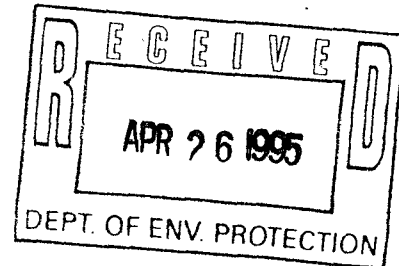




Florida Tire Recycling, Inc.

April 14, 1995

Mr. Carlos Rivero-deAguilar
Director of District Management
Department of Environmental Protection
1200 South Congress Avenue
West Palm Beach, FL 33406
(Via Fax to 407/433-2666)



Dear Sir,

Thank you for the opportunity to meet with you this past Wednesday. We feel that while both the Department and FTR were able to present our respective views in an open and frank manner, the moderate tone that prevailed permitted a positive dialogue to occur. This, coupled with your willingness learn more about our operation by visiting our facility next Tuesday, should go a long way toward helping us resolve the current impasse in a constructive manner.

We have reviewed Janet Bowman's draft amendment to the Stipulation Agreement. The review raised a few points on which we need the Department's guidance before we can make a detailed response. They are as follows:

1. The draft proposal sets as an objective, the reduction of inventory to 9,700 tons or less by December 31, 1995. To do this we are to ship each month an amount equal to the volume received plus an additional 2,490 tons beginning in May, 1995. However, there appears to be an arithmetical error in the Department's calculation as illustrated below:

Assumed beginning inventory	24,490 tons
Ending inventory	<u>9,700</u>
Net reduction	14,790
Number of months	8
Average reduction per month	1,848

If there is no arithmetical error, we will need an explanation as to how the Department arrived at its calculations.

2. The original Stipulation Agreement provided for the consideration by DEP of a variance, a temporary type of permit or an alternative procedure to address the time required to meet the financial assurance requirements. The proposal advanced by the Department last fall was

Providing An Environmental Solution

that FTR would continue to contribute to a trust fund until it equals the closure cost. That proposal estimated that by the end of December, 1996, the fund would be adequate to cover 9,700 tons of material if FTR continued depositing \$4,000 per month into the fund and DEP gave no credit for the market value of the TDF on hand. However Janet Bowman's draft states that financial assurance must be in place by December 31, 1995. Has the Department retreated from its previous proposal or have we merely overlooked the provisions of the Stipulation Agreement and the proposal made last Fall.

3. Moreover, the draft does not address the amount of the closure costs for which financial assurance is to be provided. May we assume that the department has accepted the \$231,135 figure presented under our memo of September 9, 1994?

4. We mentioned during the meeting that we intend to redesign the site to improve its utility. Attached is a conceptual drawing of the new design which we can discuss in more detail when you visit next Tuesday. Our concern is this. When the original Stipulation Agreement was approved in January, 1994 we were assured that the Department would expedite permitting for the current MSSW design and for an auxiliary waste tire processing facility in Lakeland. In the end, the Intent to Issue for the Lakeland facility permit was not issued until August, 1994 (by which time we had to forgo opening the facility) and the MSSW was not received until November, 1994. To meet the October 31, 1995 construction deadline proposed in Janet Bowman's draft, we will need assurance that the MSSW permit revisions we will propose will be handled in an expeditious manner.

Once we receive a response on the points outlined above we can complete our review of the draft and outline our response in no more than two to three days. Because time is of the essence, a telephone response to this letter from your staff would be sufficient.

Sincerely



David L. Quarterson
FLORIDA TIRE RECYCLING, INC.

CC: Jim Brindell
Gunster, Yoakley and Stewart

PS: I have also attached a clipping from the September issue of "Scrap Tire News" in which Bill Parker announced that the

Department of Environmental Regulation had released its report entitled "A Study of Waste Tire Leachability in Potential Disposal and Usage Environments." The article indicates that the study concludes "... shredded tires ... posed no harmful effects when used in applications that were above the water table."

DLO

A handwritten signature in black ink, appearing to be "DLO", is written over the typed initials "DLO". The signature is cursive and somewhat stylized.

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Florida Completes Leachate Study

The Florida Department of Environmental Regulation (DER) has released its final report on waste tire leachability in potential disposal and usage environments. The study which evaluated the leachability of shredded tires in different aquatic environments found that scrap tires posed no harmful effects when used in applications that were above the water table.

The results of the study opened the door for two growing uses of crumb rubber in the state - as a soil amendment and as playground surface cover. According to DER's Bill Parker, the study had little effect on the use of tire chips for daily cover at landfills since this use was allowed prior to the study. Parker said that the state Health Rehabilitative Services Department is still testing the use of tire chips as an aggregate replacement in septic drainage systems.

"A Study of Waste Tire Leachability in Potential Disposal and Usage Environments" is for individuals and companies who want to do something reasonably safe with scrap tires or tire derived materials and may not have the resources to do the research and testing needed to get the project approved. "It provides generic research accepted by the State agencies that companies can tap into for new applications," Parker explained. "It really helps streamline the whole approval process," he said. In addition, Parker said the DER undertook the study to help the agency define future directions for scrap tire applications in Florida. "Our goal is to take 30-40 percent of the scrap tires generated in the state away from landfill applications," Parker said. ♦

Tire Amnesty Days Slated for CA

The California Waste Management Board recently approved \$1 million in grants to help local jurisdictions rid their communities of tire piles.

