

CHAPTER 1 | INTRODUCTION

Eagle-Picher Industries, Inc. (Eagle-Picher) and LTV Corporation (LTV) are two companies that formerly owned and operated mines, and engaged in mining-related activities within Cherokee County. Eagle-Picher filed a petition under Chapter 11 of the Bankruptcy Code in 1991 and re-organized. LTV filed a petition under Chapter 11 in 1986, reorganized, and in 2000 again filed under Chapter 11.

During the companies' bankruptcy proceedings, the U.S. Fish and Wildlife Service (FWS) claimed money in compensation for mining-related injuries to Cherokee County natural resources for which FWS has stewardship responsibilities. In particular, during the 1991 Eagle-Picher proceedings, FWS negotiated a \$3 million allowed claim, of which approximately \$1.2 million has been received. During the 1986 LTV proceedings, FWS negotiated a \$2.5 million allowed claim, of which approximately \$540,000 has been received.² FWS may also recover damages associated with injuries to natural resources in Cherokee County in conjunction with settlement negotiations with other current or former mining companies. FWS intends to use this restoration plan to focus possible restoration actions associated with future negotiations with other potentially responsible parties.

FWS is required to use recovered natural resource damages to restore, rehabilitate, replace, and/or acquire the equivalent of the natural resources and their associated services that were injured. This Restoration Plan/ Environmental Assessment (RP/EA) describes FWS's broad priorities and general plans with respect to the use of these funds. In particular, this document:

- Identifies the types of restoration projects that FWS proposes to undertake with any recovered natural resource damage funds;
- Describes FWS's rationale for the selection and prioritization of projects;
- Provides an opportunity for the public to comment on the selection and prioritization of the restoration alternatives;
- Serves as an Environmental Assessment (EA) as required under the National Environmental Policy Act of 1969 (NEPA).³

This RP/EA does not identify specific locations, scales, or other detailed information on potential restoration projects. Instead, FWS identifies generally-preferred types of

² These amounts do not include interest accrued since their receipt.

³ Pub. L. No. 91-190, 42 U.S.C. 4321-4347, January 1, 1970, as amended by Pub. L. No. 94-52, July 3, 1975, Pub. L. No. 94-83, August 9, 1975, and Pub. L. No. 97-258, § 4(b), Sept. 13, 1982.

restoration projects, and will expend available funds in pursuit of cost-effective, environmentally beneficial projects available at the time of implementation. FWS believes this approach is appropriate for several reasons:

1. FWS is seeking general public input prior to the development of detailed project plans.
2. Much of the land in question is privately held, and FWS may implement restoration activities in these areas only with landowner cooperation. Before specific sites and areas can be identified, FWS needs to identify those landowners who are willing to explore restoration options for their property.
3. The presentation of detailed plans at this time (*i.e.*, specifying particular pieces of property that would be a priority to FWS) could result in increased costs relating to those areas.
4. A general approach allows for increased flexibility, allowing FWS to take advantage of opportunities that may arise as ongoing information-gathering activities occur.
5. While mining-related injuries to natural resources throughout Cherokee County are in the process of being identified, documented, and quantified through other regulatory processes,⁴ funds currently available for restoration are small compared to the likely scale of environmental injury at sites impacted in part by historical mining operations. Expenditure of bankruptcy funds will not result in over-compensation of the public for past and ongoing injuries to natural resources.

As an environmental assessment (EA), this document represents a critical stage in the NEPA-mandated process (Exhibit 1). Based on this EA, a determination will be made as to whether the Federal actions are likely to cause significant adverse effects to the environment. If significant effects are anticipated, an Environmental Impact Statement (EIS) must then be prepared, which evaluates potential effects in a great deal more detail, and only after which a determination may be made about whether to proceed with the project. If no significant adverse effects are anticipated, a Finding of No Significant Impact (FONSI) is issued, and the project may be implemented.

