



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION I
FIVE POST OFFICE SQUARE, SUITE 100, BOSTON, MA 02109-3912**

BY ELECTRONIC MAIL

April 11, 2011

Michael T. Carroll
Manager, Pittsfield Remediation Programs
Corporate Environmental Programs
General Electric Company
159 Plastics Avenue
Pittsfield, MA 01201

Dear Mr. Carroll:

This letter is to commemorate the agreement reached by the United States, on behalf of the U.S. Environmental Protection Agency ("EPA"), and the General Electric Company ("GE")(collectively "the Parties"), with respect to costs billed by EPA on January 26, 2011.

By cover letter dated January 26, 2011, EPA submitted invoices to GE for payment of certain U.S. Future Response Costs and 1 ½ Mile Reach Removal Action Costs ("January 2011 U.S. Future Response Costs," and "January 2011 1 ½ Mile Reach Removal Action Costs," respectively, and "January 2011 Cost Invoices," collectively) as each category of costs is defined under the Consent Decree in United States, et al. v. General Electric Co., Civ. Act. No. 99-30225, 99-30226, 99-30227-MAP (consolidated)(D. Mass)("Decree").

In the Parties' discussions following EPA's submittal to GE of the invoices, the Parties have disagreed over whether GE is liable to pay all of the costs in the January 2011 U.S. Future Response Costs invoices and/or whether certain of those costs are in the correct category of costs. As part of that discussion, on March 15, 2011, EPA and GE agreed to an extension of time for payment of the January 2011 U.S. Future Response Costs and 1 ½ Mile Reach Removal Action Costs, until April 15, 2011. Despite those disagreements, without admission of law or fact or otherwise by any party, the Parties have agreed to settle the claims represented by the EPA January 2011 Costs Invoices without resort to Dispute Resolution under the Decree or other litigation.

Accordingly, GE's payment responsibilities regarding the January 2011 U.S. Future Response Costs and 1 ½ Mile Reach Removal Action Costs are as follows. GE shall pay the United States \$659,823. Payment shall be made on or before April 15, 2011. Notices of payment shall be made in accordance with the procedures specified in the Decree.

The total payment of \$659,823 includes payment of \$629,690, with respect to U.S. Future Response Costs as described in Paragraph 95 of the Decree, and payment of \$30,133 with respect to 1 ½ Mile Reach Removal Action Costs as described in Paragraph 103 of the Decree. The above-referenced payments by GE regarding U.S. Future Response Costs and 1 ½ Mile Reach Removal Action Costs represent a full and final settlement with respect to those costs set forth in the EPA January 2011 Cost Invoices.

This settlement amount differs from the amounts billed in the EPA January 2011 U.S. Future Response Costs and 1 ½ Mile Reach Removal Action Costs in light of the following determinations made by EPA subsequent to issuance of the EPA January 2011 Cost Invoices. Specifically, EPA has agreed to reallocate costs as follows.

- Subsequent to the issuance of the EPA January 2011 Cost Invoices, EPA adjusted one set of personnel costs, which resulted in the transfer from the “cross-cutting cost” category to Paragraph 95 of \$3,804, with a related decrease in Paragraph 103 costs of \$65.00;
- EPA has agreed to reallocate from Paragraph 95 to the “cross-cutting cost” category a net amount of \$24,530;
- Based on that amount of transfer from Paragraph 95 to the cross-cutting cost category, the amount allocated to Paragraph 103, based on the formula for allocating cross-cutting costs in the EPA January 2011 Cost Invoices, is increased by \$499.00.

The amounts to be paid by GE pursuant to Paragraphs 95 and 103 reflect the reallocations related to such costs. Certain of the costs billed by EPA in the EPA January 2011 Cost Invoices represent costs billed EPA by other entities. In the event that EPA receives a credit on such costs or later pays additional charges regarding the specific tasks covered by the EPA January 2011 Cost Invoices, EPA will consequently reflect such change in a future cost invoice to GE under the Decree. With respect to annual allocation costs, for future costs, EPA will use the annual allocation rates in effect at the time of such future billing. GE continues to reserve its rights and defenses to argue that such allocation costs are not recoverable under the Decree, and this letter agreement shall not modify GE’s rights to challenge such costs or any other costs not set forth in the EPA January 2011 Cost Invoices, as provided by the Decree.

Finally, to reiterate the payment information we provided in EPA’s January 26, 2011 letter, payment should be made via Electronic Funds Transfer (“EFT”) or by check, and should clearly reference the GE-Pittsfield/Housatonic River Special Account, SSID 01-67, and the DOJ case number 90-11-3-1479. If GE intends to make an EFT payment, the EFT address differs from the one provided to GE with regard to the payment of past response costs, as described in Paragraph 94 of the Decree. Wire payments should now be directed to the Federal Reserve Bank of New

York; the ABA routing number is 021030004, and the account number is 68010727. Checks should be mailed to U.S. Environmental Protection Agency, Cincinnati Finance Center, P.O. Box 979076, St. Louis, MO 63197-9000.

The Parties reserve all rights provided under the Consent Decree with respect to additional costs Incurred by the United States and all other terms of the Consent Decree.

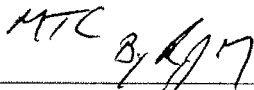
Please indicate your agreement with this letter by signing and returning it.

Sincerely,

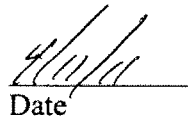


Timothy M. Conway
Senior Enforcement Counsel

Agreed By:



Michael T. Carroll
Manager, Pittsfield Remediation Programs
Corporate Environmental Programs
General Electric Company


Date