1 BEFORE THE ILLINOIS POLLUTION CONTROL BOARD 2 3 4 5 6 IN THE MATTER OF:) PETITION OF ENSIGN BICKFORD) 7 COMPANY FOR AN ADJUSTED) No. AS 00-005 STANDARD FROM 35 ILL.) 8 ADM. CODE 237.103.) 9 10 11 12 Proceedings held on August 29, 2002 at 9:50 a.m. 13 at the Union County Courthouse, 309 West Market Street, 14 Jonesboro, Illinois, before Steven C. Langhoff, Hearing 15 Officer. 16 17 Volume I 18 19 20 Reported by: Stacy A. Wilson, CSR CSR License No. 084-003906 21 22 KEEFE REPORTING COMPANY 23 11 North 44th Street Belleville, IL 62226 24

1	APPEARANCES
2	
3	ILLINOIS ENVIRONMENTAL PROTECTION AGENCY BY: Ms. Rachel Doctors
4	Assistant Counsel Division of Legal Counsel
5	1021 North Grand Avenue East Springfield, Illinois 62794-9276
6	On behalf of the Illinois EPA.
7	GARDNER, CARTON & DOUGLAS
8	BY: Mr. Roy M. Harsch Attorney at Law
9	Quaker Tower 321 North Clark Street
10	Chicago, IL 60610-4795 On behalf of Ensign Bickford Company
11	on benatt of Ensign Dickford company
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
24	

1	I N D E X	
2	MT INTE O CE O	
3	WITNESSES	PAGE
4	GLENN EDWARDS	
5	Direct Examination by Mr. Harsch Cross Examination by Ms. Doctors	13 37
6	Redirect Examination by Mr. Harsch	44
7	TODD BUCHANAN Direct Examination by Mr. Harsch	46
8	Cross Examination by Ms. Doctors	182
9	Redirect Examination by Mr. Harsch Recross Examination by Ms. Doctors	203 204
10	RICHARD TRZUPEK Direct Examination by Mr. Harsch	139
11	Cross Examination by Ms. Doctors	148 151
12	Redirect Examination by Mr. Harsch Recross Examination by Ms. Doctors	151
13	JOHN JUSTICE Direct Examination by Ms. Doctors	204
14	Cross Examination by Mr. Harsch	215
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		

EXHIBITS

2			
3	NUMBER	MARKED	ADMITTED
4	Exhibit 1 Exhibit 2	18 22	37 37
5	Exhibit 3	57	182
	Exhibit 4a	68	182
6	Exhibit 4b	68	182
_	Exhibit 4c	69	182
7	Exhibit 4d	70	182
0	Exhibit 4e	71	182
8	Exhibit 4f	72	182
9	Exhibit 4g Exhibit 5	72 75	182 182
9	Exhibit 6a	86	182
10	Exhibit 6b	87	182
ΞŪ	Exhibit 6c	88	182
11	Exhibit 6d	88	182
	Exhibit 7a	91	182
12	Exhibit 7b	91	182
	Exhibit 8a	92	182
13	Exhibit 8b	93	182
	Exhibit 9	93	182
14	Exhibit 10	116	182
	Exhibit 11a	118	182
15	Exhibit 11b	120	182
	Exhibit 11c	122	182
16	Exhibit 11d	123	182
17	Exhibit 12 Exhibit 13	126 175	182 182
1/	Exhibit 13 Exhibit 14	141	182
18	Exhibit 15	147	182
19			
20			
21			
22			
23			
24			

1

KEEFE REPORTING COMPANY

1	PROCEEDINGS
2	(August 29, 2002; 9:50 a.m.)
3	HEARING OFFICER LANGHOFF: Good morning everyone.
4	My name is Steven Langhoff. I am the Pollution Control
5	Board Hearing Officer who is handling this matter. This is
6	AS 00-005 in the matter of Petition of the Ensign Bickford
7	Company For An Adjusted Standard From 35 Ill.Adm. Code
8	237.103.
9	For the record, it is Thursday August 29,
10	2002, and we are beginning at 10:00 a.m. I want to note
11	for the record there are no members of the public present.
12	Members of the public are encouraged and allowed to provide
13	public comment if they so show choose.
14	On August 11, 1999, Ensign Bickford Company
15	or EBCo filed a petition for an Adjusted Standard with the
16	Board under 35 Ill.Adm. Code 237.103. EBCo requested that
17	the Board grant it relief from the open burning
18	restrictions in the Board's regulations for its facility
19	located at Wolf Lake in Union County. On September 23,
20	1999 EBCo refiled a petition along with a motion requesting
21	the Board to incorporate the record from docket AS 00-003
22	into this docket AS 00-005. On October 21, 1999 the Board
23	accepted the refiled petition and granted the motion to
24	incorporate the record. On May 6, 2002 the Illinois

KEEFE REPORTING COMPANY

Environmental Protection Agency or Agency filed its recommendation. On May 28, 2002 EBCo filed a request for a hearing in this matter. On June 6, 2002 the Board granted EBCo's request and ordered the hearing officer to set this matter for hearing. On June 18, 2002 the hearing officer filed a notice of hearing.

7 It is my duty to assess the credibility of any witnesses giving testimony today, and I will do so at 8 the conclusion of the proceedings. We will begin with 9 10 opening statements from EBCo and the Agency, and we will then proceed with EBCo's case, followed by the Agency 11 having an opportunity to put on any witnesses they wish. 12 13 We will conclude with any closing arguments the parties 14 wish to make. We will discuss off the record a briefing schedule which will be set on the record at the conclusion 15 of the proceedings. The Board's procedural rules on the 16 17 Act provide members of the public be allowed to speak or 18 submit written statements at hearing. Any person offering 19 such testimony today would be subject to cross-examination 20 by both of the parties. Any such statements offered by 21 members of the public must be relevant to the case at 22 hand. I will call from any statements from members of the public at the conclusion of the proceedings. This hearing 23 24 was noticed pursuant to the Act and the Board's rules and

KEEFE REPORTING COMPANY

regulations and will be conducted to pursuant to Sections 1 101.600 through 101.602 and Section 104.236 of the Board's 2 procedural rules. 3 4 At this time I will ask the parties to make 5 their appearances on the record beginning with EBCo. 6 MR. HARSCH: Good morning, Mr. Hearing Officer. My 7 name is Roy Harsch. I am a partner with the law firm of 8 Gardner, Carton and Douglas, and I represent Ensign 9 Bickford Company. 10 HEARING OFFICER LANGHOFF: Thank you, Mr. Harsch. 11 For the Agency? 12 MS. DOCTORS: My name is Rachel Doctors, and I am 13 representing the Illinois Environmental Protection Agency 14 in this matter. HEARING OFFICER LANGHOFF: Thank you. I would like 15 to note for the record that I have personally served on the 16 parties a Hearing Officer Order this morning. In it I ask 17 18 the parties questions to answer today at hearing. I will place a copy of my Hearing Officer Order into the record. 19 20 Are there any preliminary matters that we need to discuss 21 on the record this morning? 22 MR. HARSCH: No, sir. 23 MS. DOCTORS: No, sir. 24 HEARING OFFICER LANGHOFF: Thank you. Would EBCo

KEEFE REPORTING COMPANY

1 like to give a brief opening statement?

MR. HARSCH: Yes, I would. As you have pointed out 2 in your opening statements, EBCo has filed an Adjusted 3 4 Standard requesting that the Pollution Control Board 5 determine that the prohibition against open burning set 6 forth in Section 237.102 not apply to EBCo's practice of 7 burning certain production waste and flashing of 8 equipment. The Board's procedural -- the Board's rules at Section 237.103 provide for the approval of variances to 9 10 allow for open burning where there is a hazard of 11 explosion. In a prior variance case, PCB 93-139, decided on September 1, 1994, the Pollution Control Board granted 12 13 what was won in a series of continuations of variances to 14 EBCo to allow for open burning of this material pursuant to Section 237.103. In that case the Board directed the 15 parties or directed Ensign Bickford Company to file the 16 17 Adjusted Standard petition should relief continue to be 18 necessary. That is what we have done in this proceeding, and that is why we are here today because as the Board is 19 aware Ensign Bickford Company currently is operating its 20 21 unit pursuant to the variance.

I will present -- we will present three
witnesses today in support of our request for an Adjusted
Standard. The first is Glenn Edwards the site manager.

KEEFE REPORTING COMPANY

Second is Todd Buchanan who is the environment and safety
 official at the facility, and the third is Richard Trzupek
 who is with the consulting firm of Huff and Huff. Thank
 you.

5 HEARING OFFICER LANGHOFF: Thank you, Mr. Harsh.6 Anything Ms. Doctors?

7 MS. DOCTORS: Yes. I think I have a brief opening statement. Good morning. My name is Rachel Doctors. I am 8 representing the Agency in the request by EBCo for an 9 Adjusted Standard for the open of burning of waste that may 10 11 present a hazard of explosion. Under Illinois Law, Section 12 9 of the Illinois Environmental Protection Act, the open 13 burning of waste is prohibited in Illinois unless the 14 Pollution Control Board has adopted a regulation exempting particular activity. The Board has adopted such regulation 15 at Section 237.103 of 35 Illinois Administrative Code 16 17 addressing the open burning of waste that creates a hazard 18 of explosion, fire or other serious harm. However, any 19 exemption from the prohibition against open burning is 20 conditioned on there being no alternative means of disposal 21 for the materials to be burned and upon the owner or 22 operator obtaining a variance from the Board. EBCo has requested and received several variances so it could 23 24 burn -- so it could open burn off-specification product,

KEEFE REPORTING COMPANY

demilitarized explosives that are too contaminated to be recycled, explosive and potentially explosive contaminated waste including coveralls and packaging materials that include plastic liners and cardboard, explosive contaminated waste water treatment sludge and explosive contaminated spent activated carbon from the waste water treatment process as well as flashing equipment.

The first variance was issued by the Board to 8 EBCo in 1989 with subsequent variances issued in 1991, 9 1994, 1999 and 2002. In each of these variances, the Board 10 11 established conditions that required EBCo to investigate alternative means of disposal and to record the amount of 12 13 waste that it was open burning. In this proceeding EBCo is 14 now requesting permanent relief in the form of an Adjusted Standard. In May 2002 the Illinois EPA submitted its 15 recommendation that the Board deny this relief. As the 16 17 recommendation indicated the basis for the Agency's 18 concerns included information about the availability of 19 alternative means of disposal and the absence of sufficient 20 information to address essential factual issues regarding 21 the Adjusted Standard. The Agency was also concerned about 22 EBCo's facilities located in other states. These 23 facilities have been prohibited from open burning, 24 including flashing of equipment. Their treatment and

KEEFE REPORTING COMPANY

disposal alternatives include off-site incineration for 1 2 off-specification product and contaminated waste. For example, detonating cord, desensitized secondary 3 explosives, explosive contaminated trash and (inaudible) as 4 5 detailed in the Agency's recommendation. Off-site 6 incineration may also be used for explosive contaminated 7 waste water treatment sludge and explosive spent activated carbon from the waste water treatment process. 8

9 As indicated, Illinois EPA knows of two incinerators. ICI located in Joplin, Missouri and Onyx 10 11 located in Sauget, Missouri. Whoops. Sauget, Illinois. 12 Excuse me -- that have RCRA permits to treat hazardous and 13 explosive wastes of the kind generated by EBCo at its Wolf 14 Lake facility, and that such wastes are transported to and disposed of at these facilities. In addition, land fills 15 may also be used as an alternative for some types of their 16 17 waste. It also appears that recycling of both cardboard 18 and plastic may be possible. In addition, the Agency 19 believes that the company has requested relief for 20 quantities of waste beyond what it needs based on the 21 annual reports that it has submitted.

Finally, the Agency points out that since it filed its recommendation, EBCo has informed the Agency that the cast booster operation at its Wolf Lake facility has

KEEFE REPORTING COMPANY

been shut down and it has laid off 30 employees. This operation generated the greatest amount of waste that are open burned in the form of demilitarized contaminated materials and contaminated packaging, cardboard and plastic liners.

Frankly, the Agency has struggled with the 6 7 appropriate response in this case. There appears to be no 8 significant air quality impact, but the Agency believes that EBCo has provided insufficient support for the costs 9 10 of using alternative means of compliance; and it seems that 11 these may be substantial and may affect future economic opportunities for the company as well as expansion of its 12 13 business. The law requires though that sufficient 14 information and support be provided. As the Agency's recommendation indicates, the Agency has felt that EBCo has 15 supplied an inadequate level of support for its request. 16 17 The Board is very pleased with the set of questions that 18 have been directed to EBCo to answer at the hearing by 19 Board personnel. The Agency is hopeful that EBCo answering any questions from the Board will provide significant 20 21 additional information supporting its petition. 22 Accordingly, the Agency intends to reconsider its recommendation in light of that additional information and 23 any other relevant information provided at this hearing and 24

KEEFE REPORTING COMPANY

will request that the Board provide the Agency with an 1 additional 30 days after hearing to make this review. At 2 that time the agents will make revisions to its 3 4 recommendation if appropriate. 5 HEARING OFFICER LANGHOFF: Thank you, Ms. Doctors. 6 MS. DOCTORS: I have one witness who will be 7 appearing, and that is John Justice, the Regional Manager 8 for the Southern District, Southern Region. 9 HEARING OFFICER LANGHOFF: Thank you. Mr. Harsch, your first witness. 10 MR. HARSCH: At this point and time I would like to 11 call site manager, Mr. Glenn Edwards. 12 13 (Witness Sworn.) 14 GLENN EDWARDS called as a witness, being first duly sworn, was examined 15 and testified as follows: 16 17 DIRECT EXAMINATION 18 BY MR. HARSCH: Mr. Edwards, would you please state your 19 Ο. name, your address and briefly describe for the record your 20 21 educational and professional background. My name is Glenn Edwards. Address is 119 22 Α. Lindsey Lane in Carterville, Illinois. Educational 23 24 background includes a Bachelor's Degree in Management from

KEEFE REPORTING COMPANY

Southern Illinois University. Professional career includes 1 17 years of management experience in both human resource 2 and plant operations. 3 4 Ο. What is your current position with EBCo? 5 Α. Current position with EBCo is site manager 6 for the Wolf Lake plant. 7 Q. What are your duties as site manager briefly? As site manager, duties include overseeing 8 Α. the plant operations and aspects of safety, quality, 9 manufacturing of non-electric detonator products, 10 distribution of finished goods to customers and overseeing 11 12 220 employees. 13 Ο. Can you provide a brief description of what 14 the EBCo Company is? EBCo Company is based out of Simsbury, 15 Α. Connecticut. The company started in the 1830s. They 16 currently have four manufacturing plants in the US and have 17 18 several joint ventures over seas. Their primary business is the manufacturing of blast initiation systems that are 19 20 used in a variety of industries such as coal mines, rock 21 quarries, construction, those type of businesses. 22 Q. Can you describe for the record the brief historical background of the Wolf Lake plant. 23 24 The Wolf Lake plant goes back to the 1920's Α.

KEEFE REPORTING COMPANY

when it was built by Atlas Company and has manufactured at 1 that site a variety of explosives including black powder, 2 dynamite, bulk explosives and most recently cast boosters 3 4 and non-electric detonators. The Ensign Bickford Company 5 purchased the plant in 1986 from Trojan and began making non-electric detonators in addition to the cast boosters 6 7 that were made there in 1988. 8 Did Trojan purchase the facility from Atlas Q. 9 in 1947? 10 Yes, they did. Α. After purchase from Atlas did they initiate a 11 Q. nitrostarch production facility? 12 13 Α. Yes, they did. 14 Ο. What is nitrostarch production? What was it used for? 15 Actually Roy, I am not familiar with that 16 Α. 17 process. Would Todd be a better witness for that? 18 Ο. 19 Α. Yes. 20 Can you describe for the record the types of Q. investment that EBCo has made in the Wolf Lake facility 21 22 since its purchase in 1986? Over the last 15 to 17 years Ensign Bickford 23 Α. 24 has invested literally tens of millions of dollars in the

KEEFE REPORTING COMPANY

site in terms of upgraded facilities, the building of a new 1 assembly building, about a 15 to 20,000 square foot 2 building for assembly of non-electric detonators. 3 4 Ο. Was that finished in 1989? 5 Α. Yes. 6 Q. Can you describe the clean up activities that 7 have occurred on the site in general terms? 8 In general terms EBCo has put forth a lot of Α. effort in terms of clean up of different, I quess, wastes 9 10 that have been on site which were generated by Trojan Company, and again have spent several hundreds of thousands 11 of dollars in terms of that clean up. 12 13 Ο. Did EBCo construct a new cast booster operation in 1992 and 1993? 14 Yes, they did. 15 Α. Can you describe that facility? 16 Q. That facility is a two story building, about 17 Α. 18 15 thousand square feet and included a new process which is a gravity fed down-line pour process of cast boosters which 19 20 was safety improvement as well as an efficiency 21 improvement. That process has been operational for the 22 last ten years until June of this year and also included a new centrifuge building which goes through the process of 23 24 centrifuging wet PETN into a dry form so it can be

KEEFE REPORTING COMPANY

1 processed into the booster.

2 Ο. And was there an expansion of the detonator side of the business in 1988 to 1999? 3 4 Α. Yes. Prior to 1998, the Wolf Lake facility 5 assembled about 60 to 65 percent of the non-electric 6 detonators sold by EBCo. The remaining 35 to 40 percent 7 were assembled at Simsbury. In 1999 the company went 8 through an analysis process and decided to locate all the 9 final assembly into Wolf Lake. That saved the company 10 roughly three million dollars in terms of labor and efficiency and distribution improvements. That included 11 12 moving about 20 assembly machines from Simsbury into Wolf 13 Lake and the hiring and training of approximately 50 to 60 14 employees. Can you describe the current products that 15 Q. are produced at the Wolf Lake facility? 16 17 At the Wolf Lake facility currently we Α. assemble non-electric detonators. We have over 15 hundred 18 different SKU varieties of those products that are used in 19 a variety of industries. 20 21 HEARING OFFICER LANGHOFF: Off the record a second. 22 (Discussion held off the record.) What is else is produced at the Wolf Lake 23 Ο. 24 facility?

KEEFE REPORTING COMPANY

1 Currently at the Wolf Lake facility it's only Α. non-electric detonators. In the past we have produced cast 2 boosters but do not at this time. 3 4 (Exhibit 1 marked for identification.) 5 Ο. MR. HARSCH: If I show you what has been previously marked as Exhibit 1, is this a product 6 7 identification guide for the products produced by Ensign 8 Bickford company? 9 Α. Yes, it is. 10 Are these the types of detonating equipment Ο. products that you produce at the facility? 11 12 Yes, this is. This lists all the products Α. produced by Ensign Bickford. On this product 13 14 identification guide the non-electric products that are shown on here are the products that we assemble at Wolf 15 16 Lake. 17 And it also shows the Trojan boosters which Q. 18 are the types of boosters that were previously produced until the shut down this June? 19 20 Α. Yes. 21 Q. Has the facility received any recognition 22 awards regarding its production? Yes. This year as a matter of fact, the site 23 Α. 24 was honored with the Shingo Prize which is an award given

KEEFE REPORTING COMPANY

1 to manufacturers in North America for efforts and improvements and cost efficiency, safety and quality 2 3 through utilizing lean [sic] manufacturing tools. The Wolf 4 Lake site was one of only 17 in America that received this 5 honor in 2002, and I believe also the only site in Illinois 6 that was awarded that prize. 7 Q. At the time that EBCo bought the Trojan 8 production facility in 1986 or bought Trojan and acquired 9 the Wolf Lake facility was the employment level 25 at the 10 facility? 11 Α. Yes. 12 What is the current employment level at this Q. 13 facility? 14 Α. Currently we employee 220 employees. And prior to the shut down of the cast 15 Q. booster operations was the employment level 250? 16 Yes, it was. 17 Α. 18 What is the approximate payroll of this Ο. facility? 19 20 The approximate payroll at this point is Α. about three million dollars. 21 Can you describe the importance of the EBCo 22 Q. Wolf Lake plant to the local economy? 23 24 The EBCo Wolf Lake plant is the largest Α.

KEEFE REPORTING COMPANY

manufacturing employer in Union County and in the top five 1 employers in terms of size of employment in manufacturing 2 and in the 5 county area around Union County. 3 4 Ο. Can you describe the level of taxes that EBCo 5 pays into the local system? 6 Α. I don't have that figure. Sorry. 7 Q. Is EBCo an important purchaser of goods and services out of the local economy? 8 9 Yes, it is. We try and purchase as many of Α. our supplies, contract services as we can from the local 10 11 area. 12 Can you describe for the record the level of Q. 13 investment that the State of Illinois has made in the 14 modernization of the EBCo facility? 15 Within the last three years with the Α. consolidation of final assembly into Wolf Lake we have 16 received training funding in excess of 140 thousand dollars 17 18 to support training of new employees and retraining of existing employees. 19 20 Were there investments made by the State of Q. 21 Illinois prior to that in the facility? 22 Α. I am not aware. That may have been, but I am not aware of any. 23 24 As you have testified to, EBCo has curtailed Q.

KEEFE REPORTING COMPANY

the production of cast boosters this year at the facility. 1 2 Can you describe the decision and why that has occurred? The cast booster market for Ensign Bickford 3 Α. 4 has been one that has been flat to declining over the last 5 three to five years. There has been additional cost 6 pressures from new companies entering the booster market. 7 Many of those overseas type competitors. Recently, we had 8 some additional cost pressures as the Chinese entered into the cast booster arena in the US. We currently are -- our 9 10 cost for a booster is around a \$1.50 per booster, and the Chinese introduced a booster into the market within the 11 last two years under a dollar; so we have had tremendous 12 13 cost pressures in a declining market to become more and 14 more competitive. The new process that was put in place in Spanish Fork, Utah offers opportunities for improved 15 efficiency and reduced cost that will hopefully get us more 16 competitive in the market place, and as that happened, we 17 18 also had excess capacity between the two plants. The Wolf Lake plant was considered as an option, but the Utah plant 19 20 had engineering resources as well as a nitration system at 21 that site; and the decision was to consolidate the 22 operation into the Spanish Fork, Utah plant which resulted in us closing down the Wolf Lake operation at the end of 23 24 June and resulted in the layoff of 30 employees.

KEEFE REPORTING COMPANY

Q. Did that have an impact on your Graham,
 Kentucky facility as well?

Yes, it did. The Graham, Kentucky facility 3 Α. 4 which is about two and a half or three hours from Wolf Lake 5 has a nitration plant, and the PETN we use in our cast 6 boosters was manufactured at the Graham plant. The Wolf 7 Lake facility is 40 percent of the volume that the Graham 8 nitration plant produced. As a result, they went from a 9 five day schedule to about a three day schedule at the 10 Graham plant, and has resulted in ten employees at Graham losing their jobs. 11

Q. You previously mentioned about the amount of investment EBCo has made at the Wolf Lake facility since it acquired it in 1986. Can you describe the decision that lead to the relocation of that production to Utah in terms of investment by EBCo and the Wolf Lake plant?

17 Α. The investment -- the new process that is 18 located in Utah is about a 10 million dollar investment by the company. That represented the first significant 19 20 investment in new processes or equipment actually outside 21 of Wolf Lake in the last three to five years. Prior to 22 that any investment of new processes or equipment had been at the Wolf Lake site. There had not been any at the other 23 three manufacturing sites in the US. 24

KEEFE REPORTING COMPANY

1 (Exhibit 2 marked for identification.) MR. HARSCH: I show you what I have marked as 2 Ο. Exhibit 2. Can you describe what Exhibit 2 is? 3 4 Α. This is a press release generated by Dyno 5 Nobel Company and Ensign Bickford Industries, and it is a 6 press release that announces a planned merger between the 7 two companies. 8 Are you familiar with this merger? Q. 9 Α. Yes. 10 Has this merger, announced merger, been Ο. occupying a lot of your time? 11 12 Yes, it has. A significant amount. Α. 13 Q. Can you describe briefly who Dyno Nobel is? 14 Dyno Nobel is a global explosives Α. manufacturing company. They are based out of Oslo, 15 Norway. They have manufacturing facilities world wide. 16 They manufacture bulk explosives as well as cast boosters, 17 18 detonating cord and non-electric detonators. Are they -- have they been a competitor to 19 Ο. 20 EBCo? 21 Α. They have been a fierce competitor for EBCo 22 for many years. They are a privately held company just like EBCo and have been one of our competitors in 23 non-electric detonators, cast boosters and detonating cord 24

KEEFE REPORTING COMPANY

1 for many years.

Will all of EBCo's commercial explosives be 2 Ο. merged into the new merged company? 3 4 Α. No. The plan is for the merger to be 5 finalized in early October. The commercial products that 6 will be part of the merger from EBCo will include 7 detonating cord which is manufactured in Graham, shock 8 tube, caps that are manufactured in Simsbury, Connecticut 9 and non-electric detonators that are manufactured in Wolf 10 Lake. MS. DOCTORS: Can you repeat -- could you repeat 11 12 that? 13 Α. The commercial products that will be included 14 in this merger are detonating cord which were manufactured at Graham, Kentucky, caps and shock tube which we 15 manufacture at Simsbury, Connecticut and the non-electric 16 detonator assembly at Wolf Lake. 17 18 MS. DOCTORS: Thank you. MR. HARSCH: Missing from that list is the 19 Ο. Utah plant. Is it my understanding that the Utah facility 20 21 will not be merged into the new company? The Utah facility is not part of the planned 22 Α. merger at this time. They will remain under the Ensign 23 24 Bickford Industries umbrella.

KEEFE REPORTING COMPANY

So after the merger then the new company, 1 Ο. whatever its referred to as Dyno Nobel, EBCo will be in 2 direct competition with the Ensign Bickford Industries cast 3 4 booster production that has been recently moved to Utah? 5 Α. Yes. Dyno has a cast booster process located 6 in Carthage, Missouri, and the way I understand it, the 7 boosters for this new company, merged company, will be made 8 in Missouri at this point. Although, they are exploring best cost opportunities of where to make those boosters. 9 10 What is the status of the merger? Ο. 11 Α. The status of the merger and intent to merge was assigned and public notified in June. Over the last 12 13 two months we have been going through a due diligence 14 process where both parties are going through third party representation with the other company to make sure the 15 merger is a solid decision for both groups. It appears we 16 have about a 85 to 90 percent confidence level that that 17 18 merger will go through. It is also pending Federal Trade Commission approval, and we expect all of that to be done 19 by the first of October. 20 21 Q. Assuming the merger is completed, what will

22 be the impact of that merger on manufacturing plants and 23 production facilities of the merged company? 24 A. Currently, with the market being soft and

KEEFE REPORTING COMPANY

declining in the non-electric and shock tube caps, 1 2 detonating cord business, there is excess capacity between both companies. Both companies have plants that assemble 3 4 non-electric detonators. Both companies have plants that 5 make caps and shock tubes, and the current market, there is 6 excess capacity between all those plants. Part of the 7 interest, I guess, of both companies for this merger is 8 that there does present an opportunity to consolidate sites, reduce duplication of overhead and take better 9 10 advantage of the capacities that are available at duplicate 11 plants. As a result of that, there is an analysis going on 12 right now of the best locations to make these products 13 between the two companies. The best locations identified 14 by safety, quality, labor, efficiency and cost.

