

Overview of Multistate Environmental Response Trust Greenfield Environmental Multistate Trust LLC



**Cynthia Brooks
Managing Principal**

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What is an Environmental Response Trust? (Bankruptcy Settlement)

- ✓ Unable to pay for site cleanups, a company seeks bankruptcy protection
- ✓ Court-approved bankruptcy settlement agreement creates environmental response trust to assume debtor's cleanup responsibilities
- ✓ State and federal governments are trust beneficiaries
because: governments are senior creditors and cleanups are required under governments' environmental laws
- ✓ Trustee often takes title to debtor's contaminated sites and receives finite funds (provided by company responsible for the contamination) to clean up sites
- ✓ Trustee is an independent fiduciary with governments as sole beneficiaries
- ✓ Bankruptcy settlement agreement governs all trust obligations and activities



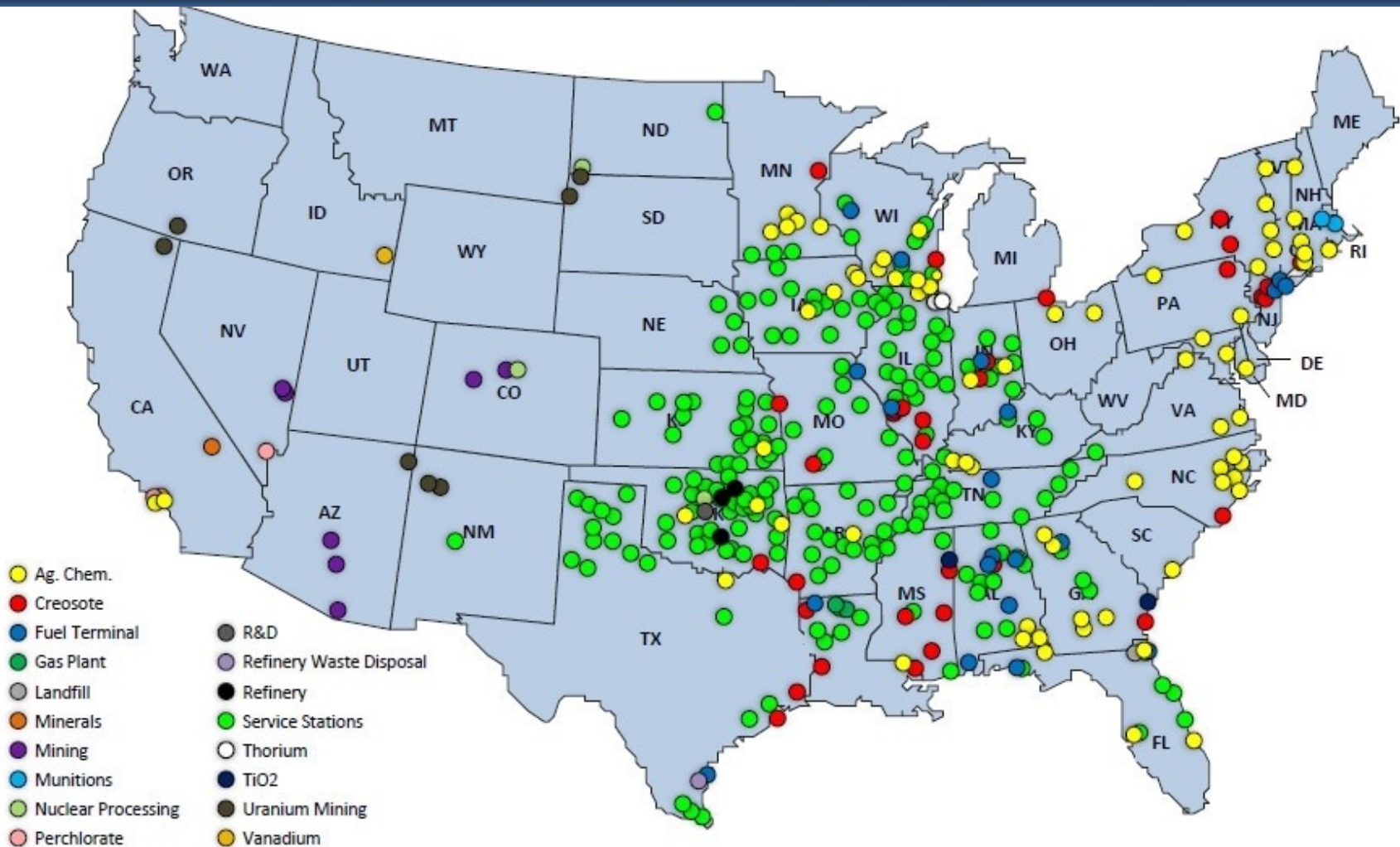
History of Kerr-McGee and Tronox

1929	Kerr-McGee incorporated (and commenced oil, gas, chemical, uranium mining, forest products/wood treating, plutonium, etc. operations thereafter)
Early 2000's	Columbus, MS, Avoca, PA and Bossier City, LA residents sued Kerr-McGee for adverse health/property impacts
2005 to 2006	Kerr-McGee created "shell" (Tronox) and transferred 100's of contaminated sites into Tronox without adequate cleanup funds
2006	Kerr-McGee then sold its most valuable assets to Anadarko Petroleum
2009	Unable to fund cleanup of Kerr-McGee sites, Tronox filed for bankruptcy
2011	Court approved Tronox bankruptcy settlement with very limited funding for 5 environmental response trusts, Anadarko Litigation Trust and Tronox Tort Trust
