



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

AUG 16 2007

REPLY TO THE ATTENTION OF:

DE-9J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Karen Murphy, Vice President
Environmental Health & Safety
Ashland Chemical, Inc.
P.O. Box 2219
Columbus, OH 43216

RE: RCRA Section 3008(h) Order on Consent-Ashland Facility in Willow Springs, IL
U. S. EPA ID No. ILD 980 700 538

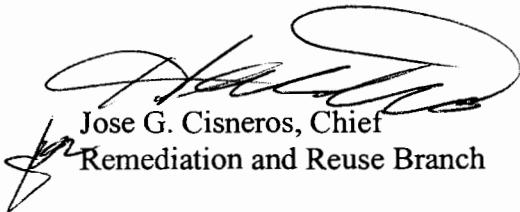
RCRA-05-2007-0010

Dear Ms. Murphy:

I am enclosing a fully executed copy of the 3008(h) Administrative Order on Consent covering the completion of the corrective action work at the subject facility. This agreement will provide a framework to perform the necessary corrective action at your facility. We look forward to working with your staff on this project.

In accordance with Section X Stipulated Penalties of the agreement, I am hereby designating John Nordine as the U.S. EPA project manager for this project. If you have any questions, please contact him at (312) 353-1243.

Sincerely,



Jose G. Cisneros, Chief
Remediation and Reuse Branch

Enclosure

cc: Susan Tennebaum, ORC (without enclosure)

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)	ADMINISTRATIVE ORDER ON CONSENT
)	
Ashland Inc.)	U.S. EPA Docket No: RCRA-05-2007-0010
8500 South Willow Springs Road)	
Willow Springs, Illinois, 60480)	
)	
EPA ID#: ILD 980 700 538)	Proceeding under Section 3008(h) of the
)	Resource Conservation and Recovery Act,
RESPONDENT.)	as amended, 42 U.S.C § 6928(h).
_____)	

I. JURISDICTION

1. The United States Environmental Protection Agency ("U.S. EPA") is issuing this Administrative Order on Consent ("Order") to Ashland Inc. (Ashland) under Section 3008(h) of the Solid Waste Disposal Act, commonly referred to as the Resource Conservation and Recovery Act of 1976 (RCRA), as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6928(h).

2. Ashland owns and operates a chemical distribution center at 8500 South Willow Springs Road, Willow Springs, Illinois 60480, (the "facility"). The facility is used as a warehouse and container distribution center. Ashland sells solvents, acids, caustics, and other chemicals to industrial customers. This is a distribution facility only; Ashland currently does not store hazardous waste longer than 90 days at the facility. No chemicals are currently manufactured at the site.

The site was previously owned by the U.S. Department of Defense (DOD) and operated by the General Motors Corporation (GM) as a jet engine testing facility from 1953 to 1955. The site was abandoned for several years until Newton Iron and Steel purchased it in 1960. Big Ben Chemicals owned and operated a chemical distribution facility at the site from 1965 until Ashland purchased the property in 1971.

GM formerly operated 18 jet engine test cells for DOD, which are attached to a bunker building presently used as a warehouse at the facility. The test cells were built in the early 1950s and used to test jet airplane engines. With the exception of one cell, there is one abandoned 1,000-gallon steel underground storage tank (UST) with each test cell. While above ground piping has been removed, there is underground piping associated with each tank. The piping connected the test cells with above-ground storage tanks located at the south end of the facility. Each cell has floor drains that are connected to one of two sumps located to the northeast and northwest of the cells.

3. Ashland agrees not to contest U.S. EPA's jurisdiction to issue this Order, to enforce its terms, or to impose sanctions for violations of the Order.

4. Ashland waives any rights to request a hearing on this matter pursuant to Section 3008(b) of RCRA and 40 C.F.R. Part 24, and consents to the issuance of this Order without a hearing under Section 3008(b) of RCRA as a Consent Order issued pursuant to Section 3008(h) of RCRA.

II. DEFINITIONS

5. This Order incorporates the definitions in RCRA, 42 U.S.C. §§ 6901 - 6922k, and the regulations promulgated under RCRA unless otherwise specified.

III. PARTIES BOUND

6. This Order applies to and binds U.S. EPA, Ashland and its agents, successors, assigns, trustees, receivers, and all persons, including but not limited to contractors and consultants, acting on behalf of Ashland. Ashland will be responsible for and liable for any violations of this Order, regardless of Ashland's use of employees, agents, contractors, or consultants to perform work required by this Order.

7. No change in ownership or corporate or partnership status relating to the facility will alter Ashland's obligations under this Order. Any conveyance of title, easement, or other interest in the facility, or a portion of the facility, will not affect Ashland's obligations under this Order. Ashland will give written notice of this Order to any successor in interest prior to transferring ownership or operation of the facility or a portion thereof and will notify U.S. EPA in writing within five days of the transfer. This written notice will describe how Ashland has assured that, despite the transfer, all institutional controls required now or in the future for the facility will be implemented and maintained. This paragraph will not apply if U.S. EPA and Ashland agree that this Order has terminated as to the facility or any relevant portion of the facility.

