

GUNSTER, YOAKLEY, VALDES-FAULI & STEWART, P.A.

ATTORNEYS AT LAW
PHILLIPS POINT, SUITE 500 EAST
777 SOUTH FLAGLER DRIVE
WEST PALM BEACH, FLORIDA 33401-6104
P.O. BOX 4587
WEST PALM BEACH, FLORIDA 33408-4587

TELEPHONE (407) 655-1980

FAX (407) 655-5677

OTHER OFFICES IN:

MIAMI, FL (305) 376-6000
FT. LAUDERDALE, FL (305) 462-2000
PALM BEACH, FL (407) 655-1980
STUART, FL (407) 288-1980
TALLAHASSEE, FL (904) 222-6000

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January 20, 1995

Via Facsimile and Regular Mail

Janet E. Bowman, Esq.
Asst. General Counsel
Florida Dept. of Environmental
Regulation
Office of Counsel
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Florida Tire Recycling, Inc.
Case No. 93-895 CA 17 (St. Lucie County)

Dear Janet:

We filed on behalf of Florida Tire in July of 1994 a motion to enforce, modify or dissolve the injunction issued in this cause. As a result, several meetings were held between DEP officials and Florida Tire representatives in August and September of 1994. On September 28, 1994 we sent to Mr. Ernest Fry, as we had agreed to do at the meeting of September 20, 1994, a proposal of new target dates and thresholds for achieving the on-site storage capacity of 9700 tons and the appropriate closure funds. We have never had a reply to that proposal.

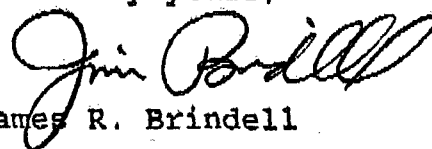
In the meantime, the MSSW permit was issued in November. Florida Tire has made it very clear in the past that its ability to assume the debt necessary to construct the MSSW system is directly related to its ability to receive a waste-tire processing facility permit from the Department. That was one of the key points of the discussions we had in August and September of 1994 which led to the proposal we submitted to the Department on September 28, 1994. The only responses we have had from DEP since the September 28 submittal was a letter dated November 29, 1994 from Carlos Rivero-deAguilar which appeared to place matters back in an adversarial posture and the interrogatories which we received from you on January 17, 1995.

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Unless the negotiation process which now appears to have broken off at the end of September of 1994 can be recommenced immediately, it will be necessary for Florida Tire to set for hearing its pending motion in order to seek reasonable modifications to the existing Stipulation which apparently the Department is unwilling or incapable of addressing without court intervention. The irony of this situation is that Florida Tire is now a major recycler of tires to purchasers other than a landfill. It is my understanding that Florida Tire currently accounts for half or more of DEP's goal of taking 30-40% of the scrap tires generated in the state away from landfill applications.

Florida Tire needs the Department's immediate and reasonable cooperation or it will have to take legal action to defend its viability as a company and significant employer in St. Lucie County.

Sincerely yours,



James R. Brindell

cc: Mr. John Wilson
Mr. David Quarterson
Donald J. Beuttenmuller, Esq.

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