

EXHIBIT I

STATE OF NEW YORK : DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of Alleged Violations of
Sections 17-0501, 17-0511 and 11-0503 of the
Environmental Conservation Law of the State
of New York by:

PROPOSED
ABATEMENT
ORDER

GENERAL ELECTRIC COMPANY

FILE NO.

Respondent

2833

WHEREAS, the environmental policy of the State of New York ("State") is to conserve, improve and protect its natural resources and environment and control water pollution in order to enhance the health, safety and welfare of the people of the State (Environmental Conservation Law ("ECL") §1-0101);

WHEREAS, it is the responsibility of the Commissioner of Environmental Conservation ("Commissioner") and the New York State Department of Environmental Conservation ("Department") to prevent and abate water pollution; to provide for the protection of marine resources; to provide for the protection and management of fish and other aquatic life consistent with the environmental policy of the State; and to promote restoration and reclamation of degraded or despoiled areas and natural resources (ECL §3-0301);

WHEREAS, pursuant to ECL §17-0301 the Department has classified virtually all waters of the State and has adopted standards of purity and quality for each classification of water;

WHEREAS, Respondent, the General Electric Company ("Company") owns, operates and maintains premises and facilities for the

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manufacture of electrical equipment located in Hudson Falls and Fort Edward, New York, from which polychlorinated biphenyl compounds ("PCBs") have been for at least twenty years and continue to be discharged into the waters of the Hudson River;

WHEREAS, PCBs are toxic and deleterious substances which are a hazard to the health of humans, fish, birds, wild fowl, marine and terrestrial mammals and other wildlife;

WHEREAS, the Hudson River, including waters and sediments, and natural resources of the State are and will continue for many years to be despoiled and degraded as the result of the presence of PCBs, a substantial portion of which have been discharged by the Respondent;

WHEREAS, the past and continuing discharges of PCBs by the Respondent into the waters of the Hudson River (a) present a hazard to human health and the natural resources of the State, which is likely to have caused and to be causing irreparable damage to the Hudson River, and (b) have resulted and are likely to continue to result in substantial injury to commercial and recreational fishery interests of the State;

WHEREAS, pursuant to the Federal Food, Drug and Cosmetic Act, the United States Food and Drug Administration ("FDA"), Department of Health, Education and Welfare, has determined that PCBs are poisonous, deleterious and persistent substances and has established temporary tolerance levels of PCBs in food stuffs, including fish, designed to protect human health;

WHEREAS, the Department and the United States Environmental Protection Agency have sampled various species of edible fish in the State of New York, including the Hudson River and specifically in the vicinity of the Respondents premises and facilities, and have found that edible fish in the Hudson River, including fish in the vicinity of the Respondent's aforementioned premises and facilities exceed the PCB tolerance level established by FDA;

WHEREAS, the discharge of PCBs by the Respondent into the waters of the Hudson River from point and non-point sources at its premises and facilities located in Hudson Falls and Fort Edward, New York has and continues to violate ECL Section 17-0501 and ECL Section 17-0511, and water quality and purity standards promulgated by the Department pursuant to ECL Section 17-0301 (6 NYCRR Part 701), as well as ECL Section 11-0503.1,

NOW, THEREFORE, having considered this matter and being duly advised, it is ORDERED:

I. That immediately upon service of a conformed copy of this Order upon Respondent, Respondent shall cease and abate all discharges of PCBs into the Hudson River from all point and non-point sources at its premises and facilities located in Hudson Falls and Fort Edward, New York in accordance with the provisions, terms and conditions of this Order as hereinafter provided.

II. On or after the date of service of a conformed copy of this Order on Respondent, the discharge of PCBs into the Hudson River from point and non-point sources at its premises and facilities located in Hudson Falls and Fort Edward, New York shall

constitute continuing violations of this Order, as well as continuing violations of the ECL and the rules and regulations promulgated thereunder provided, however, that action for penalties for any such violation pursuant to law shall not be instituted by the Department for so long as Respondent proceeds with, completes and complies with the provisions, terms, and conditions of Schedule A attached hereto and incorporated herein by reference.

