



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION II
290 BROADWAY
NEW YORK, NEW YORK 10007-1866

APR - 1 2011

Via Certified Mail - Return Receipt Requested

General Electric Company
Attn: Ann Klee, Vice President,
Corporate Environmental Programs
3135 Easton Turnpike
Fairfield, CT 06828

Powerex, Inc.
Attn: Joseph A. Sibenac, Vice President
and Chief Financial Officer
173 Pavilion Lane
Lockwood, PA 15697

Re: Cayuga County Groundwater Contamination Superfund Site,
City of Auburn and the Village of Union Springs
Cayuga County, New York
Notice of Potential Liability and Demand for Costs

Dear Ms. Klee and Mr. Sibenac:

The U.S. Environmental Protection Agency ("EPA") is charged with responding to the release or threatened release of hazardous substances, pollutants and contaminants into the environment and with enforcement responsibilities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §§ 9601- 9675.

As you may be aware, EPA has responded to the release or threatened release of hazardous substances at the Cayuga County Groundwater Contamination Superfund Site (the "Site"), which is a plume of contaminated groundwater that extends from the City of Auburn to the Village of Union Springs in Cayuga County, New York. In accordance with CERCLA, EPA has taken various response actions with respect to the release and threatened release of hazardous substances at the Site, discussed in more detail below.

Contamination of the groundwater underlying the Site was first discovered during routine testing of the Village of Union Springs' municipal drinking water supply between August and December of 2000, which revealed low levels of cis-1,2- dichloroethylene ("cis-1,2-DCE"). The Site was referred to EPA on December 4, 2000 for a CERCLA response action. Sampling conducted through April of 2001 revealed that the drinking water of 51 residences was contaminated with volatile organic compounds ("VOCs"), primarily vinyl chloride, trichloroethylene ("TCE") and cis-1,2-DCE. As a result, EPA responded by providing bottled water to affected residences and installing 55 treatment systems to treat affected wells, which included point of entry treatment ("POET") systems as well as the installation of air-stripper treatment systems for two large dairy farms in the affected area. As of the present, all but 4 of the treatment systems have been removed, and the affected residents have been hooked up to a completed public water supply. EPA continues to provide maintenance and sampling of the 4 remaining treatment systems.

On September 5, 2002, the Site was listed on the National Priorities List ("NPL") and since that

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time, EPA has been conducting a remedial investigation/feasibility study ("RI/FS") to determine the nature and extent of the groundwater contamination and to evaluate alternatives to remediate the contamination. As a result, EPA has spent and continues to spend public funds with respect to the Site.

Notice of Potential Liability

Under CERCLA and other laws, responsible parties may be held liable for all costs incurred by the federal government in taking response actions with respect to sites where there has been a release or a threatened release of hazardous substances. Under CERCLA, parties may be held jointly, severally and strictly liable for all of EPA's response costs. Responsible parties under CERCLA include current and past owners and operators of facilities from which there has been a release or threat of release of a hazardous substance.

EPA has evaluated information pertaining to contamination at and from the former Powerex, Inc. ("Powerex") facility located on West Genessee Street in the Town of Aurelius, New York. The Powerex facility was owned and operated by General Electric Company ("GE") from 1951 until 1986, during which time GE manufactured a variety of electrical components including radar equipment, printed circuit boards for high-fidelity equipment and high-voltage semi-conductors. Between 1986 and 1990, Powerex, Inc., a joint venture corporation formed by Westinghouse Electric Corporation, Mitsubishi Electric America, Inc. and GE, continued the manufacture of high-voltage semiconductors. The Site was reacquired by GE in 1990, and GE currently owns the property. Information available to EPA indicates that disposal of solvents at unlined evaporation pits during GE's operations and into two waste solvent tanks which leaked during GE's and Powerex's operations at the Powerex facility resulted in elevated levels of VOCs, such as vinyl chloride, trichloroethylene, 1,2-dichloroethylene, acetone, and methanol, in the groundwater. At the current time, GE is undertaking an active VOC treatment system in the shallow bedrock at the Powerex facility as an interim remedial measure pursuant to an order with the New York State Department of Environmental Conservation.

The Powerex facility is immediately hydrologically upgradient from the plume of contamination in the bedrock aquifer which EPA is studying as part of the Site RI/FS. Based upon the contamination detected in groundwater sampling as well as hydrogeological information which EPA has collected during the course of performing the RI/FS, EPA believes that General Electric Company and Powerex, Inc. are potentially responsible parties ("PRPs") with respect to the Site, and are thus responsible parties within the meaning of Section 107(a)(1) and (2) of CERCLA, 42 U.S.C. Section 9607(a)(1) and (2).

Demand for Costs

Under CERCLA and other laws, responsible parties may be held liable for monies expended by the federal government in taking response actions at and around sites where hazardous substances have been released, including investigative, planning, removal, remedial and enforcement actions. Responsible parties under CERCLA include, among others, the current and past owners or operators of a facility from which there has been a release or threatened release of a hazardous substance. As stated above, we believe you are PRPs under CERCLA with regard to the Site, and are therefore liable to reimburse EPA for response costs which have been paid by EPA.

EPA has incurred and paid response costs relating to the Site in the amount of \$10,279,838.51 through December 31, 2010 and will incur additional response costs at the Site.

Enclosed is a computer printout ("SCORPIOS" Report), dated March 28, 2011, that presents a breakdown of the different categories of costs paid by EPA at the Site, as well as a Narrative Summary of the Costs. A supporting cost package will be made available if you execute a confidential business information agreement. All of the costs incurred by EPA with respect to the Site are charged to the Hazardous Substance Superfund, established pursuant to 26 U.S.C. § 9507 and administered by EPA.

In accordance with Section 107(a) of CERCLA, 42 U.S.C. §9607, demand is hereby made for reimbursement of \$10,279,838.51 plus any and all interest recoverable under Section 107 of CERCLA, 42 U.S.C. §9607, or any other provision of law. Pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), interest on \$10,279,838.51 will accrue from the date of this letter, and interest on all other costs will accrue from the date of expenditure.

We request that you advise us as to GE's and Powerex, Inc.'s willingness to reimburse EPA for the aforementioned costs. Please reply to this request in writing within ten (10) calendar days of your receipt of this letter.

Your reply should be sent to:

Carol Y. Berns, Esq.
New York/Caribbean Superfund Branch
Office of Regional Counsel
U.S. EPA, Region 2
290 Broadway, 17th Floor
New York, N.Y. 10007-1866
berns.carol@epa.gov

With a copy to:

Isabel Rodrigues
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region 2
290 Broadway, 20th Floor
New York, N.Y. 10007-1866
rodrigues.isabel@epa.gov

Any agreement to reimburse EPA would be memorialized in an administrative settlement pursuant to Section 122(h) of CERCLA. If you do not notify EPA within the time period above that you are prepared to reimburse EPA for the Site expenditures referred to herein, please be aware that the United States may commence civil litigation against you to collect these costs plus any interest accrued thereon pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a).

If you have any questions or comments regarding this matter, please feel free to contact Ms. Berns at (212)637-3177 or via electronic mail to berns.carol@epa.gov.

Thank you for your attention to this matter.

Sincerely,


Walter E. Mugdan, Director
Emergency and Remedial Response Division

Enclosures

cc: Dean Sommer, Young, Sommer LLC
Paul Hare, GE Project Manager
Donna Waniak, Esq., GE Counsel