

VIA OVERNIGHT MAIL AND CT SUMMATION

February 10, 2011

Charles M. Crout, Esq.
Andrews Kurth LLP
1350 I Street, NW
Suite 1100
Washington, DC 20005

**Re: New Jersey Department of Environmental Protection, et al. v.
Occidental Chemical Corporation, et al., Docket No: ESX-L-009868-05**

Lanny S. Kurzweil
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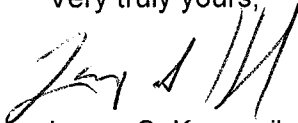
Dear Mr. Crout:

This firm represents Third-Party Defendant General Dynamics Corporation ("General Dynamics") in the above-referenced litigation.

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In accordance with my letter of January 28, 2011 to you, enclosed with this letter is Third-Party Defendant General Dynamics Corporation's CMO XII Paragraph 21 Disclosure ("Disclosure"). Also enclosed with this letter is a disc containing documents as referenced in the Disclosure.

Very truly yours,



Lanny S. Kurzweil

BOSTON

enclosures

HARTFORD

cc: Eric Rothenberg, Esq. (via regular mail, with encls. and CT Summation)
Hon. Marina Corodemus (via CT Summation)
Lee Henig-Elona, Esq. (via regular mail, with encls. and CT Summation)
John M. Scagnelli, Esq. (via regular mail, with encls. and CT Summation)
Peter J. King, Esq. (via regular mail, with encls. and CT Summation)
Michael Gordon, Esq. (via regular mail, with encls. and CT Summation)
Robert T. Lehman, Esq. (via regular mail, with encls. and CT Summation)
Gregg H. Hilzer, Esq. (via regular mail, with encls. and CT Summation)
Rosemary McBride, Esq. (via regular mail, with encls.)

NEW YORK

NEWARK

PHILADELPHIA

STAMFORD

WILMINGTON

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Attorneys for Third-Party Defendant General Dynamics Corporation

NEW JERSEY DEPARTMENT OF	:	SUPERIOR COURT OF NEW
ENVIRONMENTAL PROTECTION and	:	JERSEY
THE ADMINISTRATOR OF THE NEW	:	LAW DIVISION: ESSEX
JERSEY SPILL COMPENSATION FUND,	:	COUNTY
	:	
Plaintiffs,	:	DOCKET NO. L-9868-05 (PASR)
v.	:	
	:	
OCCIDENTAL CHEMICAL	:	CIVIL ACTION
CORPORATION, TIERRA SOLUTIONS,	:	
INC., MAXUS ENERGY CORPORATION,	:	THIRD-PARTY DEFENDANT
REPSOL YPF, S.A., YPF, S.A., YPF	:	GENERAL DYNAMICS
HOLDINGS, INC. and CLH HOLDINGS,	:	CORPORATION'S CMO XII
INC.,	:	PARAGRAPH 21 DISCLOSURE
Defendants.	:	
	:	
MAXUS ENERGY CORPORATION and	:	
TIERRA SOLUTIONS,	:	
INC.,	:	
Third-Party Plaintiffs,	:	
	:	
vs.	:	
	:	
3M COMPANY, <i>et al.</i> ,	:	
	:	
Third-Party Defendants.	:	

Third-Party Defendant General Dynamics Corporation (“GDC”) supplements its Initial Disclosure in accordance with Case Management Order (“CMO”) XII and responds as follows:

General Statements and General Objections

1. GDC generally objects to the production of documents or other information on the following grounds: (i) the documents are not relevant to the issues in this case and are not reasonably calculated to lead to the discovery of admissible evidence; (ii) production of the documents creates an undue burden on GDC; (iii) GDC is not in the possession of the documents and/or the documents are not reasonably accessible by GDC; (iv) the documents are a matter of public record which are equally accessible to Third-Party Plaintiffs; (v) the documents are specifically excepted from production pursuant to CMO VIII Paragraphs 4(a), 4(b), 4(c), 4(d), 4(e), 4(f) and 4(g), or other applicable Order; (vi) the documents are subject to an applicable privilege, including the attorney-client privilege, the work product doctrine, and/or the common interest doctrine; (vii) the documents are protected from discovery/disclosure because of confidentiality, trade secret, State and Federal Homeland Security confidentiality and any other applicable protection.

