

EXHIBIT 10

WHITE PAPER – SOCIOECONOMICS

(ID 313617)

ABSTRACT

This white paper addresses the major potential socioeconomic impacts of implementing the selected remedy, as identified by business organizations and other members of the public in the upper Hudson region. It first reviews the scale of the dredging of PCB contaminants along limited sections of the 40-mile reach of the Hudson River between the Federal Dam at Troy and Fort Edward, concluding that there is little credibility to charges that the dredging will create a regional economic disruption and stigma. It is additionally concluded that the region's economy can easily absorb the anticipated stimulus. This economic impact is estimated using the US Bureau of Economic Analysis RIMS-II economic model for the five-county upper Hudson region. Conservatively applying only 38 percent of total expenditures as expended in the region, the model forecasts \$576 million in additional output for the region, \$126 million in additional earnings, and more than 500 jobs per year over the six-year dredging operation.

This socioeconomic study continues with a review of some key sectors of the river-oriented economy – in particular, navigation (this section of the river is part of the New York Canal System), commercial and recreational fishing, and tourism. It is noted that this region of the Upper Hudson River valley appears not to have shared in the growth typically identified with such tourist activities elsewhere in upstate New York. Navigation will be much improved by the dredging, and short-term impacts will be minimal on existing canal traffic. Recreational fishing and wildlife observation are identified as highly valued recreational activities whose economic benefits to the region will be enhanced by the PCB cleanup. The cleanup will also substantially improve the long-term potential for commercial fishing on the Hudson River.

The white paper concludes with an examination of the potential for impacts on property values. The short-term impacts of a temporary dredging operation are not considered sufficient to generate discernable property-value losses. In fact, evidence indicates that river-property values in the Upper Hudson River valley have been depressed, compared to the value of property elsewhere in the region. The cleanup of PCBs offers the prospect of increasing property values both in the Upper Hudson River valley and along the entire river.

Property in close proximity to the sediment processing/transfer facilities¹ may be subject to some depreciation in value. The professional literature on property values and proximity to hazardous

¹ It is important to note that EPA has not yet determined the location(s) of sediment processing/transfer facilities necessary to implement the selected remedy. For purposes of the Feasibility Study, example locations were identified from an initial list of candidate sites based on screening-level field observations which considered potential facility locations from an engineering perspective. In the Feasibility Study, it was necessary to assume the locations of sediment processing/transfer facilities in order to develop conceptual engineering plans, analyze equipment requirements, and develop cost estimates for the remedial alternatives. For this purpose, two example locations were identified: one at the northern end of the project area in the vicinity of the Old Moreau Dredge Spoils Area, and one at the southern end of the project area near the Port of Albany. Each of these example locations fulfills many of the desired engineering characteristics for such a facility to support the remedial work, and is representative of reasonable assumptions with regard to distance from the dredging work and cost. Other locations, both within the Upper Hudson River valley and farther downstream, are possible.