IV. DETERMINATIONS

8. After consideration of the Administrative Record, U.S. EPA Region 5, has made the following conclusions of law and determinations:

- a. Ashland is a "person" within the meaning of Section 1004(15) of RCRA.
- b. Ashland is the owner or operator of a facility that has operated under interim status subject to Section 3005(e) of RCRA.
- c. Certain wastes and constituents found at the facility are hazardous wastes and/or hazardous constituents pursuant to Sections 1004(5) and 3001 of RCRA and 40 C.F.R. Part 261.
- d. There is or has been a release of hazardous wastes or hazardous constituents into the environment from the facility.

- e. The actions required by this Order are necessary to protect human health or the environment.

V. PROJECT MANAGER

9. U.S. EPA and Ashland must each designate a Project Manager and notify each other in writing of the Project Manager selected within 14 days of the effective date of this Order. Each Project Manager will be responsible for overseeing the implementation of this Project. The parties must provide prompt written notice whenever they change Project Managers.

VI. WORK TO BE PERFORMED

10. Pursuant to Section 3008(h) of RCRA, Ashland agrees to and is hereby ordered to perform the actions specified in this section, in the manner and by the dates specified in this order. Ashland represents that it has the technical and financial ability to carry out corrective action at the facility. Ashland must perform the work undertaken pursuant to this Order in compliance with RCRA and other applicable federal and state laws and their implementing regulations, and consistent with all relevant U.S. EPA guidance documents as appropriate to the facility. This guidance includes, but is not limited to, relevant portions of the Model Scopes of Work for RCRA Corrective Action and of U.S. EPA's risk assessment guidance.

11. Ashland must identify and define the nature and extent of releases of hazardous waste and hazardous constituents at or from the facility, as specifically defined in this paragraph.

- a. Ashland must provide to U.S. EPA, within 7 days after the effective date of this Order, a Current Conditions Report that includes any recent sampling data from the facility, and a summary of the historic operations and physical setting of the facility. The Current Conditions Report must describe, at a minimum, conditions at all locations specified in the following two reports: *Revised Site Characterization Report Volumes 1 and 2, URS Greiner Woodward Clyde, (1-99), Former Willow Springs Test Cells Site, Willow Springs, Cook County, Illinois, Preliminary Assessment Reference Package Volumes 1 through 5, Plexus Scientific Corporation (11-03); and Final Limited Preliminary Assessment Report for Former Air Force Test Cell Site, Willow Springs, Illinois, Ellis Environmental Group, LC, (2-03)*, and at any other past or present locations at the facility for which Ashland knows of past treatment, storage, or disposal of hazardous waste or hazardous constituents. Ashland may update the Current Conditions Report with information from additional investigations and may submit copies of these updated reports to U.S. EPA for review.
- b. By October 30, 2009 Ashland shall submit a RCRA Facility Investigation ("RFI") consistent with U.S. EPA Guidance dated May, 1989 (EPA 530/SW-89-013) which will provide the basis for preparing a Final Corrective Measures Proposal at the facility. U.S. EPA may either approve the RFI, approve the RFI with conditions or identify deficiencies and require Ashland to resubmit the RFI so as

to resolve the deficiencies. Within 120 days of receiving written notice from U.S. EPA disapproving the report and identifying deficiencies, Ashland must resubmit a revised RFI. Upon resubmittal U.S. EPA may either approve the RFI, approve the RFI with conditions or identify deficiencies. If U.S. EPA determines that the deficiencies it identified in the first submitted RFI have not been adequately addressed in the resubmitted RFI, U.S. EPA may assert stipulated penalties as provided in Paragraph 30(c).

12. Ashland may proceed with remedial actions to limit site investigation or risk assessment activities to complete the work as defined in paragraph 13, below.

13. Ashland must propose to U.S. EPA, within 60 days of U.S. EPA approval of the RFI, final corrective measures necessary to protect human health and the environment from all current and future unacceptable risks due to releases of hazardous waste or hazardous constituents at or from the facility (the "Final Corrective Measures Proposal"). The proposal must describe all corrective measures implemented at the facility since the effective date of this Order. It must also include a description of all other final corrective measures that Ashland evaluated, a detailed explanation of why Ashland preferred the proposed final corrective measures, and cost estimates for the final corrective measures evaluated. The proposal must also include a detailed schedule to construct and implement the final corrective measures, and to submit a Final Remedy Construction Completion Report. Ashland must complete as much of the initial construction work as practicable within one year after U.S. EPA selects the final corrective measures. Ashland must complete all final corrective measures within a reasonable period of time to protect human health and the environment.

14. As part of developing the Final Corrective Measures Proposal, Ashland must propose appropriate risk screening criteria, cleanup objectives, and points of compliance under current and reasonably expected future land use scenarios and provide the basis and justification for these decisions.