15 Q. As site manager can you describe what your hope is for the Wolf Lake plant as a result of this merger? 16 With this merger there is, I think there is 17 Α. 18 great opportunity for the Wolf Lake plant. There is also a 19 great risk. We would appear to be either a big winner or 20 potentially a big loser with this merger at our site. My 21 hope would be that we are the best final assembly site 22 between the two companies in terms of safety, quality, efficiency and cost, and we also at some point in the 23 future, begin making cast boosters again at the site. We 24

KEEFE REPORTING COMPANY

had gone through, as the process has moved to Utah, we have 1 2 gone through a soft decontamination. We have been directed by our company officials that we should go through a soft 3 4 decontamination process where the building is safe for 5 transients to walk through, but at the same time could be 6 restarted in a very short time frame, two to three weeks; 7 so my hope would be that we, in some point in the future, 8 begin making cast boosters again at Wolf Lake and absorb 9 all the final assembly for this new company at Wolf Lake as 10 well. What would that mean in terms of restoration 11 Ο. and increase in jobs? 12 13 Approximate increase in jobs would be about Α. 14 80 employees if we consolidate final assembly and would restart cast boosters. 15 Do you have the potential on a long term 16 Q. basis to construct additional manufacturing operations at 17 18 the Wolf Lake facility? Yes, we do. We have 450 acres. We do have a 19 Α. 20 lot of land where we could expand the site. Long term 21 potential is there possibly for some other new processes 22 that could be started up as well. What kind of -- can you describe the feed 23 Ο. 24 back you have received as a result of the ongoing due

KEEFE REPORTING COMPANY

process that is to the likelihood of the consolidation you
have just talked about?

3 Α. Over the last two months our due diligence 4 process at Wolf Lake as well as other sites has included 5 three different sets of third party auditors coming on 6 site, and as part of this due diligence, since we directly 7 compete with Dyno Nobel, we cannot and they cannot share 8 information directly with each other. We have to assume that the merger will not go through, and at the end of the 9 10 day if it doesn't, neither party is allowed or would allow 11 the other side to have pertinent information relative to 12 our business operations; so as a result we go through third 13 party consultants that are allowed to come in and gather 14 information about respective sites and put forth a report that will go before a small board of directors from both 15 EBCo and Dyno Nobel. The three different visits, audits we 16 have had, fact finding visits I guess you could say, from 17 18 consultants as well as a retiring Dyno Nobel expert, there 19 has been great interest not only in the non-electric 20 detonator final assembly but also our cast booster 21 building. On each visit we have been requested to show 22 them the cast booster process. We have been asked 23 questions such as how quick could you restart this 24 process? What type of production capacities do we have,

KEEFE REPORTING COMPANY

training of employees if you did have to restart it? So
there appears to be a great interest from this, I guess,
due diligence process and folks coming in about our ability
to restart that business, and it appears to be a strong
interest from a contingency stand point to the capacities
and availability of that process for that site.

Q. Has there been any interest with respect to
your RCRA, R-C-R-A, burn unit?

9 Yes, there has. Cost is going to be a very Α. big factor in terms of where different processes land and 10 at what facilities. The fact that we are able to open burn 11 production waste and flash equipment has been a significant 12 13 interest to auditors that we have had come in. They are, I 14 guess, typically not accustomed to seeing that availability. They understand the cost impact that that 15 has for a site, safety and security impact that has 16 for a site to be able to do that; and that is of tremendous 17 18 interest. We did have a Dyno Nobel explosives expert that came in, and looking at our unit and declared it the finest 19 20 waste process and open burn unit he has seen; and he has 25 21 years of experience world wide in the explosive industry. 22 Q. Your unit is an EBCo design unit? 23 Α. Yes, it is. 24 Can you explain briefly for the record based Q.

KEEFE REPORTING COMPANY

1 on your familiarity with Southern Illinois economic 2 conditions what the importance of 30, 50 and 80 jobs would 3 be?

4 Α. I guess to maybe put it in perspective when 5 you look at top employers in Union County and the 6 surrounding area, there aren't many manufacturing employers 7 that even employee 80 people; so for this site if we were 8 able to expand and grow, 80 jobs for this region would be very big. It would generate about 2.2 million dollar worth 9 of payroll for this area, and 80 new jobs in the 10 11 manufacturing environment at \$14 an hour in this region is extremely big. If I would venture to say, having watched 12 13 some economic development over the area, if we had a 14 Greenfield operation that was looking at moving into the Union County area that would offer 80 new jobs at 14 15 dollars an hour, there would be some heavy courting going 16 on from the state as well as county and local officials. 17 18 What is your fear for the Wolf Lake facility Ο. 19 as a result of the merger?

A. Well, we have tremendous opportunity. Along with that comes tremendous risk. I guess our greatest fear would be that we are not cost competitive in terms of the manufacture of non-electric detonators, and that that process would be moved to Dyno in Ewing, New York facility

KEEFE REPORTING COMPANY

1

and the Wolf Lake site would be closed down.

2 Q. From a covering of overhead and general plant 3 operation perspective, is there an importance to have the 4 cast booster operation being functioning and employing and 5 producing product?

A. It definitely helps out the side. We have some variable overhead cost, that when that process was running, made our site more profitable to be able to allocate those costs between two different production centers. As a result of the booster operation going out we have had to look at reducing variable overhead costs without that cost center functioning there at Wolf Lake.

Q. Mr. Buchanan will testify later that an approximate cost of 300 thousand dollars that would be required to ship waste materials off-site to ICI and has provided a letter to the Agency with that calculation recently. Assuming the Adjusted Standard relief is turned down, can you explain as site manager what such an adverse decision by the Board would mean?

A. Well, our site at the present time I guess is in a unique situation. We are competing on a cost basis, not only with our competitors and those competitors are global competitors now, but our site is also literally fighting for its life and competing on a cost basis with

KEEFE REPORTING COMPANY

similar Dyno manufacturing plants; and so we are, I guess, 1 have two different types of competition going on at the 2 present time. We would look at, probably about a 300 3 4 thousand dollars ticket, if we had to ship our waste 5 off-site. The margins are very narrow right now on the 6 products that we manufacture at Wolf Lake as well as in the 7 cast booster process. The overseas market has introduced cast boosters that are around a dollar to slightly under a 8 dollar per unit. That drove us to put in the new process 9 10 in Utah to try and become more cost competitive. Our cost 11 per booster at Wolf Lake was about a \$1.50. If the process was to be located there, we would be looking at ways to 12 13 take additional costs out of our boosters at Wolf Lake. If 14 we had to absorb the cost of sending our waste off-site, an additional 300 thousand dollars roughly, that would be a 34 15 cent per booster cost increase; and frankly, at that point 16 17 prices us out of even consideration for booster start up to 18 be located back in the Wolf Lake.

19 Q. What does that 300 thousand dollars cost 20 increase relate to in terms of salary and percentage of 21 your variable product cost?

A. In terms of salary that would equate out to about, including benefits, about 10 hourly employees. As a percent of variable overhead cost that 300 thousand dollars

KEEFE REPORTING COMPANY

would represent about 6 percent of our current variable overhead cost, so it would be a significant increase to our budget; and I think would be something that would have to be very strictly looked at by this new company in terms of cost efficiency and where to locate processes.

6 Q. As a site manager, what level of cost savings 7 projects do you authorize to be carried out at the 8 facility?

9 We are looking at trying to take costs out of Α. detonator products, and in the past had looked to take 10 11 costs out of cast boosters. We basically will look at any project that is going to save us money. We would consider 12 13 in some respects a 500 to 1,000 dollar cost savings to be a 14 significant cost savings. As the last five years we have made very concerted efforts to take costs out of our 15 process, and that was recognized by our receiving the 16 17 Shingo Award for excellence in manufacturing. We also 18 cannot rest on our laurels, and we have to continue to take 19 costs out of our process to be competitive in the market 20 place. So we consider savings in the hundreds and 21 thousands actually to be significant savings for us in our 22 operation, and maybe to also put it in perspective, the company was willing to invest several million dollars in 23 24 Utah in hopes of taking anywhere from three cents to a dime

KEEFE REPORTING COMPANY

1 out of the cost of a cast booster. So if we have to absorb 2 the 300 thousand dollars cost of shipping our waste 3 off-site, which would relate into a 34 cent per unit 4 increase in boosters, that just prices us right out of the 5 game. We are not even a factor at that point.

6 Q. Apart from these economic concerns as site 7 manager do you have concerns, safety concerns that lead you 8 to want to continue to operate your open burn unit?

9 Yes. Those safety concerns have been Α. 10 recognized by our third party people that have come in and 11 evaluated our site. We feel very strongly that, and our record would indicate, we have been able to operate that 12 13 open burn unit, the prior one and the new modified one, in 14 a very safe and secure manner for the last ten plus years 15 and are very appreciative of the variances we have been granted and feel like our performance has warranted 16 17 continued granting of those variances. We have not had, 18 knock on wood, an explosive incident with any of our sites 19 that have operated open burn units and specifically at Wolf 20 Lake. To have to ship our waste off-site, I think opens up 21 new concerns relative to both safety and security of 22 shipping hazardous materials off-site. We feel confident 23 and have proven that we can handle those materials within 24 our site. In most cases we have probably about a half to

KEEFE REPORTING COMPANY

three fourths of a mile that we have to transport those materials to the open burn unit. Again, we feel we do that in a very safe and secure manner. To ship those off-site, I think opens up a new laundry list of variables that can enter in that would create additional safety and security concerns we have.

7 We have also since 9/11 in the last year have 8 increased our security on site. We did have a guard service that prior to 9/11/01 that worked on weekends. 9 Since that incident they now work 24/7. Our security 10 11 measures have been tightened up with regular patrols on site, and again to ship our waste off-site, I think opens 12 13 up just a whole other list of variables relative list of 14 variables relative to security that we would be concerned 15 with.

Has the plant been subject to increased 16 Q. scrutiny by the Bureau Of Alcohol Firearms And Tobacco? 17 18 Α. Yes, we have. We are accustomed to having regular inspections and visits from ATF. With the events 19 20 of 9/11 those inspections have become more frequent, not 21 only for Ensign Bickford but for all explosives 22 manufacturers. They have also become more diligent in 23 their inspections when they come on site. 24 You have mentioned you have not had, knock on Ο.

KEEFE REPORTING COMPANY

wood, any incident in operating the open burn unit. Have 1 you had any incidents at your manufacturing operations at 2 the Wolf Lake facility that led to personal injury as a 3 4 result of an explosion? 5 Α. No. Not since Ensign Bickford has owned the 6 company, we have not had any issues of that kind. 7 Q. And you feel that is because of your close scrutiny to controlling all of the variables? 8 9 Yes. We have got safety processes in place Α. for handling of materials, training of employees, safe 10 operation of assembly processes, handling of materials, 11 virtually every process on our site has safety 12 13 specifications that we adhere to. 14 MR. HARSCH: Unless you want to add something else, that would conclude my list of questions? 15 Just that again, we appreciate the variances 16 Α. we have had in the past. That certainly has helped that 17 18 site continue to operate in a very efficient, cost effective manner; and it certainly has helped that site in 19 20 recent years grow and expand employment; and we would hope we could continue in that same vein in the future and 21 22 continue to operate at Wolf Lake and continue to grow and expand our business there in a safe efficient manner. 23 24 HEARING OFFICER LANGHOFF: Thank you, Mr. Edwards.

KEEFE REPORTING COMPANY

Mr. Harsch, do you intend to take care of all the exhibits 1 2 at one time at the end? 3 MR. HARSCH: I would be happy to offer Exhibits 1 4 and 2 into the record. 5 HEARING OFFICER LANGHOFF: Any objections? MS. DOCTORS: No objections. 6 7 HEARING OFFICER LANGHOFF: Exhibit number 1 and 8 Exhibit number 2 are admitted, and I will allow Ms. Doctors 9 cross-examination, 10 (Exhibit 1 and 2 admitted into evidence.). (Discussion held off the record.) 11 HEARING OFFICER LANGHOFF: Ms. Doctors, we are back 12 13 on the record, and Mr. Edwards is your witness. 14 CROSS EXAMINATION BY MS. DOCTORS: 15 I just have a couple of questions based on 16 Q. the transfer of the operations from the Simsbury, 17 18 Connecticut facility to Wolf Lake of the non-electric detonating assembly. Were there any explosive and 19 20 explosive contaminated waste or contaminated packaging 21 that, in addition, generated and burned on site because of that transfer? 22 Actually, Todd would probably be a better one 23 Α 24 to answer that. I would think he would have that data.

KEEFE REPORTING COMPANY

Q. What is the anticipated product cost to EBCo to the manufacture -- to manufacture boosters in Utah similar to the ones that were manufactured at the Wolf Lake plant?

5 Α. The goal with the new booster process in Utah 6 is to make a booster that would be at or slightly under a 7 dollar a booster, and the new process they hope to be more 8 efficient and gain those cost savings; and I might add that process is still not operational. They are struggling and 9 10 working out some bugs with it which is why we have been 11 instructed to keep our process at the ready in case we are not able to get that process functioning and want to be 12 13 able to start our process back up. As a comparison, our 14 cost at Wolf Lake on a booster were around a \$1.50 or slightly above that. 15

16 Q. If you know, what is Dyno Nobel's 17 environmental and safety record?

A. I am not privileged to that. We have not been able to share much information on that level or at my level I guess I should say regarding that type of thing, so I am not very familiar with their safety and environmental record.

Q. Does the management of Dyno Nobel agree thatEBCo's current methods of waste handling and disposal are

KEEFE REPORTING COMPANY

1 appropriate and state of the art?

I am going off of a Dyno Nobel rep that was 2 Α. on site and his comments relative to our handling of waste 3 4 at Wolf Lake was that that was the finest facility he has 5 seen in terms of handling waste. He has been with Dyno 6 Nobel for 25 years and been at their operations world wide, 7 so I am putting a lot of credibility into the comments he 8 has made. At this point of our due diligence process 9 though, the third party people are still gathering 10 information; so they have not come back and shared their observations and findings regarding the other companies and 11 with each other. 12 13 Ο. Does Dyno Nobel have any plants in the US 14 that open burn their explosive and contaminated waste materials? 15 Not to my knowledge. However, again I don't 16 Α. have all that information, so I wouldn't say with 100 17 18 percent surety, but to my knowledge they do not. Do you know where their wastes are disposed 19 Ο. 20 from their production plants where they are not allowed to 21 open burn? 22 Α. No, I don't. Now, from the non-electric detonating unit 23 Ο. 24 there are certain kinds of wastes that are generated from

KEEFE REPORTING COMPANY

that unit from that assembly area. Is any of that open 1 burned currently? 2 The shock tube and caps would be the primary 3 Α. 4 hazardous wastes. Those are not open burned. 5 Ο. How are they disposed of? 6 Α. Shock tube waste, we would send back to our 7 plant in Simsbury, Connecticut. They manufacture shock 8 tube there, so they would handle our shock tube waste. The caps are sent to Sauget, Illinois for disposal. 9 10 Ο. Is there any contaminated cardboard or plastic from that operation? 11 12 We do have contaminated cardboard, very Α. 13 little if any plastic. As far as a break down on weight and those type of things, I think Todd would be better 14 equipped to answer those questions. 15 And do you know if the Simsbury facility has 16 Q. any contaminated cardboard from their shock tube operation? 17 Well, I don't know. I am not sure of their 18 Α. handling processes for their shock tube waste. I am not 19 20 that familiar with that operation, so I am not sure how 21 they would process shock tube waste and how that would relate to cardboard. 22 Okay. You testified that the annual costs 23 Ο. 24 with the cast booster operation of sending all the waste

KEEFE REPORTING COMPANY

off-site, the contaminated cardboard and the explosives was 1 300 thousand. What would -- what is the cost without the 2 cast booster operation? 3 4 Α. To send the materials off-site? 5 Ο. Yes. 6 Α. Well, we have only been operational without 7 cast boosters for a month, so I am not sure we have got a 8 good enough history on that to answer that unless Todd 9 might be able to provide you some data later on. We 10 operated cast boosters up until June, so we don't have 11 enough time under our belt to where we would maybe know 12 about that. 13 Ο. Because the 300 thousand was an estimate 14 based on --Past practice of cast boosters, running that 15 Α. process at full capacity as well as non-electric detonator 16 volume as well. 17 18 MR. HARSCH: For the record, Mr. Buchanan will testify at length for those figures. 19 20 MS. DOCTORS: Okay. We will move on to the Q. 21 next area. You indicated there would be some concerns with 22 shipping this material. Could you be more specific as to 23 what your particular concerns are with shipping the 24 potentially explosive contaminated cardboard?

KEEFE REPORTING COMPANY

1 I think two concerns would be from a safety Α. and security stand point. We just feel more confident that 2 when those materials are within our own control, that we 3 4 are better able to handle those. From a security stand 5 point, obviously we are not open to the public so we have 6 very few people that handle those materials; and we know 7 who those people are. It's all within secured grounds. 8 From a safety stand point, obviously we are transporting those materials a very limited distance and handling a 9 limited amount of times, and in my opinion to put those out 10 11 over the road and transporting those anywhere from three to maybe there six hours, depending on the facility we would 12 13 be using, introduces opportunity for mishandling of 14 materials, security issues and basically in those two areas security and safety issues of more people involved in the 15 process. You now have vehicles out in the open public that 16 17 we don't have at this point. 18 Now, some of these materials are shipped to Ο. 19 you, right? 20 Uh-huh. Α. 21 Q. Have you had any problems with them being

22 shipped to you with safety? Any shipping issues to you 23 receiving these materials?

A. No. No. But from a risk minimization stand

KEEFE REPORTING COMPANY

24

point, obviously if you don't have to put those materials 1 2 out on the road, that minimizes the risk. So we are looking at it from a risk minimization stand point. 3 4 Minimum risk would be those materials are all handled 5 within a secured private site with minimal travel distance 6 and minimal people handling the materials. 7 Q. Have you had any security problems getting materials in your plant? 8 9 Into our plant, I guess the only problem we Α. have had occurred right after the 9/11 incident, and within 10 I guess the following, I should say three to four days 11 after the 9/11 incident, any of our trucks that were 12 13 transporting finished goods or raw materials were pulled 14 off the road and put into safe havens from a security stand point. That did delay us getting some raw materials that 15 normally would have arrived on schedule. 16 But you haven't had any delays since that 17 Q. 18 point? No. No. Not from that stand point. 19 Α. 20 MS. DOCTORS: That is all the questions I have for 21 you. HEARING OFFICER LANGHOFF: Thank you, Mr. Harsh. 22 MR. HARSCH: I need 30 seconds if I could. 23 24 HEARING OFFICER LANGHOFF: Okay. Any

KEEFE REPORTING COMPANY

1 rehabilitation Mr. Harsh? 2 MR. HARSCH: Yes, I do. REDIRECT EXAMINATION 3 4 BY MR. HARSCH: 5 Ο. Mr. Edwards, when you responded to Ms. Rachel 6 or Ms. Doctor's question regarding whether you knew if Dyno 7 open burned or were allowed to open burn, can you -- do you 8 in fact know if Dyno Nobel either open burns or doesn't 9 open burn comparable materials at its facilities? 10 Α. No. I don't know with 100 percent surety. When you responded to her if there was an 11 Q. 12 inference that Dyno was not allowed, that was not correct 13 from your testimony? 14 Α. Correct. That would be based purely on speculation, not 100 percent accuracy. 15 16 You also responded that the goal for a price Q. or production cost was less than a dollar. The immediate 17 18 cost savings that were projected was only 5 cents for the booster unit from the investment that EBCo made at the Utah 19 facility; is that correct? 20 21 Α. Yes. 22 Q. So EBCo was willing to make that level of investment to save \$5 to save 5 cents off a dollar and a 23 24 half booster with a goal of ultimately getting it less than

KEEFE REPORTING COMPANY

1 a dollar?

A. Yes.
Q. From the questions that Ms. Doctors asked
while you have testified you haven't had an incident, do
you have any comments with respect to the inference that
without such a history of incidents your concerns seemed
unfounded?

8 I guess I would respond to that by saying in Α. our business one incident can be catastrophic, so to base 9 10 decisions on a no history may not be the right way to look 11 at it. We base decisions on risk management. What is the least amount of risk that we can take in handling and 12 13 manufacturing and transporting our products. Seeking that 14 least amount of risk, we hope we don't have an incident. 15 Having one incident again for us could be catastrophic in terms of life and facilities, so we just seek to have the 16 least amount of risk as possible. We feel the more risk we 17 would introduce, the more opportunity obviously we would 18 have for an incident. 19

20 MR. HARSCH: Thank you.

23

21 HEARING OFFICER LANGHOFF: Thank you Mr. Edwards.

```
22 (Witness sworn.)
```

TODD BUCHANAN

24 called as a witness, being first duly sworn, was examined

KEEFE REPORTING COMPANY

1 as follows:

Mr. Buchanan would you please state your full 2 Ο. name address and current position for the record? 3 4 Α. My name is Todd Buchanan. I live at rural 5 Route 2, Box 262 Golconda, Illinois. I am currently 6 employed as the safety health and environmental manager for 7 the Ensign Bickford Company, Wolf Lake facility. 8 Q. Would you briefly state your educational background for the record? 9 10 Bachelor of Science Degree in Geology from Α. Murray State University. I have been practicing in the 11 12 environmental field for approximately 14 years in a variety 13 of capacities which include about a five year stay at the 14 Illinois Environmental Production Agency. What did you do at the Illinois Environmental 15 Q. Protection Agency? 16 Initially, I worked in the Superfund program 17 Α. doing site assessments for inclusion for the national 18 priorities list. The second half of my stint was in the 19 RCRA program. 20 21 Q. Have you participated in numerous training 22 programs since graduation from college? Yes. I have completed quite a bit of 23 Α. 24 extensive continuing education in environmental management

KEEFE REPORTING COMPANY

environmental response as well as OSHA safety and explosive safety programs.

Would you briefly explain for the record what 3 Q. 4 your professional experience is at EBCo since leaving IEPA? 5 Α. For the first approximately five years 6 employed for the Ensign Bickford Company I was an 7 environmental engineer and environmental manager for the 8 site. Since then I have gone to wear all the hats of safety, health and environment, and I also am in charge of 9 10 security; and I am the compliance officer for the site. I deal with all regulatory agencies which includes EPA, OSHA, 11 BATF, DOT, local officials, whoever those might be. 12 13 Ο. Would you describe for the record the level 14 of the agencies that have over-site responsibility in environmental health and safety for the Wolf Lake facility? 15 We deal -- currently deal or have dealt with 16 Α. U.S. EPA, the Illinois EPA, Federal OSHA. We deal 17 18 specifically with the Bureau of Alcohol Tobacco and Firearms on a frequent basis and also the Department of 19 Transportation, U.S. Department of Transportation. 20 21 Ο. What is BATF's involvement? The Bureau of Alcohol Tobacco and Firearms 22 Α. regulates all explosives in the United States from the 23 24 manufacturing, processing, transport, storage. Every

KEEFE REPORTING COMPANY

1 aspect of explosives BATF is involved in.

Is there an Illinois counter part to BATF? 2 Ο. 3 Α. In the State of Illinois the Illinois 4 Department of Natural Resources Explosives Division 5 regulates and issues explosive storage license for 6 magazines. 7 Q. That would be another agency that has 8 regulatory concern? 9 Correct. They are in our plant several times Α. a year. 10 Given your position at EBCo, are you aware of 11 Q. 12 the history of variance relief that Trojan and EBCo has 13 sought and been granted by the Pollution Control Board over 14 the years? Yes, I have. Since approximately mid-'92 I 15 Α. have conducted the operations under all of those variances 16 17 at the site. 18 Ο. It your site that throughout all this variance process, the Illinois Environmental Protection 19 Agency has always recommended the grant of relief that was 20 sought by EBCo? 21 In all the direct dealings I have had and the 22 Α. file records I have at my disposal have all been positive. 23 24 Q. Would you briefly describe EBCo's

KEEFE REPORTING COMPANY

relationship with the Illinois Environmental Protection
 Agency over the years?

Something that I am personally and the 3 Α. 4 company is proud of, we have developed a great working 5 relationship across the board with the Agency in all three 6 divisions. We are proud of that. The RCRA folks, we deal 7 with them on numerous occasions at the site, and they 8 processed and sought to grant our RCRA Part-B permit for 9 the hazardous waste treatment for the explosive materials, 10 and also work positively with the water division. We currently have a water discharge permit for treated 11 12 explosive waste waters. The air division in the past, we 13 do have a permit for the operation of an aqueous air 14 scrubber system for the cast booster process. We also have a permitted test chamber for testing of non-electric 15 detonators. 16 17 (Reporter asked witness to slow down.)

18 Q. MR. HARSCH: Are you currently operating 19 pursuant to a variance relief granted by the Board in terms 20 of your burn facility?

A. Yes. We are currently operating our improvedburn unit according to a RCRA Part-B permit.

Q. Do you believe you are in compliance with theBoard order with respect to the variance?

KEEFE REPORTING COMPANY

1 Yes, I do. Α. If I show you the Petition for Adjusted 2 Ο. Standard that was filed in this case, are you familiar with 3 4 this petition? 5 Α. Yes, I am. 6 Q. Did you assist in the preparation of it? 7 Α. Yes, I did. 8 Are the factual statements contained in the Q. 9 petition true and accurate to the best of your knowledge 10 and belief? Yes, they are. 11 Α. Why did EBCo file the Adjusted Standard 12 Q. 13 Petition in this that gave rise to this proceeding? 14 Α. Through previous processing of previous variances, it was suggested to us by the Board that that 15 was the proper method to proceed on for the future. 16 17 Prior to filing this, did EBCo have a series Q. of discussions with the Illinois EPA regarding this draft? 18 Yes, we did. 19 Α. 20 And have discussions occurred and dialogue Q. 21 continued since the filing of the Adjusted Standard 22 petition? Yes, numerous times. 23 Α. 24 Historically EBCo has obtained relief from Q.

KEEFE REPORTING COMPANY

the Pollution Control Board, has it not, for three 1 operations at its facility, the operation of the burn unit, 2 the flashing of equipment and the decommissioning or 3 4 tearing down of manufacturing buildings; is that correct? 5 Α. That is correct. 6 Q. What is the subject of the current Adjusted Standard Petition? 7 8 It is solely for the operation of the burn Α. unit and for the flashing of contaminated equipment. 9 10 In our petition for Adjusted Standard we have Ο. sought relief for 100 pounds of materials to start fires, 11 5,000 pounds of contaminated packaging material and 12 12 13 hundred pounds of explosive material; is that correct? 14 Α. Yes. Those are the weekly quantities that we have asked for the relief. 15 Why have you sought relief for those 16 Ο. 17 quantities? 18 Α. Those quantities, based on past practice and generation rates and knowledge of our process, allow us the 19 20 flexibility to be able to treat in a timely matter those 21 said materials, because we do have to work around weather 22 issues and things like that. There are days we cannot operate the unit. All of our hazardous waste, either waste 23 24 explosives that are treated in the burn unit all must be

KEEFE REPORTING COMPANY

managed in less than 90 days; so we need weekly flexibility 1 2 to go and start and operate the unit. And that 90 day requirement is the RCRA 3 Q. 4 on-site storage requirement so you avoid triggering and 5 regulated as a RCRA storage facility? 6 Α. That is correct. Waste must be managed in 7 less than 90 days either treated on-site or moved off-site 8 for proper destruction, or you have to become a permitted storage facility. 9 10 Do you currently have a RCRA permit for such Ο. 11 a storage facility? No. We do not, and have no anticipation or 12 Α. 13 desire to have one. 14 Ο. The plant manager has talked about the two sides of the production that historically has been carried 15 out at EBCo in which EBCo is hopeful that as a result of 16 the merger started up. That would be the cast booster side 17 18 of the business and the detonation site. There is a difference, is there not, in the wastes that are produced 19 20 from those two types of operations? 21 Α. Yes. Distinctly different. 22 Q. Can you describe for the record what the cast booster production process is, the source of raw materials 23 24 that are utilized in that process and how they are

KEEFE REPORTING COMPANY

1 utilized?

