

Environmental Dispute Services

Litigation and Settlement Support Services

Navigant Consulting provides a full range of litigation and settlement support services relating to a wide variety of environmental issues. We have successfully assisted companies, steering committees, and their counsel at thousands of sites across the country in a broad range of environmental matters, including: various USEPA, state, and local agency enforcement actions, toxic tort litigation, third-party cost recovery actions, and insurance coverage matters. Our services encompass the following issues:

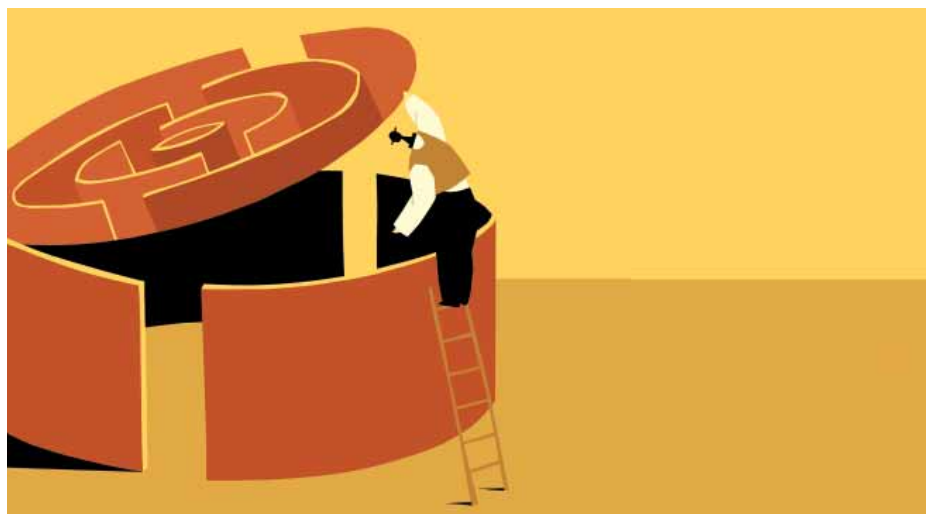
- » Environmental damages/cost analysis
 - › Incurred cost reconstruction
 - › Future cost quantification
 - › Natural Resource Damages (NRD)
 - › Property Value Diminution (PVD) claims
 - › Agency oversight cost analysis
 - › Enforcement penalties (BEN Modeling)
 - › Toxic tort lawsuits
- » Contribution analysis/allocation
- » Environmental insurance coverage analysis
- » Dispute resolution and expert witness services

Our environmental team blends diverse backgrounds in accounting, engineering, economics, and information systems to provide clients with the appropriate combination of skills. We bring substantial

knowledge of environmental remediation processes through our in-house Professional Engineers and other personnel who have significant technical environmental investigation, remediation and project cost estimating expertise. In addition, we have specific industry expertise regarding operational issues which may impact cost analyses.

Our clients range in size from large multinational companies to small local companies in many industries. We have prepared analyses for a variety of sites, including:

- » Heavy and high-tech manufacturing facilities
- » Petrochemical facilities
- » Electric power generation, transmission and distribution facilities
- » Natural gas transmission and distribution facilities
- » Mining operations
- » Paper and pulp mills
- » Agricultural facilities
- » Railroad facilities
- » Underground storage tank sites
- » Landfills and other waste disposal facilities
- » Department of defense facilities
- » Lakes, rivers and other waterways



How Navigant Consulting Can Help

Environmental Cost Analysis

Navigant Consulting prepares credible and thorough analyses of environmental liabilities and potential remediation costs for litigation and regulatory disputes. We develop and/or evaluate strategic alternatives for managing liability claims and assess the potential exposure to these alternatives. We have worked with individual companies and various PRP groups to evaluate the magnitude, appropriateness, and evidence supporting various environmental costs. We have also testified at deposition and trial regarding the accuracy of cost documentation, consistency with the National Contingency Plan (NCP), and other damage issues.

Incurred Cost Reconstruction

Navigant Consulting has utilized forensic accounting techniques to reconstruct and verify the investigation, remediation and oversight costs at thousands of environmental sites. Our experience in mining data from a variety of corporate accounting and information systems allows us to quickly and efficiently collect and assimilate relevant cost data. We understand what drives environmental cleanup costs and the resulting cost documentation.

Future Cost Quantification

Navigant Consulting has significant experience analyzing and estimating potential future environmental cleanup costs. We have developed detailed, site-specific, activity-based estimates of future investigation and remediation costs as well as more general industry-based studies for sites where limited site-specific data is available. We have also developed and implemented template-based approaches that combine certain aspects of the “site-specific” and “top-down” approaches.

Agency Oversight Cost Analysis

Many of our clients have recently received unexpectedly-large oversight cost claims resulting from new government methodologies for calculating and allocating direct and indirect (i.e., internal agency) costs. Our approach is to identify specific areas that warrant further review in light of the cost/benefit potential of billing cost reductions, including consistency with the NCP. Examination of direct cost documentation may identify potential billing errors, including costs inappropriately assigned to the site, double counting, mathematical errors, activity not performed during known response, and inadequate documentation. We also evaluate the appropriateness of allocated costs, including the methodology for allocating internal agency costs, determining overhead rates, non-response cost categories, and other issues that may influence claimed costs.

