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MORTON THIOKOL INC.

February 15, 1983

Andrew L. Praschak
Attorney
General Enforcement Branch
Enforcement Division
Region II
U.S. Environmental Protection Agency,
26 Federal Plaza
New York, N.Y. 10278

Re: Goose Farm, Pijack Farm and
Spence Farm, Plumsted Township,
Ocean County, New Jersey
Friedman Property, Upper Freehold
Township, Monmouth County, New Jersey

Dear Mr. Praschak:

This will acknowledge your letter of February 7, 1983 regarding the above captioned waste disposal sites.

While we are aware that you have only recently been assigned to this matter, your letter incorrectly implies that this company has been unwilling to work with the EPA toward an amicable resolution of the problems presented by the above sites. Under the circumstances, we believe it would be useful to summarize past dealings between the company and your agency to place the situation in its proper perspective.

The March 18, 1982 letter from the agency, to which your letter referred, stated that the company may be a responsible party, and that before the government undertook the necessary remedial action it desired to discuss the company's voluntarily performing the required work.

Upon receipt of this letter, we telephoned the agency's offices in Washington and were told that a meeting could not be arranged until the company provided its written response. We complied with this requirement by our letter of April 1, 1982, raising four preliminary questions we desired to discuss with agency representatives.

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We heard nothing until June 10, 1982, when we received a telephone call from Mr. Bruce Adler, an EPA attorney assigned to your offices in New York (Region II), who suggested that we meet on July 7, 1982.

On that date representatives from the company (H. K. Staub, R. F. Parker, and the undersigned) met with Messrs. Bruce Adler, Mel Hauptman and Ray Pfortner of your agency at 26 Federal Plaza, New York City. During that meeting, Mr. Adler generally explained the EPA's duties under the Superfund law, and attempted to answer the questions raised in our April 1 letter. He stated that it was the agency's preference to have "responsible parties" perform the clean up rather than for the agency to expend public monies, and described certain benefits that could accrue from a voluntary clean up, such as more control over the parameters of the clean up, selection of the clean up contractor, and management of the actual work in order to control and avoid unnecessary expense. He also referred to savings that would result from the avoidance of litigation. We discussed many other issues and, while a number of questions remained unanswered, we felt that the meeting was quite useful as a first step.

Mr. Adler said that the agency would next write to the company confirming the meeting and requesting information in the company's possession concerning the sites. The EPA would thereafter provide the company with RAMPS (Remedial Action Master Plans) which the company and its consultants could study and then discuss with EPA representatives.

Our next contacts from your agency were telephone calls on August 13 and 19, and a letter dated August 19, 1982 from Ann Voorhees Billingsley, Attorney, Water Enforcement Branch, whom you have now succeeded.

With her August 19 letter, Ms. Billingsley enclosed for the company's review Statements of Work prepared by the EPA and the New Jersey Department of Environmental Protection (NJDEP) for each of the four captioned sites. Departing from the procedure described at our July 7 meeting, Ms. Billingsley stated that the EPA was now subject to certain time constraints (appropriated funds were about to expire) and that as a result the EPA had to receive "a final decision from your company, in writing, no later than September 3, 1982 whether it will undertake appropriate remedial activities at the four sites, or assume financial responsibility for the remedial actions to be taken by the Federal and State governments."

We were also informed at the July 7 meeting that the EPA would be taking the lead role in the clean up of the sites, with NJDEP acting in an advisory capacity, only, and that Goose Farm was being handled by a separate department within

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the EPA since it was covered under a different law. For reasons not made clear to us, these decisions were apparently reversed between the July 7 meeting and the time Ms. Billingsley got in touch with us in August.

Ms. Billingsley's letter was received on August 23, 1982, and our letter in response was dispatched on August 24 and received at your agency on August 27, 1982. In this response the company stated that it would like the opportunity to explore the private clean up option. We expressed the opinion that the government's cost estimates for performing the feasibility studies were high and offered significant opportunities for savings. We estimated that the company would need until approximately December 31, 1982 to obtain the necessary proposals from private contractors, and advised that site access would be required. We recited our understanding that no emergent environmental conditions exist at the sites (which to our knowledge have lain dormant for in excess of twelve years). We stated that, while we were in no position to guarantee the company's decision as to whether it would proceed with a privately financed clean up, the possibility existed that if an appropriate agreement could be reached the government could avoid a significant expenditure of public funds and subsequent litigation. As a further indication of our sincerity, we informed your agency that we were proceeding to solicit proposals from private environmental contractors.

On September 8, 1982, we wrote Ms. Billingsley asking the agency to arrange access to the sites in question.

On September 10, 1982 Ms. Billingsley telephoned to ask for clarification of our letter of August 24. She stated that the EPA would be willing to defer its own efforts if Thiokol would agree to require its potential clean up contractors to bid on feasibility studies based on the Statements of Work submitted with the agency's August 19 letter. She said that EPA would not be willing to delay proceeding on its own if Thiokol departed from the EPA's feasibility study format and requirements, which she stated were in accordance with all applicable regulations.

By telephone call to Ms. Billingsley on September 14, 1982, confirmed by letter of that same day, we advised that the company would be willing to comply, and was in fact soliciting proposals for preparation of the feasibility studies from private contractors both in accordance with the Statements of Work and in accordance with approaches which, in the opinion of the private contractors, might result in reduced costs but still comply with applicable laws and regulations. Our letter again referred to the question of access, and referenced our understanding that the agency was trying to arrange the same for our contractors. We expressed the company's concern over a remark made by Ms. Billingsley

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during the September 14 telephone conversation that the agency was considering awarding a contract to NJDEP, notwithstanding the company's and the agency's previous discussions and notwithstanding the fact that the company was actively considering the private clean up option.

We next read in the press on September 24, 1982, a joint announcement by Ms. Gorsuch and Governor Kean that the EPA had in fact awarded a contract to NJDEP for studies at the sites in question.

Our letter of October 7, 1982 expressed surprise at the press announcement and informed the agency of the status of our efforts to solicit proposals from private clean up contractors. We again referred to the problem of site access, and requested clarification of the agency's position in view of the announced award to NJDEP.

We waited for the agency's response until December 10, 1982, when we received Ms. Billingsley's letter dated November 19, 1982. While we were disappointed with the content and lack of constructive approach in this letter, as indicated by our reply dated December 20, 1982, we agreed with her suggestion that a meeting be held and offered to participate at the convenience of the agency.

The next communication was Ms. Billingsley's letter of January 14, 1983 announcing that she was leaving the agency and that you would be assuming her responsibilities. We wrote on January 19 renewing the company's offer to meet with the agency and at about the same time you told us by telephone that a meeting would be possible only if the company would agree as a precondition to perform (or pay for the performance of) site feasibility studies in accordance with the EPA's Statements of Work.

At our request and after some further discussion the agency agreed to examine technical proposals which we had received from two potential clean up contractors (Woodward Clyde and Wehran Engineering). We are now awaiting the results of an analysis by your environmental scientist.

Several times your February 7 letter refers to the lack of a firm commitment by the company to accept financial responsibility for the site. As we tried to explain in prior correspondence, in telephone calls, and at the July 7, 1982 meeting, a number of basic technical and business issues must be resolved before the company would be in a position to commit to a voluntary clean up of these sites. After our meeting of July 7, we were encouraged by the prospects for an amicable settlement. We continue to be hopeful, but believe that an agreement is possible only if further discussions are held along the lines of those suggested

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at the meeting of July 7, 1982.

Please let me know if you require additional information.

Very truly yours,

J. R. Stanley
Associate General Counsel
Specialty Chemicals Group

JRS:bw

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