2 Α. The distinct difference between non-electric 3 detonator assembly and cast booster production is obviously 4 in the equipment materials process. Cast boosters we are 5 processing millions of pounds of bulk explosive powders, 6 melting them, blending them in various components or 7 percentages and casting them into cardboard molds, hence 8 the name cast boosters; so it is a very voluminous driven process with millions pounds of explosives per year being 9 10 processed. They are a very large source or the predominant 11 source for those materials are recycled or reclaimed or demilitarized explosives. They typically come in things 12 that range from flakes, similar to corn flakes, to bricks 13 14 or bars or combination thereof. They are very dusty and 15 like I said is a very volume driven operation with lots of these raw materials are received and typically in 50 to 55 16 pound boxes or occasionally in 100 to 200 pound fiberboard 17 18 barrels. The detonator assembly side of the process, we 19 are assembling explosive components, devices or articles 20 that do not have explosive contamination or dusting 21 issues. They are small devices with internally contained 22 explosives, i.e., a piece of shock tube which has 23 explosives on the inside, a blasting cap which is an 24 aluminum shell with the explosives on the inside we are

KEEFE REPORTING COMPANY

1 assembling those explosives. That process does not 2 generate near the level of explosive waste due to the 3 nature of the raw materials and the process as compared to 4 cast boosters.

Q. How does EBCo acquire these demilitarized orwaste explosives as a raw material?

7 Α. We procure or attempt to procure raw materials for cast boosters on the world market. They are 8 typically purchased in million pound or in excess of a 9 million pound lots for contracts. Those components are 10 made up of TNT trinitrotoluene which is a secondary 11 explosive. RDX which is a secondary explosive. HMX which 12 13 is a secondary explosive or a combination of those 14 materials that have previously been mixed and blended and utilized for an ordinance or some other factor in previous 15 history. A lot of these materials are very old and have 16 been reclaimed or recycled from as old as 50 to 60 year old 17 18 ordinances that have been sitting in a magazine, a 750 pound bombs for example. 19 20 You might state for the record what an Q. 21 ordinance is.

A. An ordinance would be a bomb or missile, aweapon.

24 Q.

And you might also state for the record what

KEEFE REPORTING COMPANY

1 a secondary explosive is.

A. Secondary explosive would be the equivalent for TNT. It is a mass detonating explosive, but it is not a primary explosive as opposed to the small amounts of things that are in a blasting cap that are very, very sensitive.

For the record, the procurement of these materials on the world wide market is a necessity. TNT which is one of the prime ingredients in a cast booster has not been manufactured, nor is currently manufactured in North America since the 70's to the best of my knowledge, so we are limited in the sources where we procure these types of materials.

Q. If I understand you correctly then, EBCo's operations when it operated the cast booster facility, you would purchase the output of say the United States efforts at disposing of obsolete or out of date ordinances?

A. Yes. We are the home or have been the home and hope to be the home of in the future the receiving end of demilitarization contracts, which the effort of the Department of Defense domestically as well as internationally ridding the world of existing out of date ordinances that contain explosives; and when you buy these materials you get what you get for lack of a better term.

KEEFE REPORTING COMPANY

1 Start to finish from demilitarizing operation, when you buy 2 the contract you get everything they generate from this 3 demil process, so a significant portion of these materials 4 are less than perfect. They have contaminants in them. 5 They may be dusty, varying sizes, quality from start to 6 finish, and they are in large quantities; and that is the 7 way we are necessitated to purchase them.

8 Q. Is there from a handling stand point a 9 difference between a virgin raw material explosive and an 10 explosive that has been generated as a result of this 11 demilitarization process?

12 Most definitely. We love virgin explosives. Α. 13 They are nice, neat, clean, much more easily to handle. 14 Easily to put through your production process. Their quality is better, and the first and foremost factor is the 15 safety is different. When you introduce contaminants into 16 17 explosives, you increase the safety risk associated with 18 that material. Contaminants in an explosive typically increase its sensitivity. They also can negatively effect 19 20 the safety in your production process. If you have a metal 21 contaminant, which is fairly typical in a demil of 22 explosives, a nut or bolt or ferrous material specifically, when you are putting it in a production process when you 23 24 are melting this material, agitating it in the melt vessel,

KEEFE REPORTING COMPANY

stirring it, you are always worried about metal to metal 1 2 contact in an explosive contact. These materials, even in virgin form, are sensitive to heat, shock, impact, 3 4 friction, electrostatic discharge. All those types of 5 safety issues are increased when the material is 6 contaminated or in some sort of less than perfect form. 7 Q. Do you have a safety video that you would like to introduce for the record? 8 9 Yes, I do. What I have is a clip from a Α. company generated demonstration. This is something we do 10 11 fairly frequently on a regular basis for our employees who are handling these materials on a daily basis to bring home 12 13 the effects of housekeeping, safety and contaminants 14 relative to their daily processes and the output and function of these materials. 15 (Exhibit 3 marked for identification.) 16 MR. HARSCH: At this point and time I would like to 17 18 show the beginning portion of the video that shows this clip that Mr. Buchanan testified to. 19 20 HEARING OFFICER LANGHOFF: Please do so. 21 THE WITNESS: For the record, what this video is 22 going to specifically show is how a pure secondary explosive, in this case PETN, one of the components we use 23 24 in our cast booster production, behaves when it is in a

KEEFE REPORTING COMPANY

1 pure form when it receives an energy source, in this case a 2 dropped weight versus when it's in its contaminated and has 3 grit, sand, dirt in it and receives that exact same energy 4 force, it detonates due to the contaminant changing its 5 sensitivity and behavior.

6

(Videotape played).

Q. MR. HARSCH: How does that video relate to the explosive, demilitarized explosives that you use for raw material?

10 As I mentioned earlier a lot of the raw Α. 11 materials that we get are contaminated when we receive them with either debris, grit, less than desirable things. We 12 13 have to take those and screen them to approve them to come 14 into our process because of the safety factors when we take them into production. Specifically, we are talking about 15 the TNT's, the Tritonals, the materials I spoke of 16 17 earlier. We screen those materials visually, physically 18 and with metal detection. The material we screen out that 19 we say we cannot safely use, we try to physically separate 20 them; so what we wind up doing in that physical separation 21 process is concentrating the contaminated materials or 22 pulling out the good and concentrating the bad. Those contaminants as demonstrated in that video have increased 23 24 the sensitivity or the safety risk associated with the

KEEFE REPORTING COMPANY

processing or handling of those materials in any fashion. 1 2 We use PETN which is the white powder you saw demonstrated in the video is the high end component of our cast 3 4 booster. As Glenn testified earlier that is supplied to us 5 in virgin form from our Graham, Kentucky facility, but it 6 is the most sensitive material in a cast booster. It is 7 blended with varying amounts of the other raws which we are 8 receiving from demil or other procurements. It is the material that drives the sensitivity of the cast booster to 9 perform its job in the field, and we are mixing and 10 11 blending thousands and even millions of pounds of that material in our cast booster process on an annual basis. 12 13 Can you explain how and where you actually do Ο. 14 this processing of the explosive material prior to introducing it into your cast booster production facility? 15 As a standard safety practice in the 16 Α. explosive industry, specifically, the Ensign Bickford 17 18 Company and the Wolf Lake facility all of our processes are sited and separated based on quantity distance requirements 19 20 which would be driven by the amount of explosives in this 21 process. How far away does the next process need to be in 22 the event of an incident with this process so the next one 23 will not be impacted. The people or the process or not 24 cause another sympathetic detonation. Due to the hazards

KEEFE REPORTING COMPANY

1 associated with this, we screen these materials in a
2 building that is removed quite a distance from the
3 production process where we are actually making the cast
4 boosters, so we segregate that.

5 The incoming raw materials that have a high hazard 6 or risk for contaminants are screened in this remote 7 process prior to taking those materials into the production 8 process.

9 What happens to the materials that are Ο. screened out of the incoming raw material explosives? 10 The materials that are deemed unsafe or 11 Α. quality issues that cannot be utilized as raw material in 12 13 the cast booster process, we make a concerted effort to 14 utilize that material. That is cost and expense and that is what we paid for. The material that screens out that is 15 unacceptable due to the safety risk or contamination, at 16 that point is deemed waste, appropriately tagged, labeled 17 18 and containerized as a hazardous waste and managed appropriately according to all RCRA hazardous waste 19 20 regulations.

21 Q. That would be a D003 energetic waste code? 22 A. Yes. Under RCRA the waste code would be 23 D003, and those are the materials that we have historically 24 had relief to treat on site in our burn unit and we are

KEEFE REPORTING COMPANY

1 asking for in the future.

Is the storage of those materials also 2 Ο. regulated under Bureau of Alcohol Tobacco and Firearms? 3 4 Α. Yes. The storage of those materials, once 5 they are containerized, have to be conducted in a BATF 6 specified magazine and licensed and inspected by the 7 Illinois Department of Natural Resources as well as the RCRA hazardous waste field inspectors. 8 9 How does EBCo treat the materials that have Ο. then gone through this preliminary screening if they are 10 deemed to be initially higher risk of contaminant or the 11 12 general demilitarized materials? Is there a separate 13 additional screening process that is followed? 14 Α. Yes. In the cast booster production process when we came to the point in the last six years 15 approximately that the demil explosives or the recycled 16 explosives was going to be our primary raw material for 17 18 cast booster production, these explosives are added to a steam jacketed vessel where we heat them up to 19 20 approximately 100 degrees Celsius to turn them into a 21 molten form so we can blend them in different quantities 22 and pour them in a castable mold. These pots or vessels are agitated. They have a stirrer in them. In those pots 23 24 we are adding the PETN which I discussed earlier. The PETN

KEEFE REPORTING COMPANY

being the most sensitive of those products. To further our 1 2 production process and increase the safety of utilizing these potentially contaminated explosives, we added what we 3 4 call a premelter or an additional melt vessel in front of 5 the actual mixing pots where we add the PETN. The sole 6 purpose of that pot, that is where these demilitarized or 7 reclaimed explosives go into that pot that does not have 8 PETN in it and are melted and brought up into temperature. There is a basket in that pot where we actually place these 9 materials and allow them to melt with the intent that any 10 11 large contaminant, metal bearing things would be caught in that basket and would not get down in the vessel and come 12 13 in contact with the agitator; so that is all done in the 14 premelter. It passes through there in a liquid form. It is transferred to the production pots where the PETN, the 15 more sensitive explosives, is then blended with it. 16 17 Q. Is there additional waste explosives removed from the process there? 18 19 Α. Yes. 20 How is that material handled and generated Ο. 21 and handled? 22 Α. In the production process, there are a number 23 of waste streams that come out generated as a result of the production process, some of them specifically to the 24

KEEFE REPORTING COMPANY

handling of the incoming raws. It is possible that if 1 2 something got through our remote screening process and wound up in the production building and as part of that 3 4 premelting process we discovered a contaminant, we would 5 have to deal with and that part of the material would have 6 to be removed. At that point that material would be 7 determined to be waste and appropriately labeled and containerized as hazardous waste and managed accordingly. 8 Also during the production process as we are mixing, 9 10 blending, melting, turning this material into a molten 11 form. It is very similar to pancake batter or cookie batter for example and pour it into castable molds where 12 13 gravity feeding it through a down line and injecting it 14 into a castable mold.

Q. If I show you on Exhibit 1 under Trojan boosters, it shows that cardboard tube which would be the types of cast boosters that were made at your facility, correct?

A. Correct. We do, due to the mixing blending operation, you do have some amount of splash or splatter, some drips; and this stuff is hot like pancake batter. It sticks and becomes brittle. When we get to the end of or the bottom of a melt pot, we have drained that entire pot for the production run, you have a small amount of material

KEEFE REPORTING COMPANY

left in the bottom of the pot. If there are contaminants 1 2 that have come through the process that is where they are collected and concentrated. Those materials are cleaned up 3 and are removed from the pot. If they are contaminant 4 5 bearing, they are pulled out and attempted to be screened 6 in the remote process or in the building. If they are a 7 small amount, put back in the production. If they are deemed unsafe to do so, they would then become a hazardous 8 waste. Also, if we were to have a reject finished product 9 10 or a reject booster for a cosmetic problem or quality 11 problem which is a big issue in the field to the end user, that material is attempted to be reclaimed in the building 12 13 fairly successfully. John saw us develop a new process for 14 that a while back to reclaim some boosters to get back in 15 the melt. They would be managed basically the same way as our incoming raw materials. They would be put back in a 16 17 basket and put in the production pot. As we do that, we 18 are moving the cardboards. Those cardboards are 19 impregnated with the explosives due to the direct contact 20 with the hot explosives. Those would be become a 21 contaminated waste material that would eventually migrate 22 its way to the on-site treatment unit because it is heavily explosive contaminate. If a booster had a quality or a 23 24 safety problem that caused it not to be able to be

KEEFE REPORTING COMPANY

reclaimed, it could then become a waste explosive. We had 1 2 Mr. Edwards testified earlier about the construction of the cast booster process that we have at Wolf Lake. When it 3 4 was constructed and built, it was a one of a kind 5 semi-automated process. We went through about three 6 engineering generations of that building to get to where we 7 are today with the commercially viable production operation 8 that we have. One of the driving factors in those three engineering processes was waste minimizing, waste handling 9 10 and safety which resulted in the waste water system and the 11 aqueous scrubber being placed in that building. We 12 recognized early on that drips, crumbling or these 13 materials falling from the processes on the conveyor, one 14 of the engineering fixes we did what we call a continuous improvement with the operator is to reduce waste was we 15 engineered hitch bins and trays and different ways and 16 procedures and devices to capture all that material and 17 18 keep it from hitting the floor. We saw in the video when explosives hit the floor and became contaminated, that 19 20 there are increased safety issues with it, so we 21 re-engineered and done a lot of effort to catch everything 22 we could to not allow it to hit the floor or become contaminated. If that is the case and catch it above the 23 24 floor, it goes back into the production process. If it

KEEFE REPORTING COMPANY

does hit the floor, it has to come out and get screened through our remote process and metal detector to determine if it can be safely used. More times than not, unfortunately, once it hits the floor, it is not going to be safely reclaimed.

6 Q. How do you handle the materials that are 7 generated in this production process in terms of waste 8 material?

9 It will be packaged up front as a raw Α. material until it can pass through the screening process. 10 11 Once it passes through the screening process and is either determined to be usable, it is still raw material and 12 13 managed as any other explosive raw material coming in the 14 site. Albeit it has to be stored in a licensed explosive 15 storage magazine and proper container and accounted for. The waste material would be managed exactly the same way. 16 17 It is an explosive waste material still subject to RCRA, 18 BATF, IDNR. It's going to be properly packaged, weighed, 19 accounted for, maintained and placed in temporary storage, 20 and until it can be processed and treated on-site in the 21 hazardous waste treatment unit in less than 90 days. Also 22 explosive waste coming from the cast booster production 23 process, I mentioned the waste water treatment aqueous 24 scrubber, wet scrubber and waste water treatment system.

KEEFE REPORTING COMPANY

Due to the introduction of the wet scrubber system, water 1 2 is how it functioned, it scrubs out particulate in melting 3 of the explosives process. It also scrubs acid gases and 4 nitrous oxide fumes. That water is recycled through that 5 process to a point to where it would have to be purged. It 6 is then passed through a waste water treatment system which 7 consists of particulate removal, activated carbon treatment to remove contaminants and possibly PH adjust. That 8 process and the collection systems generate an explosive 9 sludge that is being removed from that water. That 10 11 explosive sludge is a RCRA regulated listed hazardous waste KO44. That is an explosive. That is a waste material that 12 13 we currently and have historically treated on site in the 14 burn unit. Also, when the carbon is spent, reached the end of its service life, it is a RCRA listed hazardous waste 15 KO45, also an explosive or reactive waste. It is managed 16 17 as a hazardous waste and treated on-site accordingly. 18 You have mentioned you received and processed Ο. 19 historically millions of pounds of this material. What 20 type of containers is it received in? 21 Α. The predominant container is a fiberboard 22 box, but we do receive a wide variety of containers from a

24 or overseas. I have some exhibits or some photos of

wide variety of world wide sources whether it be domestic

23

KEEFE REPORTING COMPANY

different containers that I would like to present to give 1 an example of the different types of containers. The bulk 2 of the containers are a fiberboard configuration of one 3 4 type or another. 5 (Discussion held off the record). 6 (Exhibit 4a marked for identification.) 7 MR. HARSCH: What we have marked Exhibit 4a, would you describe what this is? 8 9 This is a fiberboard box that contained a Α. demilitarized TNT that we -- that came from the Iowa Army 10 ammunition plant. It is an -- what we would call an older 11 style box. It is a very heavy box. Empty that box weighs 12 13 four pounds without inner packaging. As I mentioned 14 earlier, the explosives come in a variety of fiberboard containers. Occasionally they come in a metal container 15 with an inner liner. 16 17 (Reporter requested that witness slow down.) 18 THE WITNESS: All of the incoming raw materials have an inner liner. Typically that inner liner is a 19 paper, a brown paper, which you will see in one of these 20 21 exhibits. 22 (Exhibit 4b marked for identification.) 23 Ο. MR. HARSCH: I show you what has been marked 24 as Exhibit 4b?

KEEFE REPORTING COMPANY

Exhibit 4b is the container that we would 1 Α. 2 hope for. It is a newer style more modern box, well 3 marked. You can see the explosive markings on it, and it 4 is light weight and easy to handle. That box empty only 5 weighs about two pounds, and we are pretty successful in 6 being able to keep that particular container out of the 7 need to be open burned. Not always, and I will speak to 8 the inner liner you see in that as well shortly. The next picture which is Exhibit --9 10 (Exhibit 4c marked for identification.) MR. HARSCH: 4c. Marked as Exhibit 4c. 11 Ο. 12 It is an example of the inner liner of that Α. 13 same box which housed Tritonal which is TNT and aluminum 14 from a reclamation process. I believe this one actually came from Sweden. If you will note, you see the paper, the 15 brown paper liner which is placed on top of the box for 16 17 picture purposes. That brown paper liner, if you will see 18 the grayish material in the upper right corner of that 19 material corner, that is explosive contamination that was 20 stuck to the inner liner from housing the explosive. It 21 was in direct contact with the explosive. That is a very 22 small amount of the material, probably a half a gram; but 23 the equivalent of that material is the quantity that is in a blasting cap for example. That is the amounts that we 24

KEEFE REPORTING COMPANY

are concerned about over the safety risk and want to be 1 2 able to manage these materials on site. That inner liner 3 would be an example of a contaminated material that we are 4 asking for the relief to treat on site. We don't have much 5 control over what these containers look like on the inside 6 or outside or their composition. Some are good and some 7 are bad. That material cannot effectively be safely 8 removed to give you a clean product in the production process. 9 10 Is that same material also present in the box Ο. 11 in the background? Yes. You will see a small amount of that 12 Α. 13 Tritonal on the outer package there. The next exhibit or 14 photo is an example of a different type of fiberboard container or a fiber drum. 15 (Exhibit 4d marked for identification.) 16 MR. HARSCH: I have marked that as Exhibit 17 Q. 18 4d? 19 These containers, again, that we do not have Α. 20 control over what the supplier of the explosives put these 21 materials in. Those are fiberboard containers with metal 22 lids, and they add additionally to the safety concern in 23 the handling of these materials due to the presence of the 24 metal lid and holding ring. These containers empty,

KEEFE REPORTING COMPANY

respectively the smaller one on the left weighs 1 approximately 8 pounds. The one on the right weighs 2 approximately 10 pounds empty, and we do occasionally 3 4 receive one that looks like that that weighs 12 pounds 5 empty. These do not lend themselves to any kind of 6 recycling or pulping. They are not acceptable for that 7 process, and due to the nature that these containers when 8 they contain explosives, can weigh in excess of 200 pounds; 9 so they are very difficult for us to manage on site in a 10 safe manner and not hurt an employee through lifting and 11 moving processes. We actually have to take this container to our remote process, and typically these are demil stuff 12 13 that are going to be need to be screened and manage them in 14 that fashion. The next exhibit is another example of a fiberboard 15 container. This is a small, what we would call, a hat 16

18 will see in a subsequent photo. (Exhibit 4e marked for identification.) 19 20 MR. HARSCH: I have marked that as Exhibit Q. 21 4e? 22 Α. The condition of the outer package is in pretty good shape, but as you will see in the following 23 24 photo, it contains another container that is not in good

17

box. This is an over pack of another container which you

KEEFE REPORTING COMPANY

shape and has had to be overpacked to allow this to be
 material shipped as per DOT regulations.

MS. DOCTORS: Would you repeat what you just said? A. You are going to see the outer one, and you will see another container. That had to be overpacked to meet DOT requirements.

7 (Exhibit 4f marked for identification.)
8 Q. MR. HARSCH: I have marked that next
9 photograph as Exhibit 4f?

10 As you can see this, the inner container that Α. 11 was overpacked, had to be over packed for DOT reasons as well as safety reasons. It's stained. It's been 12 13 impregnated with the explosives inside of it. Obviously, 14 it's been around for a while. That is an example of the packaging of the raw materials we receive, which drives the 15 materials we are asking for relief to treat on site. We 16 don't have a lot of control over what these containers look 17 18 like or their condition. The next picture you will see is another example of an outer container. 19

(Exhibit 4g marked for identification.)
Q. MR. HARSCH: I will mark this Exhibit 4g.
A. This is a metal drum similar in size to the
fiberboard drums you saw on an earlier picture. Definitely
it complicates the safety of managing these materials

KEEFE REPORTING COMPANY

because you have explosives and metals of sparking material 1 2 that have crimped crevasses in the container by design where these materials can migrate in how they are confined 3 4 between two pieces of metal. This would be an example of 5 something that we would currently flash on-site to remove 6 the explosive hazard and be able to safely dispose of the 7 remaining container steel drum. 8 Can you again -- does EBCo have any control Q. over the containers your suppliers or vendors of your raw 9 demilitarized explosives ship in? 10 Effectively no. Whether it be domestic or 11 Α. international, except for Ensign Bickford manufactured 12 13 products. There again, it's driven by Department of 14 Transportation requirements. And do I understand correctly some of these 15 Q. materials may have been in the boxes for since before World 16 War II? 17 18 Α. That is correct. Sitting in a magazine 19 somewhere. 20 You have shown pictures of the outside of the Q. 21 packages, and you have shown one picture, Exhibit 4c, that 22 is a paper inner liner. Do all of these packagings come with inner liners? 23 24 Α. Yes.

KEEFE REPORTING COMPANY

Q. And those inner liners would be in direct
 contact with the explosive material that are contained in
 it?

A. Absolutely.

4

5 Q. And would you explain how you manage this 6 packaging material that your 5 million pounds of explosives 7 come in?

They are received into the site. Obviously, 8 Α. they have to be properly stored in a licensed magazine and 9 10 then manually moved for the most part into the production 11 process. They either go to the remote screening process if it is a good material or virgin material, it is able to go 12 13 to straight to the production floor. Through our safe work 14 practices and procedures, we do our best to remove the 15 explosive from inside the package without contaminating the outer package. If it has not already been contaminated, 16 17 sometimes the inner liners are not in tact, so the inside 18 of the container is contaminated. If we can segregate and the example of the first -- well, the second picture of the 19 20 newer looking box with a lot of explosive markings, that is 21 an example of the type of container we are able to keep out 22 of the safety issues and be able to recycle that box through a cardboard recycler. Unfortunately, a large 23 24 majority of the other containers, in the way that we have

KEEFE REPORTING COMPANY

1

to manage them, does not allow that to happen.

Q. Do I understand then that the materials, the packaging material, the outer packaging material and the inner packaging material either arrive at your facility in such a condition that you deem them to be contaminated or potentially contaminated so as to avoid the possibility of their being reclaimed or reused?

Yes. In many cases the inner liner may or 8 Α. may not be breached, but during the filling or process when 9 10 they put that explosive in the liner, they got some amount of explosives between the inner liner and the outer 11 package; and folded built cardboard boxes have flaps and 12 13 sometimes adhesive and tape; and those explosive materials 14 some of which are very fine dusts, are able to migrate into those cracks and crevasses and stick to the adhesives; and 15 you cannot effectively remove it from the package; so it is 16 17 contaminated with explosives.

18 (Exhibit 5 marked for identification.) You mentioned the handling of the drums, 19 Ο. potentially causing a problem. If I mark this photograph 20 21 as Exhibit 5, would you explain what this photograph is? 22 Δ Yes. You saw the fiberboard drums in an 23 earlier exhibit, and I mentioned they are very heavy and 24 they contain very dust generating explosives. It is very

KEEFE REPORTING COMPANY

difficult to move those materials around physically for our 1 2 employees, and typically those type of materials have to go through our prescreening process prior to going through the 3 4 production building. Unfortunately, when you are trying to 5 remove the explosives from these containers, you do 6 generate explosive dust. So we looked at materials, 7 handling equipment, barrel lists, things like that off the 8 shelf do not work in an explosive dust environment; so specifically to handle those larger drums materials for our 9 10 employees, we in-house and designed and built what we call 11 a barrel lift. It is made entirely out of non-sparking materials. It is an air over hydraulic operated unit, so 12 13 we don't have to deal with scissors, metal to metal 14 contact, hinges and things like that. It is in our remote screening building which you will see in this photo. The 15 silver device, which is a plastic lined aluminum for the 16 most part built machine. We are able to bring those 17 18 barrels in and drop them into the cylinder and activate the black button you see in the foreground of the picture; and 19 20 it will invert that drum a slight angle; and the screening 21 employee will use that tool that you see there on top of 22 that screening table which is a non-sparking tool to reach 23 inside that barrel and actually physically rake or drag the 24 explosive out on to the screening able. The screening

KEEFE REPORTING COMPANY

table is where they will start their physical observation 1 2 to inspect for contaminants and push it through the holes which are sized. So we are catching any large contaminants 3 4 inside that that to go into the production process. That 5 is a very dust generating process, and a lot of times the 6 inner liner, if it wasn't previously damaged is. You wind 7 up with a contaminated outer package and is managed as 8 explosive contaminated, and then it will be processed in 9 our on-site treatment unit. 10 If I refer back to Exhibit 4d, the photograph Ο. of the drums, does that photograph depict this 11 contamination on the outside? 12 13 Α. Yes. You will see the larger drum to the 14 right and slight grayish coating on the lower portion on that drum. That is an explosive contamination that came 15 from the actual material from that process. 16 17 That is also on the smaller drum over the Q. 18 label? Yes. A small amount of material. And 19 Α. 20 cardboard you cannot decontaminate because of its porous 21 nature. MS. DOCTORS: Excuse me? 22 23 Cardboard you cannot decontaminate because of Α. 24 its porous nature.

KEEFE REPORTING COMPANY

1 MR. HARSCH: These would be examples of Ο. packaging that inadvertently became contaminated during 2 your unpacking or manufacturing, or first step in your 3 4 manufacturing process? 5 Α. Yes. 6 Q. How does Ensign Bickford manage this 7 contaminated packaging material? 8 They are segregated, typically placed in an Α. overpack, which we would use a fiberboard barrel, for 9 example, that you saw, place these contaminating materials 10 in, segregate them, or place them in other containers, 11 12 segregate them and store them on site temporarily until we 13 can process them through the treatment unit, the on-site 14 burn unit to remove the explosive hazard. In Illinois are these contaminated packaging 15 Q. materials deemed to be a RCRA hazardous waste? 16 No. In Illinois we have concurrence from the 17 Α. 18 Agency that those materials are not RCRA regulated materials. They are production derived waste and they are 19 managed in that manner. 20 21 Q. They still have to be managed according to 22 BATF requirement? They still must be managed according to 23 Α. 24 safety protocols.

KEEFE REPORTING COMPANY

Q. In other states are these materials managed as RCRA wastes?

3 A. Yes, they are.

4 Q. The uncontaminated outer packaging materials,5 how are they dealt with?

6 Α. They are segregated, totally removed from 7 explosive production areas by our on-site employees. They 8 are screened and typically by my hazardous waste technicians, and they are taken to a baler where they are 9 10 given a visual before going into the baler prior to be putting into a baler. They are then bailed and managed 11 12 through a recycled broker who then targets those materials 13 into a pulping or repulping waste process and, that is the 14 current management practice of those materials today.