15. U.S. EPA may request supplemental information from Ashland if U.S. EPA determines that the proposal and supporting information do not provide an adequate basis to select final corrective measures that will protect human health and the environment from the release of hazardous waste and hazardous constituents at or from the facility. Ashland must provide any supplemental information that U.S. EPA requests in writing within 14 days of the request or such other time period to which the U.S. EPA and Ashland agree based on the time necessary to produce such information.

16. U.S. EPA will provide the public with an opportunity to review and comment on its proposed final corrective measures, including a detailed description and justification for the proposal (the "Statement of Basis"). Following the public comment period, U.S. EPA will select the final corrective measures, and will notify the public of the decision and rationale in a "Final Decision and Response to Comments" ("Final Decision").

17. Upon notice by U.S. EPA, Ashland must implement the final corrective measures selected in U.S. EPA's Final Decision according to the schedule in the Final Decision.

18. Reporting and other requirements:

- a. By a date three months after the effective date of this order, Ashland must establish a publicly accessible repository for information regarding site activities and notify adjacent property owners, onto whose property contamination from the site has migrated, of the fact of such migration.
- b. Ashland must provide quarterly progress reports to U.S. EPA by the fifteenth day of the month after the end of each quarter. The report must list work performed to date, data collected, problems encountered, project schedule, and percent project completed. Ashland may request termination of quarterly reports at any time it thinks such a request is warranted. U.S. EPA will respond to such a request within 30 days.
- c. The parties will communicate frequently and in good faith to assure successful completion of the requirements of this Order, and will meet (by teleconference, web conference, or in person) on at least a semi-annual basis to discuss the work proposed and performed under this Order.
- d. Ashland must provide a Final Remedy Construction Completion Report documenting all work that it has performed pursuant to the schedule in U.S. EPA's Final Decision.
- e. If ongoing monitoring or operation and maintenance are required after construction of the final corrective measures, Ashland must include an operations and maintenance plan in the Final Remedy Construction Completion Report. Ashland must revise and resubmit the report in response to U.S. EPA's written comments, if any, by the dates U.S. EPA specifies. Upon U.S. EPA's written approval, Ashland must implement the approved operation and maintenance plan according to the schedule and terms of the plan.
- f. Any risk assessments Ashland conducts must estimate human health and ecological risk under reasonable maximum exposure for both current and reasonably expected future land use scenarios. In conducting the risk assessments, Ashland will follow the Risk Assessment Guidance for Superfund (RAGS) or other appropriate U.S. EPA and Illinois EPA regulations and guidance. Ashland will use appropriate, conservative screening values when screening to determine whether further investigation is required. Appropriate screening values include those derived from Federal Maximum Contaminant Levels, U.S. EPA Region 9 Preliminary Remediation Goals, U.S. EPA Region 5 Ecological Screening Levels, U.S. EPA Region 5 Risk Based Screening Levels, RAGS, and the Illinois Tiered Approach to Corrective Action Objectives (35 Ill. Adm. Code 742). U.S. EPA retains full discretion to select the risk assessment guidance and screening values appropriate to the site and the risks being evaluated.

- g. All sampling and analysis conducted under this Order must be performed in accordance with the Region 5 RCRA Quality Assurance Project Plan Policy (April 1998) as appropriate for the site, and be sufficient to identify and characterize the nature and extent of all releases as required by this Order. U.S. EPA may audit laboratories Ashland selects or require Ashland to purchase and have analyzed any performance evaluation samples selected by U.S. EPA which are compounds of concern. Ashland must notify U.S. EPA in writing at least 14 calendar days before beginning each sampling activity at the Site and separate phase of fieldwork in constructing corrective measures performed under this Order. At the request of U.S. EPA, Ashland will provide or allow U.S. EPA or its authorized representative to take split or duplicate samples of all samples Ashland collects under this Order.

19. Project Managers can agree in writing to extend, for 90 days or less, any deadline in this Section. However, extensions of greater than 90 days require approval from the Chief of the Remediation and Reuse Branch, Land and Chemicals Divisions, U.S. EPA Region 5.

VII. ACCESS

20. Upon reasonable notice, and at reasonable times U.S. EPA, its contractors, employees, and any designated U.S. EPA representatives may enter and freely move about the facility to, among other things: interview facility personnel and contractors; review Ashland's progress in carrying out the terms of this Order; conduct tests, sampling, or monitoring as U.S. EPA deems necessary; use a camera, sound recording, or other documentary equipment; and verify the reports and data Ashland submits to U.S. EPA. Ashland will permit such persons to inspect and copy all non-privileged photographs and documents, including all sampling and monitoring data, that pertain to work undertaken under this Order and that are within the possession or under the control of Ashland or its contractors or consultants. Ashland may request split samples, or copies of all photographs, tapes, videos or other recorded evidence created by U.S. EPA and releasable under the Freedom of Information Act (FOIA). Ashland may appropriately designate any information it provides to U.S. EPA or allows U.S. EPA to view as "Confidential Business Information" and request that it be protected pursuant to Section 5 of FOIA and any other appropriate provisions relating to the protection of Confidential Business Information.

