCHWMA), the regulations promulgated thereunder and orders issued pursuant thereto, and § 48-1-90 of the Pollution Control Act. These violations resulted in the presence of unknown and uncontrolled amounts of radioactive material at the facility; uncontrolled and unpermitted discharges of radioactive material from the site;

excessive levels of radiation in uncontrolled areas accessible to the public; and a lack of any assurance that Starmet can secure its facility or close it in accordance with applicable requirements.

35. The Department believes there is an imminent and substantial threat to public health and the environment, and that this threat will continue if the groundwater and pond, security, and radioactive materials levels are not addressed immediately and that an emergency exists as defined in the AERCA.

36. Based on Starmet's blatant and habitual disregard of the law, regulations, its License and Orders of the Department and the ALJD, its history of noncompliance, its improper and poor management of radioactive materials, hazardous wastes and hazardous substances, and the Department's belief that it cannot properly and quickly deal with the groundwater contamination, radioactive material levels, security or any of the many other environmental, health and safety issues as of June 25, 2002, the Department concludes that the Starmet facility is an "uncontrolled hazardous waste site."

37. The Department or any authorized representative has the authority to enter the premises of any publicly or privately owned property which it has determined to be an uncontrolled hazardous waste site to perform a governmental response action. S.C. Code Ann. § 44-56-90, as amended (Law Co-Op. 1987 & Supp. 2001).

38. Upon receipt of information that the storage, transportation, treatment, or disposal of any waste may present an imminent and substantial hazard to the health of persons or to the environment, the Commissioner may take such action as he determines necessary to protect the health of persons or the environment, including but not limited to issuing an order directing the operator of the treatment, storage, or disposal facility or site, or the custodian of the waste, which

constitutes the hazard, to take such steps as are necessary to prevent the act or eliminate the practice which constitutes the hazard. Such action may include, with respect to a facility or site, permanent or temporary cessation of operation. S.C. Code Ann. § 44-56-50(1)(Law Co-Op. 1976 & Supp. 2001).

39. Upon receipt of information that the storage, transportation, treatment, or disposal of any waste may present an imminent and substantial hazard to the health of persons or to the environment, the Commissioner may take such action as he determines necessary to protect the health of persons or the environment, including but not limited to issuing an order directing a response action by the Department to eliminate the hazard and protect the public from exposure to the hazard. S.C. Code Ann. § 44-56-50(3)(Law Co-Op. 1976 & Supp. 2001).

40. The Department has the authority to require Starmet to provide information necessary to achieve the purposes of the South Carolina Hazardous Waste Management Act. S.C. Code Ann. § 44-56-80, as amended (Law Co-Op. 1976 & Supp. 2000).

41. The Department or any authorized representative has the authority to enter any place such as the Starmet facility where hazardous wastes are generated, stored, treated, or disposed of, to inspect and copy any records, information, test results relating to the purpose of the South Carolina Hazardous Waste Management Act, and to inspect and obtain samples of any wastes, containers or labels. S.C. Code Ann. § 44-56-90 (Law Co-Op. 1976 & Supp. 2001).

42. The Department is empowered to implement and enforce CERLCA, and subsequent amendments thereto as of the effective date of the amendments. S. C. Code Ann. § 44-56-200 (Law Co-Op. 1976 & Supp. 2001).

43. The Department has the authority and responsibility to order the discontinuance of unauthorized discharges of pollutants from the Starmet facility. S.C. Code Ann. § 48-1-130, as

amended (Law Co-op. 1987).

44. The Department has the authority to issue orders; to conduct studies, investigations and research with respect to pollution abatement, control or prevention; to require the owners or operators of any source or disposal system to provide information as the Department reasonably may require, to enter to inspect, investigate and examine and copy records pertaining to the operation of a disposal system or source. S.C. Code Ann. § 48-1-50, as amended (Law. Co-op. 1976 & Supp. 2001).

45. The Department has the authority to issue orders in an emergency requiring immediate action to protect the public health or property. S.C. Code Ann. § 48-1-290 (Law. Co-Op. 1976 & Supp. 2001).

46. The Department issues this Emergency and Administrative Order pursuant to its regulatory powers and the state law requirements that it protect the citizens of South Carolina from environmental hazards. Accordingly, this action is exempt from the automatic stay of the Bankruptcy Code. Board of Governors of the Fed. Reserve System v. MCORP Financial, Inc., 112 S.Ct. 459 (1991); Safety-Kleen v. Wyche, 274 F.3d 846 (4th Cir. 2001); 11 U.S.C. § 362(b)(4).

47. The Department concludes that an emergency exists at Starmet requiring immediate action to protect the public health and the environment.

48. The employees of the Department involved in inspecting and regulating the facility are prepared to testify to the specific facts set forth in this document relating to the environmental and public health issues.

NOW THEREFORE IT IS ORDERED THAT:

1. All processing, receiving, shipping, recycling, and treatment activities at Starmet

shall cease immediately unless directed by Department personnel.

2. All releases of wastewater to the evaporation ponds and continued operation of the evaporator coolers shall cease immediately.

3. All systems such as the reduction furnaces, derby processing equipment including tanks containing nitric acid, counterweight plating line, and ventilation system shall be immediately properly neutralized or contained.

4. Any authorized representative or employee of the Department or the EPA, including its contractors, may at any time enter the Starmet facility and property, inspect and copy any records, reports, information, or test results, inspect and obtain samples, and perform response and interim remedial measures at any time.

5. Starmet shall allow the Department access to the facility and shall comply with Department requests to facilitate the implementation of response measures at the site.

6. Starmet personnel including officers, agents, and employees shall be afforded access to the facility, including real and personal property and records, at reasonable times with the prior consent of the Department. The facility property shall be secured and access denied as deemed appropriate by the Department.

7. Starmet shall provide the Department with a complete list of all inventory on Site by July 1, 2002.

IT IS FURTHER ORDERED that nothing in this Order shall be construed to limit DHEC's power to institute enforcement actions, including imposition of civil penalties and revocation of permits or licenses, for any past or future violations of applicable statutes and regulations, or permits or authorizations issued to Starmet.

IT IS FURTHER ORDERED THAT this Emergency Order is effective immediately

and therefore, Starmet shall immediately comply with items 1 through 7 of the Now Therefore It is Ordered Section above. On application to the Department, Starmet shall be afforded a hearing on the Emergency provisions as early as within forty-eight (48) hours, in accordance with § 48-1-290 or § 13-7-200 Code of Laws of S.C. Code of Laws (1976 & Supp. 2001).

IT IS FURTHER ORDERED that based on the above-stated facts and conclusions of law, Starmet's Radioactive Material License 322 is hereby permanently revoked pursuant to Section 13-740(F)(9) of the AERCA, as amended, and Reg. 61-63 2.19.2 (Supp. 2001). Notwithstanding an appeal of the Emergency requirements stated above that are effective immediately, Starmet may appeal this administrative requirement pursuant to Section 48-1-50(5) and in accordance with the appeal procedures found in Section 13-7-180(B), South Carolina Regulation 61-72, the Administrative Procedures Act and the regulations promulgated thereunder, and the Rules for the ALJD.

NOTICE IS HEREBY GIVEN TO Starmet that, pursuant to S.C. Code Ann. § 13-7-180(B)(Supp.2001), South Carolina Regulation 61-72 and the Rules of Procedure for the Administrative Law Judge Division, to contest this Emergency and Administrative Order, Starmet must serve a request for a hearing upon the Clerk of the Board of Health and Environmental Control. The request must contain the following:

A. The name of the party requesting the hearing and the issue(s) for which the hearing is requested;

B. The caption or other information sufficient to identify the decision, Order, action or inaction which is the subject of the hearing; and

C. The relief requested.

Starmet is further notified that, pursuant to South Carolina Regulation 61-72 and Section

13-7-180(B), this Order shall become final as written if Starmet does not file an appropriate request for a contested case hearing within twenty (20) days of receipt of this Order. Any request for a contested case hearing must be filed with the Clerk of the Board, South Carolina Board of Health and Environmental Control, 2600 Bull Street, Columbia, South Carolina, 29201.

In addition, the Administrative Law Judge Division requires that a person requesting a contested case hearing must file a copy of the request and a filing fee in the amount of $100.00 with the Administrative Law Judge Division at the following address: Clerk, Administrative Law Judge Division, 1205 Pendleton Street, Suite 224, P.O. Box 11667, Columbia, S.C. 29211.

AND IT IS SO ORDERED.

June 25, 2002
Columbia, SC

R. Lewis Shaw
Deputy Commissioner

Felucci

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

PAYMENT DUE DATE:_____

TO BE COMPLETED BY THE ORGINATING OFFICE:
(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Paula V. Painter (Name) **on 12/17/08** (Date)

in the SEIMB (Office) **at 404/562-8887** (Phone Number)

[ ]	Non-SF Judicial Order/Consent Decree USAO COLLECTS	[X]	Administrative Order/Consent Agreement FMO COLLECTS PAYMENT
[ ]	SF Judicial Order/Consent Decree DOJ COLLECTS	[ ]	Oversight Billing - Cost Package required: Sent with bill
		[ ]	Not sent with bill
[ ]	Other Receivable (Demand Letter)	[ ]	Oversight Billing - Cost Package not required
[X]	This is an original debt	[ ]	This is a modification

PAYEE: Starmet

The Total Dollar Amount of the Receivable $3,316,528.42 (If installments, attach schedule of amounts and respective due dates. See other side of this form.)

The Case Docket Number: CERCLA-04-2008-3766

The Site Specific Superfund Account Number A48Q
The Designated Regional/Headquarters Program Office: Superfund

To Be Completed By Cincinnati Finance Center

The IFMS Accounts Receivable Control Number is: 2740929T102 and 2740929T103 Date: 12/18/08
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DISTRIBUTION:

A. **JUDICIAL ORDERS:** Copies of this form with an attached copy of the front page of the **FINAL JUDICIAL ORDER** should be mailed to:

1. Debt Tracking Officer
   Environmental Enforcement Section
   Department of Justice RM 1647
   P.O. Box 7611, Benjamin Franklin Station
   Washington, D.C. 20044
2. Originating Office (EAD)
3. Designated Program Office

B. **ADMINISTRATIVE ORDERS:** Copies of this form with an attached copy of the front page of the Administrative Order Should be to:

1. Originating Office
2. Regional Hearing Clerk
3. Designated Program Office
4. Regional Counsel (EAD)

10452776

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

Ellen M. Mahan
Deputy Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
601 D Street, NW
Washington, DC 20004

Re: Settlement at the Starmet CMI Removal Site, Barnwell, Barnwell County, South Carolina

Dear Ms. Mahan:

Enclosed please find an Administrative Order on Consent and a Ten Point Settlement Analysis for the Starmet CMI Site in Barnwell, Barnwell County, South Carolina. This Order settles past costs at the Site related to an Emergency Response performed from June 24, 2002, through February 13, 2004. EPA Region 4 has approved this settlement. Because the total costs at the Site exceed $500,000, EPA requests the concurrence of the Department of Justice with the settlement. The settlement provides for a total recovery of $5,701,729.32, which represents an orphan share compromise $1,900,576.41.

The Region 4 attorney assigned to this case is Kevin Beswick, (404) 5620-9580. Steve O'Rourke of Department of Justice has participated in the negotiations and are aware of this settlement.

Sincerely,

Anita L. Davis, Chief
Superfund Enforcement &
Information Management Branch
Superfund Division

Enclosures (2)

cc: Steve O'Rourke, DOJ (w/enclosures)

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:
STARMET CMI
Barnwell, Barnwell County, South Carolina

United States Enrichment Corporation

Settling Party

United States Department of Energy and
United States Department of the Army

Settling Federal Agencies

AGREEMENT FOR RECOVERY
OF PAST RESPONSE COSTS

U.S. EPA Region 4
Docket No. CERCLA-04-2008-3766

PROCEEDING UNDER SECTION
122(h)(1) OF CERCLA
42 U.S.C. § 9622(h)(1)

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I. JURISDICTION

1. This Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9622(h)(1), which authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D and redelegated to the Chief, Waste Programs Branch. (AKA Superfund Enforcement and Information Management Branch).

2. This Agreement is made and entered into by EPA and the US Enrichment Corporation, ("Settling Party"), the United States Department of Energy and the United States Department of the Army. ("Settling Federal Agencies"). Settling Party and Settling Federal Agency consents to and will not contest EPA's authority to enter into this Agreement or to implement or enforce its terms.

II. BACKGROUND

3. This Agreement concerns the Starmet CMI Site, ("Site") located in Barnwell, South Carolina. EPA alleges that the Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

4. In response to the release or threatened release of hazardous substances at or from the Site, EPA undertook response actions at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604. These actions include:

a. Performing an emergency removal response at Starmet beginning June 24, 2002, to prevent the release of depleted uranium from the wastewater retention ponds behind the facility and to mitigate other risks posed by hazardous materials at the Site.

b. Entering into a multiparty Administrative Order on Consent (AOC) on February 13, 2004 with the United States Enrichment Corporation, the Department of Energy, and the Department of the Army to complete a time critical removal at the Starmet Site.

c. Entering into two *de minimis* settlements at the Site, one with CAMECO Inc., and one with Alaron Corporation. Both companies had sent a relatively small amount of waste material to the Site.

5. In performing response actions EPA has incurred response costs at or in connection with the Site. The status of those costs are as follows:

a. No costs associated with EPA's removal action beginning on June 24th and continuing through February 13th 2004 have been paid by the parties to this Order.

b. All costs associated with the AOC dated February 13, 2004, have been paid. Pursuant to that AOC, the United States paid $15 million to the Superfund to fund EPA's removal of the federal agencies' share of drummed solid waste at the Starmet site in Barnwell, South Carolina. However, because the drum removal action cost less than initially projected, an excess balance of $2,385,200.81 remains in the Starmet special account. This sum shall be applied as a credit toward the settling federal agencies' equitable share of liability for the past costs incurred by EPA in cleaning up the evaporation ponds at Starmet's Barnwell, South Carolina site. The settling federal agencies' equitable share of liability for the matters addressed in this agreement is $4,701,729.23

c. As to the *de minimis* parties, these parties have resolved all of their liabilities related to the Site.

6. EPA alleges that Settling Party and Settling Federal Agencies are responsible parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and are jointly and severally liable for response costs incurred or to be incurred at or in connection with the Site.

7. EPA and Settling Party and Settling Federal Agencies recognize that this Agreement has been negotiated in good faith and that this Agreement is entered into without the admission or adjudication of any issue of fact or law.

III. PARTIES BOUND

8. This Agreement shall be binding upon EPA and Settling Federal Agencies, and upon Settling Party and their successors and assigns. Any change in ownership or corporate or other legal status of Settling Party, including but not limited to, any transfer of assets or real or personal property, shall in no way alter Settling Party's responsibilities under this Agreement. Each signatory to this Agreement certifies that he or she is authorized to enter into the terms and conditions of this Agreement and to bind legally the party represented by him or her.

IV. DEFINITIONS

9. Unless otherwise expressly provided herein, terms used in this Agreement that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meanings assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Agreement or in any appendix attached hereto, the following definitions shall apply:

a. "Agreement" shall mean this Agreement. In the event of conflict between this Agreement and any appendix, the Agreement shall control.

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*

c. "Day" shall mean a calendar day. In computing any period of time under this Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

d. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.

e. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

f. "Paragraph" shall mean a portion of this Agreement identified by an Arabic numeral or a lower case letter.

g. "Parties" shall mean EPA, Settling Federal Agencies, and Settling Party.

h. "Past Response Costs" shall mean all costs, including but not limited to direct and indirect costs, that EPA or the U.S. Department of Justice on behalf of EPA has paid at or incurred in connection with the Site through February 13, 2004.

i. "Section" shall mean a portion of this Agreement identified by a Roman numeral.

j. "Settling Federal Agencies" shall mean the Department of Energy and the Department of the Army.

k. "Settling Party" shall mean United States Enrichment Corporation.

l. "Site" shall mean the Starmet CMI Superfund Site, acres, located at Metal Drive in Barnwell, Barnwell County, South Carolina.

m. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

V. PAYMENT OF RESPONSE COSTS

10. Within 30 days of the effective date of this Agreement, Settling Party shall pay to EPA $1,000,000.

11. Payment shall be made to EPA by Electronic Funds Transfer ("EFT") in accordance with current EFT procedures to be provided to Settling Party by EPA Region 4, and shall be accompanied by a statement identifying the name and address of the party making payment, the

Site name, the EPA Region and Site/Spill ID Number, A48Q, and the EPA docket number for this action. Payment shall be made to:

Federal Reserve Bank of New York
ABA: 021030004
Account Number: 68010727

12. At the time of payment, Settling Party shall also send notice that payment has been made to EPA in accordance with Section XII (Notices and Submissions). Such notice shall reference the EPA Region and Site/Spill ID Number A48Q and the EPA docket number for this action.

