

Leveraging Unique Technologies to Eliminate Perpetual Liabilities

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Due diligence audits are an integral part of property acquisitions and divestures. The audits are also important to meet the requirements of an environmental management system (EMS) or the ISO 14000 certification process. The audits therefore serve a critical function in identifying the prevailing liabilities and potentially responsible parties (PRPs). Unfortunately however, the audits are often conducted in a hurry or with a limited scope leading to an overestimation or underestimation of liabilities. In some instances, the seller retains the prevailing environmental liability exposing itself to potential new liabilities that are often indistinguishable from baseline conditions. The end result is a perpetual environmental liability and enormous litigation and cleanup costs.

Although some PRPs establish substantial environmental reserves to address these liabilities, the actual remediation costs may spiral out of control when undefined liabilities are discovered, regulatory pressures increase, third party claims are made, and other chronic problems affect the overall scope. Other PRPs, negotiate management transfer options with contractors at high costs or obtain a cost-cap insurance policy from an insurance firm. In that instance, the perpetual risks would shift from one party to another but the liability continues to persist. New or on-going environmental infractions further increase the liabilities, threaten the integrity of a defined risk, and extend the actual time to reach remedial end points.

In addressing elevated remediation costs, some environmental contractors offer workarounds such as monitored natural attenuation or explore legal loopholes to regulations. While these options may be acceptable risks at some sites or provide interim relief from regulatory conditions, a majority of the sites pose a chronic problem for the PRPs, financial institutions, or insurance firms since regulatory agencies may not issue a no-further action or reserve the right to initiate actions at a later stage.

Based on years of experience in addressing environmental liabilities, EIC has developed a unique approach to eliminate perpetual liabilities. The key to our success is leveraging unique practical but cost effective techniques in a systematic process to aggressively cleanup the sites. The technical presentation will outline:

- Unique techniques to better assess the extent of liability.
- Substantiating liabilities to better quantify risks.
- Patented techniques to reach end points sooner than later.
- Methods to reduce lifecycle costs to eliminate wasteful spending.

Utilizing this approach, EIC's clients have saved substantial remedial costs and reached remedial end points in record time at a number of sites around the world. The presentation will also include case studies where EIC has successfully eliminated perpetual liabilities at a fraction of the cost normally expended with traditional solutions. Finally, there is a clear solution to PRPs, Brownfield developers, investors, financial institutions, insurance underwriters, and the associated parties to better define the liabilities and refine cleanup schedules.



Mr. Raj Mahadevaiah is President and CEO of Environmental International Corporation- an environmental engineering firm headquartered in the Atlanta metro area in southeast United States of America (USA) with branch offices in USA, The Middle East, and Asia. He has a B.E degree in Civil Engineering from Bangalore University and a M.S. degree in Civil Engineering (Groundwater Emphasis) from the University of Oklahoma, USA and is a registered professional engineer in over 13 states within the USA. With over 22 years of experience, Mr. Mahadevaiah has experience in the environmental engineering (petroleum emphasis) field conducting, environmental assessments, Remedial Action Operations (RAO), Long Term Management (LTM), project management, and litigation support at over 100 sites in the North America, The Caribbean, The Middle East, South Asia, and other nations world-wide. He has designed, implemented, operated, and maintained remediation systems at petrochemical storage and distribution facilities, public and private electric utilities, refineries, conveyance facilities, superfund sites, landfill, RCRA sites, and other hazardous waste facilities. He has also conducted due diligence and compliance audits for ISO 140001-related projects concerning air, surface water, soil, groundwater, hazardous waste, and noise issues at various facilities. At several facilities, Mr. Mahadevaiah has critically evaluated existing remediation systems and developed cost-effective alternatives. He also developed telemetry-based remediation systems to manage remote sites in the Caribbean. Apart from over a dozen technical papers presented at various locations worldwide, Mr. Mahadevaiah has also served as a panelist representing the Electric Utility Industry concerning “The RCRA Reauthorization Bill proposed by the US Congress,” at the Air and Waste Management Conference held in Vancouver, British Columbia.

