
**BETWIXT & BETWEEN BEARINGS
NEGOTIATION
(A or B)**

General Information

Best Bearings, Ltd., is a large manufacturer of metal ball bearings, based in Great Britain, with manufacturing locations in upstate New York and the Southeastern U.S., as well as overseas, in Great Britain, Thailand, and Australia.

Six months ago, the new chief engineer at the Best Bearings New York plant learned that the company was not in compliance with certain environmental regulations and reported this to the General Counsel of Best Bearings, USA. As required, the General Counsel advised the NY Division of Environmental Compliance (DEC), which investigated and issued a formal citation for air pollution from smokestacks and hazardous waste containment practices.

Best Bearings and DEC have agreed upon the fixes necessary to address the problem and bring Best Bearings into compliance. Best Bearing has already ordered new scrubbing equipment and has agreed to contain its waste using new, more expensive leach-proof materials. However, because it appears that Best Bearing's emissions were out of environmental compliance over the past five years. DEC is now intent on collecting a sizeable fine from Best Bearings and requiring Best Bearings to clean the site of previous waste disposal and fund a comprehensive, annual, external audit of its environmental practices for the next five years. While Best Bearings recognizes that it is unlikely to escape without paying any fine, it believes the fine should be low because Best Bearings came forward and reported its non-compliance. When Best Bearings' new engineer discovered the problems, they did not try to hide them. DEC notes that this reporting was required by law and that the violations were serious and had been going on for some time.

The President of Best Bearings and the representative of the DEC are about to meet to negotiate an agreement concerning an appropriate fine and other compliance and redress issues.