13. The total amount to be paid by Settling Party pursuant to Paragraph 10 shall be deposited in the EPA Hazardous Substance Superfund.

13.1. As soon as reasonably practicable after the effective date of this Agreement, the United States, on behalf of Settling Federal Agencies, shall:

(a)(i). Pay to the EPA $ 2,316,528.42 in reimbursement of Past Response Costs.

(a)(ii). The total amount to be paid by Settling Federal Agencies pursuant to Paragraph 13.1(a)(i) shall be deposited in the EPA Hazardous Substance Superfund.

(a)(iii). If the payment to EPA required by this Paragraph 13.1(a)(i) is not made as soon as reasonably practicable, the appropriate EPA Regional Branch Chief may raise any issues relating to payment to the appropriate DOJ Assistant Section Chief for the Environmental Defense Section. In any event, if this payment is not made within 120 days after the effective date of this Agreement, EPA and Department of Justice have agreed to resolve the issue within 30 days in accordance with a letter agreement dated December 28, 1998.

13.2. The Parties to this Agreement recognize and acknowledge that the payment obligations of Settling Federal Agencies under this Agreement can only be paid from appropriated funds legally available for such purpose. Nothing in this Agreement shall be interpreted or construed as a commitment or requirement that any Settling Federal Agency obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

VI. FAILURE TO COMPLY WITH AGREEMENT

14. Interest on Late Payments. If Settling Party fails to make any payment required by Paragraph 10 by the required due date, Interest shall continue to accrue on the unpaid balance through the date of payment.

15. Stipulated Penalty.

a. If any amounts due to EPA under Paragraph 10 are not paid by the required date, Settling Party shall be in violation of this Agreement and shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 14 $100 per violation per day that such payment is late.

b. Stipulated penalties are due and payable within 30 days of the date of demand for payment of the penalties by EPA. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall be made payable to "EPA Hazardous Substance Superfund." The check, or a letter accompanying the check, shall reference the name and address of the party making payment, the Site name, the EPA Region and Site Spill ID Number, and the EPA Docket Number for this action. Settling Party shall send the check and any accompanying letter to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979076
St. Louis, MO 63197-9000

c. At the time of payment, Settling Party shall send a copy of the check to:

Paula V. Painter
U.S. EPA, Region 4
Waste Management Division
Superfund Enforcement & Information Management Branch
61 Forsyth Street, SW
Atlanta, GA 30303

d. At the time of each payment, Settling Party shall also send notice that payment has been made to EPA in accordance with Section XII (Notices and Submissions). Such notice shall identify the EPA Region and Site Spill ID Number A48Q and the EPA Docket Number for this action.

e. Penalties shall accrue as provided in this Paragraph regardless of whether EPA has notified Settling Party of the violation or made a demand for payment, but need only be paid upon demand. All penalties shall begin to accrue on the day after payment is due and shall continue to accrue through the date of payment. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Agreement.

16. In addition to the Interest and Stipulated Penalty payments required by this Section and any other remedies or sanctions available to EPA by virtue of Settling Party's failure to

comply with the requirements of this Agreement, if a Settling Party fails or refuses to comply with the requirements of this Agreement Settling Party shall be subject to enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. § 9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Agreement, Settling Party shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

17. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Agreement. Payment of stipulated penalties shall not excuse Settling Party from payment as required by Section V or from performance of any other requirements of this Agreement.

VII. COVENANT BY EPA

18. Covenant Not to Sue Settling Party by EPA. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue or take administrative action against Settling Party including the Settling Party's parent, subsidiaries, its corporate affiliates, and their respective officers, directors, employees, agents, consultants, contractors, attorneys, successors and assigns, pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Past Response Costs. This covenant shall take effect upon receipt by EPA of all amounts required by Section V (Payment of Response Costs) and any amounts due under Section VI (Failure to Comply with Agreement). This covenant not to sue is conditioned upon the satisfactory performance by Settling Party of their obligations under this Agreement. This covenant not to sue extends only to Settling Party and does not extend to any other person.

18.1. Covenant for Settling Federal Agencies by EPA. Except as specifically provided in Section VIII (Reservation of Rights by EPA), EPA covenants not to take administrative action against Settling Federal Agencies pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a), to recover Past Response Costs. This covenant shall take effect upon receipt by EPA of all payments required by Paragraph 13.1 of Section V. This covenant is conditioned upon the satisfactory performance by Settling Federal Agencies of their obligations under this Agreement. This covenant extends only to Settling Federal Agencies and does not extend to any other person.

VIII. RESERVATIONS OF RIGHTS BY EPA

19. EPA reserves, and this Agreement is without prejudice to, all rights against Settling Party and Settling Federal Agencies with respect to all matters not expressly included within the Covenant by EPA in Paragraph 18 and the Covenant for Settling Federal Agencies by EPA in Paragraph 18.1. Notwithstanding any other provision of this Agreement, EPA reserves all rights against Setting Party and EPA reserves, and this Agreement is without prejudice to, all rights against Settling Federal Agencies, with respect to:

a. liability for failure of Settling Party or Settling Federal Agencies to meet a requirement of this Agreement;

b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs;

c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;

d. criminal liability; and

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.

20. Nothing in this Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the United States may have against any person, firm, corporation or other entity not a signatory to this Agreement.

IX. COVENANT NOT TO SUE BY SETTLING PARTY

21. Settling Party covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Past Response Costs or this Agreement, including but not limited to:

a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claims arising out of the response actions at the Site for which the Past Response Costs were incurred, including any claim under the United States Constitution, the Constitution of the State of South Carolina, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; and

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to Past Response Costs.

23. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

22. Settling Party agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Settling Party with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous

substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if all or part of the disposal, treatment, or transport occurred before April 1st, 2001, and the total amount of material containing hazardous substances contributed by such person to the Site was less than 110 gallons of liquid materials or 200 pounds of solid materials.

23. The waiver in Paragraph 22 shall not apply with respect to any defense, claim, or cause of action that a Settling Party may have against any person meeting the above criteria if such person asserts a claim or cause of action relating to the Site against such Settling Party. This waiver also shall not apply to any claim or cause of action against any person meeting the above criteria if EPA determines:

a. that such person has failed to comply with any EPA requests for information or administrative subpoenas issued pursuant to Section 104(e) or 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) or 9622(e), or Section 3007 of the Solid Waste Disposal Act (also known as the Resource Conservation and Recovery Act or "RCRA"), 42 U.S.C. § 6972, or has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the Site, or has been convicted of a criminal violation for the conduct to which this waiver would apply and that conviction has not been vitiated on appeal or otherwise; or

b. that the materials containing hazardous substances contributed to the Site by such person have contributed significantly, or could contribute significantly, either individually or in the aggregate, to the cost of response action or natural resource restoration at the Site.

24. Settling Party agrees not to assert any claims and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person that has entered into a final *de minimis* settlement under Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), with EPA with respect to the Site as of the effective date of this Agreement. This waiver shall not apply with respect to any defense, claim, or cause of action that a Settling Party may have against any person if such person asserts a claim or cause of action relating to the Site against such Settling Party.

X. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

25. Except as provided in Paragraphs 22 (Non-Exempt De Micromis Waiver) and 24 (*De Minimis* Waiver), nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Agreement. Except as provided in Paragraphs 22 (Non-Exempt De Micromis Waiver) and 24 (*De Minimis* Waiver)], the Party expressly reserves any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action that they may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

26. EPA and Settling Party agree that the actions undertaken by Settling Party and Settling Federal Agencies in accordance with this Agreement do not constitute an admission of any liability by Settling Party or any Settling Federal Agency. Settling Party and Settling Federal Agencies do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Agreement, the validity of the facts or allegations contained in Section II of this Agreement.

27. The Parties agrees that Settling Party including the Settling Party's parent, subsidiaries, its corporate affiliates, and their respective officers, directors, employees, agents, consultants, contractors, attorneys, successors and assigns, and Settling Federal Agencies are entitled, as of the effective date of this Agreement, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Agreement. The "matters addressed" in this Agreement are Past Response Costs.

28. Settling Party agrees that with respect to any suit or claim for contribution brought by it for matters related to this Agreement, it will notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Settling Party also agrees that, with respect to any suit or claim for contribution brought against it for matters related to this Agreement, it will notify EPA in writing within 10 days of service of the complaint or claim upon it. In addition, Settling Party shall notify EPA within 10 days of service or receipt of any Motion for Summary Judgment and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Agreement.

29. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Party shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenant by EPA set forth in Section VII.

XI. RETENTION OF RECORDS

30. Until 5 years after the effective date of this Agreement, Settling Party shall preserve and retain all records, reports, or information (hereinafter referred to as "records") now in its possession or control, or which come into its possession or control, that relate in any manner to response actions taken at the Site or to the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary.

31. After the conclusion of the 5 year document retention period in the preceding paragraph, Settling Party shall notify EPA at least 90 days prior to the destruction of any such records and, upon request by EPA, Settling Party shall deliver any such records to EPA. Settling

Party may assert that certain records are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Settling Party asserts such a privilege, they shall provide EPA with the following: 1) the title of the record; 2) the date of the record; 3) the name, title, affiliation (*e.g.*, company or firm), and address of the author of the record; 4) the name and title of each addressee and recipient; 5) a description of the subject of the record; and 6) the privilege asserted. If a claim of privilege applies only to a portion of a record, the record shall be provided to EPA in redacted form to mask the privileged information only. Settling Party shall retain all records that they claim to be privileged until EPA has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in Settling Party's favor. However, no records created or generated pursuant to the requirements of this or any other settlement with the EPA pertaining to the Site shall be withheld on the grounds that they are privileged.

32. Settling Party hereby certifies individually that, to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, reports, or information relating to its potential liability regarding the Site since notification of potential liability by the United States or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

33. The United States acknowledges that each Settling Federal Agency 1) is subject to all applicable Federal record retention laws, regulations, and policies; and 2) has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927."

XII. NOTICES AND SUBMISSIONS

34. Whenever, under the terms of this Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of this Agreement with respect to EPA, Settling Party, and Settling Federal Agencies.

As to EPA:

Kevin Beswick
Associate Regional Counsel
SNAFC
61 Forsyth St.
Atlanta, GA 30303

David Dorian
OSC
SNAFC
61 Forsyth St.
Atlanta, GA 30303

As to Settling Federal Agencies:

Letitia Grishaw
Chief, Environmental Defense Section
United States Department of Justice
Environment & Natural Resources Division
P.O. Box 23986
Washington, D.C. 20026-3986

As to Settling Party:

Dennis Scott
USEC
6903 Rockledge Dr
Bethesda, MD 20817

XIII. INTEGRATION

35. This Agreement constitutes the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Agreement.

XIV. PUBLIC COMMENT

36. This Agreement shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate that this Agreement is inappropriate, improper or inadequate.

XV. EFFECTIVE DATE

37. The effective date of this Agreement shall be the date upon which EPA issues written notice that the public comment period pursuant to Paragraph 36 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Agreement.

IT IS SO AGREED:

U.S. Environmental Protection Agency

By: _____ 9/15/08
Anita Davis, Chief
Superfund Enforcement and
Information Management Branch
Superfund Division

Date

THE UNDERSIGNED SETTLING PARTY enters into this Agreement in the matter of CERCLA-04-2008-3766, relating to the Starmet, CMI Site, Barnwell, South Carolina.

FOR SETTLING PARTY:

_____
Name

_____
Address

By: _____
Name

_____
Date

THE FEDERAL SETTLING AGENCIES enters into this Agreement in the matter of CERCLA-04-2008-3766, relating to the Starmet, CMI Site, Barnwell, South Carolina.

FOR: UNITED STATES DEPARTMENT OF ENERGY _____
[Name]

_____
[Address]

By: _____ _____
[Name] [Date]

FOR: United States Department of the Army_____

U.S. Department of Justice

Environment and Natural Resources Division

90-11-8-16864/1

Environmental Defense Section
P.O. Box 23986
L'Enfant Plaza Station
Washington, DC 20026-3986

Telephone (202) 514-2219
Facsimile (202) 514-8865

September 21, 2005

Rosalind H. Brown, Chief
Superfund Enforcement and Information Management Branch
Waste Management Division
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Re: Proposed CERCLA § 122(g) De Minimis Settlement Agreement relating to the Starmet CMI Site in Barnwell, South Carolina.

Dear Ms. Brown:

I have received your request, pursuant to Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), that the Department of Justice concur in a proposed Administrative Order on Consent to recover response costs from de minimis party Respondent Cameco, Inc. Under the proposed agreement, Cameco will pay to EPA its allocated share of liability for past and future response costs resulting from response actions taken at the Starmet CMI Site by the United States. In exchange for its payment, Cameco will receive a site-wide covenant not to sue and contribution protection.

I have carefully evaluated the terms and conditions of the proposed AOC. I hereby concur with the proposed Agreement.

Sincerely,

W. Benjamin Fisherow
Deputy Section Chief
Environmental Enforcement Section
United States Department of Justice

10400845

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF: STARMET CMI Barnwell, Barnwell County, South Carolina Cameco Corporation, Respondent	ADMINISTRATIVE ORDER ON CONSENT U.S. EPA Region 4 Docket No. CERCLA-04-2005-3781 Proceeding Under Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9622

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XVIII. EFFECTIVE DATE 10

I. JURISDICTION

1. This Administrative Order on Consent (Consent Order or Order) is issued pursuant to the authority vested in the President of the United States by Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), 42 U.S.C. § 9622(g)(4), to reach settlements in actions under Section 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607. The authority vested in the President has been delegated to the Administrator of the United States Environmental Protection Agency (EPA) by Executive Order 12580, 52 Fed. Reg. 2923 (Jan. 29, 1987), and further delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-E , and to the Chief of the Waste Programs Branch by Regional Delegation No. 14-14-E.

2. This Administrative Order on Consent is issued to Cameco Corporation, (Cameco) Respondent, who agrees to undertake all actions required by this Consent Order. Respondent further consents to and will not contest EPA's jurisdiction to issue this Consent Order or to implement or enforce its terms.

3. EPA and Respondent agree that the actions undertaken by the parties in accordance with this Consent Order do not constitute an admission of any liability by Respondent. Respondent does not admit, and retains the right to controvert in any subsequent proceedings, other than proceedings to implement or enforce this Consent Order, the validity of the Statement of Facts or Determinations contained in Sections IV and V, respectively, of this Consent Order.

II. STATEMENT OF PURPOSE

By entering into this Consent Order, the mutual objectives of EPA and Cameco are:

4. to reach a final settlement between EPA and Cameco with respect to the Site pursuant to Section 122(g) of CERCLA, 42 U.S.C. § 9622(g), that allows Respondents to make a cash payment, including a premium, to resolve their alleged civil liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, for injunctive relief with regard to the Site and for response costs incurred and to be incurred at or in connection with the Site, thereby reducing litigation relating to the Site;

5. to simplify any remaining administrative and judicial enforcement activities concerning the Site by eliminating a potentially responsible party from further involvement at the Site; and

6. to obtain settlement with Respondent for their fair share of response costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, and by private parties, to provide for full and complete contribution protection for Respondent with regard to the Site pursuant to Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5).

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Consent Order that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in the statute or regulations. Whenever the terms listed below are used in this Consent Order, the following definitions shall apply:

A. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

B. "Consent Order" or "Order" shall mean this Administrative Order on Consent and all appendices attached hereto. In the event of conflict between this Order and any appendix, the Order shall control.

C. "Day" shall mean a calendar day. In computing any period of time under this Consent Order, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

D. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities.

E. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

F. "Interest" shall mean interest at the current rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a).

G. "Paragraph" shall mean a portion of this Consent Order identified by an arabic numeral.

H. "Parties" shall mean EPA and the Respondent.

I. "Respondent" shall mean Cameco Corporation, (Cameco) and its subsidiaries, parent corporations, affiliates, divisions, agents, successors, and predecessors.

J. "Response Costs" shall mean all costs of response as that term is defined by Section 101(25) of CERCLA, 42 U.S.C. § 9601(25).

K. "Section" shall mean a portion of this Consent Order identified by a roman numeral.

L. "Site" shall mean the Starmet Superfund Site, located at 365 Metal Drive, in Barnwell, Barnwell County, South Carolina, and depicted generally on the map attached as Appendix A.

M. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

IV. STATEMENT OF FACTS

8. Cameco shipped 12 cylinders containing 325,588 lbs of depleted uranium hexafluoride (UF_6) to the Starmet facility in Barnwell, South Carolina. The UF_6 was converted into uranium tetrafluoride (UF_4) at Starmet. This process generated calcium fluoride, dry active waste (DAW), process wastewater, and other materials and waste products. This represents 1.09% of all UF_6 processed at the facility.

9. An estimated 11,800 drums of UF_4 are stored at the Site. An estimated 6,028 of the drums contain UF_4 purchased from DOE to be used for processing into uranium metal. This material was not generated from UF_6 processed at the facility. In addition, approximately 6,000 drums of calcium fluoride are stored at the Site.

10. 166 of the UF_4 drums were generated in the processing of Cameco's UF_6.

11. 264 of the calcium fluoride drums were generated in the processing of Cameco's UF_6.

12. The processing of the UF_6 resulted in contamination in two waste water ponds.

13. The processing of the UF_6 resulted in the generation of dry active waste "DAW."

14. The steel drums used for the storage of this material are deteriorating, and some of the drums are leaking.

15. Cameco's UF_6 represents less than 1.0% of the total DU, both UF_6 and UF_4 sent to or processed at the facility.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

16. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

A. The Starmet Site is a facility as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

B. The contamination found at the Site, as identified in the Findings of Fact above, includes hazardous substances as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

C. Respondent is a person as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

D. Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for performance of response action and for Response Costs incurred and to be incurred at the Site. Respondent arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances at the facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3).

E. The conditions described in Findings of Fact above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C.§ 9601(22).

F. As a result of the release or threatened release of hazardous substances, EPA has undertaken response actions at or in connection with the Site under Section 104 of CERCLA, 42 U.S.C. § 9604, and will undertake response actions in the future.

G. In performing these response actions, EPA has incurred and will continue to incur response costs at or in connection with the Site. EPA has incurred over $6,149,136 in costs at the Site.

H. Respondent is a producer of uranium that sent depleted UF_6 to the Site.

I. The amount of UF_6 contributed to the Site by Respondent represents approximately 1.09% of the UF_6 processed at the Site. The UF_4 remaining at the Site that can be traced to Cameco represents approximately 1% of the UF_4 remaining at the Site. The hazardous substances contributed by Respondent to the Site are not more toxic or of greater hazardous effect than other hazardous substances at the Site.

J. EPA estimates that the total Response Costs incurred and to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund and by private parties is about $37 million. The payment required to be made by Respondent pursuant to this Consent Order is a minor portion of this total amount.

VI. ORDER

Based upon the administrative record for the Site and the Statement of Facts and Determinations set forth above, and in consideration of the promises and covenants set forth herein, the following is hereby AGREED TO AND ORDERED:

VII. PAYMENT

17. Within 30 days of the effective date of this Consent Order, Respondent shall pay to the EPA Starmet Special Account (Operable Unit 5): $894,176.

18. Respondent's payment includes: a) $33,513 for past response costs incurred at or in connection with the Site; b) $461,310 in projected future response costs to be incurred at or in connection with the Site; c) indirect costs of $230,340; and d) a premium of $169,013 to cover the risks and uncertainties associated with this settlement, including but not limited to, the risk that total response costs incurred or to be incurred at or in connection with the Site by the EPA Hazardous Substance Superfund, or by any private party, will exceed the estimated total response costs upon which Respondent's payment is based.

19. Payment shall be made by certified or cashier's check or wire transfer made payable to the EPA Hazardous Substance Superfund. If by check, the check shall reference the name and address of the party making payment, the Site name and Operable Unit 5, the EPA Region and Site Spill ID Number A48Q, and the EPA docket number for this action, and shall be sent to:

U.S. Environmental Protection Agency
Cincinnati Accounting Operations
ATTN: Region 4 Superfund
Mellon lockbox 371099M
Pittsburgh, PA 15251-7099

If payment is made by wire transfer, the transfer shall make the above references and be sent to:

Mellon Bank
SWIFT address = MELNUS3P
ABA 043000261
Account 9109125
22 Morrow Drive
Pittsburgh, PA 15235

20. At the time of payment, Respondent shall send notice that such payment has been made to:

Kevin Beswick
USEPA/EAD
SNAFC
61 Forsyth St., SW
Atlanta, GA 30303

and a copy of the check or transmission shall be sent to:

Paula V. Batchelor
U. S. EPA, Region 4
Superfund Enforcement & Information Management Branch
Waste Management Division
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303-8960.

21. The total amount to be paid pursuant to this Consent Order, $894,176, shall be deposited in a Starmet Special Account for *de minimis* settlements, within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Site. Any balance remaining in the Starmet Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

VIII. FAILURE TO MAKE PAYMENT

22. If Respondent fails to make full payment within the time required by Paragraph 16, Respondent shall pay Interest on the unpaid balance. In addition, if Respondent fails to make full payment as required by Paragraph 16, the United States may, in addition to any other available remedies or sanctions, bring an action against Respondent seeking injunctive relief to compel payment and/or seeking civil penalties under Section 122(*l*) of CERCLA, 42 U.S.C. § 9622(*l*), for failure to make timely payment.

IX. CERTIFICATION OF RESPONDENT

23. By signing this Consent Order, Respondent certifies that, to the best of its knowledge and belief, it has:

A. conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to EPA, all information currently in its possession, or in the possession of its officers, directors, employees, contractors or agents, which relates in any way to the ownership, operation, or control of the Site, or to the ownership, possession, generation, treatment, transportation, storage or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the Site;

B. not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents, or other information relating to its potential liability regarding the Site after notification of potential liability or the filing of a suit against it regarding the Site; and

C. fully complied with any and all EPA requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).

X. COVENANT NOT TO SUE BY UNITED STATES

24. In consideration of the payments that will be made by Respondent under the terms of this Consent Order, and except as specifically provided in Section XI (Reservations of Rights by United States), the United States covenants not to sue or take administrative action against the Respondent to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, relating to the Site. With respect to present and future liability, this covenant not to sue shall take effect for Respondent upon receipt of Respondent's payment as required by Section VII. With respect to Respondent , this covenant not to sue is conditioned upon: a) the satisfactory performance by Respondent of all obligations under this Consent Order; and b) the veracity of the information provided to EPA by Respondent relating to Respondent's involvement with the Site. This covenant not to sue extends only to Respondent and does not extend to any other person.

XI. RESERVATIONS OF RIGHTS BY UNITED STATES

25. The covenant not to sue by the United States set forth in Section X does not pertain to any matters other than those expressly specified in Section X. The United States reserves, and this Consent Order is without prejudice to, all rights against Respondent with respect to all other matters including, but not limited to:

A. liability for failure to meet a requirement of this Consent Order;

B. criminal liability;

C. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments; or

D. liability arising from any future arrangement for disposal or treatment of a hazardous substance, pollutant or contaminant at the Site after the effective date of this Consent Order.

26. Notwithstanding any other provision in this Consent Order, the United States reserves, and this Consent Order is without prejudice to, the right to institute judicial or administrative proceedings against Respondent seeking to compel Respondent to perform response actions relating to the Site, and/or to reimburse the United States for additional costs of response, if:

A. information is discovered which indicates that Respondent contributed hazardous substances to the Site in such greater amount or of such greater toxic or other hazardous effects that Respondent no longer qualifies as a *de minimis* party at the Site because Respondent contributed greater than 5% of the hazardous substances at the Site, or contributed hazardous substances which are significantly more toxic or are of significantly greater hazardous effect than other hazardous substances at the Site.

XII. COVENANT NOT TO SUE BY RESPONDENT

27. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States or its contractors or employees with respect to the Site or this Consent Order including, but not limited to:

A. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

B. any claims arising out of response activities at the Site; and

C. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

28. Nothing in this Consent Order shall be deemed to constitute preauthorization or approval of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

XIII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

29. Nothing in this Consent Order shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Order. The United States and Respondent each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

30. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Respondent shall not assert, and may not maintain, any defense or claim based upon the principles of waiver; res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant action; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue included in Section X.

31. The Parties agree that Respondent is entitled, as of the effective date of this Consent Order, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(g)(5) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(g)(5), for matters addressed in this Consent Order. The matters addressed in this Consent Order are all response actions taken by the United States and by private parties, and all response costs incurred and to be incurred by the United States and by private parties, at or in connection with the Site.

XIV. PARTIES BOUND

32. This Consent Order shall apply to and be binding upon EPA and upon Respondent and its successors and assigns. Any change in ownership or corporate or other legal status of a Respondent, including but not limited to, any transfer of assets or real or personal property, shall in no way alter Respondent's responsibilities under this Consent Order. Each signatory to this Consent Order certifies that he or she is authorized to enter into the terms and conditions of this Consent Order and to execute and bind legally the party represented by him or her.

XV. INTEGRATION/APPENDICES

33. This Consent Order and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Order. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Consent Order. The following appendices are attached to and incorporated into this Consent Order: Appendix A is the map of the Site.

XVI. PUBLIC COMMENT

34. This Consent Order shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, 42 U.S.C. § 9622(i)(3), EPA may withdraw or withhold its consent to this Consent Order if comments received disclose facts or considerations which indicate that this Consent Order is inappropriate, improper, or inadequate.

XVII. ATTORNEY GENERAL APPROVAL

35. The Attorney General or his designee has approved the settlement embodied in this Consent Order in accordance with Section 122(g)(4) of CERCLA, 42 U.S.C. § 9622(g)(4).

XVIII. EFFECTIVE DATE

34. The effective date of this Consent Order shall be the date upon which EPA issues written notice to Respondent that the public comment period pursuant to Paragraph 32 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Consent Order.

IT IS SO AGREED AND ORDERED:

U.S. Environmental Protection Agency

By: Rosalind H. Brown On: 4-30-05

Rosalind H. Brown, Chief,
Superfund Enforcement and Information Management Branch

THE UNDERSIGNED RESPONDENT enters into this Consent Order in the matter of U.S. EPA docket number CERCLA-04-2005-3771, relating to the Starmet Superfund Site in Barnwell, South Carolina.

FOR RESPONDENT: CAMECO CORPORATION
[Name]
2121-11th Street W., Saskatoon, SK Canada S7M 1J3
[Address]

By: Gerald W. Grandey On: Sept. 6/05

Gerald W. Grandey
President & Chief Executive Officer

By: [illegible] On: Sept 2/05

Gary M.S. Chad
Sr. Vice-President, Governance, Legal &
Regulatory Affairs & Corporate Secretary

ENFORCEMENT CONFIDENTIAL
ATTORNEY WORK PRODUCT
DO NOT RELEASE

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D H E C

PROMOTE PROTECT PROSPER

SITE: Starmet
BREAK: 11.9
OTHER: V6

1600 Bull Street
Columbia, SC 29201-1708

COMMISSIONER:
C. Earl Hunter

BOARD:
Bradford W. Wyche
Chairman

Mark B. Kent
Vice Chairman

Howard L. Brilliant, MD
Secretary

Carl L. Brazell

Louisiana W. Wright

L. Michael Blackmon

Lawrence R. Chewning, Jr., DMD

OFFICE OF GENERAL COUNSEL
TEL (803) 898-3350 FAX (803) 898-3367

September 6, 2002

Via Facsimile 765-2399 and U.S. mail
John A. Hodge, Esquire
Haynsworth Sinkler Boyd, P.A.
P.O. Box 7157
Columbia, SC 29202

Re: Starmet CMI, Inc.
Emergency Order, June 25, 2002

Dear John:

I received your September 5, 2002, letter stating that Starmet will be on site today to pick up a few records and computers from the administrative area, engineering annex, HP, the DU and offices. Your letter did not request a time or list of proposed employees to perform this task. However, I have spoken with Ginger Hughes of your office and she informs me that Wayne Gaul and Gibby Sanders will be the only employees requesting access to the site. The Department will allow Mr. Gaul on site from 10:30 a.m. to 2:00 p.m. today for this limited purpose. Gibby Sanders can be there to assist Mr. Gaul as needed. Again, Mr. Gaul will be responsible for surveying any records or computers taken from a radiologically controlled area.

The Department again asks for access to the documents removed to begin its review and copying on Monday or Tuesday of next week at around 10:00 a.m. The Department requested a response by the end of the day yesterday to this access but has not received one. If the Department does not receive a written response to this request by the end of today it will treat this as a denial of its right to inspect pursuant to State law and the Emergency Order. Furthermore, please provide written notice of the exact location of the storage facility as well as the conditions so that the Department can determine what additional resources it needs to bring such as a copier, tables and chairs, etc. Please note that any attempt to transfer any documents out of State will also be treated as a refusal of our right to access the documents.

I look forward to hearing from you regarding these issues.

Very truly yours,

Jessica J. O. King
Attorney for SCDHEC

cc: William A. Short, Esq. *(via fax 765-1243 and U.S. mail)*
Clarke W. DuBose, Esq. *(via fax 765-1243 and U.S. mail)*
Henry Porter, SCDHEC BLWM
Keith Lindler, SCDHEC BLWM

10603666

STATE OF SOUTH CAROLINA

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

OFFICE OF GENERAL COUNSEL
2600 Bull Street
Columbia, SC 29201

Voice: (803) 898-3348
Facsimile: (803) 898-3367

TO: Kevin Beswick, Esq.
EPA Region IV

FAX NO: 404-562-9487

FROM: Jessica O. King
Staff Counsel

SENT BY:

DATE SENT: August 27, 2002

PAGES TO FOLLOW: 2

RE: Sharmet

CONFIDENTIALITY NOTICE: The information contained in this telefacsimile message is privileged and confidential, and intended only for the use of the individual(s) and/or entity(ies) named above: If you are not the intended recipient, you are hereby notified that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the telecopied materials is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of the attorney/client privilege. If you have received this transmission in error, please immediately notify us by telephone (collect) to arrange for the return of the materials. Thank you.

10603685

Starmet
11:9
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DHEC
OMOTE PROTECT PROSPER
)0 Bull Street
lumbia, SC 29201-1708

IMMISSIONER:
Earl Hunter

IARD:
adford W. Wyche
airman

ark B. Kent
ce Chairman

ward L. Brilliant, MD
cretary

rl L. Brazell

ulsiana W. Wright

Michael Blackmon

rry R. Chewning, Jr., DMD

OFFICE OF GENERAL COUNSEL
TEL (803) 898-3350 FAX (803) 898-3367

August 27, 2002

Via Facsimile 765-2399 and U.S. mail
John A. Hodge, Esquire
Haynsworth Sinkler Boyd, P.A.
P.O. Box 7157
Columbia, SC 29202

Re: Starmet CMI, Inc.; Emergency Order, June 25, 2002

Dear John:

I am writing to summarize the agreement reached between the Department and Ginger Hughes of your office last night and to further clarify removal issues at this time. First, I spoke with Mrs. Hughes around 6:15 p.m. last night after receiving a call from Department staff on site stating that Starmet wished to go into restricted and/or contaminated areas to remove documents, despite my letter of yesterday relating to such removal. I stated to Mrs. Hughes that the Department would allow such removal of documents from these areas if Wayne Gaul or a Department employee conducted a radiation survey of every box of records before it was removed from that area. Mrs. Hughes agreed to this and stated that Starmet would leave any items not suitable for removal until such time as they could be decontaminated. She called me back later in the evening and stated that Starmet had determined it would be too time consuming to perform this task last night and asked if we could arrange an alternate date for removal. I agreed and stated we would need to talk later in the week to pick a suitable date and define the terms of that removal. Furthermore, if Starmet wishes to remove additional records or office related items from any nonrestricted or noncontaminated areas, it will also need to propose another date and time for Department approval prior to removal. The Department requests that any proposed future removal times be during reasonable business hours.