21. If Ashland must go beyond the facility's boundary to perform work required by this Order, Ashland must use its best efforts to obtain the necessary access agreements from the present owner(s) of such property within 30 days after Ashland knows of the need for access. Any such access agreement must provide for access by U.S. EPA and its representatives. Ashland must submit a copy of any access agreement to U.S. EPA's Project Manager. If it does not obtain agreements for access within 30 days, Ashland must notify U.S. EPA in writing within 14 additional days of both the efforts undertaken to obtain access and the failure to obtain access agreements. U.S. EPA may, at its discretion, assist Ashland in obtaining access.

22. Nothing in this Section limits or otherwise affects U.S. EPA's right of access and entry under applicable law, including RCRA and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601-9675.

VIII. COST ESTIMATES AND ASSURANCES OF FINANCIAL RESPONSIBILITY FOR COMPLETING THE WORK

23. Estimated Cost of the Work

a. Within 30 days after the Effective Date of this Order, Respondent shall submit to EPA for approval a written estimate (Cost Estimate), in current dollars, of the cost of the Work to be Performed under Paragraphs 11 and 12 of this Order. The cost estimate must account for the costs of all remaining long term operation, maintenance and monitoring in addition to the construction work. The cost estimate shall be consistent with the requirements of 40 C.F.R. § 264.142.

b. Respondent shall annually adjust the Cost Estimate currently in effect for inflation and for changes in the scope of the Work to be Performed, within sixty days prior to the anniversary date of the establishment of the initial financial assurance instrument(s) (“Anniversary Date”) pursuant to Paragraph 24.

c. If Respondent is required to implement any additional corrective measure(s) pursuant to this Order, within forty-five days of U.S. EPA approval of an additional corrective measure(s), Respondent shall submit to U.S. EPA for approval a revised Cost Estimate for the Work to be Performed that includes the cost of implementing such additional corrective measure(s).

d. If at any time Respondent becomes aware of information indicating that any cost estimate provided pursuant to this Section is inadequate, Respondent shall notify U.S. EPA in writing of such information within 30 days and submit a revised Cost Estimate for approval within 30 days from the date of notification to U.S. EPA. If at any time U.S. EPA determines that a cost estimate provided pursuant to this Paragraph is inadequate, U.S. EPA shall notify Respondent in writing, stating the basis for its determination. Within 15 days of receipt of such notice of inadequacy, Respondent may submit to U.S. EPA additional information to demonstrate the adequacy of the Cost Estimate. If after review of this submission U.S. EPA still deems the Cost Estimate to be inadequate, it shall so notify Respondent in writing. Within 30 days of the initial notification of inadequacy or, if additional information is provided by Respondent, within 30 days of its receipt of a second notice of inadequacy, Respondent shall submit to U.S. EPA a revised Cost Estimate for approval.

24. Assurances of Financial Responsibility for Completing the Work

1. Within 30 days after U.S. EPA approves the Cost Estimate under Paragraph 23a, above, Respondent shall establish and maintain financial assurance for the benefit of U.S. EPA in the amount of the approved cost estimate. Respondent may use one or more of the financial assurance forms described in subparagraphs a – f, below. All financial assurance instruments provided pursuant to this Order shall be submitted to U.S. EPA for review in draft form at least 30 days before they are due to be filed and shall be satisfactory in form and substance as determined by U.S. EPA.

- a. A trust fund established for the benefit of U.S. EPA, administered by a trustee;
- b. A surety bond unconditionally guaranteeing performance of the Work in accordance with this Order, or guaranteeing payment at the direction of U.S. EPA into a standby trust fund that meets the requirements of the trust fund in subparagraph a above;
- c. An irrevocable letter of credit, payable at the direction of the Director, Land and Chemicals Division, into a standby trust fund that meets the requirements of the trust fund in subparagraph a above;
- d. An insurance policy that provides U.S. EPA with rights as a beneficiary, issued for a face amount at least equal to the current Cost Estimate, except where costs not covered by the insurance policy are covered by another financial assurance instrument;
- e. A corporate guarantee, executed in favor of the U.S. EPA by one or more of the following: (i) a direct or indirect parent company, or (ii) a company that has a “substantial business relationship” with Respondent (as defined in 40 C.F.R. § 264.141(h)), to perform the Work to Be Performed under Section VI of this Order or to establish a trust fund as permitted by subparagraph a above; provided, however, that any company providing such a guarantee shall demonstrate to the satisfaction of the U.S. EPA that it satisfies the financial test requirements of 40 C.F.R. § 264.143(f) with respect to the portion of the Cost Estimate that it proposes to guarantee; or
- f. A demonstration by Respondent that it meets the financial test criteria of 40 C.F.R. § 264.143(f) with respect to the Cost Estimate, provided that all other requirements of 40 C.F.R. § 264.143(f) are satisfied. To the extent Respondent intends to provide financial assurance through this mechanism, it must provide all documentation required under 40 C.F.R. § 264.143(f) prior to the Effective Date.

