UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 28 1999

REPLY TO THE ATTENTION OF

R-19J

Mr. George Anderson
Director of Environmental Compliance and Safety
U.S. Filter Recovery Services, Inc.
2430 Rose Place
Roseville, MN 55113

Dear Mr. Anderson:

I am pleased to inform you that EPA has considered your XL proposal dated October 21, 1998, and supplementary materials, and the Agency is prepared to work with you, the State of Minnesota, and appropriate stakeholders to develop a Final Project Agreement (FPA). The FPA will detail the expectations of EPA, U.S. Filter, the State of Minnesota, and other project partners. If all partners are satisfied and sign the FPA, the signed agreement will constitute acceptance as an XL project.

Project XL was created to test innovative environmental management strategies for the 21st century, and through this process to foster excellence and leadership in environmental protection. EPA is offering you the opportunity to participate in the next phase of XL project development because your proposal shows potential to accomplish these goals.

EPA is interested in this project for a variety of reasons. For example, EPA would like to explore additional ways to encourage recycling and reuse of waste that would otherwise be treated and disposed. This project offers EPA a controlled pilot project that will provide data to aid EPA in determining whether a particular F006 waste should be delisted. It will also allow EPA to examine alternative approaches to regulating recycling of spent hydrochloric acid pickle liquor wastes. EPA believes that this project has the potential to provide this information.

During the FPA negotiation process, EPA will more thoroughly assess the regulatory relief for U.S. Filter and its potential customers, the specific safeguards that might be substituted for current regulatory controls, legal constraints, enforcement considerations, and other relevant factors. Most of the specific questions and issues to be explored in this regulatory assessment are outlined in the "information needs" letter that was previously sent to U.S. Filter. EPA will work with U.S. Filter to further address these questions and issues; identify which regulatory requirements are problematic; and identify what kind of regulatory relief would be needed to implement this project.

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on 50% Recycled Paper (20% Post-Consumer)

EPA has assembled a staff team to work with U.S. Filter, the State of Minnesota, and stakeholders on development of this project. That team will be lead by Robert Egan of Region 5 (312-886-6212) and Sandra Panetta of our Office of Policy and Reinvention in Washington (202-260-6632). They will be contacting you shortly to commence work.

Sincerely,

/s/ original signed by
Francis X. Lyons

Francis X. Lyons
Regional Administrator

cc: Karen A. Studders, MPCA