For further clarification, pursuant to the Emergency Order, Starmet is not allowed to ship any items including equipment from the facility at this time. The Department has only agreed to the removal of documents and office related items such as copiers and postage meters. Mr. Gaul informed the Department today that Starmet plans to remove and ship, possibly out of State, equipment and materials related to the counterweight line. The Department has not authorized and is not authorizing Starmet to do this pursuant to the Order and will not allow employees access to the site at this time for this purpose. Furthermore, in the future if Starmet wishes to remove any items, Starmet must provide a request in writing stating each item it wishes to remove and the utlimate use and disposition for that equipment. The Department will respond quickly in writing to any such requests as it has done consistently in the past. If the Department agrees to removal of any process equipment, Starmet will have to meet the requirements of the regulations and the license regarding decontamination and decommissioning, packaging, and shipping the equipment and proper disposal of any waste generated.

Secondly, I have previously requested in writing for the Department to begin reviewing and copying the records removed to a secure location any day this week. I have not yet received a response from you. The Department again requests access to these records to begin this week. Wayne Gaul informed the Department today that Starmet plans to move the records to a location in Massachusetts. You have represented in past correspondence that your office is approving the location where the records are to be stored and that you personally would ensure they are available for review and copying upon a reasonable request. As you know, the Department is allowed access to these documents at any reasonable time. Therefore, records should not be taken out of the State even once we have had an initial review of these documents. Any attempt by Starmet to remove the documents from South Carolina will be viewed as a deliberate attempt to deny the Department's right to inspect pursuant to the SC Hazardous Waste Management Act, the Pollution Control Act, the Atomic Energy and Radiation Control Act and the Emergency Order. The Department has attempted to work in good faith with Starmet on access and document issues and hopes that this removal of documents to Massachusetts

is simply a misunderstanding on Mr. Gaul's part. To ensure no further misunderstandings, the Department requests that you provide it with the location of all documents removed by the end of today.

Finally, in previous discovery responses relating to the Administrative Order appeal, you stated that all documents responsive to the Department's request to produce would be made available at a mutually agreeable time and place. I hereby request to review those documents either Thursday or Friday of this week or Tuesday of next week here in Columbia. Please feel free to call me if you have any questions.

Very truly yours,

Jessica J. O. King
Attorney for SCDHEC

cc: William A. Short, Esq. *(via fax 765-1243 and U.S. mail)*
Clarke W. DuBose, Esq. *(via fax 765-1243 and U.S. mail)*
Henry Porter, SCDHEC BLWM
Keith Lindler, P.E., SCDHEC, BLWM

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

SITE: Starmet CMI
BREAK: 19.6
OTHER: VI

JUL 07 2005

URGENT LEGAL MATTER
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

10301773

Dennis Scott, Attorney
U.S. Enrichment Corporation
6903 Rockledge Drive
Bethesda, MD 20814

Subj: Bill for Amended Oversight Costs
Starmet CMI Superfund Site, Barnwell County, Barnwell, South Carolina
Site/Spill ID Number: A48Q
CERCLA ID Number: SCD987570405
Administrative Order on Consent, CERCLA Docket No. CER-04-2004-3758
Payment of $405,513.81

Dear Mr. Scott:

The purpose of this letter is to request payment of the amended outstanding oversight costs incurred by the United States Environmental Protection Agency (EPA) at the Starmet CMI Superfund Site (the Site), located in Barnwell, Barnwell County, South Carolina. The amended payment is requested pursuant to Administrative Order on Consent (AOC), CERCLA Docket No. CER-04-2004-3758, effective February 6, 2004, and entered into between EPA and Starmet CMI Superfund Site. The total amended oversight costs incurred at the Site for the period February 13, 2004 through February 13, 2005 in connection with the AOC are $405,513.81. An itemized Superfund Cost Recovery Package Imaging and On-Line System (SCORPIOS) Report is enclosed.

Please note there may be other costs incurred during this period which are not yet reflected in our financial systems for this billing. Therefore, additional costs may appear in future bills for this current billing period.

As required by Section XV, Paragraph 44 of the AOC, please remit the amended payment of $405,513.81 within thirty (30) days of your receipt of this letter which EPA deems to be seven (7) calendar days from the date of this letter. The check should be made payable to the "EPA Hazardous Substances Superfund" and should reference the Starmet CMI Superfund Site, U.S. Enrichment Corporation (USEC), Operable Unit 04 Special Account, and the Site/Spill ID Number A48Q. Please mail your payment to:

U.S. Environmental Protection Agency
Region 4
Superfund Accounting
P.O. Box 100142
Atlanta, Georgia 30384
Attn: Collection Officer in Superfund

A copy of the check should also be sent to Ms. Paula V. Batchelor, and to Mr. Kevin Beswick, of the EPA, at the respective addresses provided below:

Paula V. Batchelor
U.S. Environmental Protection Agency
Region 4
Superfund Enforcement and Information Management Branch
Waste Management Division
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

and

Kevin Beswick, Esq.
U.S. Environmental Protection Agency
Region 4
Office of Environmental Accountability Division
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303

Should you wish to dispute all or part of this bill, you must notify EPA of such dispute in accordance with the dispute resolution provisions contained in Section XVI, Paragraph 48 of the AOC. As required by Section XV, Paragraph 46 of the AOC, all disputed amounts must be deposited into an interest-bearing escrow account. Payment of all undisputed portions of this bill is due no later than 30 days from your receipt of this letter pursuant to Section XV, Paragraph 46 of the AOC.

If payment of all, or the undisputed amounts of this bill is not made within 30 days, interest on the unpaid amount will begin to accrue on the date of the bill and shall continue to accrue until the date of payment, in accordance with Section XV, Paragraph 45 of the AOC. Furthermore, Section XVIII, Paragraph 53 of the AOC states that stipulated penalties may be assessed in the amount of $100.00 per day for the 1st through the 30th day after payment was due, with additional penalties accruing thereafter through the date full payment is made or deposited into an interest-bearing escrow account.

If the payment amount identified in this letter is not paid within the time required under the AOC, EPA may take further collection efforts, including the referral of this debt to the Department of Justice for enforcement and collection. The referral will seek payment of the amount due as provided in the AOC, plus accrued interest, stipulated penalties, and enforcement costs, including attorneys' fees, as appropriate.

If there are any questions regarding this bill, please contact David Dorian, On-Scene Coordinator, at (404) 562-8767, Ray Strickland, Enforcement Project Manager, at (404) 562-8890, or Kevin Beswick, Associate Regional Counsel, at (404) 562-9580. Please note, unless otherwise advised in writing by EPA, any communications with EPA will not relieve you of your obligation to make the required timely payment as provided in this letter.

Sincerely,

Jewell Grubbs, Chief
Grants, Finance and Cost Recovery Branch
Office of Policy and Management

Enclosures:
1. Amended SCORPIOS Report (June 13, 2005)
2. Explanation of Annual Allocation Process
3. Indirect Cost Overview - 65 Fed. Reg. 35339 (May 30, 2000)

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Narrative Cost Summary

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

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1. The United States Environmental Protection Agency has incurred at least $3,942.95 for Regional Payroll Costs.

2. The United States Environmental Protection Agency has incurred at least $970.57 for Regional Travel Costs.

3. The United States Environmental Protection Agency has incurred costs of at least $271,793.26 for OTHER EXPENDITURES contract expenditures. The total represents the amount spent under the U.S. ENRICHMENT CORPORATION contract.

4. The United States Environmental Protection Agency has incurred at least $128,807.03 for Indirect Costs.

Total Site Costs:	$405,513.81

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Itemized Cost Summary

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

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REGIONAL PAYROLL COSTS	$3,942.95
REGIONAL TRAVEL COSTS	$970.57
OTHER EXPENDITURES	
U.S. ENRICHMENT CORPORATION (USEC)	$271,793.26
EPA INDIRECT COSTS	$128,807.03
Total Site Costs:	$405,513.81

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Regional Payroll Costs

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

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Employee Name	Fiscal Year	Pay Period	Payroll Hours	Payroll Costs
BYRD, TERRANCE	2004	21	37.00	893.36
		22	18.00	434.54
			55.00	$1,327.90
DORIAN, DAVID	2004	22	8.00	356.44
		23	18.00	740.50
		24	21.00	935.74
	2005	06	9.00	396.45
		07	4.00	185.92
			60.00	$2,615.05
Total Regional Payroll Costs			115.00	$3,942.95

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Regional Travel Costs

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

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Traveler/Vendor Name	Travel Number	Treasury Schedule	Treasury Schedule Date	Travel Costs
BYRD, TERRANCE	TM0230314	ACHA04210	07/30/2004	156.57
	TM0264966	ACHA04309	11/08/2004	313.00
				$469.57
DORIAN, DAVID	TM0230283	ACHA04212	08/03/2004	84.25
	TM0238426	ACHA04224	08/13/2004	115.25
	TM0242656	ACHA04244	09/02/2004	92.00
	TM0287606	ACHA05031	02/02/2005	209.50
				$501.00
Total Regional Travel Costs				$970.57

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Contract Costs

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 6, 2005 THROUGH FEBRUARY 13, 2005
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OTHER EXPENDITURES

Contractor Name: U.S. ENRICHMENT CORPORATION

EPA Contract Number: USEC

Project Officer(s): DAVID DORIAN

Dates of Service: From: 02/14/2004 To: 02/13/2005

Summary of Service: SUMMARY OF CHARGES:
Other Field Cost (OFC), Labor, Facility Maintenance (FM), PRP Assistance (PRPA), RSO Assistance (RSOA), Waste Water Treatment (WWT), Site Security (SS). Removed $72.26 & $3228.75 from OFC-FM.

Total Costs: $271,793.26

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount
LABOR-FM	02/13/2005	68,765.26	02132005	02/13/2005	30,544.46
LABOR-PRPA	02/13/2005	68,765.26	02132005	02/13/2005	5,216.65
LABOR-RSOA	02/13/2005	68,765.26	02132005	02/13/2005	11,524.36
LABOR-WWT(T1)	02/13/2005	68,765.26	02132005	02/13/2005	21,479.79
OFC-FM	02/13/2005	206,329.01	02132005	02/13/2005	25,304.75
OFC-PRPA	02/13/2005	206,329.01	02132005	02/13/2005	9.95
OFC-SS	02/13/2005	206,329.01	02132005	02/13/2005	134,721.30
OFC-WWT(T1)	02/13/2005	206,329.01	02132005	02/13/2005	42,992.00
				Total:	$271,793.26

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EPA Indirect Costs

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Fiscal Year	Direct Costs	Indirect Rate(%)	Indirect Costs
2004	3,808.65	46.55%	1,772.93
2005	272,898.13	46.55%	127,034.10
	276,706.78		
Total EPA Indirect Costs			$128,807.03

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EPA Indirect Costs

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PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
BYRD, TERRANCE	2004	21	893.36	46.55%	415.86
		22	434.54	46.55%	202.28
			1,327.90		$618.14
DORIAN, DAVID	2004	22	356.44	46.55%	165.92
		23	740.50	46.55%	344.70
		24	935.74	46.55%	435.59
			2,032.68		$946.21
Total Fiscal Year 2004 Payroll Direct Costs:			3,360.58		$1,564.35

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
BYRD, TERRANCE	TM0230314	07/30/2004	156.57	46.55%	72.89
			156.57		$72.89
DORIAN, DAVID	TM0230283	08/03/2004	84.25	46.55%	39.22
	TM0238426	08/13/2004	115.25	46.55%	53.65
	TM0242656	09/02/2004	92.00	46.55%	42.82
			291.50		$135.69
Total Fiscal Year 2004 Travel Direct Costs:			448.07		$208.58
Total Fiscal Year 2004:			3,808.65		$1,772.93

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EPA Indirect Costs

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PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
DORIAN, DAVID	2005	06	396.45	46.55%	184.55
		07	185.92	46.55%	86.55
			582.37		$271.10
Total Fiscal Year 2005 Payroll Direct Costs:			582.37		$271.10

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
BYRD, TERRANCE	TM0264966	11/08/2004	313.00	46.55%	145.70
			313.00		$145.70
DORIAN, DAVID	TM0287606	02/02/2005	209.50	46.55%	97.53
			209.50		$97.53
Total Fiscal Year 2005 Travel Direct Costs:			522.50		$243.23

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
USEC	LABOR-PRPA	02/13/2005	5,216.65	0.00	46.55%	2,428.35
	LABOR-FM	02/13/2005	30,544.46	0.00	46.55%	14,218.45
	OFC-WWT(T1)	02/13/2005	42,992.00	0.00	46.55%	20,012.78
	OFC-SS	02/13/2005	134,721.30	0.00	46.55%	62,712.77
	OFC-PRPA	02/13/2005	9.95	0.00	46.55%	4.63
	OFC-FM	02/13/2005	25,304.75	0.00	46.55%	11,779.36
	LABOR-WWT(T1)	02/13/2005	21,479.79	0.00	46.55%	9,998.84

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EPA Indirect Costs

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 6, 2005 THROUGH FEBRUARY 13, 2005
ACTION CODE "BB" AND USEC COST - REMOVED FROM OFC-FM $72.26 & $3,228.75

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
USEC	LABOR-RSOA	02/13/2005	11,524.36	0.00	46.55%	5,364.59
			271,793.26	0.00		$126,519.77
Total Fiscal Year 2005 Other Direct Costs:			271,793.26	0.00		$126,519.77
Total Fiscal Year 2005:			272,898.13			$127,034.10
Total EPA Indirect Costs						$128,807.03

ANNUAL ALLOCATION

GENERAL DESCRIPTION

Because EPA response contractors who perform both site- and non-site-specific work incur and get paid from EPA certain costs that are not site-specifically charged, EPA has developed the annual allocation process which allocates to sites those non-site-specifically charged costs that nevertheless support, benefit or relate to site response actions.

BACKGROUND

All of the Agency's Superfund response action contracts active since Fiscal Year 1986 have included provisions for the contractors' preparation and submission of Annual Allocation Reports. EPA determined that the detailed requirements for identifying the appropriate types of non-site-specific costs to be allocated should be revised to reflect accounting policies described in Paragraph 5. Accordingly, EPA directed the contractors to defer submission of their Annual Allocation reports pending revision to the detailed requirements and incorporation of such revisions in the contract terms. These revisions were completed in Fiscal Year 1992.

ANNUAL ALLOCATION METHODOLOGY

The general concepts of the annual allocation methodology are as follows:

a. Only the costs that are determined to relate to, benefit, or support sites should be distributed to sites.
b. Inclusion of the allocated costs that benefit sites along with the site-specific costs will yield the total costs of the site work performed by EPA contractors who work on multiple sites under a single contract.

ANNUAL ALLOCATION REVIEW PROCESS

The multi-step annual allocation process applicable to the contracts at issue in this action is described below:

Reconciliation of amounts paid. The first step in the allocation process is the determination of the amount the contractor received for work performed, based on both the contractor's documents and EPA's accounting information. At this point, non-superfund costs are also identified and are excluded from the allocation process altogether.

Identification of the category of non-site-specific costs. The non-site-specific Superfund costs determined in the first step are then classified into one of the following categories: program management, start-up costs, capital equipment and non-site activities.

(1) National and regional program management costs are costs attributable to contract activities associated with the management and administration of the contract as a whole (national program management) and to the region (regional program management). Work assignment management benefits only those sites and activities under a specific work assignment.

(2)Start-up costs are costs incurred generally in the first year of the contract but

associated with efforts benefitting the entire contract term. Examples may include the preparation of the contract work plan, establishment of a contract quality assurance program and calibration of equipment.

(3) Capital equipment costs are costs for equipment valued at more than $5,000, with a one-year minimum life. For the purpose of the allocation, the cost of such equipment is depreciated over its useful life.

