related to sites previously owned by Cooper and third-party sites where Cooper was a potentially responsible party Third-party sites usually involve multiple contributors where Cooper's liability will be determined based on an estimate of Cooper's proportionate responsibility for the total cleanup The amount actually accrued for such sites is based on these estimates as well as an assessment of the financial capacity of the other potentially responsible parties

It has been Cooper's consistent practice to include the entire product liability accrual and a significant portion of the environmental liability accrual as current liabilities, although only approximately 15-25% of the balance classified as current is normally spent on an annual basis The annual effect on earnings for product liability is essentially equal to the amounts disbursed In the case of the environmental liability, the annual expense is considerably smaller than the disbursements, since the vast majority of Cooper's environmental liability has been recorded in connection with acquired companies The change in the accrual balances from year to year reflects the effect of acquisitions and divestitures as well as normal expensing and funding

Cooper has not utilized any form of discounting in establishing its product or environmental liability accruals While both product liability and environmental liability accruals involve estimates that can have wide ranges of potential liability, Cooper has taken a proactive approach and has managed the costs in both of these areas over the years. Cooper does not believe that the nature of its products, its production processes, or the materials or other factors involved in the manufacturing process subject Cooper to unusual risks or exposures for product or environmental liability Cooper's greatest exposure to inaccuracy in its estimates is with respect to the constantly changing definitions of what constitutes an environmental liability or an acceptable level of cleanup

In connection with acquisitions accounted for using the purchase method of accounting, Cooper records, to the extent appropriate, accruals for the costs of closing duplicate facilities, severing redundant personnel and integrating the acquired business into existing Cooper operations Significant accruals include plant shut-down and realignment costs The following table summarizes the accrual balances and activity during each of the last three years

	2001	2000	1999
		(in millions)	
Activity during each year:			
Balance, beginning of year	$ 37 5	$ 10 8	$ 15 6
Spending	(11 0)	(3 5)	(4 8)
Acquisitions – initial allocation	-	28 6	1 2
Acquisitions – final allocation adjustment	12 9	2 2	(0 3)
Translation	(0 1)	(0 6)	(0 9)
Balance, end of year	$ 39 3	$ 37 5	$ 10 8
Balance by category of accrual:			
Plant shut-down and realignment	$ 38 8	$ 36 5	$ 9 5
Other realignment and integration	0 5	1 0	1 3
	$ 39 3	$ 37 5	$ 10 8

Plant shut-down and realignment includes the costs to terminate personnel, shut down the facilities, terminate leases and similar costs Other realignment and integration costs includes costs to exit product lines and miscellaneous costs

During the three years ended December 31, 2001, accruals reversed to income were insignificant The annual spending was primarily related to downsizing and consolidating facilities The 2000 acquisitions-initial allocation