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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

February 25, 2008

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Reply To: ORC-158

Barabara Williamson
US Dept of Energy, FDH
825 Jadwin Avenue
Richland, WA 99352-3589

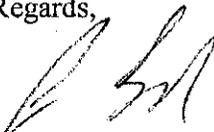
RE: Changes to IAMIT Dispute Resolution Settlement Agreement

0076090

Barbara,

Enclosed is page one of the K Basin Dispute Resolution Settlement Agreement signed January 1, 2008. Dan Opalski has initialed the change on the last line of paragraph 3, changing 16-67 to 16-57.

Regards,


Andy Boyd
US EPA, ORC
(206)553-1222

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OFFICE OF CHIEF COUNSEL

DISPUTE RESOLUTION
SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made by and between the United States of America Department of Energy (DOE) and the United States of America Environmental Protection Agency (EPA).

Whereas on December 7, 2006, DOE submitted change requests to EPA, the lead regulatory agency, to extend the Hanford Federal Facility Agreement and Consent Order (HFFACO) milestone dates for M-34-32 and M-16-57;

Whereas EPA denied the request by letter, dated December 14, 2006, and DOE and EPA were unable to agree to informally resolve the dispute;

Whereas DOE submitted a notice of dispute to EPA on January 12, 2007, pursuant to Article XVI of the HFFACO and the time for resolution of the dispute has been extended by mutual agreement until January 31, 2008;

Whereas complete removal of the K East Basin Structure by March 31, 2007 has not been completed, as required by HFFACO milestone M-34-32;

Whereas soil remediation has not been initiated at the K East Basin by April 30, 2007, as required by HFFACO milestone M-16-57;

Whereas DOE and EPA wish to resolve and settle this matter as set forth below.

NOW, THEREFORE, IT IS AGREED THAT:

1. This Settlement Agreement shall apply and be binding upon EPA and DOE, and their officers, directors, employees, successors and assigns.

2. DOE stipulates that EPA has jurisdiction over the subject matter alleged and that civil stipulated penalties can be assessed. DOE waives any defenses to the civil stipulated penalties it might have as to jurisdiction and venue, and without admitting or denying the facts or that violations have occurred, DOE consents to the terms of this Settlement Agreement.

RB 3. DOE hereby waives its rights to any judicial or administrative civil proceedings on any issues of law or fact related to the failure to complete work required by M-34-32 and M-16-57. *10*

4. Pursuant to Section 109 of CERCLA and Article XX of the HFFACO, and in consideration of the nature of the alleged failures, and other relevant factors, EPA has determined that an appropriate civil stipulated penalty to settle this matter is in the amount of \$75,000.