2. GDC's investigation in this matter is continuing. Accordingly, GDC reserves the right to supplement, clarify, and revise these disclosures to the extent additional information becomes available or is obtained through discovery.

3. The time period covered by the allegations in the Plaintiffs' Third Amended Complaint is quite long and encompasses at least six decades. The geographic scope of the Third Amended Complaint is also quite broad, covering the "Newark Bay Complex," which spans the "lower 17 miles of the Passaic River, Newark Bay, the lower reaches of the Hackensack River, the Arthur Kill, the Kill van Kull, and into adjacent waters and sediments." Third Amended Complaint, ¶ 1. The scope of inquiry is accordingly quite

broad and burdensome. GDC is therefore engaged in a continuing investigation and reserves the right to supplement and modify these disclosures if additional Documents are uncovered.

4. "Documents," excluding electronic e-mail, shall have the meaning set forth in this Court's August 11, 2009 Order for Preservation of Documents and Data.

5. "Alleged Discharges" shall have the meaning set forth in CMO VIII Paragraph 3(a), dated August 11, 2009, and as confirmed in an email from Eric B. Rothenberg, Esq. liaison counsel to the Non-Public Third-Party Defendant Joint Defense Group, dated January 21, 2011.

6. "Sites," per CMO VIII, are defined as those site(s) or properties with which a Third Party is associated in a Third-Party Complaint.

7. GDC reads the document production requirements set forth in CMO XII, paragraph 21 in concert with CMO VIII (incorporated by reference in CMO XII, paragraph 1). GDC's responses relate to the Electric Boat Site as alleged in Third-Party Complaint "B" Paragraphs 1089-1112 and no other.

8. GDC makes these additional disclosures without waiver of, and with full reservation of rights with respect to, any arguments GDC may have regarding the interpretation of CMO XII, and other applicable Orders, and, specifically, those arguments relating to the scope, nature, and timing of production under CMO XII, and other applicable Orders.

9. These disclosures are not intended to prejudice or waive any privileges or

objections GDC may have with respect to any outstanding or subsequent requests for discovery.

10. GDC makes these additional disclosures without waiver of, and with full reservation of rights with respect to, any arguments GDC may have regarding the sufficiency of Third-Party Plaintiffs' production under CMO XII and other applicable Orders, including Third-Party Plaintiff's failure to respond to counsel's inquiry concerning the completion of Third-Party Plaintiff's production as set forth in the January 28, 2011 letter from Lanny S. Kurzweil, Esq. to Charles M. Crout, Esq.

General Response

It is GDC's understanding that documents relating to the operations conducted at the Site, if any, would typically be maintained by Electric Boat Corporation (a wholly-owned subsidiary of GDC) subject to Electric Boat Corporation's records retention policy. However, as Third-Party Plaintiffs themselves well know and acknowledged in the Third-Party Complaint and their own document production, an April 20, 1963 catastrophic fire destroyed the facilities located at the Site and destroyed most of the documents kept at the Site. *See, e.g.*, Third-Party Complaint, Paragraph 1105, Bates Nos. TIERRA-B-015785, and TSI-DBR-00046165 to TSI-DBR-00046166. *See also*, Response Of Third-Party Defendant General Dynamics Corporation To The ESI Questionnaire, Nos. 2.b, 3.d, 3.e; and Initial Disclosures of Third-Party Defendant General Dynamics Corporation, Response e. Based on the very information provided by Third-Party Plaintiffs, it is GDC's understanding that Electric Launch Company ("Elco") documents that may have survived the fire, if any, were apparently given to the Mystic

Seaport Museum located in Mystic, CT and to Naval Archives in Newport, RI well before the filing of the Third-Party Complaint. See TSI-DBR-00046165 to TSI-DBR-00046166. It is GDC's further understanding that the only documents that Electric Boat Corporation located with respect to the Site are the documents included on the enclosed disc (see response to paragraph 21(c)1.ii., below).