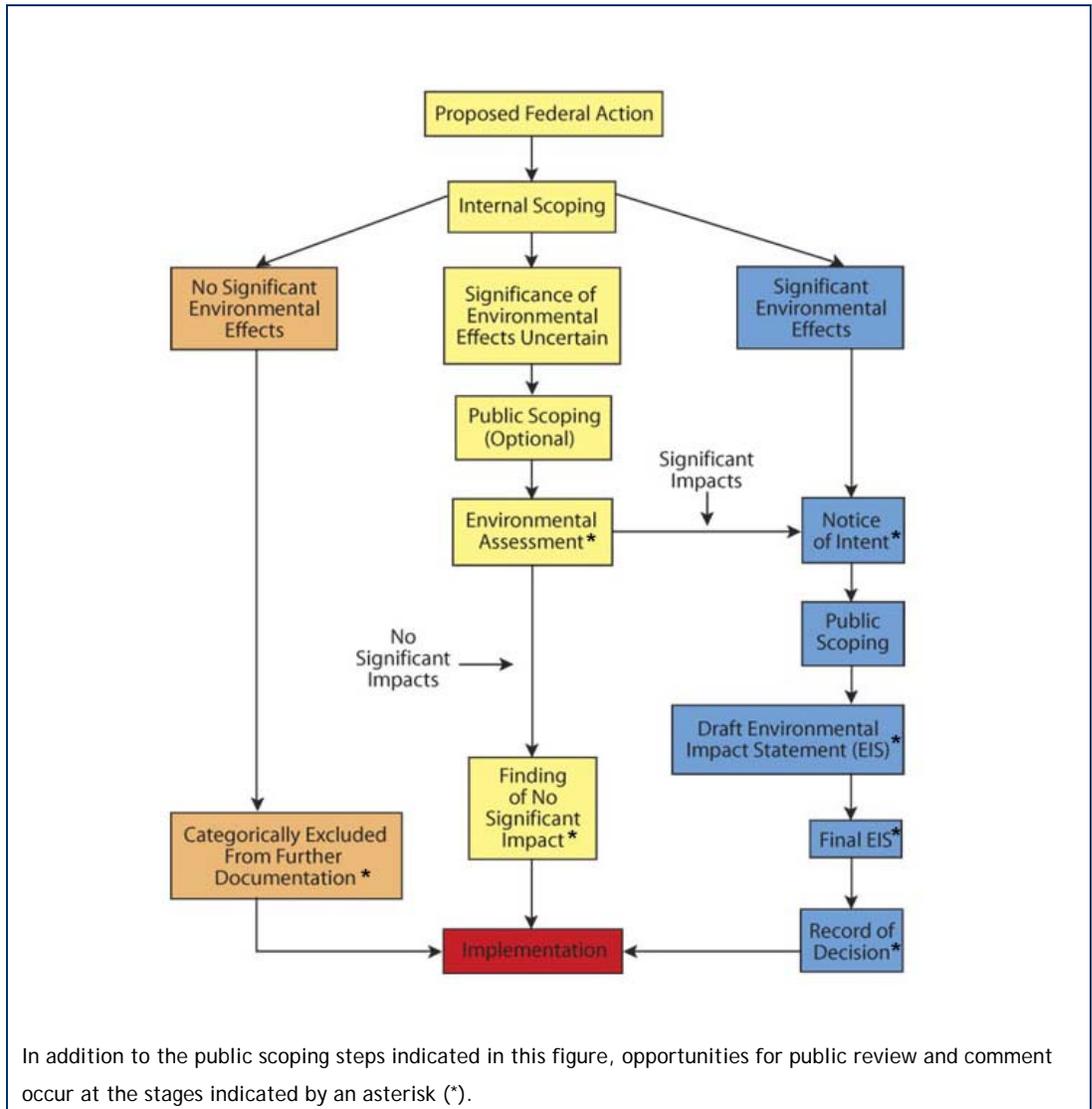
The remainder of this report contains the following chapters:

- Chapter 2 provides additional background information on topics such as the purpose and need for restoration, the history of mining in the Cherokee County area, Eagle-Picher's and LTV's contributions to mining contamination, and other information;
- Chapter 3 describes the affected environment;
- Chapter 4 introduces the restoration alternatives;

⁴ In particular, a natural resource damage assessment (NRDA) for the Cherokee County site as a whole is ongoing. The NRDA process will be briefly described later in this document.

- Chapter 5 evaluates the restoration alternatives according to a number of criteria, including the likely environmental consequences of each; and
- Chapter 6 presents FWS’s preferred alternatives.

EXHIBIT 1 NEPA DECISION-MAKING



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