2014	After finding Anadarko liable for fraud, Bankruptcy Court approved \$5.15 billion Anadarko litigation settlement which provided additional funds to clean up Kerr-McGee sites
2015 to 2016	Trusts received additional funds to carry out responsibilities



April 5, 2014 *Washington Post* Article (By Juliet Eilperin) “A frightening map of where Kerr-McGee polluted”

Kerr-McGee Environmental Sites



Overview of Multistate Environmental Response Trust

- ✓ Created as part of 2011 Tronox bankruptcy settlement
 - Took title to more than 300 Kerr-McGee/Tronox waste sites in 35 states
 - Most contaminated sites (cleaned up under federal and state hazardous waste laws) include: 13 wood treaters, 6 petroleum processing terminals, 2 chemical and pesticide plants, 2 specialty manufacturing centers and 2 abandoned mines
 - Also have responsibility for 2,000+ sites in 48 states that are owned by others
- ✓ Cleanup Funds
 - 2011 to 2015/2016: received funds totaling ±\$81 million to clean up hundreds of sites
 - 2015/2016 to date: received ±\$1.1 billion to clean up sites from Anadarko litigation
- ✓ Cleanup Challenges
 - Underfunded for first five years
 - Only 2 of 25 most contaminated sites were fully characterized
 - 11 operating (inefficient and expensive) wastewater treatment plants
 - Kerr-McGee historically dumped and buried wastes
 - Many sites are in environmental justice communities disproportionately harmed by contamination, stigma and adverse health effects



Multistate Trust Owned Funded and Other Sites

Greenfield Environmental Multistate Trust, Trustee of the Multistate Environmental Response Trust

- Wood Treater/Creosote Sites
 - Petroleum Facilities (Refining, Processing, Terminal)
 - ▲ Mining Sites
 - Production/Manufacturing*
 - Other Owned Sites
- *Vanadium, Synthetic Rutile, Pesticides, Chemicals, Fertilizer