The contents of Respondent’s financial assurance documents must be developed and implemented consistent with the standards and procedures described in U.S. EPA’s “Model RCRA §3008(h) Order on Consent - Financial Assurance Section” (Feb. 2006).

Respondent shall submit all executed and/or otherwise finalized instruments or other documents to U.S. EPA’s Regional Comptroller (MF-10J), 77 W. Jackson Blvd., Chicago, IL 60604-3590, within 90 days after the effective date of this Consent Order. Respondent shall also provide copies to:

John Nordine
Land and Chemicals Division
Remediation and Reuse Branch
U.S. EPA
77 West Jackson Blvd., DE-9J
Chicago, Illinois 60604

2. If at any time the Respondent provides financial assurance for completion of the Work by means of a corporate guarantee or financial test, Respondent shall also comply with the other relevant requirements of 40 C.F.R. § 264.143(f), 40 C.F.R. § 264.151(f), and 40 C.F.R. § 264.151(h)(1) relating to these methods, and will promptly provide any additional information requested by U.S. EPA from the Respondent or corporate guarantor at any time.

3. For purposes of the corporate guarantee or the financial test described above, references in 40 C.F.R. § 264.143(f) to “the sum of current closure and post-closure costs and the current plugging and abandonment cost estimates” shall mean “the sum of all environmental remediation obligations” (including obligations under CERCLA, RCRA, UIC, TSCA and any other state or tribal environmental obligation) guaranteed by such company or for which such company is otherwise financially obligated in addition to the Cost Estimate.

4. If at any time U.S. EPA determines that a financial assurance mechanism provided pursuant to this Section is inadequate, U.S. EPA shall notify Respondent in writing. If at any time Respondent becomes aware of information indicating that any financial assurance mechanism(s) provided pursuant to this Section is inadequate, Respondent shall notify U.S. EPA in writing of such information within 10 days. Within 30 days of receipt of notice of U.S. EPA's determination, or within 30 days of Respondent's becoming aware of such information, Respondent shall obtain and present to U.S. EPA for approval a proposal for a revised or alternative form of financial assurance listed in Paragraph 1 above that satisfies all requirements set forth in this Section.

5. Respondent's inability or failure to establish or maintain financial assurance for completion of the Work shall in no way excuse performance of any other requirements of this Order.

25. Modification of Amount and/or Form of Performance Guarantee

1. Reduction of Amount of Financial Assurance. If Respondent believes that the Cost Estimate has diminished below the amount covered by the existing financial assurance provided under this Order, Respondent may, at the same time that Respondent submits its annual Cost Estimate, submit a written proposal to U.S. EPA for approval to reduce the amount of the financial assurance to equal the revised Cost Estimate.

2. Change of Form of Financial Assurance. If Respondent desires to change the form or terms of financial assurance, Respondent may, at any time, establish an alternative form of financial assurance in the amount of the current Cost Estimate so long as it meets the applicable requirements of 40 C.F.R. §§ 264.143 and 264.151 and Paragraph 24, above. If the alternative form of financial assurance is 24a - e, above, Respondent shall submit the required financial instruments in draft form for U.S. EPA review and approval prior to making such instruments legally binding. After receipt of U.S. EPA approval and subsequent execution and/or finalization of all instruments or other documents required in order to make the selected financial assurance legally binding, Respondent shall submit said instruments and documents to the U.S. EPA Comptroller's Office with copies to the Project Manager, as provided in Paragraph 24.1 of this Order.

3. Release of Financial Assurance. Respondent may submit a written request to the Director, Land and Chemicals Division that U.S. EPA release Respondent from the requirement to maintain financial assurance under this Section once U.S. EPA and Respondent have both executed an “Acknowledgment of Termination and Agreement to Record Preservation and Reservation of Right” pursuant to Section XVIII (Termination and Satisfaction) of the Order. The Director, Land and Chemical Division shall notify both the Respondent and the provider(s) of the financial assurance that Respondent is released from all financial assurance obligations under this Order.

26. Performance Failure

1. If U.S. EPA determines that Respondent (i) has ceased implementing any portion of the Work, (ii) is significantly or repeatedly deficient or late in its performance of the Work, or (iii) is implementing the Work in a manner that may cause an endangerment to human health or the environment, U.S. EPA may issue a written notice (“Performance Failure Notice”) to both the Respondent and the financial assurance provider of Respondent’s failure to perform. The notice issued by U.S. EPA will specify the grounds upon which such a notice was issued and will provide the Respondent with a period of ten days within which to remedy the circumstances giving rise to the issuance of such notice.

2. Failure by the Respondent to remedy the relevant Performance Failure to U.S. EPA’s satisfaction before the expiration of the ten-day notice period specified in Paragraph 26.1 shall trigger U.S. EPA’s right to have immediate access to and benefit of the financial assurance provided pursuant to subparagraphs 24.1.a, 24.1.b, 24.1.c, 24.1.d, or 24.1.e. [If U.S. EPA is unable after reasonable efforts to secure payment of funds or performance of work from the financial assurance provider, then upon written notice from U.S. EPA, Respondent shall within ten days deposit into a trust fund approved by U.S. EPA, a cash amount equal to the Cost Estimate.]