Q. What other types of waste streams are
generated in the booster production operation?
A. The other contaminated materials with
explosive hazards would be PPE or the Tyvek coveralls the

19 employees wear. In the production process they become 20 contaminated with fumes and sometimes splash from the 21 molten product and dust of explosives and copper gloves and 22 other things of that nature.

Q. From a -- has EBCo made a determination as to
the appropriateness of the use of Tyvek protective

KEEFE REPORTING COMPANY

1 clothing?

Yes. Following OSHA and NIOSH guidance for 2 Α. industrial hygiene and personal protection, it was 3 4 determined that for the nature of the process and the 5 contaminants of concern for these production processes that 6 the Tyvek coverall was the best material for those folks to 7 use. How are the these Tyvek coveralls managed? 8 Q. 9 At the end of their work shift they are Α. contaminated coveralls and would be placed in an explosive 10 contaminated materials container and managed accordingly 11 being processed in the burn unit as explosive materials. 12 13 Ο. Would you -- does that complete the 14 description of the waste streams that are generated from the booster operation? 15 I believe so, yes. 16 Α. Would you please describe the waste streams 17 Q. 18 that are generated in the detonator side of the business? As I mentioned earlier, the manufacturing 19 Α. 20 processes and the raw materials are distinctly different. 21 We do not have dust generative bulk powder explosives in 22 the detonator assembly process. They are contained in 23 articles or components. If you were to see the production 24 floor, it is a fairly typical assembly type looking

KEEFE REPORTING COMPANY

operation other than they are assembling energetic 1 2 components. The outer packaging, inner packaging of all the raw materials that come in, specifically the caps are 3 4 detonators that are shipped to us from Connecticut; and 5 they are contained in a plastic block which has an 6 individual slot for each cap; and it has a cardboard sleeve 7 over the top inside of an inner container which is cardboard which has cushioning inside of an outer DOT 8 specified container. 100 percent of the inner containers 9 10 are recycled and reused because they do not have explosive contaminated issues on a normal basis. That would be an 11 12 abnormal situation that would cause that to happen, and I 13 don't know if that ever happens. The outer box and once 14 you open it up and remove the closures and tape, it can no longer be used as per DOT regulations. There is a waste 15 that comes from there. That is a recycled cardboard 16 17 container. 99.99 percent of that has always been recycled 18 and is currently recycled shipped to an off-site.

The spools to which the shock tube comes to us on are wooden. Shock tube it doesn't have explosive dusting issues. That is a company supplied material. Once that spool is empty, it is returned to our facility in Connecticut, and it's reused and stays in the company. Around the cells and machines where they are assembling

KEEFE REPORTING COMPANY

materials, they are cutting the shock tube or cutting the 1 2 detonating cord, and in that vicinity you will have a slight explosive dust build up from that process. Multiple 3 4 times during the day they are wiping that material up 5 basically with a cotton wipe. That would be an explosive 6 material that we manage similar to those in the cast 7 booster. It's segregated, containerized, labeled and 8 managed in our on-site open burn unit as an explosive contaminated waste. 9

10 Also the detonating cord itself which is a PETN, 11 same PETN we saw in the video and I spoke to in our cast 12 booster process as well. We do have some reject trimmings, 13 pieces, parts of that material. It is an explosive waste, 14 and we treat that on site as PETN or explosive waste in our 15 burn unit.

Waste caps, the detonator itself. Occasionally, 16 there is some sort of malfunction or the deviant that is 17 18 caused on the floor, whether it be cosmetic or actual 19 functionality of the cap itself, those are containerized in the hazardous waste satellite accumulation container. When 20 21 it is full, they are marked, labeled, removed, managed as a 22 D003 among a variety of other waste codes containerized and 23 moved to an explosive storage magazine and managed 24 according to RCRA and BATF, IDNR requirements and

KEEFE REPORTING COMPANY

eventually shipped off-site in less than 90 days to the 1 2 Onyx Sauget, Illinois incinerator for destruction. Any 3 finished product from the non-electric detonator process 4 which would now be a non-electric detonator assembly, which 5 now has the cap, shock tube and various components on it, 6 if that for whatever reason typically a quality or a 7 function issue, sometimes a safety issue is deemed to be a waste. It again is containerized labeled, marked as a 8 hazardous waste, moved to an on-site BATF licensed 9 10 explosive storage magazine and shipped off-site to the Onyx 11 Sauget facility for proper destruction. That is also a 12 D003 explosive waste.

13 The other materials are typical manufacturing 14 waste, typically some waste solvents, waste solvent contaminated rags. We do have a small amount of solvent 15 and explosive contaminated rags due to the maintenance of 16 17 the equipment. Those are containerized and satellite 18 accumulation as per RCRA guidelines and managed as a F001, 2 or 3 depending on the solvent waste, containerized, 19 20 shipped off-site to the Onyx incinerator for destruction 21 per RCRA requirements; and it's very slight explosive 22 contamination on those.

23 Then we have standard solvent waste, maintenance24 type derived waste that are managed accordingly. Solvent,

KEEFE REPORTING COMPANY

a greasy -- those types of things, pretty standard waste,
 and they are all managed to all rules and regulations and
 shipped to the Onyx facility for destruction.

Q. What are the wastes that EBCo currently is burning in its open burn unit pursuant to the existing variance for which you are seeking an Adjusted Standard in this proceeding?

We currently are treating all explosives, 8 Α. powders, wastes predominantly from the cast booster 9 production operation on-site has been under the current 10 11 variance. We still have a supply of raw materials on-site that we are screening demil, less than perfect material. 12 13 We are utilizing our screening process on-site to pull out 14 the good and remove the bad. If it is deemed unusable, those explosives are being treated in our on-site unit. 15 The contaminated packaging materials, the PPE from the 16 employees processed in these materials, the contaminated 17 18 wipes from clean up or housekeeping either from cast boosters or non-electric detonator assembly. All those 19 20 contaminated materials are being treated on-site. We still 21 are running our scrubber process, doing our decontamination 22 of the buildings; so we are still generating some amounts 23 of water treatment sludge and spent carbon which are 24 explosive wastes that are being treated on the on-site unit

KEEFE REPORTING COMPANY

1 of the current variance.

You referred to PPE? 2 Ο. Personal Protective Equipment. 3 Α. 4 Ο. So if I understand it then, despite the fact 5 that the booster production was shut down in July, you were 6 still generating the bulk of the waste materials that you 7 formerly generated when you were operating the cast booster 8 operation? 9 Α. That's correct. 10 And that would include all of the Ο. 11 contaminated outer packaging and inner packaging? 12 Α. Yes. 13 (Discussion held off the record) 14 (Lunch recess taken.) MR. HARSCH: Mr. Buchanan, now that you have 15 Q. described the waste that you generate, perhaps you could 16 describe for the record how open burning was conducted at 17 18 that site historically and through the existing RCRA permitted open burn unit? 19 20 The open burning or thermalsanitization of Α. 21 our explosive contaminated materials and explosive 22 contaminated equipment are very documented, regimented practices controlled with state of the art work practices. 23 24 I want to be clear to differentiate it is not -- I don't

KEEFE REPORTING COMPANY

want this to be in any anybody's mind that it resembles 1 2 something that a farmer would do in a field where they push up a big pile of stuff, throw diesel fuel on it and burn 3 4 it. It is a very controlled, contained and neat and 5 orderly operation. I have some exhibits of the unit I 6 would like to show, and what is that is going to show, we 7 do not burn on the ground. We are burning on a contained 8 unit, two of three which have removable roofs to control any run on or precips, so we don't have to deal with any 9 possibly contaminated waters from the process. They are 10 11 cleaned up promptly as soon as it is safe to get back in the unit. Those operating procedures that we live by in 12 the treatment unit are part of the RCRA Part-B permit, and 13 14 those are the procedures we would follow. With that I would like to introduce some exhibits. 15 Sure. I would refer these to these as Group 16 Ο. Exhibit 6. 17 18 When I say the unit I am thinking of the Α. entire burn facility which is a quarantined designated area 19

20 that has a fence around its perimeter for security and 21 operational reasons. Inside of the unit we have three 22 distinct pads or treatment containers where the materials 23 are processed. The first exhibit that we are going to 24 show --

KEEFE REPORTING COMPANY

(Exhibit 6a marked for identification.) 1 2 Ο. MR. HARSCH: I have marked it as Exhibit 6a. This is what is referred to as the burn 3 Α. 4 cage. This is where we treat explosive contaminated 5 materials. The materials you have seen pictures of 6 earlier, the contaminated packaging, inner packaging, the 7 coveralls, those materials. 8 It is a concrete pad with a raised or elevated burn, approximately two feet tall that is lined with a 9 refractory heat retarding material to protect the concrete 10 and redirect the heat back into the materials to treat it. 11 It has a rather large beefy steel structure around it, 12 13 complete with fencing to minimize the potential for 14 anything to escape the unit during the burn process. 15 The next photo is what we refer to commonly as the explosives pad. 16 (Exhibit 6b marked for identification.) 17 18 MR. HARSCH: I have marked that as Exhibit Ο. 19 6b. 20 That would be the part of the unit where we Α. 21 treat the explosives powders. It is a concrete pad, sloped 22 and drained with collection sumps just in case there is any precip or water or fluids that could wind up on the unit. 23 24 To date we have had none. You will see a remotely

KEEFE REPORTING COMPANY

controlled removable roof that when we come in to do set up 1 we are able to roll that back inside the concrete pad. You 2 will see sand. We place the sand over the top of the 3 4 concrete. It retards the heat, and it helps us safely 5 operate and lay the powders out of the burn unit; and in 6 that you will see two rows separated by a pretty 7 significant concrete barrier in between where you are able 8 to lay out a very thin layer of 100 pounds of explosives on 9 each side for a total of 200 pounds treated in that one pound. 10 (Exhibit 6c marked for identification.) 11 12 Is what I have marked as Exhibit 6c, a Q. 13 photograph of the burn unit with the roof rolled back? 14 Α. And you will be able to see the sand. 15 MS. DOCTORS: We have two 6b's. Is this 6c? Sorry about that. You can see this unit has 16 Α. processed several thousand pounds of explosives to date. 17 18 It still looks practically brand new. The point I am illustrating is this is a neat, orderly, clean, operation, 19 very regimented. Trained hazardous Hazmat techs do the 20 21 operation supervised by myself. (Exhibit 6d marked for identification.) 22 MR. HARSCH: If I show you what is marked as 23 Ο. 24 Exhibit 6d, is this a more close up view that shows the

KEEFE REPORTING COMPANY

1 sand you just testified to?

2 Α. Yes, it is, and it would be -- it was taken this week after a clean up of the previous burn. 3 4 Ο. Would you describe for the record how you 5 placed the waste explosives in the unit depicted in 6 Exhibits 6b, c and d? 7 Α. In the explosive unit we were bringing the explosive powders into the unit in 50 pound containers that 8 has been -- came out of the screening process or deemed as 9 10 a hazardous waste and been temporarily stored as RCRA hazardous waste in an on-site licensed explosive storage. 11 In less than 90 days it will be manually moved in the box 12 13 via intraplant truck by our hazardous waste technicians, 14 trained burn unit operators that will be brought to the unit, physically opened up. We will take a very thin layer 15 of cardboard, lay it on the sand, spread the powder, the 16 explosives out in a very thin layer. That is one of our 17 18 safety practices, do it in a thin layer on the cardboard. We will initiate -- we initiate this remotely by a piece of 19 fuse which is a controlled initiation device that burns at 20 21 a prescribed rate, wrap it around the blivet at the 22 beginning of the explosives train; and we would initiate that; and that would initiate the burn. 23

24 Q. What is the blivet?

KEEFE REPORTING COMPANY

It is basically a piece of combustible we are 1 Α. 2 able to wrap the fuse around, and the fuse generates enough output to ignite the blivet or piece of paper which would 3 4 in turn ignite the explosive. This unit is very secure. 5 After we do a set up, the perimeter fence around this 6 specific unit is locked and closed by the operators. They 7 run their fuse to the fence. The fuse burns at a prescribed rate, 'X' minutes per foot. They know how much 8 time they have from when they initiate the fuse before it 9 could ever reach the explosive or explosive contaminated 10 11 material. They will retire to the outside of their exclusion zone which is a safe distance we require for our 12 13 operators to observe the burn, and from there they will 14 observe the burn and monitor for any problems until completion of the burn or until there is no longer a risk 15 of a fire hazard. As you will see in one of the earlier 16 pictures, specifically 6a, if you note in the background 17 18 you will see some disked up bare dirt. We maintain a fire 19 break around this facility in case there is something 20 moving around, there is no chance for a fire to spread from 21 this unit to any place else in the environment or 22 facility. We also close off the unit for a very large distance so that none of our on plant personnel can get 23 24 anywhere near close proximity to the unit during an active

KEEFE REPORTING COMPANY

1 hazardous waste treatment.

Is the waste explosives when you burn the 2 Ο. powder a self-sustaining fire? 3 4 Α. Yes. It's very active, a lot of energy being 5 released for a pretty short duration. That 100 pound train 6 burns at a very short time, very active and does a good job 7 of removing the hazard, leaving little residue, if any, at 8 the burn. As an additional exhibit I have some photos of 9 an active burn. 10 (Exhibit 7a marked for identification.) MR. HARSCH: I would like to mark these as 11 Ο. Group Exhibit 7. Explain what Exhibit 7a is. 12 13 Α. You will see in 7a is the burn cage you saw 14 earlier. During an active treatment of contaminated materials, specifically some of those larger drums, 15 fiberboard drums that were contaminated we showed in an 16 earlier packaging photo. You can see there is about 12 17 18 hundred pounds of material being treated in that unit during this burn. As you can see, not a lot going on 19 20 there, not much smoke, very nice neat orderly burn, and that is what we are looking for. 21 22 When was this photograph taken? Q. This was taken on Wednesday of this week. 23 Α. (Exhibit 7b marked for identification.) 24

KEEFE REPORTING COMPANY

Q. MR. HARSCH: I show you what has been marked 1 as Exhibit 7b. Would you explain what this photograph is? 2 Yes. In Exhibit 7b you are going to see the 3 Α. explosives pad that I showed you earlier during an active 4 5 burn, approximately 200 pounds of explosive material. As 6 you can see there again, this is pretty much in the early stages of a burn of 100 pounds. When it reaches 7 8 combustion, you can see it's a very violent but a -- not violent but a very energetic flight of energy being removed 9 during the burning process. This is the worst case 10 scenario in the explosives treatment unit. 11 12 Why is that? Q. As far as the wisp of smoke. Tritonal seems 13 Α. 14 to have a more of a wisp of smoke to it relative to any of the other powders that we burn. 15 (Exhibit 8a marked for identification.) 16 MR. HARSCH: I show you what I have marked as 17 Q. 18 exhibit group Exhibit 8a. Would you please explain what this is? 19 20 This is the burn cage where we are burning Α. 21 that package of materials I showed you in the previous 22 exhibit. This is the rescue the next day following the 23 burn of that packaging material. This is approximately 24 24 hours following the burn. As soon as it's safe to get back

KEEFE REPORTING COMPANY

in the unit that material would be removed and properly 1 2 handled as non-hazardous waste. What that does that depict? 3 Q. 4 Α. The lids and metal rings that you saw in a previous picture after the explosive hazards had been 5 6 removed via the thermal treatment. 7 (Exhibit 8b marked for identification.) Q. If I show you what had been marked as Exhibit 8 8b would you explain what that is? 9 Exhibit 8b we are back to the explosives 10 Α. treatment pad. This would be what that unit looked like 11 the following morning after a burn of the Tritonal material 12 13 you were showed in a previous photo which is exactly what 14 we want to see, a small amount of residue no longer an explosive hazard. These are inspected daily during the 15 operation following a burn by the operators for any hot 16 spots or any remaining hazards and documented. 17 18 When were these photographs taken? Ο. These would have been taken yesterday. 19 Α. 20 (Exhibit 9 marked for identification.) 21 Q. You have mentioned that you have a RCRA Part-B permit for this facility. If I show you what has 22 been marked as Exhibit 9. 23 24 For the record I am marking the envelope, I guess,

KEEFE REPORTING COMPANY

1 that contains a RCRA Part-B permit as Exhibit 9. It's not stapled, so to keep it in tact, I am going to put it in an 2 envelope. 3 4 HEARING OFFICER LANGHOFF: That is fine. Thank 5 you. 6 Q. MR. HARSCH: Would you please explain what Exhibit 9 is? 7 8 Α. Exhibit 9 is our current RCRA Part-B 9 operating permit granted to us by the Illinois 10 Environmental Protection Agency for the construction and operation of our hazardous waste explosive open burn 11 12 treatment unit. 13 Ο. This was issued in April of 2001, the revised 14 permit? 15 The revised permit dated here October 22, Α. 16 2001. The initial permit was April 2001? 17 Q. 18 Α. Correct. A very comprehensive documented permit addressing all issues or concerns from the RCRA Land 19 20 Division. It touches on water, any issues and concerns and 21 current operating procedures for the permit and our 22 requirements to do so. 23 How long did it take EBCo to obtain such a Ο. 24 permit?

KEEFE REPORTING COMPANY

1 Approximately ten years from the initial Α. filing for interim status rating, interim status unit and 2 moving the Part-B permitting process for it until the 3 4 ultimate granting of the RCRA Part-B permit. 5 Ο. What approximate cost was this permit 6 obtained? 7 Α. The permitting process and all of the things required to be done was approximately 750 thousand dollars 8 9 during that ten year period of expenditures as well as 10 approximately 200 thousand dollars in cost to construct the 11 unit you see in these exhibits to be in compliance with the permit. 12 13 Ο. When did you commence construction of the 14 current RCRA facility? It would have been in 2001 as soon as we 15 Α. received the permit accepting the design of the unit in its 16 current state. 17 18 Where did EBCo -- how did EBCo get rid of Ο. these same materials prior to the construction of the 19 present unit? 20 21 Α. The interim status waste treatment unit sat 22 on this exact same foot print of the current day. We went through what is known as clean closed, the previous interim 23 24 status unit with concurrence from the Agency and

KEEFE REPORTING COMPANY

constructed the new unit right back in the same foot print. 1 Did EBCo construct a unit that ultimately 2 Ο. obtained interim status after its purchase of the facility 3 4 from Trojan in the late 1980s? 5 Α. Yes, they did. 6 Q. And you said that was constructed at the same 7 location? 8 Α. Yes. 9 And were the -- was the operation of the Ο. interim unit similar to that of the present unit? 10 Yes. With the exception of the remote 11 Α. controlled covers and the operating procedures, they were 12 13 essentially the same. 14 Ο. Prior to the purchase of the facility by EBCo, did Trojan conduct open burning on this site? 15 It is my understanding -- I had no direct 16 Α. under observation of that, but they did have another open 17 18 burn located on another portion of the site. You have not gone through closure under the 19 Ο. 20 RCRA regulations as a solid waste management for this open burn unit? 21 22 Α. Yes. As part of the RFI requirements of the RCRA permit we have dealt with that unit and sought closure 23 24 and are waiting from concurrence from the Agency. That is

KEEFE REPORTING COMPANY

1 in fact closed. No further action.

2 Ο. Again, what is the purpose of burning the materials in the RCRA burn unit? 3 4 Α. To safely and effectively treat this RCRA 5 regulated hazardous waste with an explosive reactive hazard 6 and render it no longer hazardous and remove the reactivity 7 from it so we can safely manage the residues. 8 Has there ever been an injury related to an Q. incident from an explosion or reaction at your facility in 9 10 treating the materials in either the interim status or this 11 facility? 12 No. There has never been an injury related Α. 13 to an energetic or explosive relative to the treatment 14 on-site since Ensign has been there. If I refer to what has been marked as group 15 Ο. picture 7a, that shows three structures. Would you explain 16 what the third structure is on the left-hand side? 17 The third structure in the left hand corner 18 Α. of Exhibit 7a is the other treatment pad. I mentioned 19 20 there was three distinct pads within the unit. That is the 21 unit similar in construction to the sand pads for the 22 treatment of the KO44 explosive waste water treatment sludge and the KO45 spent explosive contaminated carbon and 23 waste water treatment. Similar construction with the 24

KEEFE REPORTING COMPANY

1 concrete pad over laying with a refractory with a
2 collection system with a remote control roll on roll off
3 roof to remove the potential for liquids or precip to hit
4 the pad.

5 Q. Would you explain again on the record how 6 this material is combusted?

7 Α. This material is generated on-site, managed the same as our explosives I explained before in packages 8 stored in an explosives licensed magazine, physically 9 brought to this unit on the day of treatment in a box 10 11 placed by our operators on to the pad, typically on top of a clean pallet with some amount of clean straw and or clean 12 13 cardboard to initiate combustion. This material is a 14 little more difficult to initiate due to it does contain 15 some moisture.

16 Q. Otherwise, it would burn and produce the same 17 type of residue as shown in the group photographs?

A. Yes. The constituents of concern are on the explosive contaminated carbon are the exact same materials we are burning in the powder form and have the exact same source due to the process that generates their waste called KO44 and 45 as called up as record guidance and regulations, but they are managed the same and have the same hazardous as the other materials.

KEEFE REPORTING COMPANY

The reason we don't have any photographs? 1 Q. I didn't have any to treat of late. 2 Α. What is the distance that the operators 3 Q. 4 retire to their remote building to observe this process? 5 Α. Based on the amount of explosives, maximum 6 credible event, the maximum amount that could detonate 7 there required at a minimum to be 200 feet of this during 8 operation. Effectively we are a little more than that. 9 They have an established area where they observe the burn 10 and have communication with the rest of the plant. 11 Q. Is this practice and procedure set forth in your Part-B permit just testified to, the method by which 12 13 you ensure that EBCo's control over the variables when this 14 material is destroyed? Yes, it is. 15 Α. Can you explain on the record the steps that 16 Q. EBCo has taken since you have been employed there to reduce 17 18 or otherwise minimize the volume of waste materials that you generate? 19 20 Α. The Ensign Bickford Company as part of its 21 world class manufacturing initiatives and way of doing, 22 standard way of doing business, continually evaluates, looks at all of its processes to try to eliminate waste 23 24 whether that be the actual waste material, loss of raw

KEEFE REPORTING COMPANY

material or product or transport or labor or a variety of 1 2 things. So all processes are continually being looked at or being improved. We construct -- we have done waste 3 4 minimization projects in recent days. Cast boosters I 5 spoke earlier of one of the reengineering phases during the 6 construction of the current cast boosters operation that 7 was totally targeted at waste minimization. We were successful with that. If you look at the numbers of waste 8 treated in this unit over the last several years as 9 reported to the IEPA under our variance requirements, you 10 11 can see our production stayed level and our waste numbers have turned down; so that tells us we have been successful 12 13 in reducing those materials. As a matter of fact, this 14 summer we were fortunate enough to be selected to participate in Illinois EPA's Pollution Prevention Intern 15 Program where we had an intern provided to us on-site by 16 the IEPA Pollution Prevention Office, and that individual 17 18 worked in our non-electric detonator assembly production 19 areas working on waste minimization projects for reduction 20 of waste shock tube and waste detonating cord which is one 21 of the PETN materials treated in the current on-site unit. 22 (Witness asked to slow down.) 23 Ο. Historically did EBCo have approval to burn solvents and rags and pyrotechnic materials in its open 24

KEEFE REPORTING COMPANY

1 burn unit?

A. Historically at some of the previous
variances or relief had the authority to burn explosive
contaminated solvent, solvent explosive contaminated rags
and pyrotechnic materials; and the pyrotechnic materials
would be detonators, the caps, things relative to that
process.
Q. Because you send those materials to Onyx, you

Q. Because you send those materials to Onyx, you
have deleted those from the list from which you seek
approval pursuant to the variances granted and from the
Adjusted Standard you are seeking today?

A. That's correct. We are no longer seeking authority or relief for those materials, and in the ten plus years I have been there, we have not treated those on-site.

16 Q. Would you describe how you instituted the 17 program for recycling the water that the PETN is required 18 to be shipped from Graham?

A. We receive our PETN from our Graham, Kentucky facility. PETN is mandated to be shipped over-the-road by the U.S. Department of Transportation water wet. That means 25 percent by weight inside that inner package is water. It is forbidden to be shipped dry because of its sensitivity issues. We receive that material in 55 pound

KEEFE REPORTING COMPANY

boxes. The boxes are returned to the Graham site for 1 2 reuse. The outer container, we centrifuge this material to remove that pack water, the 25 percent water wet. We 3 4 centrifuge it off. I mentioned earlier we have an aqueous 5 wet scrubber system. We centrifuge that pack water off, 6 bring that pack water into our scrubber for makeup water as part of our waste minimization efforts. We no longer have 7 8 to use clean city water, for example, to do the make up 9 water in the scrubber and increase the volumes of 10 contaminated waters. You are not producing the waste water from 11 Q. the PETN centrifuge process? 12 13 Currently, now we are producing almost zero Α. 14 of that water because we are not running the cast booster 15 process. And the outer packaging material is reused 16 Q. internally back to EBCo's Graham facility; is that correct? 17 18 Α. That is correct. 19 Ο. You recycle almost 100 percent, did you not 20 earlier testify, of everything except the outer packaging 21 material for the devices that you receive from the 22 Connecticut facility on the detonator site? 23 Α. Yes. Normal operations we recycle or reuse 99.9 percent of the cardboard materials. We either reuse 24

KEEFE REPORTING COMPANY

1 it internally or we segregate it and ship it off-site to 2 our broker where it is repulped or recycled for the 3 cardboard.

Q. Early on EBCo attempted to set up a
relationship with a pulper to take the clean cardboard that
you deemed safe for release for recycling; is that correct?
A. That is correct.

What happened to that relationship?

Q.

8

9 We were trying to set it up as you stated to Α. deal directly with a pulper with a wet process. As I 10 testified to earlier, that is the most desirable for 11 something that could still potentially have some 12 13 contamination. As we proceeded down the path and got 14 samples out and everybody was comfortable and dealing with the material of that nature, that pulper got out of the 15 business, and I no longer had a contact or a way to manage 16 17 that material in that way.

18 You testified that you currently recycle this Ο. cardboard. Who do you currently have a relationship with? 19 20 The Ensign Bickford has for some time had a Α. 21 relationship with Southern Illinois Recycling which is 22 essentially a broker in a recyclables market. We have recycled a variety of materials through this individual or 23 24 through this company including plastics, paper, aluminum,

KEEFE REPORTING COMPANY

anything we possibly can. Brought that individual into our site and worked with him pretty extensively and developed a relationship and told him how we wanted this managed and what it was and where it came from, and he now has the -he can broker it out to a pulper, and that is what we were doing with the clean outer packaging.

Q. So dealing through a broker does that mean that you receive less back in terms of remuneration for the cardboard?

10 A. Yes. But that was not -- the issue was to 11 get that into a recyclable program so the middle man or 12 broker is the one that gains or loses the benefit of that 13 the market.

Q. As part of the variance conditions that have been granted by the Board, there are requirements for EBCo to evaluate alternatives to its practice of that using the open burn unit. Can you describe for the record alternatives that you have that EBCo has evaluated?

A. The Ensign Bickford Company since the early 90's has continually been evaluating alternatives to open burning of these materials which would include alternative technologies as well as off-site incineration of commercial type facilities. Myself, as well as our facility and our corporate folks in Connecticut, have evaluated a variety of

KEEFE REPORTING COMPANY

things. I have personally evaluated the off-site
 incineration. I have visited the Onyx incinerator in
 Sauget, Illinois numerous times. I have visited ICI
 incinerator in Joplin, Missouri numerous times.

