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September 25, 2000

STATE OF FLORIDA
DEP - NE DISTRICT
JACKSONVILLE



Mr. Chris Kirts
Florida Department of
Environmental Protection
7825 Baymeadows Way, Suite B-200
Jacksonville, FL 32256-7590

Dear Mr. Kirts:

Florida Rock Industries, Inc. has successfully completed its retest for VOC emissions at the Thompson S. Baker Cement Plant in Newberry on Saturday, September 23, 2000. The measured VOC emissions are below the permitted limit.

To accomplish this, the plant omitted the use of mill scale as one of its raw materials and commenced to produce only ASTM Type I cement. After the completion of the test the production of Type I was continued, without the use of any mill scale.

The compliance test report is being prepared by Koogler & Associates and will be completed in the next few days.

As we had correctly surmised, after substantial testing of all of our raw materials, the mill scale has been the major contributor to the formation of volatile organic matter. We worked diligently to identify the cause of the VOC emissions and took prompt actions to bring the emissions into compliance with our permit limits. Most mill scale available in this country contain amounts of hydrocarbons originating in lubricants used in the milling process.

In the meantime we located a limited supply of mill scale with low THC content and have received several truckloads of this material. The material comes from a steel plant which uses a flotation process to separate the spent grease from the steel flakes and attempts to make a THC-free mill scale. We are told the separated grease is being reused for lubrication. Representatives of Florida Rock are scheduled to visit the steel plant offering this material for a personal inspection of the cleaning process and its effectiveness. The samples we received of this material show a presence of only 0.04 % THC. This compares to values of as high as 1% in previously supplied mill scale. We hope to verify that this cleanliness can be reliably maintained and that the quantity of clean mill scale produced is sufficient for our needs. If the answers are affirmative, we will use the material to produce Type II cement to meet FDOT specifications. The difference in the THC contents leads us to believe that the permitted VOC limits will continue to be met.

Simultaneously we are in contact with the Oak Ridge National Laboratories in Oak Ridge, Tennessee to discuss a technical assistance agreement for the production of THC-free mill scale. Oak Ridge has done extensive research in bio-degradation of organic compounds for the Department of Energy and has developed notable expertise in the destruction of organic matter, turning it into harmless carbon dioxide and water molecules. Based on the success of this method, we would be able to tap a large supply of mill scale, which is now being used without prior treatment by most cement companies in this and other countries. The disadvantage of bio-

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remediation is the time frame. Bio-remediation of organic matter may take as long as 14 months, leaving us unable to satisfy our requirement for clean material for some period of time, should the present promising source not prove to be reliable or sufficient.

It is possible that more steel mills will make the capital investments to clean up their mill scale and recycle the grease, which would make more material available to our industry. We will continue to search for additional sources.

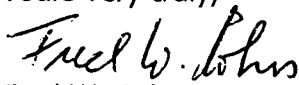
Another option to produce clean mill scale for our use is the construction of a mill scale pretreatment facility, which would be somewhat similar to a remediation plant for oil soaked soils, using asphalt driers with afterburners. Given the relatively small amount of mill scale consumed by our plant, pretreatment may be totally cost prohibitive. Our inquiries to existing soils remediation operators have not met with encouraging responses. At this time none of the facilities we have been able to contact are available to pretreat our mill scale.

On a related matter, you have pointed out in our meetings, that the Title V permit must reflect the planned TDF facility. The construction permit allows up to 30% replacement of coal with TDF, but so far the company has not installed a TDF system, nor used TDF in its operation. We have scheduled a visit to recently installed systems to determine if the latest technology satisfies our requirements and, at the same time find out how much iron addition can be expected from the ash contained in the tires. This source of iron may further help to reduce our mill scale requirements.

We are certain of a short-term solution toward meeting the VOC limits at the TSB Cement Plant, but should continue to discuss and explore all options with the department, which may include short-term relief for a long-term answer.

Your co-operation and assistance will be appreciated.

Yours very truly,


Fred W. Cohrs
Vice President

FWC/bc

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