IX. RECORD PRESERVATION

27. Ashland must retain, during the pendency of this Order and for at least six years after the Order terminates, all data and all final documents now in its possession or control or which come into its possession or control which relate to this Order. Ashland must notify U.S. EPA in writing 90 days before destroying any such records, and give U.S. EPA the opportunity to take possession of any non-privileged documents. Ashland’s notice will refer to the effective date, caption, and docket number of this Order and will be addressed to:

Director
Land and Chemicals Division
U.S. EPA, Region 5
77 W. Jackson Blvd.
Chicago, IL 60604-3590

Ashland will also promptly give U.S. EPA’s Project Manager a copy of the notice.

28. Within 30 days of retaining or employing any agent, consultant, or contractor (“agents”) to carry out the terms of this Order, Ashland will enter into an agreement with the agents to give U.S. EPA a copy of all data and final non-privileged documents produced under this Order.

29. Ashland will not assert any privilege claim concerning any data gathered during any investigations or other actions required by this Order.

X. STIPULATED PENALTIES

30. Ashland must pay the following stipulated penalties to the United States for violations of this Order:

a. For failure to submit quarterly progress reports by the dates scheduled in paragraph 18 (b), above: \$500 per day for the first 14 days and \$1,000 per day thereafter.

b. For failure to submit the Current Conditions Report and the RFI required in paragraph 11 on the dates required in the Order: \$1,000 per day for the first 14 days and \$2,000 per day thereafter.

c. For failure to resubmit, within 120 days of receiving a disapproval notice from U.S. EPA as described in Paragraph 11(b), a revised RFI that adequately addresses the deficiencies identified by U.S. EPA: \$2,000 per day for the first 14 days and \$4,000 per day thereafter.

d. For failure to submit the Final Corrective Measures Proposal in paragraph 13 on the date required by the Order: \$1,000 per day for the first 14 days and \$2,000 per day thereafter.

e. For failure to establish and maintain a publicly accessible repository for information regarding site activities and notify adjacent property owners of migrating contamination from the Site as required in paragraph 18(a): \$5,000.

f. For failure to implement the approved operation and maintenance plan according to the schedule and terms of the plan: \$1,000 per day for the first 14 days and \$2,000 per day thereafter.

g. For failure to notify U.S. EPA in writing at least 14 days before beginning each separate phase of the field work to construct corrective measures performed under this Order: \$500 per day for the first 14 days and \$1,000 per day thereafter.

h. For failure to comply with the requirements of Section VIII, addressing Cost Estimates and Assurances of Financial Responsibility for Completing the Work, \$1000 per day for the first 14 days of noncompliance and \$2,000 per day thereafter.

31. Whether or not Ashland has received notice of a violation, stipulated penalties will begin to accrue on the day a violation occurs, and will continue to accrue until Ashland complies.

Separate stipulated penalties for separate violations of this Order will accrue simultaneously.

32. Ashland must pay any stipulated penalties owed to the United States under this Section within 30 days of receiving U.S. EPA's written demand to pay the penalties, unless Ashland invokes the dispute resolution procedures under Section X: Dispute Resolution. A written demand for stipulated penalties will describe the violation and will indicate the amount of penalties due.

33. Interest will begin to accrue on any unpaid stipulated penalty balance beginning 31 days after Ashland receives U.S. EPA's demand letter. Interest will accrue at the current value of funds rate established by the Secretary of the Treasury. Under 31 U.S.C. § 3717, Ashland must pay an additional penalty of six percent per year on any unpaid stipulated penalty balance more than 90 days overdue.

34. Ashland must pay all penalties by certified or cashier's check payable to the Treasurer, United States of America, and send the check to:

U.S. EPA
P.O. Box 371531
Pittsburg, PA 15251-7531

A transmittal letter stating the name of the facility, Ashland's name and address, and the U.S. EPA docket number of this action must accompany the payment. Ashland will simultaneously send a copy of the check and transmittal letters to the U.S. EPA Project Manager.

35. Ashland may dispute U.S. EPA's assessment of stipulated penalties by invoking the dispute resolution procedures under Section X: Dispute Resolution. The stipulated penalties in dispute will continue to accrue, but need not be paid, during the dispute resolution period. Ashland must pay stipulated penalties and interest, if any, according to the dispute resolution decision or agreement. Ashland must submit such payment to U.S. EPA within 30 days after receiving the resolution according to the payment instructions of this Section.

36. Neither invoking dispute resolution nor paying penalties will affect Ashland's obligation to comply with the terms of this Order not directly in dispute.