5 I also visited a laidlaw commercial open burn 6 facility in Louisiana to evaluate its viability. That 7 particular one was scratched off the list pretty early on 8 in the evaluation process because it brought nothing to the table. It was open burning a thousand miles away, so there 9 was no advantage. Also personally I have evaluated 10 11 solvated electron technology which myself has looked and as well as the corporate folks, and that was one of the -- an 12 13 idea that was given to me by our previous P-2 14 representative from the Collinsville office. He sent me a clipping from a trade pub and it's relativity to explosive 15 waste. I personally followed up on that and contacted the 16 company which was Teledine Commodore, I believe it is 17 18 Teledine Brown or some variation on that. I worked through the literature, traveled to Huntsville, Alabama, met with 19 20 those folks at their headquarters, managed to move it along 21 far enough to start dealing with their management people 22 and actually started putting some contractual availability on the table to ask them how could we make this 23 24 commercially or privately available to the Ensign Bickford

KEEFE REPORTING COMPANY

Company and its materials and asked them to draw up 1 2 proposals on cost and permitting issues and where all the steps were to make this happen as well as there is still 3 4 some question on the end result if you put your explosives 5 in, explosives contaminated material through it, what is 6 the residue that comes out the treated end; and we have 7 some concerns that it was still hazardous; and I asked them to provide the analytical chemistry to educate Ensign and 8 myself on the residues. At that point this was one of the 9 10 technologies that was being evaluated through the Department of the Army's Chemical Weapons Warfare 11 12 Destruction Program, and at that point all contact ceased 13 from this company and this technology and no longer 14 returned my calls, and they never brought up a contract for us to continue forward with it, nor did they provide the 15 chemistry, which in my opinion contained cyanides which may 16 made it hazardous. 17

18 Q. Are you aware of the development of that 19 technology anywhere?

A. The solvated electrode technology has no
commercial available process existing anywhere to be looked
at or reviewed or talked to. To my knowledge it has never
been permitted under RCRA anywhere to my knowledge.
Q. During your communications and the numerous

KEEFE REPORTING COMPANY

trips you have made there, you communicated the fact that 1 2 EBCo was willing to move forward in a commercial business venture and an agreement with these folks? 3 4 Α. Correct. 5 Ο. What alternatives, if any, has EBCo 6 evaluated? 7 Α. I have already spoken to off-site incineration briefly. One of the other alternative 8 technologies that was extensively evaluated for quite some 9 10 type at a pretty high level involvement from the Ensign 11 corporate folks was Plasma Technology or Plasma Waste Conversion Technology which is kind of a Star Wars 12 13 alternative technology that was in this Department of the 14 Armies Chemical Evaluation. It's a program by a company 15 called Star Tech. That evaluation was typically headed up by our corporate folks and my counter part who was then my 16 counter part at our Connecticut facility. They did quite a 17 18 bit of extensive research and hand holding with those 19 folks, sharing some information and trying to move it 20 forward. It was also being evaluated by the Department of 21 the Army for the military needs to deal with similar 22 materials and Ensign Bickford as well as the Department of 23 Army. After a couple of years of trying to move it down 24 the path we decided it was not mature enough to be viable

KEEFE REPORTING COMPANY

or feasible from a technology or cost perspective, and to
 my knowledge to date there still is no Plasma Technology
 waste facility permitted operating anywhere in the United
 States and treating waste.

5 Q. EBCo in fact lent engineering assistance to 6 these folks in developing this technology and spent had a 7 none for that assistance?

A. Correct. There was two things going on one as I mentioned. My counter part became totally dedicated to that project in trying to move it along in sharing engineering and data to try to bring that process along, so much to the point that he became so involved with that program that he left Ensign Bickford and went to Star Tech to run that project for them.

Q. Are you personally or EBCo aware of any other
alternatives to incineration that currently exists?
A. Not to the best of my knowledge at this time.

18 Q. Do you continue to attend trade meetings, 19 trade shows as well as other members of EBCo in a similar 20 position so that you would be aware of that new 21 development?

A. Yes, we do. As a matter of fact myself and
my counterpart from Connecticut attended the Department of
Defense Safety board Conference solely geared to the safety

KEEFE REPORTING COMPANY

work practice, safe handling of waste material, always looking to the vendors and suppliers and the government contractors to see if there is any new technology or device or process available to us to manage our materials, and there was nothing new at the one this month.

6 Q. What is the relationship between EBCo and the 7 Department Of Defense in terms of sharing information back 8 and forth on the use of demilitarized explosive materials 9 and treatment of waste from the explosive industry?

10 The Department Of Defense currently and has Α. 11 always been a very large source of information on the 12 handling of energetic materials, obviously because of their 13 experience and large capacities for doing that in the 14 past. A lot of the guidance documents, a lot of safety protocols are developed and have come out of the Department 15 Of Defense aren't fairly readily shared in the explosive 16 17 industry.

18 Q. And do you have access to that knowledge and 19 experience EBCo does?

A. Yes. We do manufacture some products, the company does, for the military; so we have some ties to them as well as the guidance documents that we follow are Department of Defense generated guidance documents of which I have been to training sessions on, and I operate within

KEEFE REPORTING COMPANY

1 those on a daily basis.

2 Q. Did the Ensign Bickford company evaluate the 3 possibility of constructing its own on-site incineration 4 facilities?

5 Α. Yes. They did in a couple different venues, 6 one from our involvement from a previous variance 7 proceeding. We entertained that as well as the corporate 8 folks entertained it and actually contracted a third party engineering company Eldorado Engineering Inc. to further 9 that process and do a detailed engineering and cost 10 evaluation on the viability of having our own rotary kiln 11 12 process.

13 Ο. What were the results of that evaluation? 14 The third party's pretty detailed evaluation Α. 15 operating requirements show that the cost, the time to permit and the long duration to construct and bring to 16 operation, being five plus years at best given my 17 18 experience in the RCRA programs, and a 10 million dollar cost, the size of the unit and the required feed rates and 19 20 type of operation where you have to run a rotary, you want 21 to bring it up to temperature and keep it running. You do 22 not want to start, stop; and they are kind of a one size fits all. You can't down size it well. Typical feed rates 23 24 are 250 to 300 pounds an hour given those quantities the

KEEFE REPORTING COMPANY

Connecticut facility evaluated specifically for their waste 1 streams. They would have to run this thing 20 days a 2 year. If you add in the Wolf Lake waste compared to that, 3 4 we might have to run 40 days out of the year. It's support 5 generated based on the production processes, it was not 6 economically feasible for us to pursue a rotary kiln in our 7 own. 8 Q. You would have problems for storing the 9 material for greater than 90 days? Correct. All these materials, unless we burn 10 Α. have to be managed less than 90 days. That is not a very 11 good fit with running a rotary. 12 13 Ο. Do you remember the approximate cost 14 associated with that? The consultant came up with -- Eldorado 15 Α. Engineering brought forward a minimum of five years of lag 16 time to do the engineering design permitting trial burns, 17 18 trial runs bring it to actual fruition and an approximate 10 million dollar cost to do so. 19 20 If EBCo were to construct such a unit at Wolf Q. Lake, it would need an air construction and an air 21 22 operating permit? To the best of my knowledge that is correct. 23 Α. It would be a RCRA Part-B permit? 24 Ο.

KEEFE REPORTING COMPANY

1 Α. Yes. How long did it take you to obtain your RCRA 2 Ο. Part-B permit for your existing open burning unit? 3 4 Α. Approximately 10 years. 5 Ο. Were these alternatives of the plasma, the 6 solvated electron and the on-site incineration, the subject 7 of the June 19, 2000 letter sent by then former associate 8 Richard Saines to Debra Williams, and I direct your 9 attention to EPA Exhibit number 2 to the recommendation that was filed in this proceeding? 10 11 Α. Yes, it is or was. 12 You have had discussions with the Agency and Q. 13 addressed questions regarding this evaluation in the past? 14 Α. Yes, I have. Is it your testimony then that it is not 15 Q. economically feasible and technically feasible for EBCo to 16 construct its own on-site rotary kiln for the reasons you 17 18 testified? 19 Α. Yes. 20 What was the results of your evaluation of Q. 21 the Onyx facility? What conclusions and determinations did 22 you reach? The Onyx facility is a fairly typical 23 Α. 24 commercial hazardous waste incineration facility, meaning

KEEFE REPORTING COMPANY

they take a wide variety of commercially available 1 2 hazardous waste and treat it for a fee. We do currently use them for certain energetic materials, specifically 3 4 non-dust generative component particles, detonators, 5 detonator assemblies. They have a very limited licensed 6 explosive storage capability. As I mentioned earlier, 7 storage of explosives are regulated by the Bureau of 8 Alcohol Tobacco and Firearms and the Illinois Department of Natural Resources Explosives Division. Due to OD 9 10 constraints or quantity distance requirements, they are 11 limited on storage, and they cannot store 1.1 as a DOT at all to my knowledge. All of these materials that we have 12 13 been discussing today are 1.1 explosives, and the powders 14 the TNT's, PETN, the cast booster derived processes and the 15 non-electric detonator assembly waste cannot be transported together; and they cannot be stored together. Legally they 16 17 cannot be processed through the incinerator at the same 18 time. Onyx as well, when they are going to run explosives, they stop running everything else through their rotary kiln 19 20 and process only explosives. The scheduling requirements 21 in the trucking and the transport are therefore complicated 22 because we have to schedule much in advance with Onyx on when they are going to run our explosives and have our 23 24 materials there at 6 a.m. in the morning. They convert

KEEFE REPORTING COMPANY

1 from running other waste material as I understand and run 2 nothing but the explosives because they cannot store it. So you ship one -- the maximum of one day's 3 Q. 4 production? 5 Α. We can ship a maximum quantity of 2000 pounds 6 gross weight to Onyx at one time of the energetic. Gross 7 weight meaning outer package, inner package, plus the 8 waste. That is how we are billed. We pay on gross weight 9 volume. 10 Ο. Do they also have a minimum charge to accomplish this shut down? 11 12 Yes, they do. They have a minimum fee for Α. 13 those types of waste streams of \$1,500. 14 Ο. Have you ever had any difficulty with Onyx in terms of their ability to receive waste that complicated 15 your ability to comply with the RCRA storage requirement? 16 17 Α. Yes. As I said earlier in testimony that we 18 manage all these materials in 90 days under RCRA requirements and must have them treated on-site or off-site 19 treatment in less than 90 days, and we have to schedule the 20 21 treatment windows with Onyx in advance; and I schedule 22 those based on my production rates and the 90 day quantity. Just as recent as this month, we had a treatment 23 24 date scheduled in advance; and two weeks prior to, Onyx

KEEFE REPORTING COMPANY

contacted me and said they had to take their unit down for 1 maintenance or whatever their reason was; and we had to 2 reschedule the window; and of course it wasn't an earlier 3 4 window. It was a later window. So those are issues to 5 address to stay within our 90 day requirements. 6 Q. Have you also evaluated the ICI facility in Joplin, Missouri? 7 8 Yes. I have personally. The facility in Α. Joplin, Missouri which is 405 miles from our site is a 9 10 dedicated commercial explosives waste destruction facility. Utilizing a rotary kiln for one method of 11 12 destruction as well as a tank car bottom furnace [sic.] is 13 one other method of destruction. 14 Ο. What conclusions have you drawn regarding 15 that facility? They have greater capability in Onyx to put 16 Α. it in relativity relative to storage and processing. They 17 18 have had significant safety issues in the past for their processes relative to processing our types of material, and 19 they are 8 hours away via truck; and there again the cost 20 21 associated with that is fairly steep. 22 Q. Safety issues and processing your type of materials is that a nice way to say they have had 23 24 detonations and explosions during the process of material?

KEEFE REPORTING COMPANY

1 I believe in '98, I am not sure on the date. Α. They actually had an incident and a fatality in their waste 2 prep and processing area. 3 4 Ο. EBCo currently utilizes ICI from materials 5 shipped from Connecticut and Kentucky facilities; is that 6 not correct? 7 Α. That is correct. 8 Have you had the opportunity to put together Q. 9 an evaluation of what it would cost to send the types of materials you have historically burned on your site to 10 either ICI or Onyx? 11 12 Yes. And in response to a letter from John Α. 13 Justice as per variance requirements earlier this month, I 14 put together some cost estimates to that effect. (Exhibit 10 marked for identification.) 15 Specifically, if I show you what has been 16 Q. marked as Exhibit 10, is that a copy of your letter? 17 MS. DOCTORS: What was 9? 18 MR. HARSCH: The RCRA permit. 19 20 Is that a copy of your letter? Q. 21 Α. Yes, it is. 22 Q. Is it a true -- are the facts stated true and accurate to the best your knowledge and belief? 23 24 Α. Yes.

KEEFE REPORTING COMPANY

Q. Can you explain the findings, summarize for
 the record what you stated in that letter?

As per PCB variance 02159, we were asked to 3 Α. 4 evaluate off-site alternatives to the open burn as per the 5 request of John Justice. He identified the two off-site 6 facilities that he would like for us to evaluate, and I 7 looked specifically at the ICI Joplin facility and the Onyx 8 Sauget facility on their viability, economics, managing waste based on average annual quantities that we have 9 previously processed in our on-site unit. Unfortunately, I 10 11 was not able to get official actual cost quotes in writing from Onyx in a timely manner. That is a fairly difficult 12 13 thing to do, so I had to estimate some of these costs based 14 on conversations with my other two facilities that are currently doing business with ICI; and that is how I have 15 came up with the price per pound of these materials. That 16 would be passed on to us from ICI and some actual cost 17 18 quotes from the Onyx facility for some materials that I 19 have had costs quoted directly from the Onyx facility and 20 shipping costs and packaging and labeling costs, and base 21 on those numbers on a four year average of the explosive 22 contaminated materials and secondary explosives that have 23 gone through our on-site open burn unit at past production 24 rates.

KEEFE REPORTING COMPANY

And what was the total you arrived at? 1 Q. 2 Α. Based on the information that I had at the time I generated this letter, the annual estimated total 3 4 was \$284,325. 5 Ο. Since the preparation of this letter, have 6 you had a chance to continue to refine your cost estimates? 7 Α. Yes. I have continued to evaluate issues, concerns and costs with managing these materials in 8 different ways, specifically to prepping and packaging and 9 preparing for shipment. 10 (Exhibit 11a marked for identification.) 11 12 MR. HARSCH: I would start a group exhibit Q. 13 11. Would you please explain what I marked as Exhibit 11a? 14 Α. Exhibit 11a is a cost estimate that I have developed based on additional information from requirements 15 from the ICI facility on how they would have to receive our 16 materials. Specifically, how it would have to be prepped 17 18 and packaged and the raw materials needed to complete that successfully, the labor hours required to do that and how 19 20 that would have to work; so what you see in this exhibit is 21 12 hundred -- based on 12 hundred pounds of explosive. I 22 put these in weekly quantities so we could compare them to the same numbers of relief that we asked for in the 23 24 Adjusted Standard.

KEEFE REPORTING COMPANY

MS. DOCTORS: This is weekly?

1

2 Α. If you note at the very top, 12 hundred pounds, that is our weekly units in the open burn unit that 3 4 we are asking for in the future and we currently have. The 5 packaging is fairly complicated how we would have to prep 6 this material to go off-site. Secondary explosives which 7 would be the TNT's, RDX's, PETN's we spoke to earlier, for 8 those to go to ICI they have to shipped 25 percent water wet. The outer container, which would be a DOT certified 9 cardboard box with an inner anti-static liner, which then 10 11 inside that anti-static liner would be subpacks containing two pounds of explosives each 25 percent water wet. So 12 13 there would be two pounds of explosive and half a pound of 14 water in each of these subpacks which would be a double bag, anti-static bag, two of those. What that amounts to 15 is to get 40 pounds gross weight of explosives in a 16 container -- 40 pounds net explosive weight in the 17 18 container. The gross weight would be 53 pounds. There is 13 pounds of additional packaging that we have added to 19 20 that we will be charged for by the incinerator because they 21 charge on a gross weight basis, and they destroy the entire 22 container. This DOT box set up and labeling, we looked at man hours to do that. It's a couple man hours to prep that 23 many boxes and do the labels. We did a weigh wet and 24

KEEFE REPORTING COMPANY

packaged the explosives in subpacks. We are looking at 20 1 2 man hours to process 12 hundred pounds of that material. To generate the manifest, the land disposal restriction 3 4 notification per EPA requirements as well as DOT 5 requirements, you are looking at two man hours to load the 6 truck. You are looking at significant cost in supplies. 7 The DOT certified box is \$2. Larger anti-static liners are 8 \$1.18 a piece. The anti-static subpacks, which there are 40 of those in a box, are 38 cents a piece. Label stock is 9 \$1.85 for a grand total for us just to prep on-site of 12 10 hundred pounds of explosives at a cost of \$972.90 just to 11 prepare it for shipment. This is before it ever leaves our 12 13 facility.

14 (Exhibit 11b marked for identification.)
15 Q. I show you what I have marked as Exhibit
16 11b. Would you please explain for the record what this
17 document is?

A. Exhibit 11b is a cost estimate that I prepared as more of this additional information that became available on how I would have to prepare this material to be received by ICI. What we are looking at here on this estimate is for the contaminated materials, and I have based this on 45 hundred pounds. That is effectively the amount of materials we can treat in a one week's time

KEEFE REPORTING COMPANY

on-site by our own internal protocols. We have authority 1 2 to treat 5,000 effectively. The most we can treat is 4,500 given our own internal limitations. The process of 45 3 4 pounds of explosive contaminated waste that would be 5 contaminated cardboard, paper, coveralls, etcetera that we 6 talked through earlier. It again has quite a lengthy 7 requirement on how it is packaged and shipped to ICI, and 8 depending on how the analytical and their actual approvals that the ICI come out, it is possible this material would 9 have to be shipped 5 percent water wet. The container 10 would consist of an outer DOT certified cardboard box, 11 typically a gaylord. A large box with in inner anti-static 12 13 liner which would then contain subpacks which would contain 14 20 pounds of contaminated materials in these subpacks. These subpacks would be double bagged anti-static bags each 15 secured with a plastic tie, each one of them closed. Best 16 estimate based on the volume, I assume I can get 17 18 approximately 500 pounds of explosive contaminated 19 materials configured in those types of bags inside of a 20 gaylord. If it is dry and does not have to be -- does not 21 require to be shipped water wet, the gross weight of that 22 container becomes 565 pounds because we are separating the weight of the gaylord and the bags. So for 500 pounds of 23 24 actual waste material, I would be paying for 565 pounds of

KEEFE REPORTING COMPANY

gross weight container. Same chronology that I had 1 before. DOT box set up, labeling and putting the liner in 2 it, weigh and close the subpacks, generate the manifest and 3 4 land disposal restrictions, the supplies. Pretty expensive 5 pretty quick with the boxes and larger subpacks and the 6 number of them. So for us, the estimate for us to 7 pre-package explosive contaminated materials to go off-site 8 to the ICI incinerator, the cost is \$1,167.55 before it leaves our site. These costs do not include the truck or 9 ICI's charge to us for the destruction of that material. 10 (Exhibit 11c marked for identification.) 11 MR. HARSCH: I will show you what has been 12 Ο. 13 marked as Exhibit 11c? 14 One of the things of obvious interest to us Α. as well as we were asked for, I believe by the Board and 15 the Agency, was develope on-site treatment costs for the 16 17 operation of our currently permitted open burn unit. What 18 I have done here is based on weekly quantities and 19 annualized the cost relative to run our open burn unit for 20 materials we have discussed here today. So based on one 21 week's operation of our on-site treatment unit, which we 22 would process 12 hundred pounds of explosive waste and 45 hundred pounds of explosive contaminated waste. 23 24 (Reporter asked witness to slow down.)

KEEFE REPORTING COMPANY

This would include labor, supplies, set up 1 Α. 2 and to conduct our burns via normal operating procedures as given to us in our RCRA Part-B permit and under the current 3 4 Pollution Control Board variance. You will see line items 5 for staging and set up. As I have shown you the pictures 6 earlier to talked to you how we set up a burn and how we 7 conduct a burn. We are going to initiate the burn and 8 conduct a fire watch and how many hours that takes for the week inspection of the treatment unit, removal of the 9 10 residues and proper management of that material, the 11 supplies we need to do those burns for the week. A weekly total to safely treat 12 hundred pounds of explosives, 45 12 13 hundred pounds of explosive contaminated materials comes 14 out to \$860.50. If you annualized that into the estimated annual quantities as put forth in the letter to John 15 Justice that we showed you earlier as an exhibit, it would 16 17 take us approximately 14 burns of those weekly duration at 18 those quantities. Our annualized cost for the burn unit is \$13,545, and I did throw in \$1,500 for maintenance of the 19 unit like weed control and things like that. 20 21 (Exhibit 11d marked for identifcation.) 22 Q. If I show you what has been marked as Exhibit 11d --23

24

Α.

123

To put those previous numbers in perspective

KEEFE REPORTING COMPANY

and obviously for my planning and going forward to 1 understand the difference in cost, I did an estimate on 2 cost comparison between treating on-site versus shipping 3 4 those materials to ICI based on those numbers we just 5 talked about. 12 hundred pounds, a week's worth of 6 material, we currently have authority to treat on-site. 12 7 hundred pounds of explosive waste, 45 hundred pounds of 8 explosive contaminated materials, so what you are going to see is on-site costs versus off-site costs. For one week's 9 worth of material that we currently treat in the burn unit 10 it costs us \$860.45. To go off-site with the same amount 11 of material is going to cost us \$31,440.45. For a cost 12 13 increase for one week's burn unit treatment of \$30,579.95. 14 Ο. Do the results of this comparison just refine your prior cost estimate of approximately 280 thousand 15 dollars? 16 It's going to bump it up by about 10 percent 17 Α. 18 due to the additional packaging cost and how we would have to pack the materials that I have been able to gather from 19 ICI in my previous letter to John Justice. 20 21 Q. Is that why the cost estimate of 300 thousand 22 dollars came from that I referenced in my questions to Mr. Edwards earlier this morning? 23

A. Yes, it is.

KEEFE REPORTING COMPANY

1 You believe that for ball park cost estimate Ο. purposes that is a good estimate to utilize? 2 Yes, I do. 3 Α. 4 Ο. Putting all this stuff in double bags and 5 anti-static bags, do you have any opinion as to the 6 practicality of complying with these requirements to ship 7 the materials? Yes, I do. And I sat down as I was 8 Α. developing these numbers with my burn unit operators, my 9 every day and asked them to walk through with me what the

10 hazardous waste technicians who are the folks that do this 11 12 complications were to help develop these costs and what do they see as potential safety concerns as well as 13 14 operational limits to be able to do this. The exhibits that I showed earlier that show the variety and sizes of 15 the containers that we are talking about that would 16 17 potentially be contaminated materials as well as the boxes, 18 the fiberboard drums, etcetera are not going to lend 19 themselves very easily to being packaged in this manner due 20 to their size, due to sharp edges and corners which will 21 rip and cut the anti-static bags which they are required to 22 be placed in and their physical -- they are cumbersome to be able to do that with. 23

24 I have another exhibit to show you that I deem and

125

KEEFE REPORTING COMPANY

my operators deem as the best scenario for trying to bag
 outer contaminated packaging.

(Exhibit 12 marked for identification.) 3 4 Ο. MR. HARSCH: That is Exhibit 12. 5 Α. What you will see in this photo is two of 6 those anti-static bags that I referenced which I think are 7 \$1.18 a piece. With ten boxes of a box that you saw in an 8 earlier picture that I said that is the best container we could hope for. That box weighs two pounds. Ten of those 9 10 in there, that is the maximum quantity we can put in a 11 subpack for explosive contaminated materials. That doesn't 12 look too bad. If you look at those other containers you 13 saw in previous exhibits, specifically those large 14 fiberboard drums, you are going to get one of those maybe in an anti-static bag; and you might get 10 or 15 of those 15 into a gave Lord for shipment. So it's going to be very 16 cumbersome. A lot of these materials have sharp corners 17 18 and edges, a certain type of box; and they are going to really be hard on the anti-static liners and cause them to 19 20 rip which would cause us to repack. These are requirements 21 from the receiving facility. They have the flexibility to 22 refuse loads for any reason if they are not happy with how it's packaged or how it's received. They could cause it to 23 24 be returned to us to be repackaged once again.

KEEFE REPORTING COMPANY

Q. Every time its returned for repackaging would
 be more cost?

More cost, more handling, increased risk. 3 Α. 4 Ο. What happens to a DOT approved box if one of 5 these packages that have to be shipped water weight leaks? 6 Α. Department of Transportation Hazmat packaging 7 requirements are very strict. If I am shipping explosive 8 powders, for example, that have to be 25 percent water wet, if it were to leak out into the outer package where it was 9 10 visible and that happened to be the load that the Hazmat officer decided to look at, that is a citable DOT violation 11 on the spot. Those do happen, and they have happened, and 12 13 they are not any fun.

14 Q. And in fact, if that were to occur, you would 15 have to take the load apart repack it, and the outer 16 packaging would then become waste material?

A. They could basically stop the vehicle wherever it was at, cause it not to move again until we have rectified the specific issue. Past experience, any time they are going to write a violation like that, they ask for money as well as rectification of the problem. MR. HARSCH: Can we stop for a second and go off

23 the record?

24

(Discussion held off the record.)

KEEFE REPORTING COMPANY

1 MR. HARSCH: None of these alternatives that you 2 have dealt with discuss the issue of flashing that we are 3 also seeking relief for. Can you explain what you mean by 4 the term flashing and why it's necessary?

5 Α. Flashing is an industry term for the thermal 6 sanitization or the thermal treatment of explosive 7 contaminated equipment typically. If you have a part, a vessel, a device that has existed in an explosives 8 production environment for any amount of time, it has a 9 high risk of having hidden and confined explosive 10 11 contamination. An example would be a vessel, a mixed vessel that I have spoken to earlier. They have cracks 12 13 crevasses, aluminum or stainless steel because what you use 14 is typically a non-sparking material. Any time there is a 15 weld or joint or flange, connection to where there is potential for explosives to migrate into that crevasse you 16 17 cannot effectively remove that explosive hazard through 18 conventional cleaning methods whether it be steaming, 19 etcetera. So you have to go to some other level of 20 treatment or clean to alleviate that hazard. Why is that a 21 hazard? Explosives unconfined perform one way. Explosives 22 confined perform much more violently. That is how they do 23 their best work is when they are confined. For example, if 24 you had a crack in an I-beam from an explosive process,

KEEFE REPORTING COMPANY

typically an aluminum beam, explosives migrated into that 1 2 crack and you weren't able to successfully clean it and it were to be cut up for scrap for example, the energy from 3 4 the cutting torch or throwing it in a smelter could cause 5 that to detonate. So flashing of equipment is something 6 that is important to us from a safety perspective. We have 7 very strict internal procedures on how we manage any 8 equipment or parts that come out of an explosive production process. This is relief we have had in the past. It 9 10 allows us to do this.

11 Q. Would you show the second clip of the video 12 that is contained as Exhibit 3 which shows this flashing 13 operation?

