



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

December 9, 2004

CERTIFIED MAIL

Mr. Douglas F. Wicklund, President
Environmental Disposal Systems, Inc.
199 West Brown Street, Suite 200
Birmingham, Michigan 48009

Dear Mr. Wicklund:

SUBJECT: Operating License Application Withdrawal; Environmental Disposal Systems, Inc. (EDS); MIR 000 016 055

The Michigan Department of Environmental Quality (MDEQ) is in receipt of your December 9, 2004, letter withdrawing EDS's application for a hazardous waste management facility operating license. Your letter was in follow up to an earlier discussion held today at which time the MDEQ notified you that the problems with the construction and certification of the facility provided a basis for denial of the operating license and that EDS had an option to withdraw the operating license application at this time. In response to your request, the MDEQ, Waste and Hazardous Materials Division (WHMD), has stopped processing the application. If EDS elects to submit a new application for consideration, the company must correct the deficiencies identified in this letter.

The operating license would authorize the aboveground storage and treatment of hazardous waste at the newly-constructed commercial hazardous waste deep well injection facility located at 28470 Citrin Drive, Romulus, Wayne County, Michigan. The operating license application was submitted under Part 111, Hazardous Waste Management, of Michigan's Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, and its administrative rules, Michigan Administrative Code R 299.9101 *et seq.* The MDEQ issued a hazardous waste management construction permit to EDS on February 22, 2001, for the aboveground storage and treatment facilities associated with the deep wells. In accordance with Condition I.G.6 of the construction permit and R 299.9502, an operating license is required before the facility can be operated.

The MDEQ processed the application in accordance with the requirements under Part 111. Before the MDEQ had an opportunity to make a final decision on the operating license application, a substantial defect in the construction of the railroad siding at the facility was discovered, notwithstanding the certification of construction in the application that (1) attests to the construction of the facility according to the approved plans and specifications and (2) includes an as-built engineering drawing that does not represent what was actually constructed.

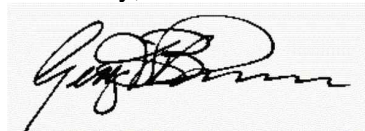
Whether this substantial error in the certification of construction is limited only to the railroad siding is unclear. Therefore, before submitting another application for consideration, EDS must do all of the following to address concerns regarding the construction and certification of the facility:

1. Reconstruct the railroad siding according to the approved plans and specifications.
2. Have an independent registered professional engineer inspect the facility and review the plans and specifications to identify all other possible defects in the facility construction.
3. Reconstruct all other defective equipment and structures identified by the independent registered professional engineer.
4. Obtain a report from the independent registered professional engineer that lists all defective equipment and structures that were found, certifies the reconstruction of the defective equipment and structures in accordance with the approved plans and specifications, certifies all as-built drawings required for the application, and, except for the listed defective equipment and structures, supports the original certification of construction.

If EDS elects to resubmit its application for an operating license, the application must include the report from the independent registered professional engineer explained above, documentation of a new preapplication public meeting, an updated disclosure statement if any information in the disclosure statement has changed since September 9, 2002, and the application fee of \$500. Resubmittal of the entire application is not necessary. The MDEQ can process the current application with replacement pages.

If you have any questions, please contact Mr. Steve Sliver of the Hazardous Waste Section, WHMD, at 517-373-1976, or you may contact me.

Sincerely,



George W. Bruchmann, Chief
Waste and Hazardous Materials Division
517-373-9523

cc: U.S. Representative John D. Dingell
U.S. Representative Joseph K. Knollenberg
Senator Raymond E. Basham
Representative Hoon-Yung Hopgood
Mayor Allan Lambert, City of Romulus
Mayor Gregory Pitoniak, City of Taylor
Mr. Dan Beattie, Governor's Washington Office
Mr. Jim Sygo, Deputy Director, MDEQ
Ms. JoAnn Merrick, Senior Executive Assistant to the Director, MDEQ
Ms. Carol Linteau, Legislative Liaison, MDEQ
Mr. Steve Sliver, MDEQ