



October 1, 2008

CERTIFIED MAIL
70072560000131690814

Ms. Danielle Bentzen
Florida Department of Environmental Protection - Central District
3319 Maguire Boulevard, Suite 232
Orlando, FL 32803-3767

RE: REVISED In-Kind Project Plan in Agreement with Consent Order OCD-HW-E-08-088
AERC.com, Inc., 4317-J Fortune Place, West Melbourne, FL 32904 | EPA ID# FLD 984 262 782

Dear Ms. Bentzen,

In response to the requirements set forth in agreed upon Long Form Consent Order between the Florida Department of Environmental Protection (FDEP) and AERC Recycling Solutions (AERC) executed April 28, 2008, please find enclosed the REVISED In-Kind Penalty Project Plan, i.e., "Plan," for the AERC West Melbourne, FL facility. This revision to the Plan incorporates comments received from both Raoul Clarke (email: 7/10/08) and Debby Valin (email: 9/14/08) on the DRAFT document released July 7, 2008.

AERC appreciates your review and approval of this "final" revision to Plan. Should you have any questions or comments regarding this submittal please contact either myself at (610) 797-7608, ext. 149, or Ms. Tracy DePaola, Southern Regional District Branch Manager, at (321) 952-1516.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffery W. Smith', with a stylized 'A' at the end.

Jeffery W. Smith, PE
Director of Regulatory Affairs & Compliance

Enclosure

cc: D. Valin, FDEP
R. Clarke, FDEP
T. DePaola, AERC

In-Kind Project Plan

Submitted to the
**Florida Department of Environmental Protection, Central
District**

by
AERC.com, INC.
dba AERC Recycling Solutions
4317-J Fortune Place
West Melbourne, FL 32904

EPA ID#: FLD984262782

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EXHIBIT I | Project Cost Estimate

Table 1: Project Implementation Cost Summary

IN-KIND PROJECT PLAN

A: Introduction

This In-Kind Penalty Project Plan (Plan) has been prepared in agreement with terms of the Long Form Consent Order entered into between the State of Florida Department of Environmental Protection (FDEP) and AERC Recycling Solutions (AERC) located at 4317-J Fortune Place, West Melbourne, FL. AERC intends to implement the Plan described here-in to off-set payment of civil penalties detailed in the aforementioned consent order - effective April 28, 2008. The overall goal of this action will be to promote pollution prevention and environmental enhancement through public education and the implementation of a household waste recycling pilot program for fluorescent lamps.

B: Project Description

The beneficial pollution prevention project to be implemented by AERC will consist of the startup and management of a fluorescent lamp recycling program for a period that is expected to take place over roughly 1 ½ years. This overall timeline includes the development of needed materials for public education, program collection location setup and subsequent management of the collected recyclable materials.

A primary focus of this effort will be to supplement existing recycling information available to the general public on the FDEP website to promote the benefits of compact fluorescent lamp (CFL) use and expand public recycling program activities through the coordination of collection efforts within existing retail outlets. Although there are several possible approaches as well as likely participants for such a program, AERC and the FDEP have agreed that the following overall program components will be important to increasing public participation in CFL use and recycling:

- The collection of CFLs (and related straight-tube fluorescent lamps) will likely achieve the most success when the program is implemented at the location new lamps are sold.
- Although related recycling efforts have already been implemented within some “Big Box” outlets, this project will promote fluorescent lamp recycling within retail outlets that are physically smaller in scale and believed to be agreeable to such efforts.
- The program plans to select several small scale hardware stores, i.e., ACE Hardware or similar, within central Florida or Orlando metropolitan area for startup and implementation. The scope of the project is expected to expand to additional outlets, possibly “Big Box” type retailers, located throughout the state as agreed upon between AERC and the FDEP following evaluation of initial implementation.
- Public education will be achieved through two primary mechanisms:
 - Development and production of a public-service video to be hosted on the FDEP website. The video, which is anticipated to be ~ 5 minutes in length, will be produced by a commercial post production studio and formatted much like a

free-running animated slide presentation – having scripted audio and video image content.

[Note: The proposed project plan cost estimate is based upon the production of an animated slide presentation that would not include video clip content. It is recognized that the FDEP may wish to create a more sophisticated product based on the target audience and final message content. As such, the project budget will be adjusted to accommodate the final production cost.]