14 It has about four minutes or a condensed Α. 15 version of a thermal treatment or flashing operation that was conducted at our facility a number of years ago. When 16 17 Ensign Bickford was in the process excess and obsolete 18 explosive production processes. What I will show you is a 19 controlled flashing operation and a unit that is designed 20 for that that we have spoken to in our all of our variance 21 relief and in the Adjusted Standard. You are going to see 22 we are using combustibles, clean pallets, clean straw to 23 bring it up to temperature. These are fairly large pieces 24 of equipment so we can decompose either actually burn or

KEEFE REPORTING COMPANY

decompose the explosives. The explosives if you get them 1 up to a operating temperature will decompose if they don't 2 burn. We do this because we are concerned about these 3 4 confined explosives in minute cracks and crevasses or 5 internal voids of equipment that we can not physically 6 clean. This video will depict one of these vessels, one of 7 these pieces of equipment, detonating during a burn process 8 which is if it's going to happen. This is where we want it to happen on our site in a controlled environment inside a 9 10 unit designed for this particular process. Please note probably the center right part of the burn is kind of a 11 12 square configuration. You will hear some jetting going on, 13 hear some noise, followed by seeing a flame a little 14 different from the rest, and you will hear a couple of smaller detonations followed by one of a very large 15 detonation 16 (Video Exhibit 3 played). 17 18 MR. HARSCH: Again, that is an edited version Ο. only by cutting out some of the times that depicted the 19 burns from the initiation and then the burns that occurred 20 21 after the explosion; is that correct? 22 Α. Yes. All we did was edit the tape to take out some of the boring part, watching it ramp up. The 23 24 actual final detonation you saw there at the end was

KEEFE REPORTING COMPANY

several minutes into the burn before we heard the final 1 2 detonation. That was probably in my best estimate based on working with explosives it was probably approximate to one 3 4 pound of our materials under confinement. I believe the 5 vessel that detonated at the end and totally obliterated 6 the burn was a double wall steam jacketed vessel where it 7 had some sort of stress fracture in that wall. During the 8 years of mixing and melting explosives, it had migrated 9 into that area and was confined. You saw the small flame 10 jumping up prior to the detonation. It was those gases 11 building up and trying to get out as those explosives were 12 starting to react and reached a critical temperature and 13 pressure and the contents were detonated. 14 Ο. Can you explain how EBCo cleaned that equipment prior to the flashing? 15 That equipment and as we do today are 16 Α. physically cleaned to the best of our ability. They will 17 18 be wiped down, scrubbed down, steam cleaned, pressure washed with water inside where we have the capability to 19 20 manage that water. It's the places you can't clean that we 21 are worried about, and that is an example of what can 22 happen with those materials if you add an initiation 23 source. 24 That initiation source could be friction, Ο.

KEEFE REPORTING COMPANY

1 fire, compaction?

2 Α. Impact. What materials does EBCo use when it flashes 3 Q. 4 materials, materials used to reach the elevated critical 5 temperature? 6 Α. We will use clean hardwood pallets and clean 7 cardboard, straw. 8 Ο. What is the function of those materials? 9 It's to bring the material being treated, the Α. equipment or devices and pieces or parts, up to a minimum 10 temperature that the explosives will degrade at. We want 11 12 to -- we like to see 12 hundred and above temperature, 13 which we can in a burn like you just saw, so those 14 explosives minute quantities of explosives unable to be cleaned places either actually react by burning; or if you 15 get those types of explosives we process in the plant up to 16 that temperature, they will actually decompose into 17 non-reactive materials. 18 How is the straw utilized? 19 Ο. 20 The straw is typically strategically placed Α. 21 throughout the burn to facilitate the initiation of the 22 burn and get the fire to start propagating to the set up and to all the equipment. 23 24 Why do you use cardboard and pallets? Q.

KEEFE REPORTING COMPANY

1 Cardboard and pallets actually help us get to Α. the temperature and sustain it for an acceptable duration, 2 so we are ensured we will remove the explosive hazard. 3 4 Ο. When you refer to clean cardboard, what are 5 you referring to? 6 Α. Historically, we have utilized the 7 contaminated cardboard on-site the cleanest variety of that 8 that has a slight explosive dusting on that that would 9 otherwise be treated in our on-site burn unit. We have 10 used that as a combustible source to flash materials in an effort to reduce the total amounts to be burned as a whole. 11 Have you discussed that practice with a your 12 Q. 13 waste minimization current P2 representative? 14 Α. Yes, I have. What was his conclusions? 15 Q. That was a good practice. 16 Α. 17 Q. For waste minimization purposes? 18 Yes. Α. Is your cardboard packaging material plastic 19 Ο. coated or otherwise impregnated? 20 21 Α. No plastic involved with those cardboards to 22 my knowledge. When you are talking about burning clean 23 Q. 24 cardboard, you are talking about burning cardboard, not

KEEFE REPORTING COMPANY

1 cardboard impregnated with plastic or other materials? Correct. 2 Α. 3 Has the Agency -- have representatives of the Q. 4 Agency observed the operation of flashing materials in the 5 past? 6 Α. Yes. 7 Q. Have representatives of the Agency observed 8 your, the use of your open burn unit? 9 Α. Yes. 10 Has EBCo ever received any complaint Ο. regarding the operation of its burn unit or flashing from 11 anyone that you are aware of? 12 13 Α. No. 14 Ο. Are you required to give notice to the general public regarding the initiation of your open burn 15 16 unit and the flashing? 17 Yes. It is a typical requirement through the Α. 18 variance processes we have in the past that we do a local community and notification and document that prior to doing 19 20 the first burn under that authority. 21 Q. Did you do so under the last variance? Α. 22 Yes. 23 Did you receive -- how did you give that Ο. 24 notice?

KEEFE REPORTING COMPANY

1 We did an actual mailing to every resident Α. with the Wolf Lake zip code which would be the entire 2 surrounding community, rural and in the small town of Wolf 3 4 Lake. 5 Q. Did you receive any response? 6 Α. None. 7 Q. That was a pretty violent explosion. Is that a typical flashing that is observed there? 8 9 Α. No. 10 How far did that explosion send pieces of Ο. that part that blew up? 11 There was a fairly significant chunk of 12 Α. 13 stainless steel that was found approximately 1,600 feet 14 from that unit following that detonation. When I said it was not a typical flashing, it was not typical flashing in 15 the violent result of an energetic material detonating. 16 The rest of that flash is something fairly typical as far 17 as how it's set up, staged and controlled. 18 The two pops you heard prior would be 19 Ο. 20 detonations. There were additional pops on the original 21 tape that the Agency has seen in Springfield? 22 Α. Correct. That is what you would typically hear? 23 Ο. 24 Α. Yes.

KEEFE REPORTING COMPANY

1 That film was taken at a time when EBCo had Ο. 2 essentially just completed the construction of that open burn unit; is that correct? 3 4 Α. That's correct. 5 Ο. Is it your understanding that the land 6 division that the Illinois EPA required EBCo to move the 7 material off-site that had been accumulated through the 8 operation of Atlas and Trojan, the excess building 9 equipment that had been stored? 10 The process equipment and etcetera was the Α. 11 initiative taken by Ensign Bickford to do that as part of their clean up and renovation of the site. 12 What do you do with the materials after they 13 Ο. 14 have been flashed? We have a written procedure and protocol on 15 Α. how we set up, conduct and do follow up to a flash. 16 Currently, I will personally along with my Hazmat techs who 17 18 are long term trained employees, will physically inspect it as soon as it's safe to return to that unit, and we 19 20 typically have heat sensitive materials throughout the 21 burn, so we know we saw the adequate temperature to react 22 to explosives. If it is clean -- when we clean the explosives residues is removed, we have a special waste 23 24 permit for the residues and the burned debris, metals,

KEEFE REPORTING COMPANY

etcetera, and we will place it in a container and ship it 1 off to a land fill, non-Haz. 2 3 While that video shows a car in the immediate Q. 4 vicinity that that burn is, is that practice currently 5 allowed? 6 Α. No. 7 Q. How do you control access now? 8 We have that on a very remote area of our Α. plant quite some distance from any operating building. We 9 10 have access to the road which we block off that entire area 11 of the burn. We remotely initiate it similar to how we initiate the burns in our open burn unit via fuse and 12 13 retire outside the controlled area which is approximately 14 1,600 feet away. You previously testified and the site manager 15 Q. testified that there have been no incidents regarding any 16 explosion at the Wolf Lake facility. Have there been any 17 18 incidents that you are aware of that you could share with us of the attempted reuse materials that you would flash on 19 the Wolf Lake site? 20 21 Α. Not at the Wolf Lake facility. 22 Q. I understand, but you would typically flash at the Wolf Lake facility? 23 24 Other than small pops we anticipate and Α.

KEEFE REPORTING COMPANY

1 expect in a controlled burn.

Has EBCo personnel at another locations ever 2 Ο. been injured by the attempt to reutilize stainless steel 3 4 piping? 5 Α. Yes. 6 Q. Would you please explain how that occurred? 7 Α. A maintenance employee at another one of our 8 domestic operations gained access to or had access to a 9 explosive contaminated pipe that he was attempting to reuse 10 for some specific application he was working on. He needed to cut that pipe, and using a cutting torch he initiated 11 12 the torching of that pipe. The material that was 13 contaminated on the inside of the pipe shot and removed his 14 hand. Is that the type of concern that leads you 15 Q. personally as the on-site safety manager to want to flash 16 materials and move them off-site rapidly? 17 18 Α. Yes. In a timely manner so they are not sitting around and not available so their risk does not 19 20 increase. 21 Q. Do you know any technically available 22 alternative for the types of equipment that you need to flash other than flashing that would be applicable? 23 24 The majority of the pieces that we are Α.

KEEFE REPORTING COMPANY

1 flashing are large as we saw in the video, and I know of no
2 other alternative.

3 Q. If you are required to ultimately tear out 4 the cast booster equipment from that building, will you 5 have to flash that equipment?

6 Α. Yes. If the business decision is made to 7 where it is permanently shut down, I will be tasked to 8 decontaminate the building from top to bottom to get it in 9 a clean condition so it can be used for other operations in the future. All the equipment would have to be safely 10 removed from the building and decontaminated. It would 11 have to be flashed due to the explosive hazards present. 12 13 Ο. At this point I would -- can we go off the 14 record a second? (Discussion held off the record.) 15 (Witness sworn). 16 RICHARD TRZUPEK 17 called as a witness, being first duly sworn, was examined 18 and testified as follows: 19 20 DIRECT EXAMINATION BY MR. HARSCH: 21 22 Q. Mr. Trzupek, would you please state your name for the record and where you are employed? 23 24 My name is Rich Trzupek, and I am employed as Α.

KEEFE REPORTING COMPANY

1 Air Quality Manager at Huff and Huff Incorporated in 2 LaGrange, Illinois. What are your duties at Huff and Huff? 3 Q. 4 Α. I manage the air quality division for Huff 5 and Huff which is an environmental consulting company. All 6 air related matters involving permitting, regulatory 7 compliance, air quality modeling, control. I manage those 8 activities for other employees and for clients. 9 Ο. How long have you been engaged in this practice at Huff and Huff? 10 At Huff and Huff I have been employed a 11 Α. little over two years. 12 13 Ο. Prior to that? 14 Α. I have been employed for different consulting companies for the previous 18 years. 15 16 Q. In the same capacity that you previously 17 testified to? That's correct. 18 Α. You previously testified as an expert 19 Ο. 20 witness? 21 Α. I have. Were you engaged by our law firm to assist 22 Q. EBCo with respect to obtaining variance and then the 23 24 Adjusted Standard relief?

KEEFE REPORTING COMPANY

1 I was so engaged. Α. What was the task you were given? 2 Q. I was asked to model emissions from their 3 Α. 4 open burning to determine off-site impacts of air 5 pollutants. How many times did you conduct that work? 6 Q. 7 Α. We conducted it using two different modes. 8 Would you describe -- did you prepare a Q. report as a result of your work? 9 10 Α. Yes, I did. (Exhibit 14 marked for identification.) 11 12 I show you what has been previously marked as Q. 13 Exhibit 14. Is that a copy of your report? 14 Α. That is a copy. I am sure it's accurate to the best of your 15 Q. knowledge? 16 Yes, it is. 17 Α. 18 Can you briefly explain the modeling that you Ο. carried out and the results you found? 19 20 This is the second model, second round of Α. 21 modeling that we conducted using the open burning, open detonation model which took three different scenarios of 22 burning that might be conducted at Ensign Bickford. The 23 24 scenarios were proposed and agreed upon by the Illinois one

KEEFE REPORTING COMPANY

1 of the Illinois EPA's modeling experts, Jeff Sprague, depicting three, what we proposed were worst case open 2 burning activities; and those were modeled over five years 3 4 of meteorological data which is typical for modeling 5 practice. We examined the impact at the fence line which 6 we agreed would be the worse case impact at 50 meter -- at 7 receptors spaced 50 meters apart around the entire 8 perimeter of Ensign Bickford's property. 9 Ο. Prior to conducting this model, you did testify you have worked with an Agency modeling expert? 10 Α. That is correct. 11 12 And you submitted the results to him? Q. 13 Α. That is correct. 14 Ο. Are you aware of any questions or concerns that the Agency's modeling expert had with the respect to 15 the work you carried out as you were carrying it out or 16 17 subsequent? 18 Α. As we were carrying it out, there were minor questions raised about the technicalities of the modes. 19 20 It's a very complex model that we were able to respond to, 21 and in the end product that you see before you there were 22 no questions, and he indicated full satisfaction with the product. 23 24 What are the general results set forth in Q.

KEEFE REPORTING COMPANY

1

this modeling report that you found?

2 Α. We can divide the results into two types criteria pollutants versus other pollutants, some of which 3 4 may be classified as hazardous air pollutants or HAPS. The 5 criteria pollutants we compared to national ambient air 6 quality standards, and we found that they had no impact on 7 national ambient air quality standards; and that in no case 8 did we see a violation of NAAQ standards either from the emissions from the open burning by itself or with 9 10 background concentrations, maximum background concentrations, added in. 11

12 In the case of the other pollutants where there 13 were applicable OSHA standards Occupational Safety and 14 Health Administration or NIOSH standards, N-I-O-S-H, we compared the modeled results to those standards where they 15 existed, and there is no established criteria; but rule of 16 thumb in the industry is you try not to go above 1 percent 17 18 of one of those standards where they exist, and in no case did we approach one percent; so from our point of view from 19 all of the data that we gathered, it was presented no 20 21 significant impact in any way.

Q. And you discussed those results with the air
pollution expert that you previously identified?
A. That is correct.

KEEFE REPORTING COMPANY

1 It's your understanding that he concluded Q. those concurred with those results? 2 3 That is correct. Α. 4 Ο. You were here this morning when Ms. Doctors 5 presented had in her opening statement the fact that this 6 was not a case where there was any ambient an air quality 7 impact with the result. That would be consistent with your 8 modeling results, would it not? 9 Α. That is correct. 10 Have you reviewed the Agency's recommendation Ο. in this case? 11 12 Α. I have. 13 Ο. Do you concur with the statements with 14 respect to, other than criteria pollutants? No. I do not. 15 Α. 16 Would you explain why you do not? Q. As background, the model that has been used 17 Α. OBODM or we shorten it OBOD is OBOD is a very old model 18 that takes a great deal of time to run. It's a 1970's 19 20 technology. The standards that we're applying in terms of 21 number of receptors and scenarios are standards developed 22 for modern models that can be manipulated very quickly. The result is it takes a an enormous amount of time to run 23 24 each of the scenarios that we have run. We did that for

KEEFE REPORTING COMPANY

criteria pollutants where those factors existed. When we 1 2 came to the other pollutants, including hazardous 3 pollutants, we came to the conclusion with the concurrence 4 of the Agency's modeling expert that it was not worth the 5 time to take the two hours or so it takes to run each 6 scenario for each of the other pollutants. The reason 7 being, is that the model works mathematically, and the concentration that shows up is proportional to the emission 8 factor put in for the type of pollutant. All gaseous 9 pollutants work the same. All particulate pollutants work 10 the same within this model, so if we found, let's say 11 theoretically, one part per billionth within that fence 12 13 line with an emission factor of two. If we took that 14 emission factor to four we would see two parts per 15 billionth. It's a proportional relationship, so what we did rather that go through the entire modeling exercise, we 16 17 proportioned out the gaseous results for all the other 18 gashes pollutants there, the particulate results for all 19 the other particulate pollutants that were there, and 20 arrived at the same numbers. However, we saved ourselves 21 several weeks of modeling time, so in my mind we have fully 22 addressed all pollutants for which emission factors exist for the explosives that Ensign Bickford runs. 23 24 And again that procedure and process for Ο.

KEEFE REPORTING COMPANY

1 doing that mathematical and proportion and calculation was discussed with the Agency's modeling personnel? 2 Yes, it was. 3 Α. 4 Ο. Can you describe simply for the record just 5 very briefly what the results of your modeling were, what 6 worse case you modeled and what the results was? 7 Α. Yes. Worst case results for criteria pollutants, it was for a scenario in which manufacturer 8 9 sludge was the waste category burned; and we showed 10 approximately 31 percent of the NAAQ standard. With background concentrations added in was approximately 70 11 12 percent of the NAAQ standard, and again well below; and the 13 others were far below that. 14 Ο. And the model uses very conservative assumptions to arrive at those numbers? 15 That is correct. We essentially report the 16 Α. worst weather day with the worst burn possible. 17 18 And based on your modeling results and your Ο. familiarity with the Wolf Lake facility do you have an 19 opinion as to whether or not the operation of the waste 20 21 burn unit as Mr. Buchanan testified to results in any environmental measurable impact? 22 In my professional opinion it would have no 23 Α. 24 measurable environmental impact.

KEEFE REPORTING COMPANY

Have you had an opportunity to calculate the 1 Q. 2 amount of pounds of emissions per ton of waste that is burned and compare that with the cost that Mr. Buchanan has 3 4 testified to today? 5 Α. Yes, I have. 6 (Exhibit 15 marked for identification.) 7 Q. MR. HARSCH: If I show you what has been marked as Exhibit 15, would you describe what that is? 8 9 I did a rough calculation of the cost of Α. control per ton if the waste that Mr. Buchanan testified to 10 11 were to be shipped off-site. 12 And what do those calculations show? Q. 13 Α. To explain, I used emission factors, the 14 highest emission factors that I think could be applied to this waste for the open burning of refuse. Mr. Buchanan's 15 or Ensign Bickford's waste actually burns more cleanly than 16 17 refuse. It's not as moist. It has a greater BTU value. 18 Therefore, these are conservative factors. Adding those 19 together, I come up with 138 pounds of pollutants per ton 20 of waste and then applying that to the maximum amount he 21 indicated would be shipped off-site of 48,800 pounds per 22 year, I come up with maximum emissions of 1.68 tons per year that would be generated at Ensign Bickford if that 23 24 waste were burned -- open burned at Ensign Bickford. If we

KEEFE REPORTING COMPANY

then say that to control those 1.68 tons it would be 1 shipped off-site at a cost of 300 thousand dollars a year, 2 we come up with a cost of over 175 thousand dollars per ton 3 4 for control. 5 Ο. Based on your experience in the consulting 6 business how would you describe that figure? 7 Α. I would characterize that as an extremely 8 high figure. Generally anything over 10 thousand dollars 9 would be considered a very excessive cost of control. 10 Based upon your experience in the field, Ο. would you equate the operations that are conducted at EBCo 11 to what is normally referred to as open burning? 12 13 Α. No. I would not. I would consider it a much 14 more controlled situation, much cleaner burn than would normally considered open burning. 15 MR. HARSCH: I have no further questions. 16 HEARING OFFICER LANGHOFF: Thank you. Ms. 17 18 Doctors. CROSS EXAMINATION 19 20 BY MS. DOCTORS: 21 Q. Did you model for flashing of large amounts 22 of potentially contaminated equipment or buildings and the necessary combustion materials as seen earlier in the 23 24 hearing on the video?

KEEFE REPORTING COMPANY

A. For the flashing operations specifically?
 O. Yes.

Α. 3 The model that we were told to use only asked 4 us to consider the explosive, so the model used the maximum 5 amount of explosives that we would expect to see at any one 6 time; so the answer is did we model for if it was 7 flashing? Specifically, no. We modeled for the maximum 8 amount of explosives burning at any one time. It is not related to any one scenario, but that scenario would 9 include flashing or open burning or any other part. 10 11 Q. Would you anticipate higher emissions from flashings as compared to clean packaging materials? 12 13 From the explosives -- from the explosive Α. 14 part the way -- working with the Illinois EPA, the model gives you the choice to choose a detonation which we have 15 seen some examinations of and the slow burn results in the 16 17 higher emissions over the whole period as opposed to the 18 detonation; so as far as explosive materials go, I would

19 expect the flashing to be lower if it had a detonation. If 20 you include the packaging materials, honestly I am not sure 21 how that would go because you do have some combustibles, 22 non-explosives combustibles that they have excels the 23 non-explosive paper as well. I couldn't say that would 24 involve the non-explosives which we didn't model for.

KEEFE REPORTING COMPANY

1 You didn't model the burning of the Ο. non-explosive material? 2 3 Α. Correct. 4 Ο. The other thing I guess it's I have this 5 which I think is the same as that on page 2 you listed the 6 types of materials that the facility burns including paper, 7 cardboard, spent carbon, powders or sludges you didn't list 8 any plastic? 9 Α. Correct. My understanding that was a 10 rarity. I was told that it was rare that any plastic would be included. 11 Is there a difference in the composition of 12 Ο. 13 cardboard versus fiberboard? 14 Α. I couldn't speak to that. I honestly don't 15 know. Okay. Have you done any modeling with 16 Q. respect to RCRA type permitting? 17 18 Α. For RCRA permits. No. So do you have any -- you testified to a 19 Ο. cost figure per ton in terms of air pollution. Now, do you 20 21 know whether this is representative of the cost for waste 22 disposal for just general waste disposal at a company? You said 10 thousand dollars a ton is the number you look at 23 24 for air pollution control, but did you look at the numbers

KEEFE REPORTING COMPANY

1 for waste disposal?

No. I did not. 2 Α. MS. DOCTORS: That is all my questions, thank you. 3 4 REDIRECT EXAMINATION 5 BY MR. HARSCH: 6 Q. Mr. Trzupek, in the first round of modeling 7 that was again done after consultation with the Agency. 8 Did you -- would that model have taken into consideration 9 the burning of materials other than explosive materials? 10 Α. Yes, it did. And what -- were the results from that 11 Ο. modeling examiners size that were also given to the Agency, 12 13 were they not? That is correct. That was using the Screen 3 14 Α. model and it also showed no significant impacts, no 15 violation of national ambient air quality standards for the 16 two pollutants modeled, which if memory serves were 17 18 particulate and carbon monoxide. Those would be the two pollutants that you 19 Ο. would normally think of concerning of burning the type of 20 materials Ms. Doctors talked about? 21 22 Α. They would be a primary concern. MR. HARSCH: I have no further questions. 23 24 RECROSS EXAMINATION

KEEFE REPORTING COMPANY

1 BY MS. DOCTORS: 2 Ο. Would that screen 3 model take into account any screen 3 plastics? 3 4 Α. May I consult? I have one copy of that 5 report. May I consult it very quickly? 6 MS. DOCTORS: If you remind me of what the title 7 is, I believe you furnished me a copy of that; is that 8 correct Mr. Harsch? 9 It was dated 2/8/2001 and the subject line is Α. labeled Refuse Burning. That round of modeling utilized as 10 11 a source the open burning refuse factors that are on page 2 12 of Exhibit 15, I don't believe that specifically says that 13 that mixture, that municipal mixture, includes plastics; so 14 I can't speak with certainty; but it is my belief that municipal refuse mix that is assumed is assumed to include 15 a certain percentage of plastics. There is a reference and 16 we could trace that. 17 18 I was looking to see if I could locate the Ο. copy. I found a letter dated -- well I found it. I found 19 a letter dated October 3 addressed to Mr. Harsh from you 20 21 Rich Trzupek. Is that the correct letter? 22 Α. Yes, it is. Now, we were talking about emission factors 23 Ο. 24 and the types, the composition of the waste that were used

KEEFE REPORTING COMPANY

for screen 3. Is it your testimony that the waste that was 1 modeled under the screen 3 was taken from this document 2 that is labeled Exhibit number -- what is the exhibit 3 4 number? 5 HEARING OFFICER LANGHOFF: 15. 6 Q. MS. DOCTORS: Exhibit 15? 7 Α. Yes. On page 2 of the October 3 letter, there is a reference to AP42, Chapter 2.5, Open Burning, 8 and you will see that the copy of the AP42 section that is 9 constitutes page 2 of Exhibit 15 is the open burning for 10 municipal refuse, table 2.5-1. That was used to compute 11 that emission factor. 12 13 Ο. Okay. Now, did this screen 3 model look at 14 toxic pollutants? It did not. It does not. 15 Α. MS. DOCTORS: I have no further questions. 16 HEARING OFFICER LANGHOFF: Thank you. Thank you 17 18 Mr. Trzupek. HEARING OFFICER LANGHOFF: For the record my 19 20 Hearing Officer Order incorporates these questions that I 21 earlier e-mailed to both the parties, and Mr. Buchanan is 22 back on the stand; and he is still under oath. 23 MR. HARSCH: Mr. Hearing officer with respect to 24 your order and the questions presented, question 1a, I

KEEFE REPORTING COMPANY

think asks a legal issue as well as a factual issue; and I 1 would like to respond briefly if I might to the legal 2 3 point. 4 HEARING OFFICER LANGHOFF: Can you do that in your 5 brief? 6 MR. HARSCH: It might take 20 seconds. 7 MS. DOCTORS: Is it possible for him to do that on the record? 8 9 HEARING OFFICER LANGHOFF: It is on the record. 10 MS. DOCTORS: I mean his response. HEARING OFFICER LANGHOFF: Okay. Yes, sir. 11 MR. HARSCH: We believe when the Pollution Control 12 13 Board enacted the prohibition and open burning statement to 14 state -- enacted prohibition in open burning explosive waste is inaccurate. When the Board enacted -- adopted the 15 rules governing open burning it decided to make explicit 16 that these cases should be dealt with individually on a 17 18 variance basis and neither grant a blanket approval or prohibition, so that the statement contained in the 19 Agency's recommendation, I think, we disagree with and the 20 21 question based on that. The Board at the time it enacted the rule in 22 question acknowledged variances had been granted on several 23

KEEFE REPORTING COMPANY

occasions upon a showing of necessity, and the Board would

24

continue to grant such variances. We believe the testimony 1 that is presented today clearly shows that -- we will get 2 into it in Mr. Buchanan's response -- that there are not 3 4 such alternates available, and that the direction of the 5 Board and PCB93-139 was for EBCo to pursue the Adjusted 6 Standard; and that is why we are here; and we think that at 7 the time when the Board adopted this rule it referred to 8 the statement; and I quote, "open burning has long been recognized as an important and particularly excusable 9 10 source of air pollution." We do not believe that is the 11 case. We have demonstrated on the record today where the activities that EBCo carries out and is agreed to by the 12 13 Agency in their opening statement that there is no 14 significant environmental result. Mr. Trzupek has so testified. So that we think that we have already satisfied 15 on the record that there are no -- that our factors are 16 substantially different than those enacted when the Board 17 18 considered when the Board enacted the rule. I just have a couple of quick clarifying 19 20 questions. Mr. Buchanan, do you believe that your 21 operations in the burn unit and the flashing unit equate to 22 what is normally referred to and considered as open burning? 23

24 A. No. I do not.

KEEFE REPORTING COMPANY

Q. I would like to move on to question 2a if I could now. Question 2A is would you please further explain how the disposal and handling of waste in Kentucky and Connecticut facilities differ from the Illinois facilities such that off-site disposal is more viable for these other out-of-state locations but not for your Illinois facility?

7 Α. In response to that question, there is two distinct differences, one is the siting and location of 8 those facilities in respect to on-site management of those 9 materials. Our site being distinctly different, especially 10 11 from the Connecticut facility. We are in a rural, remote an ag oriented. We do not have potential receptors in 12 13 close proximity to the operation. To an earlier testimony, 14 the manufacturing processes and the raw materials utilized at the Kentucky and facility the Connecticut facility are 15 fundamentally and distinctly different than those raw 16 17 materials and the manufacturing operations currently 18 conducted or previously conducted at the Wolf Lake facility. I have testified earlier to the raw materials 19 20 and large quantities that are used at the Wolf Lake 21 facility. A large portion of those being reclaimed or 22 recycled or demilitarized explosives that contain less than 23 desirable materials, contaminants, foreign matter, foreign 24 material that increase safety concerns in the handling

KEEFE REPORTING COMPANY

1 process of the raw materials and specifically the waste 2 materials.

