

Jeb Bush  
Governor

# Department of Environmental Protection

Twin Towers Office Building  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Colleen M. Castille  
Secretary

January 12, 2005

John Ray  
Vice President  
Enterprise Florida  
The Atrium Building, Suite 201  
325 John Knox Road  
Tallahassee, Florida 32303

Dear Mr. Ray:

I am in receipt of your correspondence dated January 7, 2005, regarding the Merillat facility (facility) in Ocala. I look forward to meeting with you next Wednesday to discuss Enterprise Florida and any concerns it has regarding this facility. It is unfortunate that you were not able to hear the discussion regarding Merillat's approach to PSD requirements at this and other facilities that transpired after you left the December meeting. I would like to discuss this further when we meet, as it appears that the company has faced these same issues at its facilities in other states. I would also appreciate a discussion about how our offices can ensure any PSD permitting issues are adequately addressed early in current and future business recruitment efforts.

In addition to a request for a meeting, the January 7, 2005 letter raised several concerns that warrant a response before our discussion next week. Let me assure you that the Department of Environmental Protection (DEP) has and will continue to handle Merillat's permit application in a straight-forward and professional manner. I believe it is imperative to see a facility and meet company representatives face-to-face when handling such important projects. As I stated at the beginning of the December meeting, the reason I and my staff requested an in person meeting at the facility was to observe the Merillat process first-hand and begin working through pending issues with Mr. Olszewski, Mr. Tift and Mr. Cohn in person.

I also want us to be "on the same page" regarding the status of Merillat's pending permit application. As I stated at the outset of the December meeting, the DEP has not yet reached a conclusion regarding the applicability of PSD or made a determination of "phased project". As you may know from other successful Enterprise Florida projects, it is common and, often times, necessary in the PSD application review process to request additional information from a permit applicant. In this case, the DEP has requested additional information from

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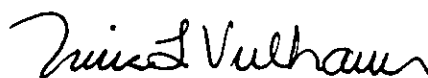
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Merillat regarding the timing and background of the initial project as well as other aspects of the pending application. The questions are not intended to be accusatory. As was explained at the meeting, the DEP is simply fulfilling its legal obligations for implementing the PSD program [See DEP rule 62-212.400(2)(g), Florida Administrative Code, its federal counterpart at 40 CFR 52.21]. It is also important to note that US EPA raised similar questions via email correspondence dated December 10, 2004.

The DEP is aware of the importance of this project to Merillat and Enterprise Florida and is working in an expeditious manner to fully and fairly evaluate this application. Please keep in mind that the DEP mission statement is "more protection, less process". The DEP is balancing both of these objectives as it evaluates Merillat's application. Since the December meeting, I and my staff have been in contact with Mr. Olszewski and Mr. Cohn on several occasions regarding their response to our questions and possible permitting scenarios. It is my understanding that Merillat will be providing a comprehensive response to the DEP and EPA's requests for additional information in the very near future. Once we have had an opportunity to review the submittal, the DEP will schedule a meeting with Merillat to discuss the status of the application.

I hope this information is helpful and I look forward to meeting with you next week.

Sincerely,



Trina L. Vielhauer  
Chief  
Bureau of Air Regulation

Mike Cook  
A.S.  
Lindy Mulkey