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**DANA CORPORATION AGREES TO PAY \$125 MILLION ALLOWED
CLAIM IN BANKRUPTCY TO SETTLE ENVIRONMENTAL
LIABILITIES AT SIX TOXIC WASTE SITES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, RONALD J. TENPAS, the Assistant Attorney General for the Justice Department's Environment and Natural Resources Division, ALAN J. STEINBERG, the Regional Administrator of Region 2 of the Environmental Protection Agency ("EPA"), JOHN H. DUNNIGAN, the Assistant Administrator of the National Ocean Service of the National Oceanic and Atmospheric Administration ("NOAA") of the Department of Commerce, and MARVIN MORIARTY, the Northeast Regional Director of the Fish and Wildlife Service of the Department of the Interior, announced today that the United States has settled environmental claims of the EPA, the Department of Commerce, and the Department of the Interior (the "Government"), brought against chapter 11 debtors DANA CORPORATION and 40 affiliated companies ("DANA"), under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). Pursuant to a Stipulation and Order, filed in Manhattan federal court, the United States' environmental claims will be allowed in the bankruptcy proceeding in the amount of \$125,670,252. An allowed claim is an uncontested claim that DANA is required to pay under its court-approved plan of reorganization, the terms of which govern creditor recoveries. DANA had filed an objection to the United States' environmental claims, which DANA will withdraw in connection with the settlement. The settlement resolves the Government's

environmental cleanup claims with respect to six toxic waste sites, also known as Superfund sites, in five states. The settlement also resolves claims against DANA for related civil monetary penalties.

In May 2006, DANA, an auto parts manufacturer based in Toledo, Ohio, filed petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. The Government then filed claims against DANA in the Bankruptcy Court seeking to recover past and future environmental cleanup costs with respect to six Superfund sites formerly owned or operated by DANA, and/or where DANA had disposed of hazardous waste. The Government also filed a claim against DANA for natural resource damages at one of these sites. The Government's claims also sought civil monetary penalties under CERCLA and the Clean Water Act for violations at two manufacturing facilities formerly owned by DANA.

Because the case presented significant issues of federal environmental law, on November 20, 2007, United States District Judge SHIRA A. SCHEINDLIN granted the Government's motion to withdraw the Government's claims from the Bankruptcy Court, and assumed jurisdiction over all proceedings relating to the Government's claims.

The largest of the Government's environmental claims relates to the Cornell Dubilier Electronics, Inc. ("CDE") Superfund Site, located in South Plainfield, New Jersey (the "CDE Site"). The CDE Site consists of a 26-acre industrial facility and the surrounding area that has been contaminated as a result of releases of hazardous substances from the facility. The Government charged that DANA was liable at the CDE Site based on its prior ownership of the real property and buildings at the CDE Site from 1936 to 1956. According to the Government's Proof of Claim, during that time, DANA leased the property and buildings to CDE, an electronics manufacturer whose operations polluted the property. Specifically, the Government charged that, as a result of CDE's burying of hazardous waste in large pits on the property, and pollution released from CDE's manufacturing operations, the property and surrounding environment has been pervasively contaminated with polychlorinated biphenyls ("PCBs") and other toxic substances. In addition, the Government alleged that PCB contamination from CDE's operations during DANA's ownership caused injury to natural resources at the CDE Site, such as migratory birds and fish. DANA has denied these allegations. For a number of years, EPA has been working to address the contamination at the CDE Site and the risk posed to the surrounding community.

Under the settlement for the CDE Site, the United States' claim in the bankruptcy proceeding will be allowed in the amount of \$100,710,000. Of that total, \$97,590,000 will be allocated to EPA to cover past and future cleanup costs at the CDE Site. The remaining \$3,120,000 will be allocated to the Departments of Commerce and Interior for natural resource restoration and assessment.

DANA also agreed that the United States would receive an allowed claim in the bankruptcy totaling \$24,290,000 in settlement of EPA's environmental claims relating to a Superfund site in Hastings, Nebraska (the "Hastings Site"). DANA owned and operated an auto parts manufacturing facility at the Hastings Site from approximately 1978 to 2002. The Government alleged that DANA used hazardous substances, such as tetrachloroethylene, in its manufacturing processes and that these hazardous substances were released into the environment during plant operations. DANA also denies these allegations.

In addition, DANA agreed that the United States would receive an allowed claim in the bankruptcy totaling approximately \$500,000 for response costs relating to four other Superfund sites located in Southington Connecticut; Claypool and Elkhart, Indiana; and Tremont City, Ohio. DANA further agreed that the United States would receive an allowed claim in the amount of \$169,000 to resolve violations of CERCLA and the Clean Water Act at two facilities formerly owned by DANA in Muskegon, Michigan, and Bellefontaine, Ohio.

Pursuant to federal regulations, the Stipulation and Order will be lodged with the Court for a period of not less than thirty days to provide public notice and to afford members of the public the opportunity to comment on the settlement.

"This settlement will provide vital funds necessary to remediate pollution at six toxic waste sites in multiple states," said United States Attorney MICHAEL J. GARCIA. "This is a constructive solution that will help clean up contamination and make these communities safer."

"Today's settlement will provide the government with funds to pay for past costs, future cleanup, and restoration projects to help remedy the contamination at Dana Corporation sites around the country," said Assistant Attorney General RONALD J. TENPAS. "This settlement is a result of cooperation among several federal agencies and offices and ultimately will result in a cleaner environment."

"EPA's pursuit of its costs, despite DANA's bankruptcy, demonstrates EPA's commitment to the Superfund principle that the polluter pays," said EPA Regional Administrator ALAN J. STEINBERG. "This settlement is positive for the community of South Plainfield, New Jersey, and EPA will continue to make strides in the cleanup of the CDE Site."

"This settlement is consistent with NOAA's core mission to protect and restore coastal and marine resources threatened or injured by oil spills, releases of hazardous substances, and vessel groundings," said NOAA Assistant Administrator JOHN H. DUNNIGAN. "Early resolution of natural resource liability with the Dana Corporation will help restore fish habitat and enhance recreational fishing opportunities in the Raritan River watershed. By avoiding costly and time consuming litigation, everyone wins -- industry, the natural resources, and the public."

Mr. GARCIA praised the investigative efforts and assistance provided in the case by EPA, the Departments of Commerce and Interior, and the Environment and Natural Resources Division of the Department of Justice.

Assistant United States Attorneys PIERRE G. ARMAND, MATTHEW L. SCHWARTZ, DANIEL P. FILOR and JOHN D. CLOPPER are in charge of the case.

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