(4) Non-site activities costs are costs of those activities undertaken under the contract other than program management, start-up, or capital equipment, which cannot be identified to sites. These are costs attributable to activities which either support response actions (site-support non-site activities) performed under the contract; or support the Superfund program as a whole (program-wide non-site activities). Program-wide non-site activities are allocated a share of the program management, start-up and equipments costs; but program-wide non-site activity costs are not in turn allocated to sites through the annual allocation process.

(5) Some general examples of site-support non-site activities include: training for contractor employees on site clean-up technologies; safety training for site employees; equipment training; and development of CERCLA site standard operating procedures.

(6) Some general examples of program-wide non-site activities, the costs of which are not allocated through the annual allocation process, include: review of EPA sampling procedures; creation of databases of software programs; training provided to states by contractors; and CERCLA Title III evaluations.

Allocating Costs. Once the costs are thus classified, as described in the previous subparagraph, eligible costs (i.e., excluding non-Superfund costs and program-wide non-site activity costs) are allocated to sites as well as to non-site activities using a step-down allocation process--one which allocates the costs with the widest benefit (program management) first and the narrowest benefit (site-support non-site activities) last.

A. National program management, start-up and equipment costs are allocated to sites and non-site activities based on the ratio of the particular site or non-site activity's direct site costs to the total cost of all site and non-site activities. This method equitably reflects the benefit received by sites and non-site activities.

B. Regional program management and regional site-support non-site-specific costs are allocated to sites in the respective regions based on the ratio of each site's direct site costs to the total regional site costs.

C. The annual allocation rate is calculated for each contract, by dividing the allocated costs applicable to sites by the total direct site costs incurred.

ANNUAL ALLOCATION RATES

The allocation process results in a determination of a national, regional, or a site-specific allocation rate, per contract. This rate is based on an Annual Allocation report prepared by the contractor, submitted to EPA, and reviewed by EPA staff in the Financial Management Division. Multiplying the rate by the direct site amount billed by the contractor yields the site's share of the non-site-specific costs charged to EPA by the contractor.

Provisional Rates

Provisional annual allocation rates are established to determine allocable costs when a final rate has not been established. These provisional rates are established as follows:

For each contract where final rates have been established for a prior year, the provisional rate is 80% of the most recent final rate.

For the following types of contracts - Alternative Remedial Contracting Services, Emergency Response Cleanup Support, Technical Enforcement Support and Enforcement Support Services contracts - without a prior year final rate, provisional rates are established using 80% of the weighted average of the final rates for each type of contract. This weighted average provisional rate is recalculated every October. The ARCS contract is calculated based on FY 1992 and later contracts.)

Once a final rate is established for a contract, the final rate supersedes any previously-established provisional rate(s).

ANNUAL ALLOCATION Q & AS

Attachment 1

What is Annual Allocation?

Annual Allocation is a process the Environmental Protection Agency uses in distributing non-site response action contractors non-site costs to the sites the contractor works on.

Why doesn't Annual Allocation show up on the invoice?

Annual Allocation is not a specific monthly charge in the same sense that the site charges are specific monthly charges. Annual allocation represents a distribution, or allocation, of costs the response action contractor incurs in support of a site cleanup, but by their nature cannot be charged to specific sites. The allocation is conducted on a yearly basis.

How do I know the Annual Allocation dollars were paid?

The accuracy of the information contained in this report assured through the agency financial management systems internal controls. These internal controls are in compliance with generally accepted accounting principles and include: Office of management and budget (OMB) Circulars A-123, "Management of Federal Information Resources," provide for a system-wide assurance that entries or payments within the accounting system are in accordance with applicable laws and regulations, is supported by adequate documentation and certified by certifying officials recognized by the Department of Treasury prior to payment. In addition, the Superfund program activities undergo an annual audit by the EPA's Office of Inspector General.

How are these amounts calculated?

The annual allocation rate which show up on the EPA SCORES report was derived from the master allocation schedule. A rate page is included in the cost package which shows the actual rate calculation from this master allocation schedule.

Where is the work performed documentation for Annual Allocation?

The annual allocation report and EPA review documentation is available through the Regional Superfund accountant or cost recovery coordinator.

What gives you the authority to charge Annual Allocation?

Annual allocation costs are contract costs incurred for the benefit of site clean-up and are allowable under the National Contingency Plan.

Isn't this the contractor's overhead?

No, this is not the contractor's overhead. The contractor's overhead represents costs of the contractor to support the products and services of the contractor and operate the contractor's organization. The program management, site support, program wide activities represent the products or services of the contractor. *Fort the contractor, they are direct charges.* From EPA's perspective, these costs are non-site activities, i.e. they are activities necessary for site response, but by the nature of the costs cannot be charged on a site-specific basis.

Why do you have provisional and final rates, and what's the difference?

Final Rates - Final Annual Allocation rates represent annual allocation rates for a specific fiscal year which an annual allocation report has been submitted by the contractor, reviewed by EPA, and approved by EPA.

ANNUAL ALLOCATION Q & AS

Provisional Rates - Provisional Annual Allocation rates represent the estimated Annual Allocation rates for a specific fiscal year. Provisional annual allocation rates are used when a final report has not been. Provisional rates are based upon either a final annual allocation report for the specific contractor, or a class-wide provisional rate.

What activities are included within the annual allocation amounts?

Activities can vary for annual allocation. The types of activities that are included within the annual allocation amounts fall into four general categories: program management, site support costs, start-up costs and depreciation.

On a prior bill the annual allocation rate was zero; now it is not. Why did it change?

As stated in our write-up, annual allocation was a practice the Agency always intended to incorporate into the cost recovery process. However, because of changing circumstances, the Agency needed to modify the Annual Allocation process. Because these modifications took time, and the cost recovery process continued, cost recovery packages or oversight bills were issued without Annual Allocation. Now that the annual allocation process is operational, these costs will appear on cost recovery packages and oversight bills.

comments should be received in the SAB Staff Office at least one week prior to the meeting date so that the comments may be made available to the committee for their consideration. Comments should be supplied to the appropriate DFO at the address/contact information noted above in the following formats: one hard copy with original signature, and one electronic copy via e-mail (acceptable file format: WordPerfect, Word, or Rich Text files (in IBM-PC/Windows 95/98 format). Those providing written comments and who attend the meeting are also asked to bring 35 copies of their comments for public distribution.

Meeting Access

Individuals requiring special accommodation at this meeting, including wheelchair access to the conference room, should contact the DFO at least five business days prior to the meeting so that appropriate arrangements can be made.

Dated: May 26, 2000.

Donald G. Barnes,

Staff Director, Science Advisory Board.

[FR Doc. 00-13847 Filed 6-1-00; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-6708-8]

Guidance on Exercising CERCLA Enforcement Discretion in Anticipation of Full Cost Accounting Consistent With the "Statement of Federal Financial Accounting Standards No. 4"

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The EPA Office of Enforcement and Compliance Assurance, Office of Site Remediation Enforcement is providing guidance to its regional components on the exercise of enforcement discretion, from May 30, 2000 through October 2, 2000, in anticipation of EPA's implementation of full cost accounting.

Attachments 1 and 2 were prepared by the Office of the Chief Financial Officer. They describe the reasons for full cost accounting and the methodology being used to implement full cost accounting.

EFFECTIVE DATE: May 30, 2000.

FOR FURTHER INFORMATION CONTACT: Chad Littleton, Office of Enforcement and Compliance Assurance, Office of Site Remediation Enforcement, U.S. EPA, 1200 Pennsylvania Ave., NW, Washington, DC 20460 (MC 2273A); e-mail: littleton.chad@epa.gov; phone: (202) 564-6064.

SUPPLEMENTARY INFORMATION:

Memorandum

Subject: Guidance on Exercising CERCLA Enforcement Discretion In Anticipation of Full Cost Accounting Consistent with the *Statement of Federal Financial Accounting Standards No. 4*

From: Steven A. Herman, Assistant Administrator, *Office of* Enforcement and Compliance Assurance

To:
Regional Administrators, Regions I–X
Deputy Regional Administrators, Regions I–X
Regional Counsel, Regions I–X
Superfund Division Directors, Regions I–X

This memorandum provides guidance to EPA personnel on how to exercise enforcement discretion as it relates to upcoming changes in EPA's indirect cost accounting methodology.

A. Upcoming Revisions to Indirect Cost Accounting

EPA's Office of the Chief Financial Officer (OCFO) recently announced that it is revising the Agency's methodology for allocating indirect costs to Superfund sites. These steps will bring Superfund into compliance with cost accounting standards issued by the Federal Accounting Standards Advisory Board (FASAB) on July 31, 1995, (*Statement of Federal Financial Accounting Standards No. 4 (SFFAS No. 4)*).[1] The principal goal of those standards is to make it possible for Federal agencies to determine and report the true costs of their programs and activities. The Federal Financial Management Improvement Act of 1996 (Title VIII, Public Law 104-208)[2] requires all Federal agencies to develop and use cost accounting methodologies that are consistent with the SFFAS No. 4 and other applicable standards.[3]

A copy of the OCFO memorandum announcing and describing EPA's implementation of an accounting methodology complying with the SFFAS No. 4 is attached for your reference (Attachment 1). That memorandum describes important background events and EPA's approach to implementing the revised methodology, defines many important accounting terms as they apply to EPA, lists preliminary estimated regional indirect rates based on the revised methodology, and states that OCFO will calculate actual indirect costs rates using the revised methodology (hereinafter "revised rates" or "revised indirect rates") for all fiscal years after 1989. The OCFO expects the revised rates to be completed and issued by October 2, 2000, at which time EPA will begin using the revised rates.

B. The Revised Rates and Superfund Site Costs

As described more fully in the attached OCFO memorandum, direct costs are costs an organization incurs when it produces a specific result. Most of the other costs of running the organization are indirect costs. EPA's current indirect cost accounting methodology allocates to Superfund sites only about one-third of the indirect costs that are incurred by EPA and properly allocable to sites. SFFAS No. 4 requires "full cost accounting," which means that Superfund indirect costs must be allocated to sites. For that reason, implementing an indirect cost methodology based on SFFAS No. 4 will increase the aggregate amount of indirect costs allocated to sites.

The effect of applying the revised rates will vary from site to site because the SFFAS-compliant methodology and the current methodology use different techniques for allocating indirect costs to individual sites. The SFFAS-compliant methodology allocates

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[1] Available as *SFFAS 4* at www.financenet.gov/financenet/fed/fasab/concepts.htm.

[2] Available from the 104th Congress catalog at www.access.gpo.gov/nara/publaw/104publ.html.

[3] "(5) To rebuild the accountability and credibility of the Federal Government, and restore public confidence in the Federal Government, agencies must incorporate accounting standards and reporting objectives established for the Federal Government into their financial management systems so that all the assets and liabilities, revenues, and expenditures or expenses, and the full costs of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout the Federal Government.

(6) Since its establishment in October 1990, the Federal Accounting Standards Advisory Board (hereinafter referred to as the "FASAB") has made substantial progress toward developing and recommending a comprehensive set of accounting concepts and standards for the Federal Government. When the accounting concepts and standards developed by FASAB are incorporated into Federal financial management systems, agencies will be able to provide cost and financial information that will assist the Congress and financial managers to evaluate the cost and performance of Federal programs and activities, and will therefore provide important information that has been lacking, but is needed for improved decision making by financial managers and the Congress." (*Public Law 104-208*, 110 STAT 3009-389-390).

"Each agency shall implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level." (*Id.*)

entity costs. The next level incorporates regional costs which benefit each of the Agency's ten regions. These are general costs which are essentially counterparts of national costs but benefit regions only. Examples include the costs of regional administration, support, and policy and planning functions. Superfund program management costs comprise the next two levels. These are the support costs incurred at both headquarters and regions to implement Superfund site-specific activities. Costs from each of these four levels form the basis of the indirect cost pool. The final product—separate indirect cost rates for each of EPA's ten regions—will be expressed as a percentage of direct (site-specific) costs for each region.

Direct Costs

In determining the direct costs of the Superfund program, we use SFFAS No. 4's definition of direct costs. However, the direct costs of the Superfund program as a whole, are not necessarily synonymous with the direct costs of Superfund site-specific activities. Superfund site-specific activity is one component of the Superfund program.

Site-Specific Costs

The major component of Superfund direct costs is the costs of site-specific activities, *i.e.* the cost of all activities that go toward the assessment, investigation and actual clean up of a site, related enforcement actions, and other site-associated activities. Examples include, but are not limited to, the costs of salaries and benefits of employees who work directly at the site or provide other site-related effort, contractor costs of removal or remedial activities, and analytical work performed for the site.

Certain other Superfund-related costs are also considered direct costs, although they may or may not be associated with site-specific activities. These costs are described in the next several paragraphs.

ZZ Costs

"ZZ" costs are expenses incurred for site work before a site is established as a Superfund site and assigned a site-specific identifier. If a site-specific identifier is established, the ZZ costs incurred in connection with the site are reclassified to that site-specific identifier. If reclassified, they become part of direct site-specific costs, but for purposes of the indirect rate calculation, ZZ costs are classified as direct costs even if not reclassified.

R&D Costs

Research and Development (R&D) costs are treated as direct costs. All costs incurred within the Office of Research and Development, a separate and distinct organizational unit within the Agency, are excluded from the indirect cost pool. Research and Development costs are considered to be directly incurred for production of R&D outputs. Superfund-related research and development costs are mainly related to the Superfund Innovative Technology (SITE) program. This program evaluates the application of emerging remediation technologies.

NIEHS Costs

Costs associated with the National Institute of Environmental Health Sciences (NIEHS) interagency agreement (IAG) are treated as direct costs. This indirect cost methodology is designed to determine the indirect costs that support Superfund site-specific activities. Therefore NIEHS costs are excluded in their entirety from the indirect cost pool.

OSWER Immediate Office Program Area Costs

Costs associated with certain offices within the Office of Solid Waste and Emergency Response (OSWER) Immediate Office are treated as direct costs. Although these costs are related to the Superfund program and are direct costs of the functions they perform, they are not allocable to Superfund site-specific activities and so are not included in the indirect cost pool for site-specific response costs. For example, the Chemical Emergency Preparedness and Prevention Office (CEPPO), which reports directly to the OSWER Assistant Administrator, implements Agency-wide chemical emergency preparedness and prevention programs. The costs connected with Federal Facilities activities, whether within OSWER or OECA, as well as the costs of activities associated with Brownfields and the Emergency Planning and Community Right-to-know Act, are also considered direct and thus excluded from the indirect cost pool.

Indirect Cost Pool

The indirect cost pool consists of all costs classified as indirect for all appropriations that fund administrative, management and support functions. The pool includes Superfund non-site-specific costs that provide support to Superfund site-specific activities and the other direct Superfund activities. The indirect cost pool includes the non-site portion of: Personnel compensation and benefits, travel, rent, communications, utilities, contracted services, materials and supplies costs. Depreciation and inter-entity costs are also included. The major organizational units contributing costs to the indirect cost pool are described below.

EPA headquarters organizations providing services on an Agency-wide or national basis include the Office of the Administrator, the Office of Administration and Resources Management (human resources, procurement, facilities), the Office of the Chief Financial Officer (Comptroller, budget, finance), the Office of Information Resources Management, the Office of Policy, Planning and Evaluation, the Office of the Inspector General and the Office of General Counsel. The ten EPA regional offices have corporate structures similar in function to those of headquarters. Each region has a regional administrator's office and offices providing general regional support services such as personnel, finance, policy and information management. Costs for these organizations comprise regional indirect costs.

Management and support costs associated with carrying out the Superfund program are another component of the indirect cost pool. These costs are incurred at both headquarters and the regions. At the headquarters level, these are the program management and support costs incurred by the Office of Solid Waste and Emergency Response (OSWER) and by the Office of Enforcement and Compliance Assurance (OECA). At the regional level, Superfund program management costs incurred by regional program divisions in support of Superfund site-specific activities are included in the indirect cost pool. Any of the offices noted above may also have Superfund site-specific charges. Those site-specific charges are subtracted from the total cost of the organization during the indirect cost computation.

The Superfund indirect cost pool, that is, the pool of indirect costs which is ultimately allocable to Superfund sites, will consist of proportionate amounts of Agency-wide, regional and program-related costs. In other words, the Superfund indirect cost pool will be comprised of only the portion of Agency-wide, regional and program-related costs which supports Superfund sites, with the remaining costs supporting all other Agency programs.