III. All reports and submissions herein required shall be made to the Director of the Division of Pure Waters of the Department in Albany, New York. All time limits set forth in Schedule A shall commence on the date the conformed copy of this Order is served upon Respondent.

IV. To ensure compliance with this Order, duly authorized representatives of the Department shall be permitted access to Respondent's premises and facilities for the purpose of inspecting them and for the purpose of making or such test as may be deemed necessary, including sampling of discharges and receiving waters, to determine the status of compliance with the provisions, terms and conditions of this Order.

V. Within 15 days of service of a conformed copy of this Order upon Respondent, in order to ensure full and timely compliance with the provisions, terms and conditions hereof, Respondent shall post or deposit with the Department a financial undertaking in cash, check or other equivalent negotiable instrument in acceptable form or a surety bond issued by a

company licensed to do business in the State of New York in a form acceptable to the Department, in the amount of Two Million Dollars (\$2,000,000) on condition that upon 15 days written notice to the Respondent, said financial undertaking shall be forfeited to the Commissioner of Environmental Conservation if at any time the Respondent fails to comply in whole or in part with the provisions, terms and conditions of this Order; provided however, that the Respondent has not requested in writing and been granted prior formal modification of said provisions, terms, and conditions by the Commissioner; and provided further that forfeiture of said amount shall in no way prejudice the right of the Commissioner to institute such other and further action as he may deem necessary in order to ensure full compliance with the terms and conditions of this Order and the provisions of the ECL and the rules and regulations promulgated thereunder.

Provided further, however, that said financial undertaking shall be returned to the Respondent upon written request to the Department with proof acceptable to the Department to establish that the Respondent has complied fully with the provisions, terms and conditions of this Order.

Provided further, that the amount of such financial undertaking may be increased by the Commissioner as deemed appropriate in response to any relevant information, including but not limited to, the nature and extent of specific abatement programs, plans, strategies and procedures developed pursuant to Schedule A hereof.

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VI. That the Respondent can at any time request the Commissioner of Environmental Conservation to modify the requirements of Paragraph 4 of Schedule A hereof on the grounds that compliance therewith is not technologically achievable and that the Respondent has made significant efforts to abate substantially or to eliminate damage to and degradation of the Hudson River and the natural resources of the State caused by its past and continuing discharges of PCBs. Upon receipt of such a request and supporting evidence, the Commissioner of Environmental Conservation will review the following: (i) the technological achievability of compliance;

(ii) the nature and extent of the Respondent's efforts to restore the health of the Hudson River and the resources of the State so as to eliminate environmental contamination thereof caused by the Respondent's discharges of PCBs;

(iii) the environmental and public health effects of any proposed modification;

(iv) alternatives to any proposed modification, including closure of Respondent's facilities where warranted by threatened or actual damage to the public health and/or irreparable damage to the natural resources of the State.

Upon completing his review, and after providing the Respondent an opportunity to be fully heard, the Commissioner of Environmental Conservation will take whatever action is necessary and appropriate to protect the public interest and to sustain the environmental policies of the State.

VII. The provisions, terms and conditions of this Order shall be deemed to bind Respondent, its officers, directors, agents, servants, employees, successors, and assigns and all persons, firms and corporations acting under, or for it.

DATED: Albany, New York
1975

OGDEN REID, Commissioner
New York State Department of
Environmental Conservation

SCHEDULE A

1. The Company shall achieve within seven days of the date of this Order, a weekly average discharge of PCBs into the waters of the Hudson River not to exceed 3 pounds per day as the total load from all its manufacturing facilities, including discharge outlets emanating therefrom, located in Fort Edward and Hudson Falls, New York.

2. The Company shall achieve on or before December 31, 1975, a weekly average discharge of PCBs into the waters of the Hudson River not to exceed 2 pounds per day as the total load from all its manufacturing facilities, including discharge outlets emanating therefrom, located in Fort Edward and Hudson Falls, New York.

