



U.S. Department of Justice

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NEW BEDFORD
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AEROVOX

United States Attorney
District of Massachusetts

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1107 J.W. McCormack Post Office and Courthouse
Boston, Massachusetts 02109

March 2, 1984

DRAFT

Paul B. Galvani
Ropes & Gray
225 Franklin Street
Boston, MA 02110

Re: U.S. v. AVX, Inc., et al.
C.A. No. 83-3882-MC

Dear Mr. Galvani:

This letter is in response to your two letters of February 22 on behalf of RTE Corporation and Aerovox, Inc., respectively, and your letter of February 24 on behalf of RTE. The government is pleased that the corporations are interested in discussing the government's demand. As you are probably aware, a meeting is tentatively scheduled for March 22, 1984 between attorneys for the government and for the several defendants in the above-entitled case. In advance of that meeting, I plan to circulate an agenda that will outline the government's minimum requirements for an interim settlement.

As the government's demand of February 17 was not satisfied, however, the government was forced to file the First Amended Complaint on February 27, 1984. The government does not view the filing of the initial Complaint or the First Amended Complaint as any bar to discussing its demand or settlement.

With respect to your questions about notice and the government's determination of the corporations' responsibility for the New Bedford problem, I think you and the corporations are well-aware of the ongoing findings and work by the U.S. Environmental Protection Agency in New Bedford. Indeed, you personally participated in negotiating with EPA concerning a clean up of the Aerovox plant. As you therefore know, EPA's efforts in those negotiations to discuss the corporations' responsibility for PCB-contamination beyond the plant were rejected. I accordingly find your questions rather disingenuous.

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With respect to your inquiry about Rule 11, I advise you that I took seriously your earlier, verbal comments about your lack of knowledge of any basis for the allegations that RTE Corporation was in control of Aerovox, Inc. Based upon my inquiry, I assure you that the allegations concerning RTE in the First Amended Complaint are well grounded in fact and a good faith legal argument.

Very truly yours,

WILLIAM F. WELD
United States Attorney

BY: _____
RALPH A. CHILD
Assistant U.S. Attorney