



Department of Justice, EPA Reach Bankruptcy Settlement with Lyondell

Allied Paper/Portage Creek/Kalamazoo River Superfund Site

Kalamazoo, Michigan

May 2010

Informational meeting

EPA is holding a public meeting Thursday, May 6, to update the community about the settlement and planned cleanup activities for 2010.

The meeting will start at 6:30 p.m. at the Radisson Plaza Hotel, 100 W. Michigan Ave., Kalamazoo.

EPA representatives and other officials will make a formal presentation and then be available to discuss the settlement and site activities with you individually. If you need special accommodations at the meeting, contact EPA Community Involvement Coordinator Don de Blasio (see below) by May 3.

Contact EPA

For more information or if you have comments about the Kalamazoo River cleanup, contact:

Don de Blasio

Community Involvement Coordinator
EPA Region 5 (SE-7J)
77 W. Jackson Blvd.
Chicago, IL 60604-3590
312-886-4360 or 800-621-8431,
Ext. 64360,
weekdays, 9:30 a.m. to 5:30 p.m.
deblasio.don@epa.gov

For more information You can read more information about the Kalamazoo River cleanup online at: www.epa.gov/region5/sites/kalproject.

On April 23, the U.S. Bankruptcy Court in the Southern District of New York approved the debtor's reorganization plan and settlement with the U.S. Prior to the Court's approval of the settlement, the U.S. Department of Justice and U.S. Environmental Protection Agency held a public meeting in Kalamazoo on the proposed bankruptcy settlement agreement with Lyondell Chemical Company/Millennium Holdings, LLC. In January 2009, Lyondell Chemical Co. and about 90 of its subsidiaries and affiliates filed for Chapter 11 bankruptcy. Lyondell is an affiliate of Millennium Holdings LLC, a potentially responsible party at the Allied Paper/Portage Creek/Kalamazoo River Superfund Site. Millennium Holdings LLC acquired Allied Paper, Inc, which was a chief contributor of PCBs into the Kalamazoo River system and flood plains. The paper mills that were formerly situated along the Kalamazoo River were the primary sources of PCBs. PCBs are hazardous chemical compounds with common industrial uses, found at the site.

The settlement relates to environmental liabilities against Lyondell Chemical and 93 of its affiliates. In total, the settlement will resolve Lyondell's environmental liabilities at 23 sites and facilities nationwide. U.S. Environmental Protection Agency will receive about \$103 million total for cleanup of the Allied Paper/Portage Creek/Kalamazoo River Superfund Site. Under the agreement, a custodial trust will be established to take ownership and possession of nine environmentally contaminated properties owned by Lyondell or its affiliates. One of these properties is the Allied Paper Mill. Approximately, \$50 million of the trust funds will be dedicated to the cleanup of the Allied Paper Mill. Additionally, the settlement requires Lyondell to pay approximately \$49.5 million to resolve liabilities at the Allied Paper/Portage Creek/Kalamazoo River Superfund Site. The U.S. will also receive approximately \$3.2 million in payout on its allowed general unsecured claim against Lyondell/Millennium for the Allied Paper/Portage Creek/Kalamazoo River Superfund Site. The agreement relieves Lyondell/Millennium from any future financial responsibility at the Allied Superfund site.

Cleanup Activities River Update

Plainwell #2 Dam Removal

In 2009 a material handling staging area and more than 1 mile of access roads were constructed to remove PCB-contaminated soil along the north side of the Kalamazoo River as part of a Removal Action in the Plainwell #2 Dam area. In total approximately 4,900 linear feet of riverbank were cleared, excavated and restored, with approximately 4,725 cubic yards of soil and debris disposed of at the Allied Waste C&C Landfill in Marshall, Mich., and Ottawa County Farms Landfill in Coopersville, Mich. Excavation activities were completed on the north side of the river. During the winter of 2010, material handling and staging area construction, as well as access roadway construction was completed on the south side of the Kalamazoo River. It is

anticipated that dredging activities along the south side of the river will begin in late May/early June, weather permitting. Activities will include excavation, dredging and disposal of approximately 9,500 cubic yards of PCB-contaminated soils and Kalamazoo River sediments. Restoration activities will occur on all disturbed areas and will include replanting with native plant species. The Plainwell#2 Dam removal project will be completed at the end of 2010

Supplemental river cleanup studies

A February 2007 legal agreement required additional study of the Kalamazoo River and Portage Creek. Planners divided the river and creek into seven areas for closer examination. Area 1 consists of the Kalamazoo River between Morrow Dam and Plainwell, and Portage Creek between Cork Street and the Kalamazoo River. Sampling activities to support the Remedial Investigation at Area 1 have been completed. It is anticipated the Study data will be accumulated, evaluated and presented in a report in late 2011.

A plan for scoping the investigation of PCB contamination in Area 2, which consists of the Kalamazoo River between the former Plainwell Dam and the Otsego City Dam is due to EPA in July 2010. The collection of investigation data in Area 2 will begin in late summer/early fall.

Mill Updates

Plainwell Mill

Weyerhaeuser has submitted a plan to EPA for the third, and most likely the last, phase of its investigation at the Plainwell Mill. This phase will investigate areas of likely contamination in and around the buildings remaining on

the site. EPA is working with Weyerhaeuser to finalize the plan so that the investigation can occur this spring.