I have talked about especially from production 3 4 derived waste from Wolf Lake we are adding the PETN, the 5 more sensitive. We have heated it up, cooled it down, 6 manipulated it further, further increasing the safety risk 7 of those materials. In the screening process where we are concentrating the contamination and the incoming raws that 8 have foreign materials in it, we have further increased the 9 10 sensitivity and the safety handling procedures for those 11 materials. We all generate waste secondary powders, but our waste the activities that generate those waste 12 13 secondary powders are distinctly different. The raw 14 materials those wastes are derived from are distinctly different, and the hazards are different between the Wolf 15 Lake facility versus Connecticut and the Kentucky 16 17 facility.

We currently do ship off-site to an alternative to open burning those materials that we feel are less of a hazard and somewhat similar to those shipped from the other facilities to an off-site location. We currently ship a large quantity of waste detonator assemblies and waste detonators to the Onyx facility. Those materials we feel comfortable do not have as a high a hazard, the large

KEEFE REPORTING COMPANY

dusting that would be an increased safety risk in 1 2 processing those safety materials. Fundamentally different 3 is the volume of explosives that are received in relatively 4 small packages as compared to the volumes we are 5 processing. A 50 pound box is relative to five plus 6 million pounds of material. Neither of those other 7 facilities receive materials of that nature, and therefore do not have the volume of contaminated explosives or the 8 volume of contaminated materials with which to process. Of 9 any of our facilities we are probably more comparable to 10 11 the Spanish Fork facility where they produce cast boosters, and they do currently open burn to date. 12

13 We do recycle the outer packages that we deem that 14 are safe and viable to do so. Historically, much more of that material was burned, so we have improved in that 15 nature. We are, as compared to the Kentucky and 16 Connecticut facility, we are the only one of those three to 17 18 that do receive and utilize the recycled or reclaimed 19 explosives as a raw material that has the issues on safety 20 concerns and contaminants in foreign materials. A lot of 21 these materials, some of which have been sitting in a 22 magazine or on some military site or in some foreign 23 country for years, so the inner packaging is much more 24 stressed than the raw materials utilized at the other

KEEFE REPORTING COMPANY

sites, therefore leaving it to be much more contaminated 1 2 and needing to be dealt in an open burn manner. If I can summarize then, it's your testimony 3 Q. 4 that basically the raw materials utilized in your cast 5 booster operation side of the business which gives rise to 6 the large quantity of volumes, is fundamentally different 7 than the Kentucky and Connecticut facilities? Α. That is correct. 8 And you have testified about the practicality 9 Ο. 10 problems associated by trying to get that packaging material in the bags and shipped to ICI)? 11 That is correct. 12 Α. Question 2b, could you please describe if it 13 Ο. 14 is easier to safely transport, handle and dispose of the material from the Connecticut and Kentucky facilities than 15 the Illinois facility? 16 17 Α. As I previously stated in answering the previous question, due to the raw materials that we receive 18 19 having foreign objects in them and the fact that through 20 our screening process we increase that contaminant level, 21 therefore, increasing the potentially the sensitivity of 22 those explosives, yes it is easier to safely handle the 23 incoming raws, specifically virgin materials, than it is to 24 transport or handle waste explosives materials, more

KEEFE REPORTING COMPANY

1 sensitized material.

2 Ο. So in summary the waste that you believe is more sensitive coming from, that you generate in your 3 4 facility for the reasons that you just testified? 5 Α. As general statement, yes. 6 Q. Question 2c could you please provide similar 7 estimate in dollars per pound for open burning waste at the 8 Wolf Lake RCRA Part B facility? Could you examine the annual operating and maintenance costs for the RCRA part B 9 10 open burn facility for Wolf Lake? How do these costs 11 compare to special handling and disposal of waste materials 12 at the ICI facility? Would the law diminishing returns 13 apply such that in general, it might be less expensive to 14 dispose of large quantities at the Wolf Lake RCRA Part B facility? I would ask she incorporate the questions. 15 Question 2c, would you respond to that question? 16 In response to combine estimated dollars for 17 Α. 18 it's operation of the on-site open burn unit, I previously testified to and submitted an exhibit that did that 19 20 specifically. And that would be the cost estimate found in 21 Ο. Exhibit 11; is that correct? 22 I believe so, yes. As well as there is 23 Α. 24 multiple exhibits there that specifically address that

KEEFE REPORTING COMPANY

1 question in writing.

And do you believe that the conclusions 2 Ο. presented in that exhibit in the testimony regarding that 3 4 exhibit adequately address this question? 5 Α. Yes. That Exhibit 11 and Exhibit 10. 6 Q. Could you please provide some documentation 7 to support the stated drawbacks, perhaps in the form of 8 manufacturer's literature or an engineering report? Question 2d, could you please respond to this question? 9 10 Α. I have testified specifically earlier in great detail to the viability of incineration and the 11 12 drawbacks to it relative to Ensign Bickford's waste 13 generation rate, required feed rates, time to permit, cost 14 to construct. I testified that those were substantiated by an independent third party engineering consulting firm that 15 did those cost analysis for us. 16 17 Q. Did you not also testify that those 18 conclusions had been shared with the Agency several years ago and were the subject of discussions with the Agency? 19 20 Α. Yes. 21 Ο. Is it my understanding that one of the 22 principal drawbacks with respect to using a rotary kiln is the fact that rotary kilns come essentially in one minimal 23 24 size and that size rotary kiln unit you could destroy all

KEEFE REPORTING COMPANY

of the waste generated by EBCo's Kentucky, Connecticut and 1 Illinois in less than 60 days? 2 3 Α. That's correct. 4 Ο. If you operated it at the fire rate? 5 Α. Yes. 6 Q. Question 2e. Could you please provide 7 support for EBCo's evaluation of the Onyx facility's 8 inability to handle the size of the waste stream EBCo 9 anticipates? 10 Was your earlier testimony regarding the Onyx testimony sufficient to respond to this question? 11 12 Yes. I believe so. Where I spoke directly Α. 13 to their inability to store explosives waste and the fact 14 that they do not have dedicated explosive prep and handling areas and the hazards associated therewith. 15 Have you had specific questions with Mr. 16 Q. Justice regarding this issue? 17 18 Α. Yes. And what is your understanding of Mr. 19 Ο. Justice's knowledge of the Onyx facility? 20 21 Α. John is very familiar with the site, and we have addressed their limitations for explosive storage as 22 it relates to our materials. 23 24 Q. Are you aware of any questions that the

KEEFE REPORTING COMPANY

Agency has with respect to the materials that we previously
 presented to the Agency with respect to the Onyx facility?
 A. No.

4 Ο. Question 2f, could you please elaborate on 5 the safety issues associated with shipping material to the 6 EBCo facility for processing versus shipping the residual 7 material to a facility for disposal? Are transporters, 8 handlers, and receiving facilities for the EBCo plant and the off-site disposal facility differently trained or 9 equipped? Does handling the material received onsite 10 simply remove the additional risk involved in transporting 11 the material a second time to an off-site facility? 12

13 I believe we spoke directly to that in an Α. 14 earlier question in Section 2. It gets back to the safety of incoming materials versus outgoing wastes and the 15 increased sensitivity of concentrated contamination and the 16 fact that we added more sensitive material to these in the 17 18 form of PETN as well as contamination as shown in the video demonstrates how those materials do differ from pure, clean 19 or virgin materials. 20

21 Q. Does PETN become more sensitive if you heat 22 it and allow it to cool?

A. Yes. Any time you are manipulating any ofthose types of explosives up and down and back and forth,

KEEFE REPORTING COMPANY

1 you are decreasing its stability.

Which he equates to --2 Ο. To potentially more increased sensitivity and 3 Α. 4 increased handling concerns. 5 Ο. Question 2g, could you please provide a 6 relative context for the estimated cost of disposal at the 7 Joplin, Missouri facility either in terms of the EBCo's own 8 resources or what the explosives industry as a whole 9 generally spends? 10 Α. I believe 2g we have responded to specifically in the exhibits we posed for for on-site costs 11 versus off-site costs directly go to ICI. 12 13 Ο. That would be Exhibit 10 which is the cost 14 analysis that you provided to Mr. Justice as well as group Exhibit 11; is that correct? 15 Yes. Basically are related to the estimated 16 Α. annual cost of 300 thousand dollars to go off-site with 17 those materials. 18 And then it would be, the question also would 19 Ο. be responded to, would it not, by the site manager's 20 21 testimony regarding the impact that would have on the 22 product cost? Correct. 23 Α. 24 Question 2h, could you please explain the Q.

KEEFE REPORTING COMPANY

1 hardship associated with seeking a variance in the event 2 that the ICI facility becomes unable to accept material 3 from the Wolf Lake facility?

4 Α. In responding to the question of what would 5 be explaining a hardship associated with seeking a variance 6 if ICI became unable to accept material. That was alluded 7 to if I was not allowed or not granted the Adjusted Standard relief in the future and was shipping the 8 materials to an off-site facility and they all the sudden 9 10 ceased to be able to manage my waste, which does happen on 11 a an infrequent basis, what would be the hardship in seeking a variance at that point? It's quite complicated. 12 13 The unit we have on-site to currently treat this material 14 is a RCRA Part-B facility. If I cease to operate it, it has been my experience in the RCRA programs that I would be 15 driven to officially close that unit and probably my Part-B 16 permit would be withdrawn, and these materials are managed 17 18 in a 90 day time frame or less than 90 days, the hazardous materials specifically. I would be under the gun to seek a 19 20 variance, put together alternate procedures or someplace 21 else to go in less than a 90 day time frame. I have spoken 22 earlier that permitting, a RCRA Part-B permit is a very long term commitment to see to fruition. We would not be 23 24 allowed to open burn our hazardous waste on-site without a

KEEFE REPORTING COMPANY

1 RCRA Part-B permit, and one of the main intentions from our 2 perspective is the safety and being able to deal with these 3 materials in a timely manner.

Q. What is your understanding as to the number
of provisional variances you could receive in a given year?
A. It's my understanding I can have them once in
a year's time.

8 Q. What would be the impact on EBCo's employment 9 of the operators if you had to shut down the unit, the RCRA 10 unit?

If I ceased to treat waste on-site, I would 11 Α. probably at a minimum lose one employee who is a highly 12 13 trained and certified individual that I would have to have 14 back to be able to start the unit back up again and operate it as per our standard operating procedures and permit. 15 Are you aware of any other alternate sites 16 Q. that you believe can receive the dusty materials that 17 18 denial of the relief would require you to send to ICI? 19 Α. No. 20 Question 2i, Could you please further Q.

elaborate on why EBCo concluded that these processes are"unknown, unproven, highly complicated processes" and not"realistically feasible to EBCo for the foreseeable future?

KEEFE REPORTING COMPANY

1 This guestion asked me to elaborate Α. specifically on the alternative technologies to burning of 2 explosives. I believe we did that in earlier testimony 3 4 where I spoke about plasma ark [sic.] and the fact that the 5 Department of the Army, Department of Defense has gone on 6 record saying they are not mature processes. They are not 7 available at a commercial or production level. Our own evaluation concurs with that. There is not any of these 8 9 processes actively functioning, operating anywhere to my 10 knowledge. None of these processes have been through a RCRA permitting process, and I don't see that happening in 11 12 the foreseeable future. 13 Ο. These are all points that have been discussed 14 over the years with the Agency? That is correct. 15 Α. Nothing that is changed with EBCo's 16 Q. 17 preparations? 18 Not to my knowledge. Α. And besides these two processes, is it your 19 Ο. 20 direct testimony that you are not aware of any other 21 commercial pending practices? Not that are available to date. 22 Α. Question 2j, could you please describe EBCo's 23 Ο. 24 efforts to locate another pulping facility or an

KEEFE REPORTING COMPANY

alternative disposal option for this waste stream? 1 I spoke to this to my answer efforts to 2 Α. another pulping facility we have. We have put that on the 3 4 on the broker, recycled broker we use, and it's his 5 responsibility to continue to find pulpers as they appear 6 and disappear to manage our recyclable cardboard. 7 Q. The problem described in the Adjusted Standard petition was the problem you earlier testified to 8 with your pulper having gone out of business, and the 9 petition was drafted in the interim time period before you 10 made your arrangement with the broker; is that correct? 11 12 That is correct. Α. 13 Ο. Question 2k, please explain what it means to 14 desensitize the waste and what happens when it dries out. Please explain if there is a relatively local landfill that 15 would accept this waste and why EBCo prefers not send this 16 waste to a landfill. 17 18 Α. Responding to desensitization of waste, specifically explosives, one of the comments or 19 20 recommendations from the Agency was the viability of 21 desensitizing explosive contaminated materials and possibly 22 sending them to a land fill. When we say desensitized waste, that is a misnomer in the explosive business 23

specifically to these. We talk about wetting them for

24

KEEFE REPORTING COMPANY

transportation and handling purposes. We are not 1 eliminating the sensitivity. We are only reducing it as 2 long as that material is wet. TNT, classic example. I can 3 4 wet that material. It does decrease it's sensitivity a 5 small amount and cuts down on dusting, but as soon as the 6 water evaporates or dries out of that material, it is still 7 TNT with all of its sensitive and explosive properties. Relatively, if I was to wet contaminated materials and send 8 them to a land fill, eventually it's going to dry out and 9 going to be subject to heat, shock, impact, friction and 10 11 still has explosive properties and sensitivity issues.

As far as the land filling option or reference, I 12 13 currently do not know of any land fill that would willingly 14 accept my explosive contaminated materials as they stand today; nor would I want to incur the risk that would be 15 involved with doing that with such a material. It would 16 increase not only risks, liability to my company but 17 18 liability to the risk of the operators, the guys tipping the trucks, covering the face; and in earlier exhibits I 19 20 showed examples of packaging, explosive packaging, they are 21 highly parked up with all sorts of explosives, demarcations 22 and warnings and labels; and I personally do not want to get a phone call at midnight and say we have an explosive 23 24 box laying inside the land fill face and you need to fix it

KEEFE REPORTING COMPANY

1 because we think it came from you.

2 Ο. For the record, I should have asked this 3 question earlier, are your products designed to function and explode as their intended purpose under water? 4 5 Α. The detonators, the detonator assemblies are 6 designed to function under water. Cast boosters 7 specifically will function when wet and will function under 8 water. One of the quality tests we do on our cast booster finished goods product, we take a test piece of a cast 9 10 booster from each mix, the blending, mixing. We place it 11 in a pressure tank under water overnight to force water into that cast booster and then open detonate it the 12 13 following day to ensure that that mix is correct and it 14 will function. This is to simulate a bore hole condition, 15 either in a query or mine because most bore holes are wet; so relative to sensitivity and wetting, it's kind of a 16 misnomer when we say desensitize. It still will function 17 if given the proper initiation source. 18 Ouestion 3a. Off the record. 19 Ο. 20 (Discussion held off the record.) 21 Q. MR. HARSCH: Mr. Buchanan would you respond 22 to the first question presented in 3a. Of the four waste 23 streams identified in the pollution prevention audit, which one represents the largest percentage of total waste at the 24

KEEFE REPORTING COMPANY

1 Wolf Lake facility?

Based on a weight perspective, the explosive 2 Α. 3 contaminated materials would be the largest waste stream 4 that we are dealing with the open burn unit. 5 Ο. That was presented in your direct testimony 6 with the weight material that you destroy on a weekly 7 basis? Α. Correct. 8 9 Would you please respond to the second phase Ο. of question 3a? Would you please explain the benefits or 10 11 drawbacks to implementing the following Agency recommendations that comes from the first --12 13 Α. Pollution prevention assessment or 14 walk-through in 1998. In a nut shell, sure I will condense my response to those recommendations. Those are very broad 15 brush, shotgun, buzz word, flavor of the month 16 17 recommendations that were given in a 1998 walk-through that 18 I had no requirement to respond to. It talks about total 19 quality management and employee education and employee 20 fitness, examination of were products. The Ensign Bickford 21 is an award winning, world class manufacturing association 22 with a fully powered self directed work force at the Wolf 23 Lake facility. We do all of these types of manufacturing 24 management tools and processes above and beyond any of

KEEFE REPORTING COMPANY

those listed here. I can say without a doubt we probably have the most highly trained work force in this county if not in the five county region. We continually train and educate our people on a variety of things. We are an ISO 9,002 certified company continuing to educate and move forward through those programs.

Q. Can you respond to the points raised in the second section of the question with respect to the -- would you please explain the benefits or drawbacks to implementing the following Agency recommendations?

11 Again broad brush strokes asking us if we Α. have disposable chemical biological treatment yes, and as I 12 13 testified to earlier today chemical biological treatment is 14 not available. We have gone quite a ways down the path. More durable packaging we are at the mercy of the United 15 States on packaging. Yes. We have looked at it. There is 16 nothing that is economically viable and safe and meets DOT 17 18 requirements for packaging, and as I have testified to that 19 I do not have any control overall of the explosives, raw 20 materials we purchase on the market from vendors outside 21 the Ensign Bickford Company.

22 Disposable fabric coveralls, I testified earlier 23 that through our hygiene and PP assessments relative to our 24 particular process it has been particular that Tyvek

KEEFE REPORTING COMPANY

coveralls is the best practice for our folks working in the 1 2 cast booster operation. I think they were alluding to using a reusable coverall, cotton or something of that 3 4 nature. It sounds good. It doesn't work. We determined 5 that Tyvek is the best protection for our employees and the 6 safest method. If we take a reusable coverall, it will 7 have to be laundered before we put the employee back in 8 it. There again, I would have to have a laundry process to handle explosive contaminated clothing. Therefore, I would 9 generate explosive contaminated waste water treatment 10 sludge, and whatever I use to filter that material out with 11 would be an explosive waste; so it's not a win situation to 12 13 do that from any perspective.

14 Ο. Can you respond to question 3, point 3? 15 Α. Explosive contaminated waste water treatment sludge. The particular focus that generates that waste 16 17 (inaudible). It is for an air pollution control devise to 18 minimize any environmental impact due to scrubbing the melt 19 pots or the fumes and the vapors, and the particulate 20 coming out of our production process.

21 Use this sludge as a study aid. I have no clue 22 where that came from or why we would want to do that or how 23 that would accomplish eliminating it.

24 On-site sludge treatment to reduce explosive

KEEFE REPORTING COMPANY

1 nature. That is currently what we do in the open burn 2 unit, and I know of no other viable method to do that; and 3 we have given testimony quite at length to speak to that 4 today.

Q. Would you need a RCRA permit for any othertreatment you did of that RCRA listed material?

A. Yes. If I was to treat a RCRA regulated
hazardous waste on-site, that would require a part B permit
which I have for the open burn unit.

10 Number 4, was replace solvent based inks. We have
11 eliminated that. It no longer exists at the Wolf Lake
12 facility.

Q. Question 4a with respect to recycling, could you respond to that question? Could you please clarify if EBCO is planning to recycle some of the waste and how this would affect the expected pounds of waste that EBCO plans to open burn?

A. I think we spoke to that earlier relative to clean out or packaging. We do recycle large volumes of cardboard throughout our entire facility. We continue, I spoke about putting the (inaudible) back on our broker to recycle this out and find our pulpers to keep process going to where we can get the materials that we designate r as safe to clean out to a pulper. We are currently doing that

KEEFE REPORTING COMPANY

today and will continue to do that in the future, and we 1 are continually trying to improve our processes. If we can 2 eliminate or recycle any more materials, we will do so. 3 4 (Exhibit 13 marked for identification.) 5 Ο. Question 4b, could you please identify how 6 close the burning activities would be to the forest and 7 what the environmental impact to the forest would be? 8 Petition states it will notify neighboring communities in advance of burn activities. Does this include notifying 9 the forest rangers? 10

If I show you what I previously have marked as 11 12 Exhibit 13, would you describe for the record what this is? 13 Yes. This is a reference map taken from a Α. 14 U.S. Government topographic quadrangle that contains the Wolf Lake facility. As you will note in the highlighted 15 blue section, that is our highlighted boundaries showing 16 17 the 456 acres that it owns in Union County. You will note 18 in the center portion of it a small black square with an arrow that shows you the location of the open burn unit 19 20 relative to property boundaries, specifically, to the 21 national forest. If you note the darkened areas with the 22 high relief which delineates rugged hilly country to the east or to the right of that. That is a national forest 23 24 boundary relative to the unit.

KEEFE REPORTING COMPANY

Q. Can you describe the security fencing that
 you have at this facility?

3 On the north, west, south and a little bit of Α. 4 the east side, the entire facility is surrounded by a 7 5 foot perimeter fence topped with barbed wire, 24 hour 6 security guards, 7 days a week as we testified earlier. 7 The national forest and along the east side of the property 8 there where it is not fenced is a bluff ranging from 20 to 9 feet to 50 feet tall providing a very natural secure 10 boundary where we didn't place a fence. So I think the question alluded is to do we control access? Could anybody 11 12 impinge upon our burn unit during treatment? It is all 13 contained and secured, blocked off demarcated, and that is 14 not going to happen. 50 feet. Isn't it in some places more like 15 Q. 16 250 feet? At least 100 probably and the country behind 17 Α. 18 that is very rugged, very hilly, uninhabited, no trail

19 system and no roads.

20 Q. Where on this map exactly is the boundary 21 with the forest preserving, or the national forest boundary 22 lines?

A. The darkened blue line around the perimeteris the site property line.

KEEFE REPORTING COMPANY

1 But where is the National Forest on this Ο. 2 property? 3 That would be the national forest which would Α. 4 start along the east side. 5 Ο. So all along the area where there is the east 6 side of the facility where --7 Α. It shows the topographic marks. That is all the national forest property. 8 9 Would you explain -- you testified to how you Ο. notified neighboring communities with respect to the 10 burning activities. 11 12 Yes. In earlier testimony. We do a Α. 13 notification to everybody in the Wolf Lake area. 14 Ο. Have you notified the forest rangers in the 15 past? Yes. And we have an ongoing relationship 16 Α. with the Shawnee National Forest employees. I had some of 17 18 their people on my site a couple weeks ago putting up signs, and I have in the past -- I have invited their 19 20 management staff and had them on-site explaining how we do 21 business, how we would what we do, where we store 22 explosives and everything related to safety. 23 How far approximately is it from the burn Ο. 24 unit to the linear distance to the national forest

KEEFE REPORTING COMPANY

1 boundary?

At the closest straight line run which would 2 Α. be basically to the east part of the map to a bluff, about 3 4 a 50 foot bluff, a little over 800 feet. 5 Q. And from the area where you do the flashing, 6 how far is it? 7 Α. Approximately the same. 8 Has the forest service rangers ever indicated Q. any concern over your operations and the impact on the 9 10 forest? No. And I believe testimony from 11 Α. environmental impact earlier today would further 12 13 substantiate that. 14 Ο. Do you believe you pose any risk of fire to the forest? 15 16 Α. No. You testified about the precautions you take 17 Q. 18 about maintaining a fire break and other safety precautions earlier today. 19 20 Yes. It is done in a designated and Α. 21 controlled manner and designated controlled area. 22 Q. Question 4c, given the proximity of the facility to a public recreational area, could you please 23 24 address site security? Can you respond to the question to

KEEFE REPORTING COMPANY

1 the question in 4c about bikers, hikers wondering on to the 2 property? 3 As stated before the ruggedness, the Α. 4 security, the site location and how we do business would 5 preclude that from happening and the fact that there is 6 little to no traffic in the forest properties contiguous to our site. 7 8 Are there signs as you descend from the Q. 9 forest on to your property, signs warning the people? 10 Α. Yes. Are those are those signs required to be 11 Q. under the ATF requirements? 12 13 Α. Yes. 14 Ο. Are you aware of any walk-on activity from that side to your property? 15 Α. In the last ten years it might have happened 16 twice and was dealt with pretty swiftly. 17 18 Ο. Pursuant to the security measures you earlier talked about? 19 20 Α. Right. 21 Q. Do you have an alarm that you sound when you 22 are doing this activity? When we are doing the burning we do not have 23 Α. 24 an alarm, but we notify the plants. We have people

KEEFE REPORTING COMPANY

1 traversing the plant with radios, but we also quarantine 2 the area, so you cannot drive into the proximity to these 3 units.

4 Q. Does Wolf Lake itself provide a barrier?5 A. Yes.

6 Q. Question 5a, Could you please delineate the 7 property lines for the Ensign Bickford facility on a map in 8 relation to the National Forest boundary lines? I think we 9 have responded to in reference to the map in your testimony 10 earlier.

5b, could you please quantify the distance in feet from the outer edge of the burn area to the nearest National Forest boundary line? The distance, I believe we just responded to.

Question 5c, would you please indicate whether Ensign Bickford's open burning activities would be subject to the weight and distance limitations of 40 CFR 265.382 Open burning of waste explosives? Could you respond to that question please?

A. 40 CFR 265.382. That is a RCRA regulation we have satisfied through the permitting process. To elaborate on that, that was a quantity distance table that was taken from the Department of Defense QD calculations. We actually utilized that much more detailed as it was

KEEFE REPORTING COMPANY

presented in 40 CFR throughout our entire facility. 1 I think you testified that all of your 2 Ο. activities were governed by that quantity distance 3 4 limitation; is that not correct? 5 Α. That is correct. 6 Q. Anything else you want to add in response to 7 these questions? 8 Only slightly more on responding to pollution Α. 9 assessments. We currently have pollution prevention 10 employee from the Illinois EPA and has been on our site multiple times since 1998 and currently have a good 11 12 relationship with them and seems to be satisfied with the 13 initiatives we are taking, and specifically, we are working 14 in the intern program sponsored with IEPA, and I think we have satisfied anything he has asked for to date. 15 MR. HARSCH: At this point and time I would offer 16 Mr. Buchanan for cross-examination. Could we take care of 17 18 the exhibits 3 through 15? I would move for the acceptance into the record of 19 exhibits 3 through 15. 20 HEARING OFFICER LANGHOFF: Any objections? 21 MS. DOCTORS: I don't have any objections. I am 22 losing track of the numbers. 23 HEARING OFFICER LANGHOFF: Okay. Exhibits 3 24

KEEFE REPORTING COMPANY

1 through 15 are admitted.

(Exhibits 3 - 15 admitted into evidence.) 2 HEARING OFFICER LANGHOFF: We are back on the 3 4 record, Ms. Doctors. 5 CROSS EXAMINATION 6 BY MS. DOCTORS: 7 Q. Looking at Exhibit 4c, does the outer package in Exhibit 4c or is the outer package in Exhibit 4c 8 9 considered contaminated, and if not, where would it go from here and eventually end up? 10 In this specific picture, yes. It would be 11 Α. 12 considered contaminated due to the fact that the inner 13 liner in this particular group of packaging had 14 contamination that migrated outside of it during the opening process because of this on the very edge of it, so 15 it would be managed on-site. If it were not, that would be 16 a container we were -- that particular type of box, we were 17 18 very successful in getting that into the recycling program. If an inner liner is contaminated in such a 19 Ο. 20 way where it comes in contact with the box, it's considered 21 contaminated? 22 Α. When that box is in normal form, we flatten 23 it for space issues. When they open that inner container 24 this stuff being on the upper edge, it fell inside of the

KEEFE REPORTING COMPANY

1 outer package when they opened it up.

In Kentucky and Connecticut where 2 Ο. contaminated packaging material. RCRA hazardous, are 3 4 companies with these wastes allowed to burn them on-site? 5 Α. Currently, no. 6 Q. If not, how would they handle these types of 7 waste materials? 8 Typically, they deal more with inner than Α. 9 outer due to the nature of the raw materials and the fact 10 that a lot of the raw materials were manufactured on-site. They would have to package it up as I described and ship it 11 12 off-site. 13 Ο. As you testified, there seems to be two 14 groups of rags. There is a set of rags that are shipped off-site to Onyx. Then there is a set of cotton wipes that 15 are disposed of on-site, and I believe that is from the 16 detonator area? 17 18 Α. Could be detonator and cast boosters. But from the detonator area, that is what is 19 Ο. operating now, and now doesn't the Connecticut facility 20 21 also have wipe down rags from its equipment from 22 manufacturing? 23 Α. Yes. 24 And how do they dispose of those wipe down Q.

