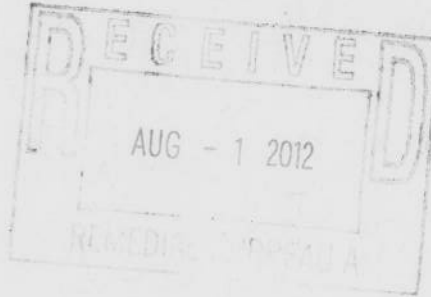


CERTIFIED MAIL

July 23, 2012

Mr. Mark Carrara
Deputy Permit Administrator
NYSDEC – Region 1
SUNY @ Stony Brook
50 Circle Road
Stony Brook, New York 11790-2356



**RE: CO 1-20040831-22 Progress Report – 2nd Qtr 2012
Chemical Pollution Control, LLC of New York (CPC)
120 South Fourth Street
Bay Shore, New York 11706**

Dear Mr. Carrara;

Enclosed is the Quarterly Progress Report for the second quarter of 2012, as required by the above referenced Consent Order.

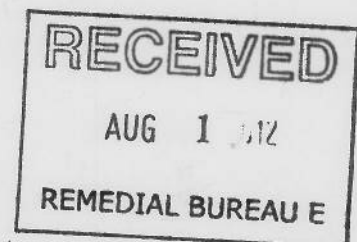
If you have any questions, I may be reached at (631) 586-0333.

Sincerely,
Chemical Pollution Control, LLC of New York

Richard B. Camarda
Environmental, Health & Safety Manager

Attachment

cc: Regional Solid & Hazardous Materials Engineer – NYSDEC Region 1
Director, Bureau of Hazardous Waste & Radiation Management – NYSDEC Albany NY
Chief, RCRA Programs Branch – USEPA Region II
Ms. Katy Murphy – NYSDEC Region 1



QUARTERLY PROGRESS REPORT

Second Quarter 2012

1. **A list of contractors and/or consultants retained by the Respondent in connection with Respondent's compliance with the Order;**

No additional contractors or consultants were retained during the second quarter of 2012. The current list is as follows:

American Analytical Laboratories, Inc. (AAL)

American Environmental Assessment Corp. (AEAC)

Dvirka & Bartilucci Consulting Engineers (D&B)

Racanelli Construction Company, Inc. (Racanelli)

2. **A detailed description of all projects being undertaken pursuant to this Order by Respondent, its contractors and/or consultants, including:**

- 2(a) **the work performed pursuant to this Order during the reporting period;**

The following work was completed toward facility reconstruction:

Facility Planning – Town of Islip (TOI)

On June 29, 2012, CPC submitted a Storm Water Pollution Prevention Plan to the Town of Islip, which will address soil erosion and sediment control during construction activities.

Facility Planning – NYSDEC

CPC began above ground RCRA closure activities in January 2012. Field activities included the removal of all waste products from the site, decontamination and sampling of secondary containment and waste management areas, and the removal of all facility tanks. Aboveground RCRA closure

field activities concluded in February 2012, and CPC submitted an Aboveground RCRA Closure Field Report on April 6, 2012. The Report was approved by NYSDEC on May 1, 2012.

Additional progress was made on the action items below:

- CPC submitted a minor permit modification to NYSDEC in September 2011, which addressed the acceptance of used oil and other permit inconsistencies. In February 2012, NYSDEC requested additional modifications related to the acceptance and management of used oil. CPC submitted a response to the NYSDEC comments on April 9, 2012, and CPC's response was under review as of June 30, 2012.
- Also, as of June 30, 2012, NYSDEC was continuing to evaluate the possible reclassification of the CPC site from Class 2 to Class A.

Facility Planning – Suffolk County Department of Health Services (SCDHS)

After several discussions with SCDHS regarding the closure of the existing septic system, CPC requested approval to perform the sanitary system abandonment during the remediation and endpoint sampling of the onsite dry wells. Proceeding in such a manner would allow CPC to consolidate the closure activities into a single program. SCDHS concurred, and requested that CPC submit a letter, which was submitted on May 22, 2012, describing the proposed activities.