Damages

Property Value Diminution

We advise attorneys, landowners, tenants, developers, public and private sector clients in assessing property value diminution (PVD) stemming from on-site or proximate contamination, hazard, or other detrimental conditions. Our PVD experts are certified real estate appraisers and economists experienced in developing econometric models in valuing all types of real estate, including raw land, commercial or other income-producing properties, and residential properties. We have advised clients in common law actions of trespass, nuisance or negligence, as well as in real property tax appeals, eminent domain matters, and insurance claims, and are qualified to testify in the full range of dispute venues.



Natural Resource Damages

Navigant Consulting's experts are experienced in employing sophisticated economic, statistical, and financial modeling techniques in the assessment of private/social benefits and costs on local and regional economies from specific events. We are well versed in a variety of cutting-edge analytical methodologies often used in the quantification of alleged natural resource damages, including:

- » Contingent value analysis
- » Travel cost models
- » Hedonic models
- » Statistical sampling
- » Simulation models
- » Cost allocation models

Our economists are also experienced in the review/rebuttal of Habitat Equivalency Analysis (HEA) methods which are frequently used to provide an approximation of natural resource restoration.

Enforcement Penalties (BEN Modeling)

The U.S. Government's BEN model seeks to quantify the economic benefit derived from delaying or avoiding compliance. As applied, BEN model results are often inaccurate due to flawed assumptions or incomplete data. Navigant Consulting examines a number of key factors that influence the alleged economic benefit, including compliance timing, actual response costs, "should-have-been" response costs, impact of deferred compliance on operational costs, process improvements linked to compliance, interest rates and incremental tax rates. We then prepare a formal report of our findings, provide support for settlement negotiations and provide expert testimony, if required.

Toxic Tort Lawsuits

Companies face significant risks from operations that may have contaminated neighboring property. These class action suits or high-volume claims seek to recover alleged damages for property value diminution, medical monitoring, cleanup costs and other damages. Navigant Consulting works with counsel to address class action certification issues, provide expert damage analyses, manage detailed claimant information, and implement settlement administration solutions. We have also helped clients implement value assurance programs as an alternative to costly litigation.

Contribution Analysis/Allocation

Navigant Consulting develops innovative and cost-effective solutions to assist clients with PRP identification, waste-in database management, and liability allocation. Our approach to environmental cost allocation matters is flexible – we take into account site-specific fact patterns including the availability of information to determine the appropriate mix of factual foundation, allocation principles, and case precedents to use in our analysis. Our services include:

- » Creation of operational chronology
- » Neutral allocation support and contribution analysis
- » "Mass balance" analyses
- » Compilation of "waste-in" information
- » Analysis of allocation equity factors
- » Identification and investigation of PRPs
- » Preparation of PRP evidence packages
- » Evaluation of PRPs for financial viability
- » Administration of cash-out and other settlement programs

Environmental Insurance Recovery

Navigant Consulting is a leader in insurance recovery efforts for "long-tail" liabilities including environmental cleanup claims, asbestos bodily injury, silica, mold, and other toxic torts. Utilization of the historical insurance asset to offset past and future liability at environmental sites can help clients retain shareholder value. We provide clients with proven skills in all phases of the insurance cost recovery process, including:

- » Insurance policy analysis
- » Claim cost quantification
- » Insurance allocation modeling
- » Claim preparation/presentation
- » Settlement negotiation support

Our insurance recovery team's success is built on credibility, experience and sophisticated technology tools. We work closely with counsel and client personnel to develop a specific approach for each situation. We are sensitive to unique topics faced in pursuit of insurance recovery, including SEC disclosure issues, risk management relationships, preservation of assets, shared coverage with historically related entities, indemnification issues, prior exhaustion, previous settlements, and other issues.

Clients rely on our insurance policy allocation model results to perform sensitivity analyses, establish a recovery strategy, evaluate reserve adequacy, assess cash-flow requirements, support settlement negotiations, and prepare indemnity and expense bills to insurers. Our proprietary allocation models can be used to evaluate literally thousands of different allocation theories involving allocation method, trigger, occurrence definition, exhaustion method, and other elements.

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About Navigant Consulting

Navigant Consulting is a specialized independent consulting firm providing professional services to assist clients in identifying practical solutions to the challenges of uncertainty, risk and distress.

For over two decades, clients have counted on our dedicated professionals to provide objective consulting services designed to avoid or resolve business disputes, solve operating challenges, lower costs, reduce risk and increase efficiency. Our professionals include CPAs, MBAs, professional engineers, former industry professionals and regulators, PhDs, claim professionals and system and information management professionals who work together in teams to meet our clients' needs in a number of financial, economic, regulatory and operational areas.

Navigant Consulting is an international consulting firm with over 1,800 professionals in cities worldwide.

Why Navigant Consulting

Navigant Consulting's skilled personnel combine educated project management with sophisticated technology tools to provide an intelligent and organized infrastructure essential for cost-effective information management and financial analysis.

Our experienced resources and diverse backgrounds provide our clients with the right team to address every aspect of the litigation and claim process. With Navigant Consulting retained to support their environmental matters, clients will realize the following key benefits:

- » Credible claims analyses
- » Creative, innovative approaches to analyses
- » Effective strategic concepts
- » Efficient allocation analyses
- » History of successful recovery
- » Cost-effective solutions
- » Expert witness testimony

