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P.O. Box 43175 Jacksonville, FL 32203-3175 (904) 350-0006

January 25, 2002

Florida Department of Environmental Protection Northeast District 7825 Baymeadows Way, Suite B200 Jacksonville, Fl 32256-7590

Attn: Alan Annicella

Dear Sir,

In response to the Departments letter dated January 3, 2002, Marine Industrial Services, Inc. respond to the alleged violations as follows:

With regards to the two drums of used oil that were located in MIS's warehouse, the one that was labeled "Used Oil" is inside on concrete with a drip containment pan underneath it. This drum is for storing used oil that MIS generated during maintenance of equipment. The other container that was not labeled, was being used by our mechanic to transport the oil across the warehouse to the other drum. Due to the short time that the oil would stay in this container the mechanic had not labeled it. This has since been corrected, and all personnel involved have been directed not to put used oil in any container that is not labeled no matter how short the time of use will be.

Upon investigation of the (3) 55 gallon drums that were in the backyard, Mr. Phillips uncovered the following circumstances. Those drums were picked up by one employee, who parked the truck in the backyard in the evening. The following AM, prior to the truck going to the disposal facility, another employee removed the drums from the truck to utilize that truck (He did this on his own and did not advise anyone that he emptied the truck). When the employee that was destined to go to the disposal facility arrived, he went to the disposal facility without loading those drums. In the meantime, MIS management was not aware of this for 2 days until reviewing the paperwork for the project. Both employees were reprimanded and one is no longer employed my MIS.

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MIS Marine Industrial Services, Inc.

MIS also has implemented a system of checks and safeguards to ensure that this will not occur again.

In regards to the issue of MIS being a transporter of PCW and a Used Oil Transfer Facility, MIS responds as follows: Upon review of the registration forms that MIS fills out annually as a Used Oil Transporter, it is not clearly indicated how to register as a PCW transporter. At the time of the Departments inspection, MIS was notified that they needed to have PCW transporter indicated on the registration. MIS contacted numerous personnel at the Departments Tallahassee headquarters for help with how to indicate PCW Transporter on our registration. After a few days and some long conversations, this was accomplished, and MIS indicated on the registration that they were a PCW Transporter. Please note MIS has been filling out the Departments Registration forms for years, and has been inspected by the Department for years and has never been asked to indicate on the registration anything about PCW. MIS will indicate it on the forms from now on until the Department tells us otherwise. As far as the Transfer Facility notification, at the present time MIS has not nor are we intending to notify the Department of obtaining Transfer Facility status. MIS is striving to assure that all activities involving used oil will remain within compliance of the regulations of a Used Oil Transporter.

In closing, MIS and its management strive to work in conjunction with your Department and all other regulatory agencies to be in strict compliance with all regulations. MIS's history and inspection record shows that compliance can and will be achieved. We appreciate the Departments cooperation, concern and help while working with MIS in the past and the future to be in compliance. If you require any further information, please contact us at (904) 350-0006.

Sincerely

Thomas J. Sween