Exclusions From the Pool

Superfund non-site specific contractor costs, such as program management, that are distributed through the annual allocation process are excluded from the

indirect cost pool. Annual allocation is the process by which response action contractor non-site support costs are allocated to sites on which the contractor worked. The site-allocable portion of these contracts is removed from the pool because it is allocated to individual sites under a separate process and is treated as a portion of direct site-specific costs incurred by EPA.

Costs of organizational units that provide no direct or indirect support to Superfund are excluded. Examples include the Office of International Activities and certain organizations within the Office of the Administrator, such as the Science Advisory Board and the Office of Administrative Law Judges.

Indirect Cost Base

To properly distribute costs, the indirect cost base must reflect the services provided to each organizational recipient and finally, to the Superfund sites themselves. There are several intermediate allocations of costs, as described below, which use appropriate allocation bases. The choice of allocation base depends on the type of cost to be allocated.

Agency-wide or national indirect costs, also referred to as general and administrative (G&A) costs, are allocated using one of two allocation bases. Facilities, human resources and OPM inter-entity costs are allocated to all EPA organizations based on personnel compensation and benefits (PC&B) costs. The rationale for using PC&B costs as the allocation statistic is that these indirect costs are purely workforce-related and would not otherwise be incurred. Costs associated with other organizations providing Agency-wide benefits, such as procurement, budget, finance, information management, policy, planning, general counsel and inspector general, are distributed across the entire Agency based on total Agency costs. Depreciation will be allocated to all EPA organizations using appropriate cost accounting principles. We are in the process of gathering these costs and determining the appropriate allocation base. Depreciation costs will be incorporated into the rates as soon as possible.

The next level of indirect costs is regional costs which provide general and administrative support similar to that provided at the Agency-wide level. Regional G&A cost pools, including each region's share of national G&A, personnel and facilities costs, depreciation and inter-entity costs are distributed across the entire region based on total regional costs. This is similar to the distribution of Agency-wide support costs across total Agency costs.

Headquarters program management and support costs incurred by OSWER and OECA must be allocated to program areas within each office of an EPA Assistant Administrator and to the regions. Program areas are designated by sub-organization or by funding vehicle such as interagency agreements which fund a particular type of activity. The allocation of headquarters program management and support costs is based on the total costs associated with each program area and region. The headquarters allocation base includes administrative and program costs from appropriations other than Superfund and Superfund site-specific and non-site-specific costs. The regional allocation base consists of regional site charges made within each office of an EPA Assistant Administrator.

The final Superfund indirect cost pool is allocated using Superfund site charges. These site charges include both headquarters and regional site charges, 2Z charges, site charges made under the Department of Justice (DOJ), Corps of Engineers, Bureau of Reclamation, *etc.*, interagency agreements and the Superfund response contract program management costs that are allocated to sites in a separate process. EPA charges arising from mixed funding settlements are direct site costs and are also included in the indirect cost base. The charges for the Agency for Toxic Substances and Disease Registry (ATSDR) are not included in the indirect cost base because their funding mechanism—a "transfer allocation"—does not result in a charge to EPA's accounting system. Again, instead of a rate per hour as in the current methodology, the indirect cost rate will be expressed as a percentage of direct (site) costs.

Computation of Indirect Cost Rates

Data used for the indirect cost computations are obtained from the Agency's Integrated Financial Management System.

The indirect cost pool supporting Superfund site-specific activities in each region for a given fiscal year consists of proportionate shares of the following: program management and support costs incurred by relevant units of EPA headquarters (including their share of nationwide G&A); the region's G&A; and the region's non-site Superfund costs.

The computation of the indirect cost rates consists of nine steps. A detailed document more fully describing the accounting methodology employed will be released with the calculated rates by region by fiscal year. That document will contain a detailed description of each of the nine steps. Briefly, steps 1 and 2 compute the nationwide G&A rate and step 3 computes the regional G&A rates. Steps 4 through 9 perform various allocations and refinements of costs ensuring that the regional Superfund cost pools, which are summarized in step 9, reflect only costs by region associated with Superfund site-specific activities.

Estimated Indirect Rates by Region

As noted above, the revised indirect cost rate methodology will for the first time provide information on the full costs of the outputs of Superfund site-specific activities. The process of computing rates using the full cost methodology is ongoing. As noted above, the revised rates by region by fiscal year will not be issued for several months. In the meantime, we are providing an approximation of the rates that can be used as a means to estimate the full cost of Superfund site-specific activities. These rates are based on the average of preliminary computed rates for fiscal years 1994, 1997 and 1998. It should be noted that rates for any given region may vary considerably from year to year; therefore, the final calculated rates may differ from the estimated average rates listed below.

Estimated Rates*

(Subject to Change)

Region 1—30.0%
Region 2—30.8%
Region 3—43.6%
Region 4—48.1%
Region 5—41.6%
Region 6—29.0%
Region 7—54.4%
Region 8—35.1%
Region 9—40.9%
Region 10—38.6%

* Based on the average of preliminary rates for Fiscal Years 1994, 1997 and 1998.

The overall effect of implementing the full cost accounting methodology for Superfund indirect costs will be to increase the aggregate amount of indirect costs allocated to site-specific activities. As compared to indirect costs allocated using the current methodology, the indirect costs allocated to individual sites may increase or decrease, depending on a number of factors, and will not be known with certainty until all the rates are computed. The estimated rates provided above, however, may be used to predict generally the amount of indirect costs to be allocated to a particular site using the full cost accounting methodology.

To apply these rates to an individual site, identify the total direct site-specific costs of that site (including any DOI costs but excluding any ATSDR costs) and multiply that total by the appropriate region's indirect cost rate. If you have total site costs including indirect costs using the current labor hours-based rates, total direct site-specific costs consists of the total site costs minus the previously-assessed indirect costs. Adding the direct site-specific costs and the indirect costs calculated under the new methodology will result in the full cost of that site.

[FR Doc. 00–13845 Filed 6–1–00; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

Public Information Collections Approved by Office of Management and Budget

May 25, 2000.

The Federal Communications Commission (FCC) has received Office of Management and Budget (OMB) approval for the following public information collections pursuant to the Paperwork Reduction Act of 1995, Public Law 104–13. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid control number. For further information contact Shoko B. Hair, Federal Communications Commission, (202) 418–1379.

Federal Communications Commission

OMB Control No.: 3060–0927.

Expiration Date: 05/31/2003.

Title: Auditor's Annual Independence and Objectivity Certification.

Form No.: N/A.

Respondents: Business or other for profit.

Estimated Annual Burden: 7 respondents; 10 hours per response (avg). 70 total annual burden hours.

Estimated Annual Reporting and Recordkeeping Cost Burden: $0.

Frequency of Response: On occasion; Annually.

Description: The Responsible Accounting Officer Letter (RAO) 28, released December 1, 1999 requires that carriers' independent auditors disclose in writing all relationships between the auditor and its related entities and the carrier and its related entities that in the auditor's professional judgment may reasonably be thought to bear on independence; confirm in writing in its professional judgment it is independent of the carrier; and discuss the auditor's independence. The information will be used to determine whether the auditors are performing their audits independently and unbiased of the carrier they audit. Obligation to respond: Mandatory.

OMB Control No.: 3060–0514.

Expiration Date: 05/31/2003.

Title: Section 43.21(b)—Holding Company Annual Report.

Form No.: N/A.

Respondents: Business or other for-profit.

Estimated Annual Burden: 20 respondents; 1 hour per response (avg.); 20 total annual burden hours.

Estimated Annual Reporting and Recordkeeping Cost Burden: $0.

Frequency of Response: Annually.

Description: The SEC 10K Form is needed from holding companies of communications common carriers to provide the Commission with the data required to fulfill its regulatory responsibilities and by the public in analyzing the industry. Selected information is compiled and published in the Commission's annual common carrier statistical publication. Obligation to respond: Mandatory.

OMB Control No.: 3060–0894.

Expiration Date: 05/31/2003.

Title: Certification Letter Accounting for Receipt of Federal Support, CC Docket Nos. 96–45 and 96–262.

Form No.: N/A.

Respondents: State, Local or Tribal Government.

Estimated Annual Burden: 51 respondents; 3 hours per response (avg.); 153 total annual burden hours.

Estimated Annual Reporting and Recordkeeping Cost Burden: $0.

Frequency of Response: On occasion; Annually.

Description: The Commission requires states to certify that carriers within the state had accounted for its receipt of federal support in its rates or otherwise used the support pursuant with Section 254(e). A state may file a supplemental certification for carriers not subject to the state's annual certification. This information will be used to show that federal high-cost support is being provided to the carrier to assist in keeping rates affordable in those subscribers' area. Further, the collection of information will be used to certify that the carriers have accounted for its receipt of federal support in its rates or otherwise used the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended in accordance with section 254(e). Obligation to respond: Required to obtain or retain benefits.

OMB Control No.: 3060–0755.

Expiration Date: 05/31/2003.

Title: 47 CFR Sections 59.1–59.4—Infrastructure Sharing.

Form No.: N/A.

Respondents: Business or other for-profit.

Estimated Annual Burden: 75 respondents; 31 hours per response (avg.); 2325 total annual burden hours.

Estimated Annual Reporting and Recordkeeping Cost Burden: $0.

Frequency of Response: On occasion; Third party disclosure.

Description: In CC Docket No. 96–237, the Commission implemented the infrastructure sharing provisions of the Communications Act of 1934, as amended. Section 259 requires incumbent LECs to file any arrangements showing the conditions under which they share infrastructure. See also 47 CFR Section 59.2. (No. of respondents: 75; hours per response: 15; total annual burden: 375 hours). Section 259 also requires incumbent LECs to provide information on deployments of new services and equipment to qualifying carriers. See also 47 CFR Section 59.3 (No. of respondents: 75; hours per response: 24 hours; total annual burden: 1800 hours). The Commission requires incumbent LECs to provide 60-day notices prior to terminating section 259 agreements. See 47 CFR Section 59.2. (No. of respondents: 75; hours per response: 2 hours; total annual burden: 150 hours). The information collected under the requirement that incumbent LECs file any tariffs, contracts or other arrangements for infrastructure sharing would be made available for public inspection. The information collected under the requirement that incumbent LECs provide timely information on planned deployments of new services and equipment would be provided to third parties. The information collected under the requirement that providing incumbent LECs furnish sixty days notice prior to termination of a section 259 sharing agreement would be provided to third parties to protect customers from sudden changes in services. Obligation to respond: Mandatory.

OMB Control No.: 3060–0933.

Expiration Date: 11/30/2000.

Title: Community Broadband Deployment Database Reporting Form.

Form No.: FCC Form 460.

Respondents: Not-for-profit institutions; Federal Government; State, Local or Tribal Government.

Estimated Annual Burden: 30 respondents; .25 hours per response (avg.); 7 total annual burden hours.

Estimated Annual Reporting and Recordkeeping Cost Burden: $0.

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10301774

SITE: Starmet CMI
BREAK: 19.6
OTHER: V2

Narrative Cost Summary Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

1. The United States Environmental Protection Agency has incurred at least $48,223.77 for Regional Payroll Costs.

2. The United States Environmental Protection Agency has incurred at least $14,413.59 for Regional Travel Costs.

3. The United States Environmental Protection Agency has incurred at least $915.45 for Headquarters Travel Costs.

4. The United States Environmental Protection Agency has incurred costs of at least $123,603.16 for INTERAGENCY AGREEMENT (IAG) contract expenditures. The total represents the amount spent under the DEPARTMENT OF INTERIOR contract.

5. The United States Environmental Protection Agency has incurred costs of at least $4,309,837.70 for OTHER EXPENDITURES contract expenditures. The total represents the amount spent under the WRS INFRASTRUCTURE AND ENVIROMENT, INC. contract.

6. The United States Environmental Protection Agency has incurred costs of at least $292.04 for OTHER EXPENDITURES contract expenditures. The total represents the amount spent under the AARCHER, INC. contract.

7. The United States Environmental Protection Agency has incurred costs of at least $279,937.13 for S/F TECH ASSESSMENT & REPONSES TEAM (START II) contract expenditures. The total represents the amount spent under the WESTON SOLUTIONS, INC. contract.

8. The United States Environmental Protection Agency has incurred at least $2,223,797.33 for Indirect Costs.

Total Site Costs:	$7,001,020.17

Itemized Cost Summary Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

REGIONAL PAYROLL COSTS	$48,223.77
REGIONAL TRAVEL COSTS	$14,413.59
HEADQUARTERS TRAVEL COSTS	$915.45
INTERAGENCY AGREEMENT (IAG)	
DEPARTMENT OF INTERIOR (DW14945858)	$123,603.16
OTHER EXPENDITURES	
WRS INFRASTRUCTURE AND ENVIROMENT, INC. (68-S4-0206)	$4,309,837.70
AARCHER, INC. (EPS40403)	$292.04
S/F TECH ASSESSMENT & REPONSES TEAM (START II)	
WESTON SOLUTIONS, INC. (68-W0-0123)	$279,937.13
EPA INDIRECT COSTS	$2,223,797.33
Total Site Costs:	$7,001,020.17

Regional Payroll Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Employee Name	Fiscal Year	Pay Period	Office Code	Payroll Hours	Payroll Costs	Site Project	CRP Number
BATCHELOR, PAULA V.	2004	11	04D	0.50	15.22	A48QIJ00	127742
ENVIRONMENTAL PROTECTION SPEC		12	04D	0.50	15.56	A48QIJ00	127742
		15	04D	0.50	15.56	A48QIJ00	127742
				1.50	$46.34		
BESWICK, KEVIN T.	2004	11	04L	2.00	119.11	A48QNG00	127742
ATTORNEY		13	04L	8.00	476.45	A48QNG00	127742
		22	04L	1.00	60.79	A48QNG00	127742
		22	04L	9.00	547.11	A48QPS00	127742
				20.00	$1,203.46		
BOSEMAN, ANITA L.	2004	10	04D	36.00	1,907.34	A48QRV00	127742
				36.00	$1,907.34		
BYRD, TERRANCE	2004	12	04D	47.00	940.14	A48QRV00	127742
		13	04D	88.00	1,750.98	A48QRV00	127742
		15	04D	47.00	976.26	A48QRV00	127742
		21	04D	37.00	893.36	A48QBB00	127742
		21	04D	8.00	193.15	A48QRV00	127742
		22	04D	18.00	434.54	A48QBB00	127742
		22	04D	23.00	584.34	A48QRV00	127742
				268.00	$5,772.77		
CROWLEY, JEFFERY J.	2004	10	04D	12.00	349.67	A48QRV00	127742

Regional Payroll Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Employee Name	Fiscal Year	Pay Period	Office Code	Payroll Hours	Payroll Costs	Site Project	CRP Number
ENVIRONMENTAL ENGINEER	2004	12	04D	1.00	29.13	A48QRV00	127742
				13.00	$378.80		
DAVIS, ANITA L.	2004	24	04D	1.00	55.58	A48QNG00	127742
ENVIRONMENTAL SCIENTIST							
				1.00	$55.58		
DORIAN, DAVID	2004	10	04D	9.00	392.61	A48QRV00	127742
		12	04D	76.00	3,221.83	A48QRV00	127742
		13	04D	39.00	1,627.58	A48QRV00	127742
		14	04D	41.00	1,694.63	A48QRV00	127742
		15	04D	34.00	1,432.92	A48QRV00	127742
		16	04D	62.00	2,673.64	A48QRV00	127742
		17	04D	29.00	1,210.13	A48QRV00	127742
		18	04D	24.00	1,069.32	A48QRV00	127742
		19	04D	27.00	1,203.05	A48QRV00	127742
		20	04D	47.00	2,012.01	A48QRV00	127742
		21	04D	25.00	1,113.78	A48QRV00	127742
		22	04D	8.00	356.44	A48QBB00	127742
		22	04D	31.00	1,292.44	A48QRV00	127742
		23	04D	18.00	740.50	A48QBB00	127742
		23	04D	22.00	966.54	A48QRV00	127742
		24	04D	21.00	935.74	A48QBB00	127742
		24	04D	54.00	2,323.90	A48QRV00	127742