37. The stipulated penalties set forth in this Section do not preclude U.S. EPA from pursuing any other remedies or sanctions that may be available to U.S. EPA for Ashland's violation of any terms of this Order. However, U.S. EPA will not seek both a stipulated penalty under this Section and a statutory penalty for the same violation.

XI. DISPUTE RESOLUTION

38. The parties will use their best efforts to informally and in good faith resolve all disputes or differences of opinion.

39. If either party disagrees, in whole or in part, with any decision made or action taken

under this Order, that party will notify the other party's Project Manager of the dispute. The Project Managers will attempt to resolve the dispute informally.

40. If the Project Managers cannot resolve the dispute informally, either party may pursue the matter formally by placing its objections in writing. A written objection must state the specific points in dispute, the basis for that party's position, and any matters, which it considers necessary for determination.

41. U.S. EPA and Ashland will in good faith attempt to resolve the dispute through formal negotiations within 21 days, or a longer period if agreed in writing by the parties. During formal negotiations, either party may request a conference with appropriate senior management to discuss the dispute.

42. If the parties are unable to reach an agreement through formal negotiations, within 14 business days after any formal negotiations end, Ashland and U.S. EPA's Project Manager may submit additional written information to the Director of the Land and Chemicals Division, U.S. EPA Region 5. U.S. EPA will maintain a record of the dispute, which will contain all statements of position and any other documentation submitted pursuant to this Section. U.S. EPA will allow timely submission of relevant supplemental statements of position by the parties to the dispute. Based on the record, U.S. EPA will respond to Ashland's arguments and evidence and provide a detailed written decision on the dispute signed by the Director of the Land and Chemicals Division, U.S. EPA Region 5 ("EPA Dispute Decision").

43. If, at the conclusion of the Dispute Resolution process, Ashland notifies U.S. EPA that it refuses to implement U.S. EPA's selected final corrective measures, U.S. EPA will endeavor to pursue the action(s) it deems necessary, if any, within a reasonable period of time.

XII. FORCE MAJEURE AND EXCUSABLE DELAY

44. Force majeure, for purposes of this Order, is any event arising from causes not foreseen and beyond Ashland's control that delays or prevents the timely performance of any obligation under this Order despite Ashland's best efforts.

45. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a force majeure event, Ashland must notify U.S. EPA within two business days after learning that the event may cause a delay. If Ashland wishes to claim a force majeure event, within 15 business days thereafter Ashland must provide to U.S. EPA in writing all relevant information relating to the claim, including a proposed revised schedule.

46. If U.S. EPA determines that a delay or anticipated delay is attributable to a force majeure event, U.S. EPA will extend in writing the time to perform the obligation affected by the force majeure event for such time as U.S. EPA determines is necessary to complete the obligation or obligations.

XIII. MODIFICATION

47. This Order may be modified only by mutual agreement of U.S. EPA and Ashland, except as provided in Section VI - Work to be Performed. Any agreed modifications will be in writing, will be signed by both parties, will be effective on the date of signature by U.S. EPA, and will be incorporated into this Order.

XIV. RESERVATION OF RIGHTS

48. Nothing in this Order restricts U.S. EPA's authority to seek Ashland's compliance with the Order and applicable laws and regulations. For violations of this Order, U.S. EPA reserves its rights to bring an action to enforce the Order, to assess penalties under Section 3008(h)(2) of RCRA, 42 U.S.C. § 6928(h)(2), and to issue an administrative order to perform corrective actions or other response measures. In any later proceeding, Ashland shall not assert or maintain any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon a contention that the claims raised by the United States in the later proceeding were or should have been raised here. This Order is not a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, or authorities of U.S. EPA.

49. U.S. EPA reserves all of its rights to perform any portion of the work consented to here or any additional site characterization, feasibility study, and remedial work as it deems necessary to protect human health or the environment.

50. If U.S. EPA determines that Ashland's actions related to this Order have caused or may cause a release of hazardous waste or hazardous constituent(s), or a threat to human health or the environment, or that Ashland cannot perform any of the work ordered, U.S. EPA may order Ashland to stop implementing this Order for the time U.S. EPA determines may be needed to abate the release or threat and to take any action that U.S. EPA determines is necessary to abate the release or threat.

51. Ashland does not admit any of U.S. EPA's factual or legal determinations. Except for the specific waivers in this Order, Ashland reserves all of its rights, remedies and defenses, including all rights and defenses it may have: (a) to challenge U.S. EPA's performance of work; (b) to challenge U.S. EPA's stop work orders; and (c) regarding liability or responsibility for conditions at the facility, except for its right to contest U.S. EPA's jurisdiction to issue or enforce this Order. Ashland has entered into this Order in good faith without trial or adjudication of any issue of fact or law. Ashland reserves its right to seek judicial review of U.S. EPA actions taken under this Order, including a proceeding brought by the United States to enforce the Order or to collect penalties for violations of the Order.

XV. OTHER CLAIMS

52. Ashland waives any claims or demands for compensation or payment under Section 106(b), 111, and 112 of CERCLA against the United States or the Hazardous Substance Superfund established by 26 U.S.C. § 9507 for, or arising out of, any activity performed or

expense incurred under this Order. Additionally, this Order is not a decision on preauthorization of funds under Section 111(a) (2) of CERCLA.

