



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

September 17, 2001

Chris W. Conley
Vice President, Environmental Health and Safety
Aerojet-General Corporation
P.O. Box 537012
Sacramento, California (5853-7012)

Dear Mr. Conley:

The Aerojet facility in Sacramento County, California was listed by the U.S. Environmental Protection Agency (EPA) as part of the Superfund National Priorities List (NPL) on September 8, 1983. Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), and implementing regulations and policies, the Aerojet NPL Site is defined as those areas where hazardous substances have been released or have come to be located, and areas in close proximity that are needed for cleanup activities (e.g., to locate groundwater wells or treatment facilities). In June of 1989, a Partial Consent Decree was entered requiring Aerojet, among other things, to perform a Remedial Investigation/Feasibility Study (RI/FS) on the entire eight thousand five hundred (8,500)-acre facility. EPA Region 9 and the State of California are currently overseeing Aerojet's RI/FS activities.

Aerojet representatives have requested that EPA consider delisting lands that Aerojet intends to develop from the Aerojet NPL Site. This letter responds to that request. Based upon Aerojet's investigations performed pursuant to a workplan approved by EPA and the State of California, and subject to declarations of covenants and environmental restrictions to be recorded in the Official Records of Sacramento County, California, EPA does not consider the areas in Exhibit A attached hereto to be part of the Aerojet Site, except for contaminated groundwater and associated contaminated media beneath the surface of these areas (the "Carve-Out Lands"). With regard to the sale of any interest in the Carve-Out Lands or any portion thereof, Aerojet and its buyers should be aware that EPA generally will not take enforcement actions against or seek cost recovery from owners of property containing contaminated groundwater that have not contributed to or exacerbated groundwater contamination. Please refer to the EPA policy entitled "Policy Towards Owners of Property Containing Contaminated Aquifers," (July 3, 1995) 60 Fed. Reg. 34790. Prospective purchasers acquiring these properties may be entitled to the benefits of this policy. The clarification of the Aerojet Site's boundaries does not, of course, affect the liability of responsible parties, or impede efforts by EPA or the State of California to require or take response actions not inconsistent with the National Contingency Plan or to recover costs associated with response efforts under CERCLA.

Based on the investigations of the Carve-Out Lands and consideration of anticipated groundwater cleanup plans, the EPA and the State of California have agreed to seek to modify the

Partial Consent Decree, removing the Carve-Out Lands from the definition of the Aerojet NPL Site contained in the Partial Consent Decree and dividing up the Site into operable units for purposes of performing the RI/FS. This modification to the Partial Consent Decree is subject to public comment and entry by the Court.

Effective upon court entry of said modification to the Partial Consent Decree, EPA will no longer consider the Carve-Out Lands to be part of the Aerojet NPL Site. Moreover, EPA will update its NPL database to reflect the fact that EPA does not consider the Carve-Out Lands to be part of the Aerojet NPL Site, and future references to the Aerojet NPL Site by EPA will not include the Carve-Out Lands. EPA will also issue a Fact Sheet clarifying the boundaries of the Aerojet NPL Site, which will include all contaminated areas, but will not include areas that have not been impacted by hazardous substance releases.

Should your legal counsel have further questions regarding this matter, he or she may contact Thelma Estrada of our Office of Regional Counsel at (415) 744-1386.

Very truly yours,

John Kemmerer
Chief, Site Cleanup Branch
Superfund Division