

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
New England Office – Region I
One Congress Street, Suite 1100
Boston, Massachusetts 02114-2023

September 17, 2007

Mr. Andrew T. Silfer, P.E.
General Electric Company
159 Plastics Avenue
Pittsfield, Massachusetts 01201

Sent via US Mail and Electronic Mail

RE: Dispute Resolution on Certain Conditions and Directives in EPA's Conditional Approval Letters for GE's Model Input Addendum and Supplement

Dear Mr. Silfer:

Upon completion of EPA's review of GE's reports entitled "*Housatonic River - Rest of River Model Input Addendum (MIA) to the Corrective Measures Study Proposal Supplement*" (hereinafter "MIA") submitted on April 16, 2007, and "*Supplement to the MIA*" (hereinafter "MIA Supplement") submitted on August 3, 2007, EPA issued a Conditional Approval of the MIA to GE on May 24, 2007, and a Conditional Approval of the MIA Supplement to GE on August 28, 2007. Pursuant to Special Condition II.N.1 of the Reissued RCRA Corrective Action Permit (the "Permit", which is Appendix G to the Consent Decree), GE notified EPA on September 11, 2007 of GE's objections to certain conditions in EPA's May 24, 2007 and August 28, 2007 Conditional Approvals. By that notice, GE invoked dispute resolution with respect to those conditions. GE and EPA previously agreed to extend the time period under the Permit for GE to invoke dispute resolution on EPA's May 24, 2007 conditional approval letter for the MIA until 14 days after GE received EPA's response to the MIA Supplement.

As specified in Special Condition II.N.2, the first stage of the dispute resolution is for EPA and GE to have discussions in an effort to resolve the dispute. In light of the discussions between EPA and GE regarding the conditions being disputed, EPA has made certain changes to the disputed conditions based upon the understanding that GE will not go forward with the dispute resolution proceeding initiated on September 11, 2007.

Based upon these discussions, the following condition outlined in EPA's Conditional Approval letter of May 24, 2007 has been eliminated:

Because the West Branch water column PCB concentration data were collected approximately 10 years prior to the start of the remediation simulation, GE shall

*reduce the initial water column boundary concentration by a factor of 0.3
(approximately on half of a 20-year half life).*

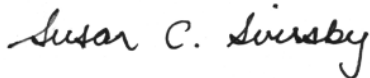
No other conditions of that letter or the Conditional Approval letter of August 28, 2007 are changed by this letter.

Nothing in this letter shall be interpreted to modify any approval, conditions in a conditional approval, or disapproval of any other GE deliverable relating to the Corrective Measures Study, unless expressly stated as such by EPA in its response to such deliverable. In addition, EPA reserves all of its rights regarding any future objections or challenges by GE to EPA actions, as well as any other rights that EPA has under the Permit, the Consent Decree, or applicable law.

This letter does not alter GE's requirement to submit the Corrective Measures Study Report under the terms of the Permit and the extension granted by EPA on September 7, 2007.

I understand that, based on this letter, GE will not go forward with the dispute resolution initiated by GE on September 11, 2007. Please contact me immediately if GE does not agree with this understanding.

Sincerely,



Susan C. Svirsky, Project Manager
Rest of River

cc: Mike Carroll, GE
Rod McLaren, GE
Kevin Mooney, GE
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Susan Steenstrup, MADEP
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