On June 15, 2012, CPC also submitted an Underground Injection Control (UIC) Program to SCDHS and the United States Environmental Protection Agency (USEPA) for review and approval.

Also, as previously reported CPC submitted an application to renew the Article 12 Permit to Construct in March 2012. This application does not require review by SCDHS, but administratively renews the Permit to Construct, which would otherwise expire one year after issuance (April 19, 2012). The permit renewal was issued on April 12, 2012.

Pre-Construction Activities

After selecting Racanelli as general contractor, CPC executed a Notice of Award on March 19,

2012, and requested that Racanelli submit performance bonds and insurance certificates within 30 days in accordance with the contract. Racanelli submitted the requested bond and insurance documents on April 12, 2012, but although the performance bonds submitted at that time were acceptable, the insurance documents required several rounds of revisions to meet the contract specifications, and were not approved until May 15, 2012.

On June 1, 2012, Racanelli submitted an executed contract, but with several revisions. After reviewing the revisions, D&B notified Racanelli that the contract revisions were not acceptable, and noted that many of Racanelli concerns were already addressed in the original contract. On June 5, 2012, Racanelli agreed to proceed with the original contract, and on June 7, 2012, CPC executed a Notice to Proceed. A pre-construction meeting was held on June 26, 2012 to begin coordinating the demolition activities.

Force Majeure(s)

No force majeure items arose during second quarter of 2012.

2(b) the status, by percentage, of completion of the project(s) which are the subject of the Quarterly Report, and

As of June 30, 2012, the project is in the pre-construction stages, and therefore no demolition or construction activities have begun (<10% completion).

2(c) all anticipated activities of the Respondent its contractors and/or consultants for the next three (3) month period. The parties agree that information provided in prior quarterly reports need not be reiterated in subsequent quarterly reports, except to the extent necessary to make adequate cross-reference to currently reported items.

CPC anticipates the following activities to be performed during the third quarter of 2012:

- Remove and sample the existing sanitary system to complete the Application for Sewage Disposal Facilities and Water Supply Systems.
- Shut off electrical and water service to the site and begin asbestos abatement activities.

- Begin demolition of the facility and exterior storage cells, corrective action activities, and below ground RCRA closure activities.

3. Information regarding any continuing delays encountered or any delay anticipated that may affect the future schedule for implementation of the Respondent's obligations under the Order, and efforts made to address, minimize or eliminate those continuing delays or anticipated delays;

As previously discussed, CPC will obtain the final building permit after the remaining structural drawings and certifications for the pre-fabricated building materials are submitted to the TOI Building Department by subcontractors to be retained by Racanelli. CPC does not anticipate any additional delays due to this sequence of events.

4. Any changes in project management;

There were no changes in project management during the second quarter of 2012.

5. Any other issues with the potential to materially affect the projects to be undertaken pursuant to this Order;

No additional items noted at this time.

6. An executive summary that summarizes the information required in subsections 1-5 above. Respondent shall choose the format for the first executive summary, and shall modify the format in accordance with any subsequent reasonable requests by DEC.

In February 2012, the NYSDEC provided comments on the permit modification application submitted by CPC in September 2011. CPC submitted a revised permit modification application in April 2012 and is awaiting a response from NYSDEC as of June 30, 2012.

CPC began above ground RCRA closure activities in January 2012. Field activities included the removal of all waste products from the site, decontamination and sampling of secondary containment and waste management areas, and the removal of all facility tanks. Aboveground RCRA closure

field activities concluded in February 2012. CPC submitted an Aboveground RCRA Closure Field Report in April 2012, which was approved by NYSDEC in May 2012.

In March 2012, CPC selected Racanelli as general contractor and executed a Notice of Award. The Notice of Award required Racanelli to submit performance bonds and insurance documents. These documents were provided in April 2012, but were not finalized until May 2012. The final contract was signed in June 2012, and CPC executed a Notice to Proceed on June 7, 2012.

CPC submitted an Underground Injection Control Program to USEPA and SCDHS for review in June 2012, and is awaiting approval as of June 30, 2012.

Lastly, CPC intends to coordinate removal and sampling of the existing sanity system with SCDHS, and begin demolition, corrective action, and below ground closure activities during the third quarter of 2012.