XVI. INDEMNIFICATION OF THE UNITED STATES GOVERNMENT

53. Ashland indemnifies, saves and holds harmless the United States, its agencies, departments, agents, and employees, from all claims or causes of action arising from or on account of acts or omissions of Ashland or its officers, employees, agents, independent contractors, receivers, trustees, and assigns in carrying out activities required by this Order. This indemnification will not affect or limit the rights or obligations of Ashland or the United States under their various contracts. This indemnification will not create any obligation on the part of Ashland to indemnify the United States from claims arising from the acts or omissions of the United States, its agencies, departments, agents and employees.

XVII. SEVERABILITY

54. If any judicial or administrative authority holds any provision of this Order to be invalid, the remaining provisions will remain in force and will not be affected.

XVIII. TERMINATION AND SATISFACTION

55. Ashland may request that U.S. EPA issue a determination that Ashland has met the requirements of the Order for all or a portion of the facility. Ashland may also request that U.S. EPA issue a “no further interest” or “no further action” determination for all or a portion of the facility.

56. The provisions of the Order will be satisfied upon Ashland’s and U.S. EPA’s execution of an “Acknowledgment of Termination and Agreement on Record Preservation and Reservation of Rights”, consistent with U.S. EPA’s Model Scope of Work.

57. Ashland’s execution of the Acknowledgment will affirm its continuing obligation to preserve all records as required by Section IX, to maintain any necessary institutional controls or other long terms measures, and to recognize U.S. EPA’s reservation of rights as required in Section XIV.

XIX. SURVIVABILITY/PERMIT INTEGRATION

58. Except as otherwise expressly provided in this section, this Order shall survive the issuance or denial of a RCRA permit for the Facility, and this Order shall continue in full force and effect after either the issuance or denial of such permit. Except as provided below, Ashland shall continue to be liable for the performance of obligations under this Order notwithstanding the issuance or denial of such permit. If the Facility is issued a RCRA permit and that permit expressly incorporates part of the requirements of this Order, or expressly states that its requirements are intended to replace some of the requirements of this Order, Respondent may request a modification of this Order and shall, with U.S. EPA approval, be relieved of liability under this Order for those specific obligations. If the Facility is issued a RCRA permit and that

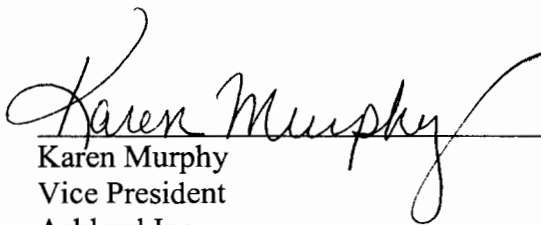
permit expressly incorporates all of the requirements of this Order, or expressly states that its requirements are intended to replace all of the requirements of this Order, Respondent may request that this Order be terminated. U.S. EPA shall approve such a request if it finds that the permit incorporates all of the requirements of this Order or that the requirements are intended to replace all of the requirements of this Order. U.S. EPA shall not unreasonably withhold its approval to terminate this Order.

XX. EFFECTIVE DATE

59. This Order is effective on the date that U.S. EPA signs the Order.

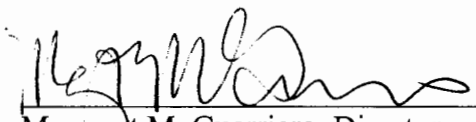
IT IS SO AGREED:

DATE: 7/27/07

BY: 
Karen Murphy
Vice President
Ashland Inc. *KMW*
GRA

IT IS SO ORDERED:

DATE: 8/9/07

BY: 
Margaret M. Guerriero, Director
Land and Chemicals Division
U.S. Environmental Protection Agency
Region 5

RCRA-05-2007-0010

Case Name: Ashland Inc.
Docket NO.: **RCRA-05-2007-0010**

CERTIFICATE OF SERVICE

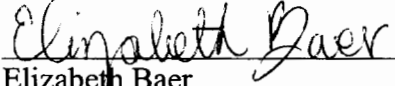
I hereby certify that today I have filed the original of this **ADMINISTRATIVE ORDER ON CONSENT** and this **CERTIFICATE OF SERVICE** in the office of Regional Hearing Clerk (E-13J), United States Environmental Protection Agency, Region 5, 77 W. Jackson Boulevard, Chicago, IL 60604-3590.

I further certify that I then caused true and correct copies of the filed document to be mailed to the following:

Karen Murphy, Vice President
Environmental Health & Safety
Ashland Chemical, Inc.
P.O. Box 2219
Columbus, Ohio 43216

Certified Mail # 7001 0320 0006 0198 7136

Dated: August 14, 2007


Elizabeth Baer
Secretary, Corrective Action Section
Land and Chemical Division
U.S. EPA Region 5