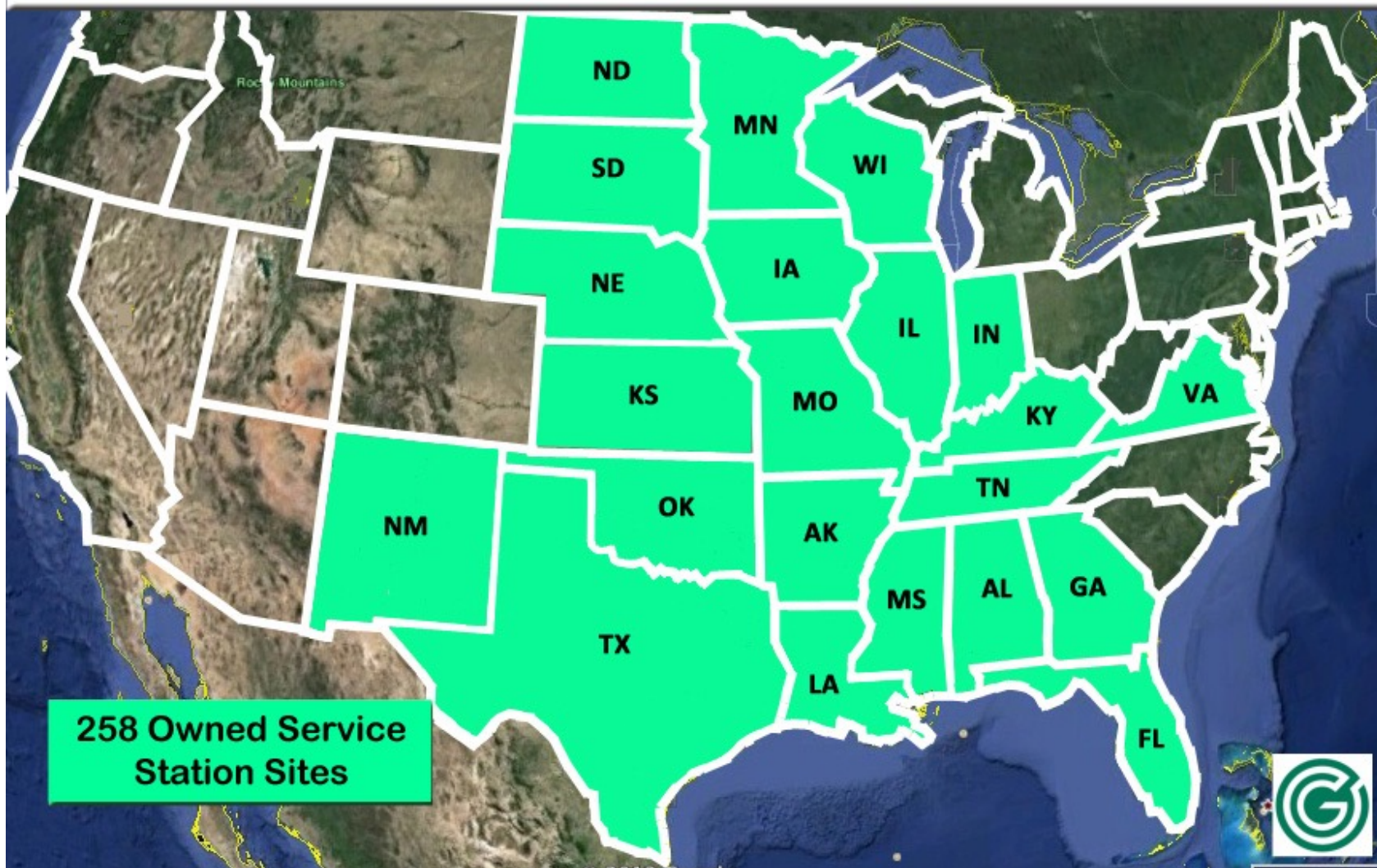


Multistate Environmental Response Trust
Owned Funded Sites and Other Owned Sites

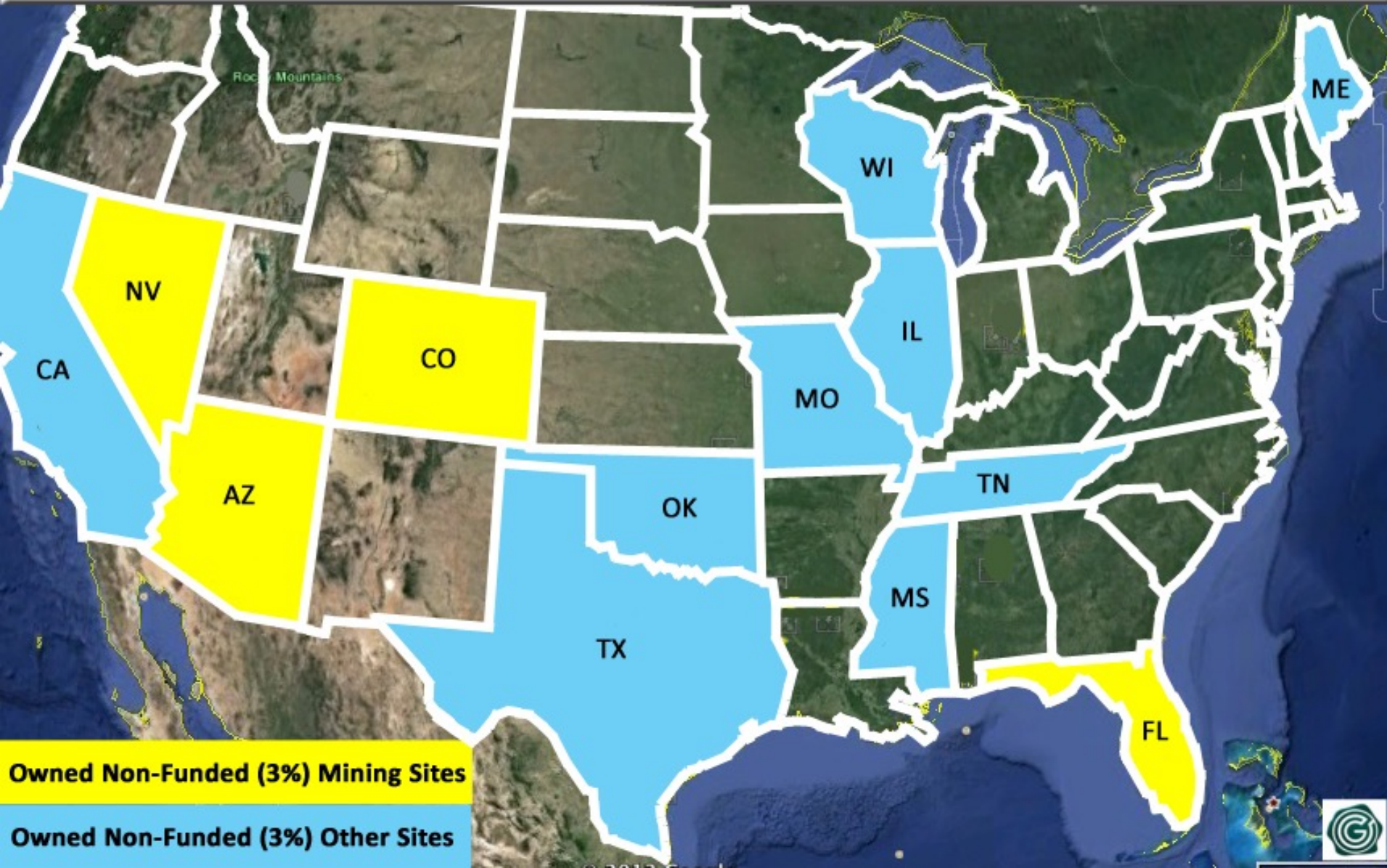


States With Owned Service Stations (OSSs)

Greenfield Environmental Multistate Trust, Trustee of the Multistate Environmental Response Trust



Greenfield Environmental Multistate Trust, Trustee of the Multistate Environmental Response Trust



Multistate Trust Responsibilities Under Settlement and Trust Agreements

- ✓ Settlement and Trust Agreements govern Multistate Trust operations and activities
- ✓ Cleanup funds held in 30+ segregated accounts (by site or category of sites)
 - Allocation by site/category of sites determined during bankruptcy proceedings
 - Limitations on transfers of funds between segregated accounts
 - Finite funds (with underfunded sites)
 - Funds can only be used to perform “Environmental Actions”
 - Proceeds from land sales deposited in cleanup account
- ✓ Each site has a designated Lead Agency and Non-Lead Agency
 - Lead Agency must approve Multistate Trust budgets, contractors and cleanup plans
 - Land transactions/transfers require approval of both Lead and Non-Lead Agencies
- ✓ Beneficiaries of Multistate Trust are United States and 20 States
- ✓ Independent trust with fiduciary duty to Beneficiaries (strictest standard of care under US law)
- ✓ United States oversees administrative responsibilities of Multistate Trust
- ✓ Greenfield Environmental Multistate Trust LLC is Trustee of Multistate Environmental Response Trust (M/WBE headquartered in Cambridge, MA)

Key Attributes of Multistate Trust

- ✓ Responsibilities include owning, managing, remediating and effecting the safe disposition of hundreds of sites
- ✓ Private trust with public purpose of protecting public health and environment
- ✓ Independent trust with fiduciary duty to beneficiaries who are solely governmental entities
- ✓ Cleanup Funds:
 - Finite funds must be conserved/protected (not dissipated)
 - Can only be used for Environmental Actions (not other projects)
 - Not public or taxpayer funds (i.e., came from entities responsible for contamination--Tronox and Kerr-McGee/Anadarko)
- ✓ Greenfield prioritizes community engagement, local contracting and facilitating future uses supported by communities most impacted by contamination

