



# FINANCIAL ASSET RECOVERY ANALYTICS, LLC

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Historically, companies have been burdened by the challenges posed by legacy, contingent, and emerging liabilities. These liabilities have proven to be a constant source of instability, consuming valuable management resources, impacting equity valuation, and increasing debt costs. Permanent finality from issues arising from these liabilities has been proven through a true sale transaction.

The United States Environmental Protection Agency (EPA) has recently implemented a new reporting requirement that will affect many companies. This rule mandates that the manufacture or import of any per- and polyfluoroalkyl substances (PFAS) since 2011, including products that contain PFAS, must be reported. The primary objective of this new regulation is to "better understand who is using PFAS, how they are being used, and in what quantities" and "produce actionable data that can be used by EPA, as well as state, local, and Tribal governments to craft policies and laws that protect people from dangerous 'forever chemicals.'"

A summary of the new requirements is outlined below. For details about the final rule, click [here](#).

- Under this new rule, PFAS are defined based on three structural chemical criteria (e.g., R-(CF<sub>2</sub>)-CF(R')R"), encompassing a minimum of 1,462 distinct compounds. This definition is significantly broader than the set of PFAS compounds currently subject to regulation under state and federal drinking water or remediation standards.
- It is estimated that this rule will affect more than 131,000 businesses, requiring an estimated 6 million hours of industry effort and incurring a total compliance cost exceeding \$800 million. Because of the extended back-dating of the reporting period, the reporting party will be required to conduct extensive due diligence in order to provide data about PFAS that is "known or reasonable ascertainable."
- The reporting requirements are back dated over a 12-year period. Therefore, any entity involved in the manufacture or import of PFAS since January 1, 2011, will be obligated to report data on the use, volume, and disposal of PFAS chemicals and products containing PFAS.
- All manufacturers and importers of PFAS will be required to report under the EPA's new rule. The rule does not include any exceptions for reporting PFAS byproducts, PFAS impurities within products or articles, or minimal quantities of PFAS.

Manufacturers and importers of a wide range of PFAS and PFAS-containing products are subject to new and costly reporting obligations, potentially creating both new and legacy liabilities. To learn more about bespoke solutions to permanently end exposure to emerging PFAS liabilities and/or other legacy toxic tort liabilities, please reach out to FARA Recovery [here](#) or by emailing [inquiries@fararecovery.com](mailto:inquiries@fararecovery.com).

FARA Recovery is an acquirer of corporate entities with exposure to contingent and legacy liabilities (e.g., asbestos, silica, talc, pharmaceuticals, PFAS, lead, black lung, product recall/defect, general liability, workers compensation, environmental, and other toxic tort). We utilize our expertise to permanently remove liabilities from your balance sheet via a true sale divestiture, allowing you to focus on core business and achieve finality from the tort system.