Counsel for GDC is in possession of two books that potentially contain general information about the history of GDC and Electric Boat Corporation, with some references to Bayonne: (i) Jeffrey L. Rodengen, *Serving the Silent Service: The Legend Of Electric Boat*, Second Edition, Write Stuff Enterprises, Inc., 2006; (ii) James S. Reyburn, *Images Of America: Electric Boat Corporation*, Arcadia Publishing, 2006. It is our understanding that these publications are available for purchase on the internet, at websites such as www.amazon.com.

Response to Paragraph 21(b)

Copies of all non-privileged Documents, other than electronic email discovery, that relate to:

(i.) the alleged discharge of any hazardous wastes, hazardous substances, pollutants or contaminants ("Hazardous Materials") to the Newark Bay Complex;

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

(ii.) the potential pathways and methods by which the Hazardous Materials have been released to the Newark Bay Complex, as well as the quantity, nature and toxicity of such Hazardous Materials;

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

(iii.) other actions relating to properties or operations that may have adversely impacted the environmental condition of the Newark Bay Complex;

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

(iv.) the costs and damages sought in connection with any alleged discharge of Hazardous Materials.

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none. All cross-claims and counterclaims are presently stayed in the present action and as such, GDC has made no such claim against the parties in this action at this time. GDC reserves the right to amend if such documents are subsequently developed or otherwise become available.

Response to Paragraph 21(c)

1. A copy of all Documents relating to the following information for the site(s), properties and/or operations with which the Third-Party Defendant is associated in the Third-Party Complaints:

i. the release or discharge of Hazardous Materials from or at that Third Party Defendant's properties or operations.

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

ii. the operations, manufacturing and/or production processes, any Hazardous Materials stored or utilized on the property, and any sampling that took place on the property and any sampling or testing of the materials, by products or waste products used in connection therewith;

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none. The only documents that GDC located that are even remotely related to "operations, manufacturing and/or production processes" are contained on the enclosed discs.

iii. sampling results from environmental, chemical, or biological testing conducted at that Third Party Defendant's properties; and

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

iv. any communications involving that Third-Party Defendant and any branch, department, agency or instrumentality of municipal, State or federal government relating to any discharges or releases of Hazardous Materials or this litigation.

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

2. Any Documents relating to any industrial waste containing Hazardous Materials that was transported to, processed or treated at, or discharged from any of the sites and/or properties with which a Third Party Defendant is associated in the Third Party Complaints.

Response - Subject to and without waiving the General Statements and General Objections and the General Response, above: none.

3. Any insurance or indemnity agreement under which another person or entity may be liable to satisfy all or part of a possible judgment in this action or to indemnify or reimburse for payments made to satisfy said judgment.

Response - Subject to and without waiving the General Statements and General Objections and the General Response, GDC responds as follows:

GDC has identified the following insurance policies that may satisfy all or part of a possible judgment in this action or may indemnify or reimburse GDC for payments made to satisfy a possible judgment:

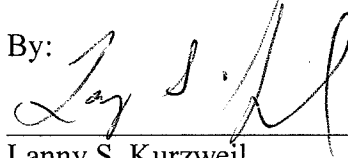
Coverage	Policy Period	Carrier	Policy Number
GL Primary	3/1/55-3/1/56	INA	9CGL52435
GL Primary	3/1/56-3/1/57	INA	LAB-4284
GL Primary	3/1/57-3/1/58	INA	LAB-4314
GL Primary	3/1/58-3/1/59	INA	LAB-1261
GL Primary	3/1/59-3/1/62	INA	LAB-1269
GL Primary	3/1/62-4/1/64	INA	LAB-1293

GDC's investigation in this matter is continuing, and GDC reserves the right to supplement and modify these disclosures.

Dated: February 10, 2011

MCCARTER & ENGLISH, LLP
*Attorneys for Third-Party Defendant General
Dynamics Corporation*

By:



Lanny S. Kurzweil
A Member of the Firm