3. The Company shall achieve, on or before March 31, 1976, a weekly average discharge of PCBs into the waters of the Hudson River, not to exceed 1 pound per day as the total load from all its manufacturing facilities, including discharge outlets emanating therefrom, located in Fort Edward and Hudson Falls, New York.

4. (a) The Company shall achieve, on or before September 30, 1976, a zero discharge of PCBs into the waters of the Hudson River, from all its manufacturing facilities, including discharge outlets emanating therefrom, located in Fort Edward and Hudson Falls, New York.

(b) The Company shall achieve a zero discharge of PCBs into the waters of the Hudson River, from all point and non-point sources on its premises (including but not limited to loading docks, entry ways, disposal areas, land fills, tank farms, parking

lots and all grounds) located in Fort Edward and Hudson Falls, New York in accordance with the abatement program to be developed pursuant to Paragraphs 7(c) and 8 herein.

5. The Department reserves the right, pursuant to applicable provisions of law, to require that the Company achieve any more stringent limitation on the discharge of PCBs, or take any additional action to reduce or eliminate the discharge of PCBs from any point and/or non-point source at its premises and facilities located in Hudson Falls and Fort Edward, New York deemed warranted by any relevant information, including but not limited to:

(a) future effluent monitoring at the aforementioned premises and facilities conducted by the Company and/or the Department,

(b) information indicating that the discharge of PCBs from the aforementioned premises and facilities, at then existing levels, presents an imminent danger to the health or welfare of the people of New York State or results in or is likely to result in irreversible or irreparable damage to the natural resources of New York State;

(c) the results of the Company's abatement program, as provided for herein; and

(d) the promulgation of any effluent, toxic or deleterious substance or water quality standard or requirement.

6. (a) Immediately following receipt of a conformed copy of this Order, the Company shall commence monitoring the total amount of discharges of PCBs from all point and non-point sources

at the Company's premises and facilities located in Hudson Falls and Fort Edward, New York.

(b) Within fifteen (15) days of the date of this Order, the Company shall submit to the Commissioner of Environmental Conservation, for his approval, a program and specific procedures for monitoring the total amount of discharges of PCBs from all point and non-point sources at the above described premises and facilities. The general conditions for the Company's program shall be as follows: (i) hourly samples shall be composited for each discharge for each twenty-four hour period in proportion to flow; (ii) the results of the analysis for PCBs in each composite daily sample for each week shall be submitted to the Department and the Federal Environmental Protection Agency, Region II, within one week of the close of the sampling period.

7. The Company shall submit to the Commissioner of Environmental Conservation, for his approval,

(a) within thirty (30) days of the date of this Order, an engineering report containing: specific proposals for meeting the requirements of paragraphs "2" and "3" hereof; an implementation plan for each of the steps proposed; and, a projection of the reduction in discharges of PCBs attainable by each step.

(b) within ninety (90) days of the date of this Order, an engineering report containing: specific proposals for achieving zero discharge of PCBs as required by paragraph "4(a)" above; an implementation plan for each of the steps proposed; and, a projection of the reduction in discharges of PCBs attainable by each step.

(c) within one hundred eighty (180) days of the date of this Order, an engineering report containing specific proposals for achieving zero discharge of PCBs as required by paragraph "4(b)" above; an implementation plan outlining the steps proposed; and, a projection of the reduction in discharges of PCBs attainable by each step. \

8. Within fifteen (15) days of the date of approval of the engineering report referred to in subparagraph "7(a)" hereof, and within forty-five (45) days of the date of approval of the engineering reports referred to in subparagraphs "7(b) and 7(c)" hereof, the Company shall submit to the Commissioner of Environmental Conservation final plans and specifications for waste disposal, treatment and/or discharge control facilities and strategies described in the approved engineering report.

9. The Company shall develop and implement a program, to be submitted to and approved by the Department, which shall serve to restore the health of the Hudson River and the natural resources of the State, including waters, sediments, vegetation, fish and other animals, so as to substantially abate or eliminate the environmental contamination thereof for which the Company's past and continuing discharges of PCBs are responsible, as determined by the Department.