Regional Payroll Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Employee Name	Fiscal Year	Pay Period	Office Code	Payroll Hours	Payroll Costs	Site Project	CRP Number
DORIAN, DAVID	2004	25	04D	37.00	1,580.21	A48QRV00	127742
	2005	01	04D	9.00	408.81	A48QRV00	127742
		02	04D	27.00	1,126.13	A48QRV00	127742
		03	04D	27.00	1,126.13	A48QRV00	127742
		04	04R0C8Q	36.00	1,531.38	A48QRV00	127742
		05	04R0C8Q	3.00	141.23	A48QRV00	127742
		06	04D	9.00	396.45	A48QBB00	127742
		06	04R0C8Q	55.00	2,407.05	A48QRV00	127742
		07	04D	4.00	185.92	A48QBB00	127742
		07	04R0C8Q	33.00	1,431.07	A48QRV00	127742
		08	04R0C8Q	41.00	1,802.94	A48QRV00	127742
				848.00	$36,404.38		
MONSEES, MATTHEW B.	2004	10	04D	0.25	13.71	A48QJU00	127742
ENVIRONMENTAL SCIENTIST		22	04D	0.50	27.95	A48QJU00	127742
		25	04D	0.50	27.95	A48QJU00	127742
				1.25	$69.61		
RUBINI, SUZANNE G.	2004	10	04L	1.00	65.90	A48QPS00	127742
GENERAL ATTORNEY		12	04L	1.00	65.90	A48QPS00	127742
		16	04L	2.00	134.54	A48QPS00	127742
				4.00	$266.34		
STERLING, BLAKE D.	2004	10	04D	8.00	333.90	A48QNS00	127742

Regional Payroll Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Employee Name	Fiscal Year	Pay Period	Office Code	Payroll Hours	Payroll Costs	Site Project	CRP Number
CIVIL INVESTIGATOR	2004	11	04D	4.00	170.45	A48QNS00	127742
		24	04D	1.00	43.78	A48QNS00	127742
		25	04D	4.00	175.15	A48QNS00	127742
		27	04D	1.00	43.78	A48QNS00	127742
				18.00	$767.06		
STRICKLAND, RAY L.	2005	06	04D	4.00	189.21	A48QNG00	127742
ENVIRONMENTAL ENGINEER							
				4.00	$189.21		
TAYLOR, MATTHEW W.	2005	04	04D	14.00	782.68	A48QRV00	127742
ENVIRONMENTAL SCIENTIST							
				14.00	$782.68		
WOODS-GREENE, ANNETTE W.	2004	27	04D	9.00	380.20	A48QNS00	127742
GREENE, ANNETTE W.							
CIVIL INVESTIGATOR							
				9.00	$380.20		
Total Regional Payroll Costs				1,237.75	$48,223.77		

Report Date: 01/24/2005
Report Time: 03:20 PM

Headquarters Payroll Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Employee Name	Fiscal Year	Pay Period	Office Code	Payroll Hours	Payroll Costs	Site Project	CRP Number

Regional Travel Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Traveler/Vendor Name	Travel Number	Treasury Schedule	Treasury Schedule Date	Travel Costs	Site Project	CRP Number
BESWICK, KEVIN T.	TM0208566	ACHA04131	05/12/2004	293.45	A48QNG00	127742
ATTORNEY						
				$293.45		
BOSEMAN, ANITA L.	0404DE4158	ACHA04070	03/12/2004	1,188.22	A48QRV00	127742
				$1,188.22		
BYRD, TERRANCE	TM0194103	ACHA04082	03/24/2004	541.68	A48QRV00	127742
	TM0190815	ACHA04092	04/05/2004	452.20	A48QRV00	127742
	TM0202689	ACHA04117	04/28/2004	427.31	A48QRV00	127742
	TM0230300	ACHA04194	07/14/2004	125.31	A48QRV00	127742
	TM0230314	ACHA04210	07/30/2004	156.57	A48QBB00	127742
	TM0230314	ACHA04210	07/30/2004	156.57	A48QRV00	127742
	TM0233876	ACHA04225	08/16/2004	400.74	A48QRV00	127742
	TM0264966	ACHA04309	11/08/2004	313.00	A48QRV00	127742
				$2,573.38		
DORIAN, DAVID	TM0184666	ACHA04054	02/25/2004	572.50	A48QRV00	127742
	TM0187183	ACHA04061	03/03/2004	575.44	A48QRV00	127742
	TM0189130	ACHA04064	03/08/2004	572.50	A48QCO00	127742
	TM0191628	ACHA04076	03/18/2004	343.33	A48QRV00	127742
	TM0193734	ACHA04089	03/31/2004	345.38	A48QRV00	127742
	TM0199250	ACHA04099	04/12/2004	474.63	A48QRV00	127742
	TM0203402	ACHA04114	04/27/2004	458.50	A48QRV00	127742
	TM0206379	ACHA04128	05/11/2004	329.94	A48QRV00	127742

Regional Travel Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Traveler/Vendor Name	Travel Number	Treasury Schedule	Treasury Schedule Date	Travel Costs	Site Project	CRP Number
DORIAN, DAVID	TM0208321	ACHA04149	06/02/2004	592.04	A48QRV00	127742
	TM0216718	ACHA04149	06/02/2004	199.50	A48QRV00	127742
	TM0213569	ACHA04156	06/08/2004	84.25	A48QRV00	127742
	TM0220618	ACHA04180	06/30/2004	298.10	A48QRV00	127742
	TM0223974	ACHA04180	06/30/2004	104.40	A48QRV00	127742
	TM0227582	ACHA04188	07/08/2004	387.35	A48QRV00	127742
	TM0230283	ACHA04212	08/03/2004	84.25	A48QBB00	127742
	TM0230283	ACHA04212	08/03/2004	388.00	A48QRV00	127742
	TM0238426	ACHA04224	08/13/2004	115.25	A48QBB00	127742
	TM0238426	ACHA04224	08/13/2004	278.34	A48QRV00	127742
	TM0244754	ACHA04243	09/01/2004	291.50	A48QRV00	127742
	TM0242656	ACHA04244	09/02/2004	92.00	A48QBB00	127742
	TM0242656	ACHA04244	09/02/2004	318.36	A48QRV00	127742
	TM0249855	ACHA04274	10/04/2004	382.13	A48QRV00	127742
	TM0249440	ACHA04278	10/06/2004	311.65	A48QRV00	127742
	TM0258969	ACHA04288	10/18/2004	291.50	A48QRV00	127742
	TM0264923	ACHA04300	10/28/2004	236.43	A48QRV00	127742
	TM0266077	ACHA04321	11/18/2004	209.50	A48QRV00	127742
	TM0271211	ACHA04344	12/13/2004	331.46	A48QRV00	127742
	TM0276406	ACHA04344	12/13/2004	538.50	A48QRV00	127742
	TM0278938	ACHA04355	12/22/2004	212.85	A48QRV00	127742
	TM0279916	ACHA05004	01/06/2005	491.26	A48QRV00	127742

Regional Travel Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Traveler/Vendor Name	Travel Number	Treasury Schedule	Treasury Schedule Date	Travel Costs	Site Project	CRP Number
DORIAN, DAVID	TM0280914	ACHA05011	01/13/2005	209.50	A48QRV00	127742
				$10,120.34		
GORDON, JAMES S.	TM0271687	ACHA04323	11/22/2004	119.10	A48QRV00	127742
ENVIRONMENTAL ENGINEER						
				$119.10		
TAYLOR, MATTHEW W.	TM0271333	ACHA04321	11/18/2004	119.10	A48QRV00	127742
ENVIRONMENTAL SCIENTIST						
				$119.10		
Total Regional Travel Costs				$14,413.59		

Headquarters Travel Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Traveler/Vendor Name	Travel Number	Treasury Schedule	Treasury Schedule Date	Travel Costs	Site Project	CRP Number
PETULLO, COLLEEN F.	TM0230463	ACHA04217	08/06/2004	915.45	A48QRV00	127742
HEALTH PHYSICIST						
				$915.45		
Total Headquarters Travel Costs				$915.45		

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

INTERAGENCY AGREEMENT (IAG)

Federal Agency: DEPARTMENT OF INTERIOR

IAG Number: DW14945858

Project Officer(s): WALRAVEN, PAULA

Dates of Service: From: 04/01/2004 To: 06/30/2004

Summary of Service:

Total Costs: $123,603.16

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
00906085	05/20/2004	4,216.50	270425629	06/23/2004	4,216.50	A48QRV00	127742
00906176	06/14/2004	7,563.28	270426348	07/19/2004	7,563.28	A48QRV00	127742
00906373	07/16/2004	13,220.22	270427206	08/04/2004	783.50	A48QRV00	127742
00906373	07/16/2004	13,220.22	270427206	08/04/2004	12,436.72	A48QRV00	127742
00907234	11/12/2004	79,647.42	270530366	01/21/2005	79,647.42	A48QRV00	127742
00907358	12/10/2004	18,955.74	270530956	01/21/2005	18,955.74	A48QRV00	127742
				Total:	$123,603.16		

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER EXPENDITURES

Contractor Name: WRS INFRASTRUCTURE AND ENVIROMENT, INC.

EPA Contract Number: 68-S4-0206

Delivery Order Information

DO #	Start Date	End Date
4002	12/09/2003	12/07/2004

Project Officer(s): JOHNSON, DORA

Dates of Service: From: 12/09/2003 To: 09/28/2004

Summary of Service:

Total Costs: $4,309,837.70

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
21023-02-25	01/22/2004	144,846.46	04263	02/20/2004	133,343.32	A48QRV00	127742
21023-02-25	01/22/2004	144,846.46	04263	02/20/2004	11,503.14	A48QRV00	127742
1034-002-26	02/19/2004	136,248.31	04304	03/17/2004	99,898.88	A48QRV00	127742
1034-002-26	02/19/2004	136,248.31	04304	03/17/2004	36,349.43	A48QRV00	127742
21047-02-27	02/28/2004	57,468.42	04327	03/29/2004	3,217.85	A48QRV00	127742
21047-02-27	02/28/2004	57,468.42	04327	03/29/2004	54,250.57	A48QRV00	127742
JVD1421	03/31/2004	0.00	D1421	03/31/2004	-54,250.57	A48QRV00	127742
JVD1421	03/31/2004	0.00	D1421	03/31/2004	-3,217.85	A48QRV00	127742
7-02-27REIS	02/28/2004	57,468.42	04336	04/05/2004	3,217.85	A48QRV00	127742
7-02-27REIS	02/28/2004	57,468.42	04336	04/05/2004	54,250.57	A48QRV00	127742
21050-02-28	03/16/2004	57,930.98	04349	04/12/2004	57,930.98	A48QRV00	127742
21068-02-29	03/30/2004	89,246.85	04378	04/29/2004	50,395.68	A48QBB01	127742
21068-02-29	03/30/2004	89,246.85	04378	04/29/2004	38,851.17	A48QRV00	127742
21073-02-30	04/23/2004	134,468.32	04419	05/21/2004	134,468.32	A48QBB01	127742
21080-02-31	05/21/2004	171,376.01	04473	06/18/2004	171,376.01	A48QBB01	127742
21092-02-32	06/11/2004	93,358.13	04507	07/08/2004	43,759.99	A48QBB01	127742
21092-02-32	06/11/2004	93,358.13	04507	07/08/2004	49,598.14	A48QRV00	127742
21100-02-33	06/25/2004	171,598.31	04533	07/22/2004	171,598.31	A48QRV00	127742

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER EXPENDITURES

Contractor Name: WRS INFRASTRUCTURE AND ENVIROMENT, INC.

EPA Contract Number: 68-S4-0206

Delivery Order Information

DO #	Start Date	End Date
4002	12/09/2003	12/07/2004

Project Officer(s): JOHNSON, DORA

Dates of Service: From: 12/09/2003 To: 09/28/2004

Summary of Service:

Total Costs: $4,309,837.70

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
21105-02-34	07/09/2004	133,090.51	04556	08/05/2004	133,090.51	A48QRV00	127742
21115-02-35	07/23/2004	130,756.44	04584	08/19/2004	130,756.44	A48QRV00	127742
21122-02-36	08/26/2004	872,394.48	04646	09/22/2004	872,394.48	A48QRV00	127742
21129-02-37	09/09/2004	122,336.10	05005	10/05/2004	122,336.10	A48QRV00	127742
21138-02-38	09/30/2004	350,821.58	05053	10/28/2004	350,821.58	A48QRV00	127742
21149-02-39	10/28/2004	441,247.33	05116	11/26/2004	441,247.33	A48QRV00	127742
21156-02-40	11/12/2004	239,661.93	05145	12/10/2004	239,661.93	A48QRV00	127742
21168-02-41	11/26/2004	715,836.73	05180	12/29/2004	715,836.73	A48QRV00	127742
21172-02-42	12/15/2004	247,150.81	05221	01/14/2005	247,150.81	A48QRV00	127742
				Total:	$4,309,837.70		

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER EXPENDITURES

Contractor Name: AARCHER, INC.

EPA Contract Number: EPS40403

Project Officer(s): BYARS, MEREDITH

Dates of Service: From: 11/01/2004 To: 11/30/2004

Summary of Service:

Total Costs: $292.04

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
5-112004	12/21/2004	292.04	05227	01/20/2005	292.04	A48QNS00	127742
				Total:	$292.04		

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

S/F TECH ASSESSMENT & REPONSES TEAM (START II)

Contractor Name: WESTON SOLUTIONS, INC.

EPA Contract Number: 68-W0-0123

Project Officer(s): MONSEES, MATTHEW

Dates of Service: From: 12/27/2003 To: 08/20/2004

Summary of Service:

Total Costs: $279,937.13

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
44	02/10/2004	225,915.75	R4296	03/12/2004	8,459.71	A48QRV00	127742
45	03/03/2004	265,027.98	R4344	04/08/2004	14,430.14	A48QRV00	127742
46	04/14/2004	389,779.23	R4398	05/11/2004	14,820.78	A48QBB00	127742
46	04/14/2004	389,779.23	R4398	05/11/2004	14,820.78	A48QRV00	127742
46	04/14/2004	389,779.23	R4398	05/11/2004	-14,820.78	A48QRV00	127742
47	05/13/2004	267,786.59	R4452	06/10/2004	1,769.91	A48QBB00	127742
47	05/13/2004	267,786.59	R4452	06/10/2004	-1,769.91	A48QBB00	127742
47	05/13/2004	267,786.59	R4452	06/10/2004	1,769.91	A48QRV00	127742
47	05/13/2004	267,786.59	04452	06/10/2004	16,449.18	A48QRV00	127742
47	05/13/2004	267,786.59	R4452	06/10/2004	-1,769.91	A48QRV00	127742
47	05/13/2004	267,786.59	R4452	06/10/2004	1,769.91	A48QRV00	127742
48	06/14/2004	318,629.38	04511	07/09/2004	23,804.05	A48QRV00	127742
49	07/14/2004	357,430.47	04568	08/11/2004	20,931.97	A48QRV00	127742
50	08/12/2004	274,273.28	04620	09/09/2004	699.70	A48QRV00	127742
50	08/12/2004	274,273.28	04620	09/09/2004	19,746.77	A48QRV00	127742
51	09/14/2004	339,509.60	R5016	10/12/2004	-16,683.88	A48QBB00	127742
51	09/14/2004	339,509.60	05016	10/12/2004	16,683.88	A48QBB00	127742
51	09/14/2004	339,509.60	R5016	10/12/2004	16,683.88	A48QRV00	127742
51	09/14/2004	339,509.60	05016	10/12/2004	8,368.33	A48QRV00	127742
52	10/15/2004	437,543.47	05085	11/12/2004	22,941.69	A48QBB00	127742

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

S/F TECH ASSESSMENT & REPONSES TEAM (START II)

Contractor Name: WESTON SOLUTIONS, INC.

