

January 8, 2004

Honorable Donald E. Shelton
22nd Circuit Court
Courthouse
101 E. Huron
Ann Arbor, MI 48107

Re: Attorney General v Gelman Sciences Inc.
Case No: 88-34734-CE
Our File No: 471

Dear Judge Shelton:

This letter is intended to update the Court on the status of developments that have occurred since the last status hearing in August. In particular, this letter will advise the Court of recent events that have affected the schedule for Pall's submission and the State's review of Pall's Feasibility Study.

As the parties advised the Court in August, Pall is in the process of preparing a detailed Feasibility Study that identifies the remedial options that available to address the Unit E plume and the preferred option that Pall will implement. Such a thorough and comprehensive approach to this remedial challenge is required by the various stakeholders – including the City whose cooperation will be crucial to the successful implementation of any plan – and the complexity of the problem itself.

One of the options that is being considered is in-situ technology. As we discussed in August, Pall concluded that its preliminary testing of ozone injection showed promising results. Pall has since implemented a multi-phased field study of this technology using wells located on its property. The results of these tests have been mixed. The study's ozone injection phases produced disappointing results. Although the ozone successfully destroyed 1,4-dioxane in-situ, it also appears to have reacted with naturally occurring Bromide to form Bromate, a harmful bi-product. While Pall still believes that this technology is promising and that the Bromate issue could, with sufficient study, be overcome, it does not appear that the necessary work can be done in time for this option to be included in the Feasibility Study.

The field study also included an evaluation of whether Hydrogen Peroxide, the oxidizer Pall currently uses in connection with its UV treatment technology, could successfully destroy 1,4-dioxane in-situ. Pall found the results of this study were positive, showing significant 1,4-dioxane destruction without the creation of Bromate.

Pall and the State agree that additional testing is necessary before Hydrogen Peroxide injection technology

can be evaluated as an option in the Feasibility Study. Pall has already prepared and submitted a detailed work plan that outlines to determine if it can be effectively used to address the Unit E plume. (See attached). If access can be obtained in a timely manner, Pall intends to implement this work plan in the vicinity of the Maple Village area. If access cannot be obtained quickly, Pall may pursue the option of performing the work on its property. Pall should complete the study by the end of March.

The need to further investigate this promising technology and to analyze several other recently identified options required the parties to delay the submission and review of the Feasibility Study. Pall has agreed to submit an Interim Feasibility Study by January 15, 2004. This interim report will not analyze the in-situ option, but will address several recently suggested options along with the options included in the original outline that the State previously reviewed and approved. The final Feasibility Study, which will include the in-situ option, will be submitted shortly after conclusion of the ongoing field study. Pall expects to submit the final Feasibility Study by April 20, 2004, assuming the State approves the work plan and access is obtained by February 2, 2004. Following a formal comment period, the State anticipates being in a position to respond to Pall's selected option within two months of receiving an adequate, detailed work plan for the selected option.

The parties wanted to advise the Court of these developments since the revised schedule will not permit the parties to be in a position to tell the Court how the Unit E plume will be addressed by the currently scheduled February 9, 2004 status hearing. While neither party wants to delay remediation of this aquifer, both agree that this complex problem can only be effectively addressed with adequate testing, planning and community involvement. Counsel are available for a conference call if the Court wishes to discuss this matter further.

Very truly yours,

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