- Development and printing of education tear-off sheets to be made available on the sales floor within the lamp retail area of the store. The concept of the tear-off sheet seeks to include content that communicates four (4) primary pieces of information:
 1. “Thanks for Buying CFLs” (and participating in recycling),
 2. Promoting the Associated Advantages of CFLs – Energy savings and benefits to the environment,
 3. Guidelines for Use, including the hazard of fluorescent lamps and the need to cleanup/manage broken lamps, and
 4. Recycling - How bulbs are recycled
- Both the public-service video and the retail shelf tear-off sheets will be produced in both English and Spanish language format.
- It is noted that although the program will likely focus on CFLs, the public-service messages produced for this project shall include content to educate the public on all fluorescent lamps. As such, the project includes planned expenditures for the management of straight-tube fluorescent lamps through the established AERC *Recycle Kits* product packaging and material handling mechanism.
- Collection of lamps will be accomplished through the distribution of cardboard shipping containers to the selected retail outlet. The pre-paid shipping program will allow retail staff to accumulate returned lamps and then ship the full box to AERC for recycling with limited effort on the part of the individual outlet.
- In addition to the basic instructions to be communicated within each box, initial program setup and implementation will include “collection instructions” that will allow retail outlet management to review the program instructions with designated employees for the collection, packaging and return shipping of the lamps.
- The implementation and management of the program will be under the direct supervision of AERC - coordinated through the West Melbourne FL facility. Key elements of the program include:
 - Although it is understood that the FDEP is not to be required to participate in program implementation, it is expected that the Department may take certain actions once the program is underway at the selected retail outlets. Specifically, District staff members are likely to evaluate the progress of the Project Plan against the schedule and to determine that project activities meet the regulatory standards.

- Shipping containers provided to each retail outlet are uniquely identified and will be tracked from placement at the retail outlet through return and processing for recycle.
 - Packaged lamps, either straight-tube fluorescents or CFLs, are returned to AERC via pre-paid Federal Express containers. As such, the costs for material recycle are accounted for up-front - once the container(s) are requested and empties shipped to the Retailer.
 - Project progress can be regularly reviewed through examination of the tracking database (MSExcels® spreadsheet) to be maintained by AERC.
- The anticipated schedule for implementation of each of these program elements is provided within the Project Plan Schedule presented in Section F.
- The FDEP will review and approve the following elements of the program components:
 - Retail store identity and location(s);
 - Both Draft and Final proofs of distributed program materials, including:
 - “Collection Instructions” and collection box configuration for retail outlet management,
 - Public service video, and
 - Retail shelf tear-off sheets.
- Drafts of the above noted program materials shall be submitted to FDEP as prescribed by the Project Plan Schedule. FDEP will review materials submitted and provide comments. Drafts will be revised accordingly and resubmitted within 30 days of FDEP review and comment date. The process will continue until documents/products are deemed approved by FDEP.
- The FDEP will be authorized to conduct site visits and to monitor activity at any or all retail outlet sites selected to determine recycling progress and regulatory issues. The targeted intervals for site visits will be as needed to coordinate with project progress and questions encountered. FDEP will meet with AERC personnel at sites and address issues reported in the Quarterly Progress Reports submitted as needed to further implementation success.

C: Required Permits and/or Authorization

Based upon a review of applicable state, county and municipal government requirements it is currently understood that AERC will not be required to secure any additional permits and/or authorizations to implement the proposed Plan. The project is in agreement with business services currently permitted for and offered by AERC.

The existing authorization provided to AERC under Permit/Certificate Number 0072959-003-HO (FLD 984 262 782) is adequate and appropriate for the collection and recycling of CFLs during the time period for implementation of this Project.

D: Expected Implementation Costs

In accordance with requirements of paragraph 7 of the Consent Order executed April 28th, 2008; the in-kind penalty project proposed by AERC shall have a total implementation cost of 1 ½ x the off-set amount, i.e., an equivalent total amount of not less than \$38,095.

Table 1, *Project Implementation Cost Summary*, presented within Exhibit I, details the Project cost estimate.

E: Long Term Implementation Issues

As noted earlier, and as specifically detailed within the *Project Plan Schedule*, AERC expects to meet the full obligations of consent order within roughly one year from the date of initial setup and collection from the selected retail outlet. However, further assistance with implementation of state-wide universal waste recycling program initiatives undertaken by FDEP is desirable, although not directly required once the terms of the consent order have been achieved.

F: Project Plan Schedule

The following schedule outlines the project activities and the anticipated milestone dates for implementation of this Plan.

Completion Date | Activity

Early July – **Submission of DRAFT Project Plan by AERC**

- > DRAFT Project Plan review by FDEP

October 1, 2008 – **Submission of Revised Project Plan by AERC**

- > Final (Rev #1) Project Plan review by FDEP

Concurrently (within 1-2 weeks) DRAFT Plan Submittal

- > Review overall program components with targeted retailers
- > Review draft production and printing specifications with 3rd party suppliers

Within 30 Days of Plan Approval

- > Select Retailer for program implementation
- > Select 3rd Party suppliers for public service information assistance
- > Once the above parties are selected, AERC shall provide FDEP a summary of selected locations for Department comment and approval.