EPA Contract Number: 68-W0-0123

Project Officer(s): MONSEES, MATTHEW

Dates of Service: From: 12/27/2003 To: 08/20/2004

Summary of Service:

Total Costs: $279,937.13

Voucher Number	Voucher Date	Voucher Amount	Treasury Schedule Number	and Date	Site Amount	Site Project	CRP Number
52	10/15/2004	437,543.47	R5085	11/12/2004	-22,941.69	A48QBB00	127742
52	10/15/2004	437,543.47	R5085	11/12/2004	22,941.69	A48QRV00	127742
53	11/15/2004	344,899.71	05145	12/10/2004	22,619.49	A48QRV00	127742
54	12/15/2004	304,767.08	05203	01/11/2005	3,783.74	A48QBB00	127742
54	12/15/2004	304,767.08	05203	01/11/2005	2,461.05	A48QRV00	127742
55Z	12/21/2004	-15,572.09	05203	01/11/2005	-607.21	A48QRV00	127742
				Total:	$197,363.18		

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

S/F TECH ASSESSMENT & REPONSES TEAM (START II)

Contractor Name: WESTON SOLUTIONS, INC.

EPA Contract Number: 68-W0-0123

Project Officer(s): MONSEES, MATTHEW

Dates of Service: From: 12/27/2003 To: 08/20/2004

Summary of Service:

Total Costs: $279,937.13

Voucher Number	Schedule Number	Rate Type	Annual Allocation Rate
44	R4296	Class	0.419577
45	R4344	Class	0.419577
46	R4398	Class	0.419577
46	R4398	Class	0.419577
46	R4398	Class	0.419577
47	R4452	Class	0.419577
47	R4452	Class	0.419577
47	R4452	Class	0.419577
47	04452	Class	0.419577
47	R4452	Class	0.419577
47	R4452	Class	0.419577
48	04511	Class	0.419577
49	04568	Class	0.419577
50	04620	Class	0.419577
50	04620	Class	0.419577
51	R5016	Class	0.419577
51	05016	Class	0.419577
51	R5016	Class	0.419577

Contract Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

S/F TECH ASSESSMENT & REPONSES TEAM (START II)

Contractor Name: WESTON SOLUTIONS, INC.

EPA Contract Number: 68-W0-0123

Project Officer(s): MONSEES, MATTHEW

Dates of Service: From: 12/27/2003 To: 08/20/2004

Summary of Service:

Total Costs: $279,937.13

Voucher Number	Schedule Number	Rate Type	Annual Allocation Rate
51	05016	Class	0.419577
52	05085	Class	0.414985
52	R5085	Class	0.414985
52	R5085	Class	0.414985
53	05145	Class	0.414985
54	05203	Class	0.414985
54	05203	Class	0.414985
55Z	05203	Class	0.414985

Financial Cost Summary for the Contract Lab Program Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

CONTRACT LAB PROGRAM (CLP) COSTS

EPA Indirect Costs Summary Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

Fiscal Year	Direct Costs	Indirect Rate(%)	Indirect Costs
2004	2,437,969.15	46.55%	1,134,874.70
2005	2,339,253.69	46.55%	1,088,922.63
	4,777,222.84		
Total EPA Indirect Costs			$2,223,797.33

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
BATCHELOR, PAULA V.	2004	11	15.22	46.55%	7.08
		12	15.56	46.55%	7.24
		15	15.56	46.55%	7.24
			46.34		$21.56
BESWICK, KEVIN T.	2004	11	119.11	46.55%	55.45
		13	476.45	46.55%	221.79
		22	547.11	46.55%	254.68
			60.79	46.55%	28.30
			1,203.46		$560.22
BOSEMAN, ANITA L.	2004	10	1,907.34	46.55%	887.87
			1,907.34		$887.87
BYRD, TERRANCE	2004	12	940.14	46.55%	437.64
		13	1,750.98	46.55%	815.08
		15	976.26	46.55%	454.45
		21	893.36	46.55%	415.86
			193.15	46.55%	89.91
		22	584.34	46.55%	272.01
			434.54	46.55%	202.28
			5,772.77		$2,687.23
CROWLEY, JEFFERY J.	2004	10	349.67	46.55%	162.77
		12	29.13	46.55%	13.56
			378.80		$176.33
DAVIS, ANITA L.	2004	24	55.58	46.55%	25.87
			55.58		$25.87

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
DORIAN, DAVID	2004	10	392.61	46.55%	182.76
		12	3,221.83	46.55%	1,499.76
		13	1,627.58	46.55%	757.64
		14	1,694.63	46.55%	788.85
		15	1,432.92	46.55%	667.02
		16	2,673.64	46.55%	1,244.58
		17	1,210.13	46.55%	563.32
		18	1,069.32	46.55%	497.77
		19	1,203.05	46.55%	560.02
		20	2,012.01	46.55%	936.59
		21	1,113.78	46.55%	518.46
		22	356.44	46.55%	165.92
			1,292.44	46.55%	601.63
		23	966.54	46.55%	449.92
			740.50	46.55%	344.70
		24	2,323.90	46.55%	1,081.78
			935.74	46.55%	435.59
		25	1,580.21	46.55%	735.59
			25,847.27		$12,031.90
MONSEES, MATTHEW B.	2004	10	13.71	46.55%	6.38
		22	27.95	46.55%	13.01
		25	27.95	46.55%	13.01
			69.61		$32.40
RUBINI, SUZANNE G.	2004	10	65.90	46.55%	30.68
		12	65.90	46.55%	30.68
		16	134.54	46.55%	62.63
			266.34		$123.99
STERLING, BLAKE D.	2004	10	333.90	46.55%	155.43
		11	170.45	46.55%	79.34
		24	43.78	46.55%	20.38

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
STERLING, BLAKE D.	2004	25	175.15	46.55%	81.53
		27	43.78	46.55%	20.38
			767.06		$357.06
WOODS-GREENE, ANNETTE W.	2004	27	380.20	46.55%	176.98
			380.20		$176.98
Total Fiscal Year 2004 Payroll Direct Costs:			36,694.77		$17,081.41

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
BESWICK, KEVIN T.	TM0208566	05/12/2004	293.45	46.55%	136.60
			293.45		$136.60
BOSEMAN, ANITA L.	0404DE4158	03/12/2004	1,188.22	46.55%	553.12
			1,188.22		$553.12
BYRD, TERRANCE	TM0194103	03/24/2004	541.68	46.55%	252.16
	TM0190815	04/05/2004	452.20	46.55%	210.50
	TM0202689	04/28/2004	427.31	46.55%	198.92
	TM0230300	07/14/2004	125.31	46.55%	58.34
	TM0230314	07/30/2004	156.57	46.55%	72.89
			156.57	46.55%	72.89
	TM0233876	08/16/2004	400.74	46.55%	186.55
			2,260.38		$1,052.25
DORIAN, DAVID	TM0184666	02/25/2004	572.50	46.55%	266.51
	TM0187183	03/03/2004	575.44	46.55%	267.87

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
DORIAN, DAVID	TM0189130	03/08/2004	572.50	46.55%	266.51
	TM0191628	03/18/2004	343.33	46.55%	159.82
	TM0193734	03/31/2004	345.38	46.55%	160.77
	TM0199250	04/12/2004	474.63	46.55%	220.94
	TM0203402	04/27/2004	458.50	46.55%	213.43
	TM0206379	05/11/2004	329.94	46.55%	153.59
	TM0216718	06/02/2004	199.50	46.55%	92.87
	TM0208321	06/02/2004	592.04	46.55%	275.59
	TM0213569	06/08/2004	84.25	46.55%	39.22
	TM0223974	06/30/2004	104.40	46.55%	48.60
	TM0220618	06/30/2004	298.10	46.55%	138.76
	TM0227582	07/08/2004	387.35	46.55%	180.31
	TM0230283	08/03/2004	388.00	46.55%	180.62
			84.25	46.55%	39.22
	TM0238426	08/13/2004	278.34	46.55%	129.57
			115.25	46.55%	53.65
	TM0244754	09/01/2004	291.50	46.55%	135.69
	TM0242656	09/02/2004	318.36	46.55%	148.20
			92.00	46.55%	42.82
			6,905.56		$3,214.56
PETULLO, COLLEEN F.	TM0230463	08/06/2004	915.45	46.55%	426.15
			915.45		$426.15
Total Fiscal Year 2004 Travel Direct Costs:			11,563.06		$5,382.68

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
68-S4-0206	21023-02-25	02/20/2004	133,343.32	0.00	46.55%	62,071.32
			11,503.14	0.00	46.55%	5,354.71
	1034-002-26	03/17/2004	99,898.88	0.00	46.55%	46,502.93

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
68-S4-0206	1034-002-26	03/17/2004	36,349.43	0.00	46.55%	16,920.66
	21047-02-27	03/29/2004	54,250.57	0.00	46.55%	25,253.64
			3,217.85	0.00	46.55%	1,497.91
	JVD1421	03/31/2004	-54,250.57	0.00	46.55%	-25,253.64
			-3,217.85	0.00	46.55%	-1,497.91
	7-02-27REIS	04/05/2004	54,250.57	0.00	46.55%	25,253.64
			3,217.85	0.00	46.55%	1,497.91
	21050-02-28	04/12/2004	57,930.98	0.00	46.55%	26,966.87
	21068-02-29	04/29/2004	38,851.17	0.00	46.55%	18,085.22
			50,395.68	0.00	46.55%	23,459.19
	21073-02-30	05/21/2004	134,468.32	0.00	46.55%	62,595.00
	21080-02-31	06/18/2004	171,376.01	0.00	46.55%	79,775.53
	21092-02-32	07/08/2004	43,759.99	0.00	46.55%	20,370.28
			49,598.14	0.00	46.55%	23,087.93
	21100-02-33	07/22/2004	171,598.31	0.00	46.55%	79,879.01
	21105-02-34	08/05/2004	133,090.51	0.00	46.55%	61,953.63
	21115-02-35	08/19/2004	130,756.44	0.00	46.55%	60,867.12
	21122-02-36	09/22/2004	872,394.48	0.00	46.55%	406,099.63
			2,192,783.22	0.00		$1,020,740.58
68-W0-0123	44	03/12/2004	8,459.71	3,549.50	46.55%	5,590.29
	45	04/08/2004	14,430.14	6,054.55	46.55%	9,535.62
	46	05/11/2004	14,820.78	6,218.46	46.55%	9,793.77
			-14,820.78	-6,218.46	46.55%	-9,793.77
			14,820.78	6,218.46	46.55%	9,793.77
	47	06/10/2004	1,769.91	742.61	46.55%	1,169.58
			1,769.91	742.61	46.55%	1,169.58
			1,769.91	742.61	46.55%	1,169.58
			-1,769.91	-742.61	46.55%	-1,169.58
			-1,769.91	-742.61	46.55%	-1,169.58
			16,449.18	6,901.70	46.55%	10,869.83
	48	07/09/2004	23,804.05	9,987.63	46.55%	15,730.03
	49	08/11/2004	20,931.97	8,782.57	46.55%	13,832.12
	50	09/09/2004	19,746.77	8,285.29	46.55%	13,048.92

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
68-W0-0123	50	09/09/2004	699.70	293.58	46.55%	462.37
			121,112.21	50,815.89		$80,032.53
DW14945858	00906085	06/23/2004	4,216.50	0.00	46.55%	1,962.78
	00906176	07/19/2004	7,563.28	0.00	46.55%	3,520.71
	00906373	08/04/2004	783.50	0.00	46.55%	364.72
			12,436.72	0.00	46.55%	5,789.29
			25,000.00	0.00		$11,637.50
Total Fiscal Year 2004 Other Direct Costs:			2,338,895.43	50,815.89		$1,112,410.61
Total Fiscal Year 2004:			2,437,969.15			$1,134,874.70

PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
DORIAN, DAVID	2005	01	408.81	46.55%	190.30
		02	1,126.13	46.55%	524.21
		03	1,126.13	46.55%	524.21
		04	1,531.38	46.55%	712.86
		05	141.23	46.55%	65.74
		06	2,407.05	46.55%	1,120:48
			396.45	46.55%	184.55
		07	185.92	46.55%	86.55
			1,431.07	46.55%	666.16
		08	1,802.94	46.55%	839.27
			10,557.11		$4,914.33

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

PAYROLL DIRECT COSTS

Employee Name	Fiscal Year	Pay Period	Payroll Costs	Ind. Rate (%)	Indirect Costs
STRICKLAND, RAY L.	2005	06	189.21	46.55%	88.08
			189.21		$88.08
TAYLOR, MATTHEW W.	2005	04	782.68	46.55%	364.34
			782.68		$364.34
Total Fiscal Year 2005 Payroll Direct Costs:			11,529.00		$5,366.75

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
BYRD, TERRANCE	TM0264966	11/08/2004	313.00	46.55%	145.70
			313.00		$145.70
DORIAN, DAVID	TM0249855	10/04/2004	382.13	46.55%	177.88
	TM0249440	10/06/2004	311.65	46.55%	145.08
	TM0258969	10/18/2004	291.50	46.55%	135.69
	TM0264923	10/28/2004	236.43	46.55%	110.06
	TM0266077	11/18/2004	209.50	46.55%	97.53
	TM0276406	12/13/2004	538.50	46.55%	250.67
	TM0271211	12/13/2004	331.46	46.55%	154.30
	TM0278938	12/22/2004	212.85	46.55%	99.09
	TM0279916	01/06/2005	491.26	46.55%	228.68
	TM0280914	01/13/2005	209.50	46.55%	97.53
			3,214.78		$1,496.51
GORDON, JAMES S.	TM0271687	11/22/2004	119.10	46.55%	55.45
			119.10		$55.45

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

TRAVEL DIRECT COSTS

Traveler/Vendor Name	Travel Number	Treasury Schedule Date	Travel Costs	Ind. Rate (%)	Indirect Costs
TAYLOR, MATTHEW W.	TM0271333	11/18/2004	119.10	46.55%	55.45
			119.10		$55.45
Total Fiscal Year 2005 Travel Direct Costs:			3,765.98		$1,753.11

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
68-S4-0206	21129-02-37	10/05/2004	122,336.10	0.00	46.55%	56,947.45
	21138-02-38	10/28/2004	350,821.58	0.00	46.55%	163,307.45
	21149-02-39	11/26/2004	441,247.33	0.00	46.55%	205,400.63
	21156-02-40	12/10/2004	239,661.93	0.00	46.55%	111,562.63
	21168-02-41	12/29/2004	715,836.73	0.00	46.55%	333,222.00
	21172-02-42	01/14/2005	247,150.81	0.00	46.55%	115,048.70
			2,117,054.48	0.00		$985,488.86
68-W0-0123	51	10/12/2004	-16,683.88	-7,000.17	46.55%	-11,024.93
			16,683.88	7,000.17	46.55%	11,024.93
			16,683.88	7,000.17	46.55%	11,024.93
			8,368.33	3,511.16	46.55%	5,529.90
	52	11/12/2004	22,941.69	9,520.46	46.55%	15,111.13
			22,941.69	9,520.46	46.55%	15,111.13
			-22,941.69	-9,520.46	46.55%	-15,111.13
	53	12/10/2004	22,619.49	9,386.75	46.55%	14,898.90
	55Z	01/11/2005	-607.21	-251.98	46.55%	-399.95
	54	01/11/2005	3,783.74	1,570.20	46.55%	2,492.26
			2,461.05	1,021.30	46.55%	1,621.03
			76,250.97	31,758.06		$50,278.20
DW14945858	00907234	01/21/2005	79,647.42	0.00	46.55%	37,075.87

EPA Detailed Indirect Costs Verification

STARMET CMI, SC, BARNWELL, SC SITE ID = A4 8Q

FOR THE PERIOD OF FEBRUARY 14, 2004 THROUGH JANUARY 24, 2005

OTHER DIRECT COSTS

Contract, IAG, SCA, Misc.NO	Voucher Number	Treasury Schedule Date	Site Amount	Annual/SMO Allocation Costs	Ind. Rate (%)	Indirect Costs
DW14945858	00907358	01/21/2005	18,955.74	0.00	46.55%	8,823.90
			98,603.16	0.00		$45,899.77
EPS40403	5-112004	01/20/2005	292.04	0.00	46.55%	135.94
			292.04	0.00		$135.94
Total Fiscal Year 2005 Other Direct Costs:			2,292,200.65	31,758.06		$1,081,802.77
Total Fiscal Year 2005:			2,339,253.69			$1,088,922.63
Total EPA Indirect Costs						$2,223,797.33