

Debtors’ Motion for an Order Approving Entry into an Environmental Consulting Agreement with Woodard & Curran (the “W&C Motion”).

By the W&C Motion, the Debtors seek entry of an order approving the Debtors’ entry into an environmental consulting agreement (the “Agreement”) with Woodard & Curran (“W&C”), an environmental consultancy firm that specializes in environmental remediation cost analysis and remediation strategy.

The Debtors and their predecessors have operated a specialty chemical company for more than 100 years. Consequently, the Debtors face significant legacy environmental liabilities asserted against them by the federal government, several individual state agencies, and third parties with respect to sites that are no longer (or have never been) owned by the Debtors. The Debtors now seek to evaluate and estimate the potential costs for remedying the environmental contamination at these sites. In this regard, the Debtors believe that the engagement of W&C to conduct a coordinated analysis of the Debtors’ environmental liabilities is prudent to ensure that such analysis is conducted consistently and objectively.¹ W&C’s cost analysis will help the Debtors better understand the potential impact that their environmental liabilities may have on their reorganization efforts and on creditors recoveries.

Pursuant to the Agreement, W&C will evaluate and perform environmental liability cost assessments with respect to approximately 56 non-owned sites.² Specifically, W&C has agreed to provide the following services:³ (i) coordinate the efforts of professionals to evaluate information concerning the sites for the valuation reports; (ii) develop and implement a standard documentation package for the federal government and relevant state agencies; (iii) develop and implement a standard form valuation report to be used for all sites; (iv) complete the site valuations; (v) assist counsel in organizing sample valuation reports for the federal government and relevant state agencies; and (vi) refine valuation reports as appropriate.

The Debtors propose to compensate W&C in accordance with W&C’s customary hourly rates:

Billing Category	Range
Principal	\$150 per hour
Senior Consultant	\$125 per hour
Project Manager	\$105 per hour

¹ W&C has worked with the Debtors for more than fifteen years with respect to remediation activities at the Debtors’ Naugatuck, Connecticut site. Consequently, W&C is familiar with certain aspects of the Debtors’ business operations and environmental liabilities.

² Of the 56 non-owned sites, approximately 32 are formerly owned or operated sites and 24 are offsite disposal sites.

³ The Agreement also incorporates the general terms and conditions of the existing Environmental Consulting Agreement entered into by Chemtura and W&C, dated as of June 11, 2008.

W&C estimates that its consulting services will cost the Debtors approximately \$200,000.⁴ The Debtors assert that the rates listed above are typical of rates W&C and other comparable firms charge with respect to rendering similar services.

Finally, by the W&C Motion, the Debtors contend that entry into the Agreement will help advance ongoing settlement discussions between the Debtors, the federal government, and several individual state agencies. Specifically, the Debtors intend to use W&C's cost analysis and evaluations to help facilitate a consensual resolution of the Debtors' environmental liabilities, and if necessary, in connection with potential litigation concerning the discharge of such liabilities.⁵

A hearing on the W&C Motion has been scheduled for July 28, 2009 at 9:45 a.m. (ET), with a corresponding objection deadline of July 23, 2009 at 4:00 p.m. (ET).

⁴ W&C's estimate is subject to change based upon the work that may be requested. In light of the Debtors' proposed timeframe for the work to be completed under the Agreement, W&C began performing work under the Agreement as of June 18, 2009. Thus, the Debtors request that approval of the Agreement be effective as of June 18, 2009.

⁵ The Debtors may retain additional environmental consultants as testifying experts in any future litigation. As per the Debtors' Motion for Entry of An Ordering Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business (Docket No. 25) and the Court's order relating thereto (Docket No. 181), the Debtors will treat such trial experts as "service providers" who may be retained without further order of the court.