Landfill updates

12th Street Landfill

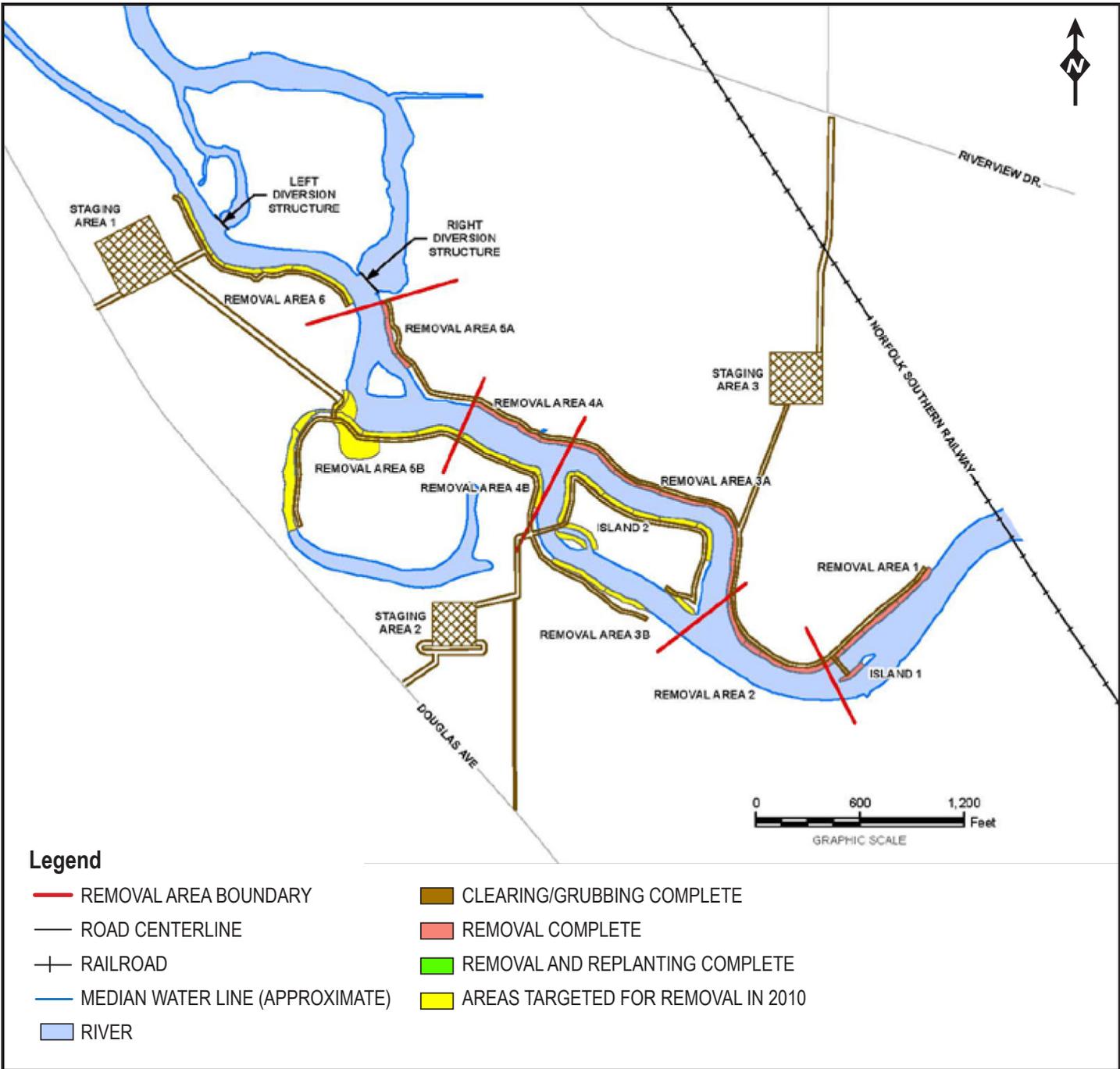
On March 25, 2010, EPA approved Weyerhaeuser's design for the 12th Street Landfill cleanup. Complex cleanup sites such as this are often divided into smaller sections called operable units, or OUs. The 12th Street Landfill is also known as OU4. The OU4 cleanup includes consolidation and capping of contaminated paper residuals, venting of landfill gasses, warning signs and access restrictions. Construction of the landfill cap and monitoring system will begin this spring and is scheduled to be complete by the end of 2010.

Willow Boulevard/A-Site Landfill

Georgia-Pacific is designing the cleanup for the Willow Boulevard/A-Site Landfill, known as OU2. Georgia-Pacific will design a permanent landfill cover, a gas venting system and an underlying ground-water monitoring system. The cleanup will also include excavation of contaminated soil from adjacent wetlands. After completion of the design, EPA anticipates that construction will begin in 2011 and end in 2012.

Allied Paper Landfill

In October 2009, Millennium Holdings submitted a number of possible cleanup alternatives to EPA for the Allied Landfill (OU1). In February 2010, EPA disapproved the cleanup alternatives that Millennium Holdings submitted. EPA will be selecting a cleanup plan for OU1 from EPA approved cleanup alternatives and will present the cleanup plan to the public for comment.



Plainwell #2 Dam area target removal areas

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Department of Justice, EPA Reach Bankruptcy Settlement with Lyondell**

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FIRST CLASS

United States
Environmental Protection
Agency
Region 5
Superfund Division (SI-7J)
77 W. Jackson Blvd.
Chicago, IL 60604-3590