Under the grant program, "amnesty days" will be scheduled around the state to encourage citizens to turn in waste tires. The counties of Ventura, San Diego, Kern, Alpine, Stanislaus, Merced and the city of Fresno will offer tire collection days.

In Trinity County, monetary awards will be offered for each tire collected by local non-profit groups and awards given to the group which collects the greatest amount of tires.

San Bernardino County plans to start a public education campaign as well as establish an 800 number for citizens to report illegal waste tire dumping. The city of San Bernardino will use their grant to develop a special tire rack for collection vehicles. Other programs will focus on consumer education for retreaded tires, new methods to create and utilize crumb rubber, development of a bicycle tire that needs no air and how tires can be used as a habitat for marine life. For more information, contact Tom Estes (916) 255-2465. ♦

1 CALL

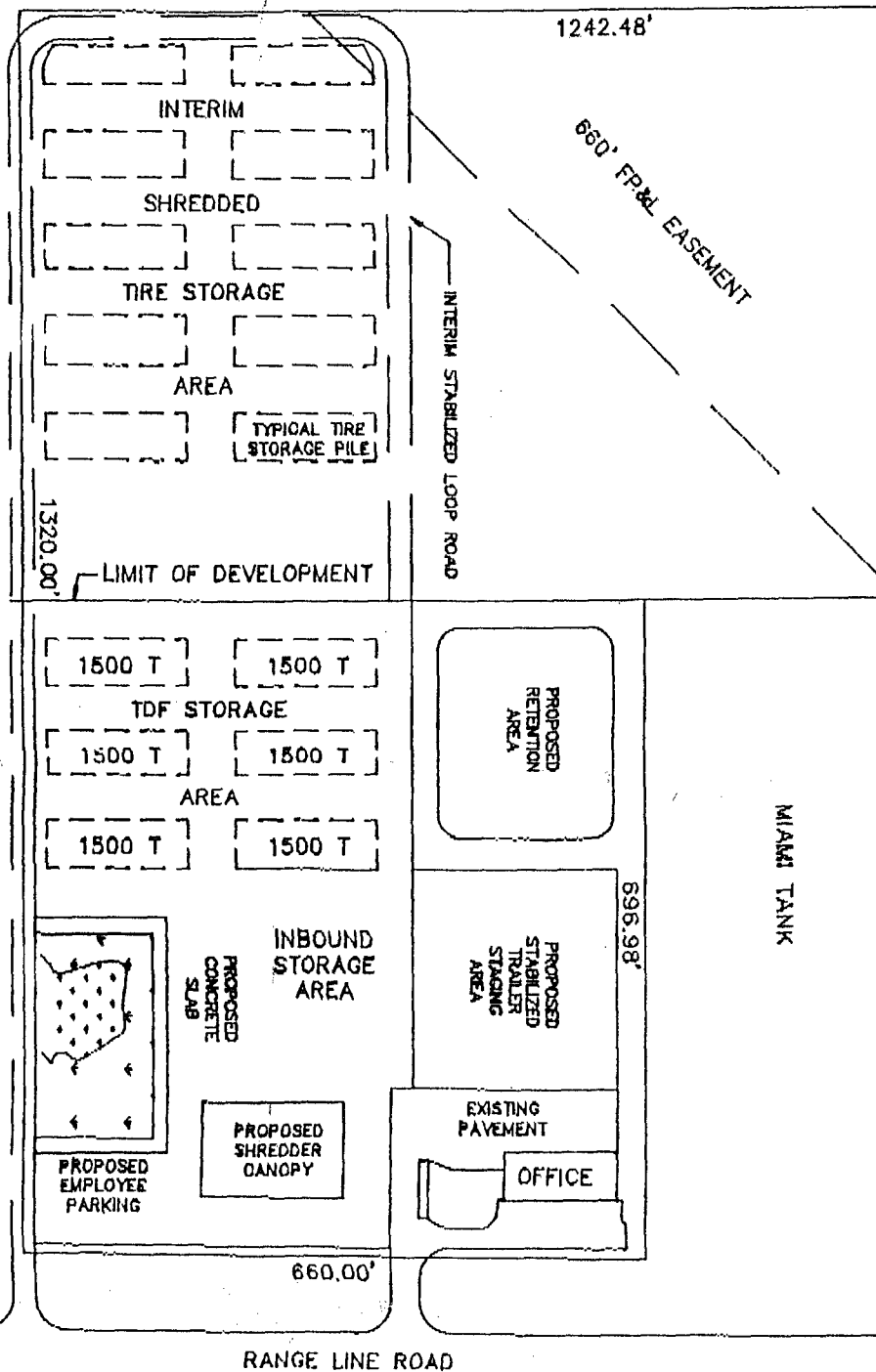
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 CONCEPTUAL PLAN


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