Within 1 ½ Months of Plan Approval

- > Execute final specifications | Contracts for public service video and informational tear-off sheet production

Within 2 months of Plan Approval

- > Review concept, including proposed script and selected actor for audio dubbing of public service video with FDEP
- > Review DRAFT of concept for information tear-off sheet with FDEP
- > Review configuration of boxes and retail “collection instructions” with FDEP

Within 3 months of Plan Approval

- > Complete Production of DRAFT Public Service Video – Provide to FDEP for approval
- > Complete DRAFT of Proof of Information Tear-Off Sheet – Provide to FDEP for approval
- > Prepare shipping containers for distribution to the selected Retailer

Within 3 ½ months of Plan Approval

- > Complete FINAL Public Service Video – Go to Production
[Note: Copy of video provided to FDEP for use on web site and within Department program activities.]
- > Complete FINAL Information Tear-Off Sheet – Go to Printing
- > Distribute shipping containers to selected Retailer. Review program instructions with Retailer.

Within 4 months of Plan Approval

- > Assist Retailer with Information Materials Setup | Confirm program management instructions

Within 4 ½ to 5 months of Plan Approval

- > Project Start-up | Begin receipt of Consumer generated CFLs by AERC

Within 3-6 months of Project Start-up

- > Evaluate success of program and possible start-up of 2nd Retailer
- > Make adjustments to program implementation in agreement with discussions with FDEP
- > Examine costs and project requirements for start-up of 2nd Retailer (as determined during above noted discussions)

Within 9-12 months of Project Start-up

- > Evaluate use of prepared shipping containers with regard to % complete – based on both the number of planned containers used and the agreed upon Project cost obligation.
- > Discuss achievement of preliminary project goals with FDEP. Adjust project milestones and/or possible alternative objectives.

AERC will administer the project until such time as the in-kind penalty project implementation cost reaches the aforementioned minimum project cost obligation. It is expected that the timeframe for the project will be roughly one (1) year from initial startup of the collection program. However, it is understood that the program shall continue until all pre-paid shipping containers prepared for this project have been accounted for, i.e., recycling materials returned for processing.

G: Project Completion and Submission of Progress Reports & the Final Project Report

In agreement Section III.C of Exhibit III (*In-Kind Penalty Project* guidelines) of the consent order and the comments received from FDEP staff members on the draft Project Plan (July 7, 2008 | Rev 0):

- AERC shall submit Quarterly Progress Reports to the FDEP commencing within 90-days of the Project Start-up and then each subsequent 90-day period thereafter until the Final Report is submitted.
- AERC shall provide the Department a Final Report summarizing project milestone achievements and presenting confirming information that the project was completed in accordance with this approved Project Plan. This report shall detail an accounting of actual costs that AERC incurred for project implementation – the amount which shall meet the minimum threshold of \$38,095.

H: Revision History

The following table summarizes the change, i.e., revision, history for this Project Plan.

| Rev | Date | Responsible Person | Description of Change |
|-----|----------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0 | 07/01/08 | Jeffery Smith – Director of Regulatory Affairs | New document – initial submittal of DRAFT Project Plan to FDEP. |
| 1 | 10/1/08 | Jeffery Smith – Director of Regulatory Affairs | Incorporated comments on the DRAFT received from both Raoul Clarke (7/10/08) and Debby Valin (9/14/08). See reference emails for details of these changes – ALL modifications made as requested. |

EXHIBIT I

Project Cost Estimate

TABLE 1: PROJECT IMPLEMENTATION COST ESTIMATE
AERC West Melbourne, FL

| TOTAL IMPLEMENTATION COST ESTIMATE | | In-Kind Project Value | | | \$ 38,095.50 | \$ 38,225.00 |
|----------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|-------------|-------|-------------------------|--------------|
| Project Task Deliverable | Description | | | | Subtotal Line Item Cost | |
| | Qty | Unit | Cost | | | |
| Boxes for collection of 4' Straight Tube Fluorescent Lamps (70 each box) | 100 | Box | \$ 70.00 | | \$ 7,000.00 | |
| Boxes for collection of CFLs (75 each box) | 200 | Box | \$ 75.00 | | \$ 15,000.00 | |
| Publishing of Information Sheets | 5,000 | Sheets | \$ 0.75 | | \$ 3,750.00 | |
| Public Service Video - Development and Production Formated as a self-running slide presentation, e.g., Powerpoint® | 1 | Lot | \$ 9,000.00 | | \$ 9,000.00 | |
| SUBTOTAL | | | | | \$ 34,750.00 | |
| CONTINGENCY | | Approximately | | 10.0% | \$ 3,475.00 | |