KEEFE REPORTING COMPANY

1 rags?

2 Α. Off-site to my knowledge. At what point and time did EBCo or its 3 Q. 4 predecessors decide to discontinue burning the waste 5 materials now sent to Onyx and for what reason? 6 Α. As they pursued moving the interim status 7 unit along and dealing with the operational issues and the 8 conversations with the RCRA folks and further hazard evaluation of the slightly explosive contaminated, one of 9 10 the specifics was explosive and solvent rags which comes from the maintenance folks, so it's after the operators 11 have done their clean up, and a maintenance person would 12 13 have to work on a piece of equipment. He does have some 14 small amount of explosive in a solvent wipe or clean up, so the hazard is low. It doesn't even carry a D003 issue when 15 it goes to Onyx. We took the initiative that the biggest 16 hazard was a solvent issue and deal with that under 17 18 standard RCRA provision, and we work with Onyx to work and 19 get those to their facility safely. The pyrotechnics that 20 we previously had relief for was something as they started 21 the initial variance process, they say we want to get all 22 our explosives in here. As they move through that, they 23 identify that these materials can be managed safely in a 24 different way because of their nature. The fact that they

KEEFE REPORTING COMPANY

1 are contained devices, they don't have the dusting and 2 powder, and they have a significant metal issue which would 3 have greater environmental impact on this type of 4 operation.

5 Q. Who determined the DOT classification for all 6 the waste at your Wolf Lake production facility that your 7 Wolf Lake facility generates and more specifically the 8 contaminated packaging? Was it through DOT?

9 A. The other sites, if it was not something that 10 was already on DOT's 172 hazardous materials table and 11 their regulations, you have to seek approval directly from 12 USDOT, so we probably -- if ours doesn't qualify for 13 something that has already been approved, we will have to 14 go to DOT and seek that approval and that classification 15 and that proper shipping name.

16 Q. Please explain how these classes are 17 determined for your waste because you previously testified 18 it was all classified at 1.1.

A. It is based on the explosive. I know for a fact that all TNT, RDX, PETN are what we commonly refer to as secondary explosives in the industry are all 1.1 DOT classified explosives.

Q. And that would include the packaging as well?A. It could. That is something I am going to

KEEFE REPORTING COMPANY

have to go to DOT because the hazard is based on those
 particular explosives.

Q. Wouldn't flashing of obsolete equipment and buildings be best done under the provisional variance route when the equipment and potentially explosive materials are better defined?

7 Α. We generate contaminated equipment sometimes on a daily basis through routine maintenance even if we are 8 not obsoleting the material if we have to remove or replace 9 a valve in a production process that has been exposed to 10 11 the explosives. So the variance or the process does not become very timely. We have testified earlier we don't 12 13 want these materials sitting around getting out of 14 control. I would have to store them somewhere, and the 15 ability to do this in a timely manner, weather permitting and under the variance guidance is a much better option 16 17 from a safety and management perspective.

18 Q. Don't the Connecticut and Kentucky facilities 19 also generate valves and different pieces of equipment that 20 are contaminated?

A. Yes, they do. And they have gone on record in both of theirs saying that is an important risk to them, and they do not concur with their predicament relative to not being able to flash those.

KEEFE REPORTING COMPANY

Q. Do you know how they are currently handling
 that type?

My understanding is that currently in their 3 Α. 4 processes, most of them are small, it is possible, some of 5 the very small devices they may be able to handle this. I 6 do not know whether they can or can't. Large things, I 7 know they cannot handle, so I do not know where they are 8 going or what they are doing. I would assume they try to keep as much of this stuff as they can to clean it to the 9 best of their ability where we would be able to reuse that 10 material on-site because we understand it; but they would 11 not allow it to go off-site. 12

13 Ο. When you said that the cast booster will 14 detonate under water, what would be the initiating source? A typical end user scenario, i.e. a blaster 15 Α. or in a mine or the navy or whatever, it would either be 16 detonating cord which is PETN or a blasting cap typically. 17 18 Ο. So it can't just -- it doesn't just detonate itself? 19 Α. 20 It would have to have an initiation source,

21 but that initiation source could be severe impact as we 22 showed on the drop test or an electrical impulse. 23 Q. Did you model for flashing of large amounts

24 of potentially contaminated equipment or buildings and the

KEEFE REPORTING COMPANY

necessary combustion materials as seen in the video? 1 Scratch that. Okay. Are the detonator assemblies and 2 explosive contaminated solvents and rags and I believe also 3 4 the blasting caps are all incinerated at Onyx, correct? 5 Α. Correct. 6 Q. And how are they prepared for shipment? 7 Α. The detonator and detonator assemblies go into a DOT specified box that I think I tried to explain 8 earlier, just exactly how we receive them in a DOT 9 specified container either for the finished goods style or 10 it has the tube attached to it or the raw cap box which is 11 a box that we have had to receive a variance from DOT to 12 13 allow us to ship that way, but it is specified in that 14 manner. They go back in that original type of container and are shipped to Onyx per DOT specifications. 15 The solvent contaminated rags, they do not carry a 16 17 quote explosive hazard because they are so minutely 18 contaminated, they are managed as a RCRA-F listed waste and

19 meet the DOT specifications for whatever the particular 20 solvent, particularly a drum with a liner.

21 Q. You have also testified that they had 22 previously been opened burned and you switched to this 23 method and why, so I am not going to go back. For the 24 methods for meeting the shipping requirements, were they

KEEFE REPORTING COMPANY

1 known or developed by the larger headquarters in 2 Connecticut or by your personal facility? 3 A. I am not sure specifically to what material 4 you are asking me about. 5 Q. Why don't we start with the configured

7 Α. They are able to meet and ship under the same description as the finished product or that raw material 8 9 coming in because nothing changed, so that was done and 10 developed by the company to be able to move those materials 11 around from one site to another or as a salable product. A reject finished goods or a detonator assembly going to Onyx 12 13 meets the same DOT shipping requirement as a good product 14 that is going out to a customer, so yes. Those were already established and in place when we started utilizing 15 that; and under DOT's guises and requirements, all we have 16 17 to do is put the word waste in front of that same shipping 18 description, and we are now compliant with DOT regulations 19 and utilize that same packaging.

20 Q. Now, with respect to the boxes, let me take a 21 look at that or there is also fiberboard, I think you 22 testified with respect to Exhibit 4e and 4f that 4f is 23 actually inside 4e?

A. Correct.

6

device.

KEEFE REPORTING COMPANY

1 Why can't materials be shipped off, the Ο. cardboard, be shipped off the same way it's shipped on? 2 You testified the explosives, the waste explosives, can be 3 4 shipped in the same container off the facility as they get 5 shipped on, or why is not the same thing true with respect 6 to the packaging? Because in this case you don't have 7 plastic liners in order to receive the demilitarized 8 product in the contaminated cardboard? 9 I spoke specifically to moving those Α. materials to ICI. That is ICI's requirement. It may be 10 via their RCRA permit or their operating procedures. That 11 is their requirement for them to receive that material, and 12 13 that is how they want it packaged. 14 Ο. And this type of packaging meets the DOT 15 requirements? My assumption is yes, it does. 16 Α. I was curious why in one case why DOT 17 Q. 18 requirements for -- is this plastic ICI's requirement or DOT's requirement in Exhibit 12? 19 20 Relative to a contaminated box that I assume Α. 21 is only ICI's requirement. Now, I do know for a fact when 22 I am shipping a finished good cast booster which is made up of TNT, RDX, PETN the same contaminants on that box, there 23 24 is an anti-static liner inside the finished goods box, and

KEEFE REPORTING COMPANY

that has a DOT requirement. I am thinking maybe as we 1 started talking about all of the subpacks that were 2 required in anti-static bags as I related earlier with the 3 4 complicated packaging, the two pound quantities water wet, 5 that is an ICI specific requirement. I assume it relates 6 to how they are going to feed that material into the 7 incinerator and the hazards associated with that.. 8 MR. HARSCH: Can we go off the record for a 9 second? 10 (Discussion held off the record.) 11 Q. MS. DOCTORS: How many pounds per year without that cast booster operation do you generate of 12 13 spent carbon KO45? 14 Α. To be honest I could not answer that question to date, specifically, on spent carbon sludge. We are 15 still running those processes because we are doing decon 16 and washing and scrubbing, so I still am generating some. 17 18 I don't have enough time under my belt. I have never ran it without production driving it as well. I don't know. 19 20 It will be somewhat smaller quantities. 21 Q. Because most of that is generated from the 22 washing? 23 And the particulate being consumed during the Α. 24 production process by the scrubber, scrubbing the fumes,

KEEFE REPORTING COMPANY

1 yes. It does drive a lot of that waste.

2 Ο. From the cast booster operation? Correct. We are still affecting it and still 3 Α. 4 generating it, but I'm assuming it is going to be 5 depressed. At some point if I totally stop doing anything 6 in that building once we get caught up in processing, that 7 would go away. 8 So there wouldn't be any of the spent carbon Q. or sludge from the non-electric detonators? 9 10 I do have one aqueous waste stream from the Α. 11 detonators we put in that same treatment system, but I am going to it assume at some point if that becomes the only 12 13 aqueous stream I am treating in the system, then the law 14 diminishing the return says I find another way to deal with 15 that material. How would the sludge and the carbon need to 16 Q. be treated before it could be shipped off-site for 17 18 disposal? The sludge specifically is going to be 19 Α. 20 considered a secondary explosive and will probably have to 21 be managed as I prescribed for the other explosive waste 22 because that is what it is. It is coming from a different source, so it carries a different waste character. It's 23 still TNT, RDX, PETN. It does have some amount of moisture 24

KEEFE REPORTING COMPANY

1 in it.

Isn't it true that you can because it's kind 2 Ο. 3 of malleable that you can control the size package that you 4 put it in, that you have control over that rather than you 5 know the odd shape for the packaging. The sludge, you can 6 have your own containers for? 7 Α. It's still going to have to be a DOT box. We are not going to put it in anything that weighs more than 8 50 pounds because we can't handle it on-site, so it will go 9 into a container similar that meets the DOT spec for a 10 11 secondary explosive; and I am going to assume if I am going to ICI with that material, it's still going to have to be 12 13 in two pound packages, water wet, etcetera, etcetera, 14 because that is what it is. How many pounds a year do you currently have? 15 Q. Of sludge? Depending on the production 16 Α. 17 process and the types of raw materials because adverse raw materials can negatively or positively impact the sludge 18 generation. We don't specifically track it different in 19 20 the burn unit because it is explosive; and that is how we 21 measure it; and that is how it is in our RCRA permit. We 22 just track it as an explosive. It's probably in the neighborhood of 5,000 pounds a year or something like 23 24 that. That is included in that total explosives quantity

KEEFE REPORTING COMPANY

that we track in the burn unit. The carbon, I have never 1 2 shipped explosive contaminated carbon. It has its own unique hazard because it's abrasive. Now that we have the 3 4 explosive contamination, I definitely know it's going to 5 have to be water wet because you can't manage it in any way 6 because it could initiate through its own abrasion. 7 Q. Do either the Connecticut or Kentucky facilities have carbon or sludge? 8 9 The Connecticut facility does not have a Α. waste water treatment plant that processes the same 10 11 explosives I do. They generate a K-waste. I think it's 12 more lead derivative. It carries a 49 instead of a 47, and 13 I believe its non-reactive. I don't believe the Kentucky 14 facility has a K-waste similar to ours to my knowledge. Is it your understanding though that if at 15 Q. least for Connecticut that they have to ship it off-site to 16 dispose of it, their sludge, K49? 17 18 Α. Yes. But it is hazardous for lead metals not hazardous for explosives. 19 20 We are back tracking. Why doesn't -- why Q. 21 don't the suppliers of your purchase demilitarized 22 explosives have to use a non-static liner, or do they when they ship it to you? 23 24 No. They don't for specific materials. The Α.

KEEFE REPORTING COMPANY

TNT's I have shown you, it's a paper liner. Again, the raw 1 2 materials coming in do not contain PETN in dry form. A finished cast booster going out contains PETN in dry form, 3 4 and therefore, requires an anti-static liner in the box 5 PETN incoming is water wet in the liner. The TNT's, I know 6 for a fact do not have an anti-static liners. You see the 7 paper liners. Some do. Some don't. 8 Ο. Some do have? 9 Some things will have an anti-static liner. Α. I believe this box here had an anti-static liner coming 10 from Towa. 11 12 MR. HARSCH: You are referencing Exhibit 4a? 13 Yes. It depends on the specifics of the Α. 14 material, and as I have talked earlier, some of those requirements that I described on off-site packaging weren't 15 DOT requirements. They were ICI requirements. There are 16 some that do. Some don't. It is not totally driven by 17 18 DOT. Some of it is an internal or company policy or procedure on how to receive their waste or raw materials. 19 20 What percent of the demilitarized come with Q. 21 this inner anti-static liner that is plastic? 22 Α. I don't have that in front of me, and I rely more on my production people, and my waste guys could tell 23 24 us that a little better. I am going to guess it's a 50/50

KEEFE REPORTING COMPANY

split. TNT's do not. I know for a fact all the TNT's
 don't. Some of the other materials do. The Tritonal
 package that I showed you did not have a plastic liner. It
 was a paper liner.

5 Q. Okay. You have testified that the majority 6 of your -- of the waste that goes to the open burn pads and 7 unit come from the cast booster operation. What is the 8 break down without this operation? You know, how much 9 waste does your non-electric detonating operation produce 10 that is going to the open burn?

Approximately 40 to 60 pounds per week based 11 Α. on demand, depending on what products we are running of the 12 PETN cord waste. Approximately 10 to 20 pounds of 13 14 contaminated rags in a weekly basis from all the cells. Remember we have 29 different cells that are doing clean up 15 that would be would be contaminated with HMX, PETN, and if 16 17 or when we decide to not generate any more waste water 18 treatment sludge that would be derived into the unit, they 19 still would generate pieces or parts of equipment that 20 would need to be flashed from that process on a regular 21 basis.

22 Q. With respect to the plastic bags and from the 23 demilitarized explosives is it possible to wash and recycle 24 them?

KEEFE REPORTING COMPANY

The only way I could answer that is if I knew 1 Α. 2 in what format it would be possible to recycle. If there was a place to go with them, would they even consider 3 4 accepting them. Even in washing, if we are following the 5 DOT guidance, they are not satisfied that they are clean 6 relative to explosives. 7 Q. Did these plastic bags -- do you know what 8 their chemical -- do you know if they contain polychlorinated compounds? 9 10 I have not analyzed them or the specs on them Α.

11 if there are any. They are a poly-plastic is all I can 12 tell you about them specifically, typically clear or 13 translucent.

Q. I have one short question on the RCRA permit that you discussed. Isn't the RCRA permit conditioned on either receiving temporary relief in the form of a variance or permanent relief in the form of an Adjusted Standard? A. There is a line in the statement that states

19 that that is a requirement.

Q. Based on the flashing of equipment shown
earlier today, approximately how much waste material was
combusted in that burn; and how long did the burn last?
A. I had nothing to do with that burn, so I am
going to go based on assumptions of other flashings that we

KEEFE REPORTING COMPANY

1 have conducted. There were several very large pieces of equipment in that burn. Typically, we will size the burn 2 based on what we are attempting to flash, albeit a smaller 3 4 amount of equipment to be flashed, smaller amount of 5 combustibles; and I am going to estimate there was probably about a ton of combustible materials involved in that 6 7 flash. 8 Q. And how long? 9 From start to finish to where you see flames Α. to where you no longer see flames is probably an hour and a 10 half. 11 12 And to when you no longer see any smoke or Q. 13 smoldering? 14 Α. Depending on what you flashed and weather conditions and all that good stuff would affect that, it 15 could be as much as four or five hours. 16 17 Now, I know you answered this. I am just Q. 18 going to go back here. Is the composition of cardboard the same as the composition of fiberboard? 19 20 In my laymen's terminology they are one and Α. 21 the same. 22 Q. But you don't know if there is an actual difference? 23 24 I don't know that we actually have that many Α.

KEEFE REPORTING COMPANY

1

varieties of cardboard versus fiberboard.

2 Ο. Do you know anything about the glues or dyes that are used in constructing or printing the boxes? 3 4 Α. The only ones I would have knowledge of would 5 be Ensign Bickford packaging which is not typical. These 6 are -- these are the materials I receive off-site 7 domestically and internationally, no. I don't know. Other 8 that some generalities looked at historically with some of 9 the Agency's personnel on some of the variance processes. 10 Q. Just a general question concerning Exhibit 12, group Exhibit 11, group Exhibit 8 and 5 and 4a. Maybe 11 I will do it one at a time. Did you present the 12 13 information in Exhibit 4 to the Agency prior to the hearing 14 in photographic form? Right. Agency personnel had seen these 15 Α. materials, yes. 16 And in the information in Exhibit -- let's 17 Q. 18 make sure that I have them the way I want them, group Exhibit 11. 19 20 MR. HARSCH: The witness has testified those were 21 prepared since the submittal of a letter to John Justice. 22 Α. On the record I have been able to gather a little more specific information relative to ICI's 23 24 requirements for me to prep and package this package this

KEEFE REPORTING COMPANY

1 material.

MR. HARSCH: This was testified and prepared in 2 response to the Board questions. 3 4 Ο. MS. DOCTORS: You testified with respect to 5 the cast booster operation that individuals wear Tyvek 6 coveralls. Do they need to wear coveralls with respect to 7 your other operations? 8 With respect to the non-electric detonator Α. assemblies not as a normal course, no. 9 10 And you testified that with respect to the Ο. 11 detonator operation that the -- I am sorry if I have gotten this confused, that there is a piece that comes from 12 13 Connecticut, and I am not using the correct terminology, 14 that comes from Connecticut and it goes back to Connecticut if there is a problem, so it can be recycled again and can 15 you remember the term? 16 17 Shock tube and hollow extruded cord goes back Α. 18 to the actual facility that makes it, and they are able to reclaim and regrind large portions of that and put it back 19 into their process. 20 21 Q. Do you know how long the screening for the 22 cast booster operation will continue as part of your soft closure? 23 24 Given that I have very limited labor and man Α.

KEEFE REPORTING COMPANY

power to do that and doing other things as far as the decon 1 2 of floating back and forth, through the first of the year at the very least. Probably three months into next year 3 4 until we totally complete the decon. To elaborate on it, I 5 once had 30 employees in that process to draw from. Based 6 on production demands we could float them back and forth 7 between. I now have two hazardous waste technicians that are fully trained to run that operation. In between 8 floating them back and forth, operating their unit and they 9 10 are conducting the screening process. In your direct testimony, Mr. Harsh referred 11 Q. you to a letter that had been written by Mr. Saines, his 12 13 associate, concerning Plasma Technology and SET. Those are 14 the two and some limited information about incineration dated May 8. It's Illinois EPA exhibit number 1. 15 MR. HARSCH: It's actually Exhibit number 2. 16 17 Q. One was her request and two was his 18 response. In his response does he indicate how much it would cost to conduct an on-site incinerator? 19 20 Α. I don't believe he does, no. 21 Ο. Does he indicate in this letter that you 22 worked with Eldorado Inc. Engineering Company -- I am sorry. Eldorado Inc. as a consultant? 23 24 Specifically, no. Α.

KEEFE REPORTING COMPANY

1 With respect to the Plasma Technology, does Ο. it indicate that you worked with Plasma Technology in 2 evaluating this option? 3 4 Α. Did we specifically reference working 5 directly with the company that owns the technology, no. 6 Q. And with respect to SET, did you indicate you 7 had gotten to the point to which you were going to make a 8 contract and possibly tryout the technology? 9 Α. We have in conversations with the Agency but previously not in writing. I believe all those points have 10 been discussed verbally with Agency personnel. 11 12 With respect to the Agency, I believe in its Q. 13 last letter to you, raised the possibility of land filling 14 some of the cardboard that is considered not RCRA? 15 Uh-huh. Δ And you indicated you did not know of any 16 Q. land fill. Did you call any land fill, any of the land 17 fills around? 18 I deal with all the local land fills on a 19 Α. regular basis. They take my special waste which is the 20 21 residues from the treatment of these material, and I know 22 they have raised their concerns numerous times on even taking that material after it has been reactive, and I have 23 24 had an analysis on it showing it as hazardous; so I think I

KEEFE REPORTING COMPANY

have an understanding of what their concerns are as well as 1 2 my own concerns being in the environmental business. We had just asked if you contacted anybody, 3 Q. 4 and that was whether you investigated the alternative. 5 That was the question. 6 MR. HARSCH: Were you through with your answer to 7 the question, Mr. Buchanan? 8 MS. DOCTORS: I have completed my cross. 9 HEARING OFFICER LANGHOFF: Is there any rehabilitation you need to do Mr. Harsh? 10 MR. HARSCH: Very limited. 11 REDIRECT EXAMINATION 12 13 BY MR. HARSCH: 14 The photograph that showed the picture of the Ο. contaminated inner liner, is that more than the amount of 15 material that would be in a blasting cap? 16 That is very similar to the amount of 17 Α. 18 material that is in a detonator. It has enough output to remove you of your fingers or put out your eye. 19 20 Do you have any comfort that it's technically Q. 21 possible to wash plastic and remove the hazard associated 22 with contaminated -- being contaminated with explosives? Not to a degree I would have a high level of 23 Α. 24 comfort of safety of managing that material in some way

KEEFE REPORTING COMPANY

1 other than in a controlled manner.

2 MR. HARSCH: No further questions. RECROSS EXAMINATION 3 4 BY MS. DOCTORS: 5 Ο. I have a question. Have you actually done 6 some preliminary tests of trying to wash the plastic 7 liners? 8 Α. We, as a routine throughout our industry and company try to decontaminate a variety of materials on a 9 10 regular basis, whether it be production derived plastic. A lot our materials, because of metal to metal contact, 11 plastic scars and scratches. I do know grain size and the 12 13 chemical composition of the explosives themselves would 14 lend to migration into the scarring and crevasses and cracks of any type of material like that, and it is most 15 difficult if not impossible to 100 percent remove the 16 17 explosives. 18 MS. DOCTORS: I am done. HEARING OFFICER LANGHOFF: Thank you Mr. Buchanan. 19 Ms. Doctors? 20 21 MS. DOCTORS: We do have written testimony that he 22 would like to read into the record instead of me asking questions, and I have a copy for all parties present if 23 24 that is agreeable as a way of speeding this along. How do

KEEFE REPORTING COMPANY

1 you want me to label this?

2 MR. HARSCH: I am more than happy to read the testimony if it's agreeable to you. 3 4 (Discussion held off the record.) 5 (Witness sworn.) JOHN JUSTICE 6 7 called as a witness being first duly sworn, was examined and testified as follows: 8 9 My name is John B. Justice. I reside at 430 Cypress Creek, Collinsville, Illinois. I am employed by 10 11 the Illinois Environmental Protection Agency as the 12 Regional Manager for the Bureau of Air, Field Operations 13 Section. I received a Bachelor of Science degree in Civil 14 Engineering from the University of Missouri at Rolla in 1972. I received my license to practice as a professional 15 engineer in the State of Illinois in 1977. My license is 16 17 current. 18 I began my employment with IEPA/BOA/FOS in 1974 as a field inspector in the Marion Regional Office. 19 Mv 20 primary job responsibility was to conduct compliance 21 inspections at emission sources in the State of Illinois 22 and more specifically in what was, at that time, designated as Region 5 for the Bureau of Air. Also included as my 23 24 responsibilities were observing stack testing and

KEEFE REPORTING COMPANY

conducting investigations to evaluate variance petitions in
 Region 5. At that time, Union County was included as one
 of the 27 counties in Region 5.

My first inspection at the subject source was in 1976for the purpose of witness emission testing on the exhaust stacks on the nitrator building. At his point in time, the plant was known as Trojan Division of IMC Chemical Group, Inc.

9 Since my first visit to the Wolf Lake Plant, I have made a number visits. Seven of the inspections were 10 11 conducted as variance petition investigations, all of which were pre-1985 and dealt with the open-burning of obsolete 12 13 explosives, obsolete explosive contaminated equipment, 14 obsolete explosive structures, contaminated off-spec explosives and explosive contaminated waste materials. In 15 1985, Charles Hayduk began working for IEPA/BOA/FOS in the 16 17 Marion Office and was given the responsibility of 18 conducting inspections in the Union County area.

19 In 1986, I became the Regional Manager for Region 3 20 and have retained that position to this day. My 21 responsibilities as Regional Manager include oversight and 22 management of 9 inspectors within 50 counties in the 23 southern and east central portions of the State of Illinois 24 for the purpose of surveillance activities relating to Air

KEEFE REPORTING COMPANY

1 Pollution Control regulations.

As a result of Mr. Hayduk's extended illness and due to my familiarity withe Wolf Lake site, I took over the investigation and technical review for the Adjusted Standard Petition.

6 By way of background in this matter, I am going to 7 summarize my investigation concerning EBCo. My initial 8 inspection was on May 4, 2001. I was met by Scott Merriman, Hazmat Technical Operator for EBCo. He indicated 9 10 that Mr. Buchanan was not available until 11 a.m. We went to the Melt Pour Building where the cast boosters are 11 manufactured. The petition stated that explosive materials 12 13 used in this operation are trinitrotoluene (TNT), Tritonal 14 (Aluminized TNT) pentaeythritol tetranitrate (PETN) that 15 are melted in large pots and poured into cardboard cylinders. Small amounts of cyclonite (RDX) and 16 17 composition B (RDX & TNT) are used in the process.

Wastes generated at this process are primarily the packaging materials from the PETN, the cardboard boxes are used for the repackaging of the demilitarized explosives, and contaminated explosive materials. This includes the original cardboard drums that the explosive is transported to the facility along with smaller cardboard boxes that are used for repackaging of this explosive material, so it may

KEEFE REPORTING COMPANY

be more easily handled in the booster production area.
 Some of the smaller cardboard boxes are reused a number of
 times.

4 Smaller amounts of wash down sump, scrubber sludge 5 and contaminated charcoal filter media are generated in 6 this area. These waste streams are classified as KO44 and 7 KO45, and are flashed in the on-site burn area. As these 8 materials are generated, they are put in storage containers 9 and placed in their on-site storage area.

10 The booster operation had been cleaned the evening 11 before I visited in preparation for the weekend, and no 12 production was taking place at this time.

13 We went next to the centrifuge area where the 14 company receives the PETN in cardboard boxes with plastic liners. The PETN is received by EBCo in a wetted state. 15 EBCo uses a centrifuge to dewater the PETN, before to 16 17 sending it to be processed into boosters. Waste materials 18 from this process are cardboard boxes, plastic liners and 19 explosive contaminated water. The boxes are reused until 20 they are no longer functional and then burned. The plastic liners are burned. The contaminated water goes to the 21 22 booster building for treatment, and the resulting waste is burned with the KO44 and KO45 waste materials. 23

24 We then proceeded to the Primaline manufacturing

KEEFE REPORTING COMPANY

building. They receive premanufactured detonation cord and
 cut it into specific lengths based on product demands. Mr.
 Merriman indicated that the area generates approximately 20
 pounds per week of this waste material. It is normally
 burned with the PETN waste.

6 We next inspected the Primadet non-electric delay 7 detonator assembly area. In this area they crimp non-electric blasting caps on to shock tube or detonation 8 cord. Mr. Merriman explained that they manufacture these 9 10 capped cord coils as they are ordered. Mr. Merriman indicated that the machines used to manufacture these coils 11 must be cleaned frequently by wiping them down with rags. 12 13 He said this area generates about 100 pounds per month of 14 wipe down rags and off-spec caps and detonator assemblies. These materials are disposed of off-site at Onyx in Sauget, 15 Illinois. 16

17 We next proceeded to the break out building. 18 This is where EBCo receives and inspected decommissioned 19 explosive materials to be cleaned of contaminants. It is 20 then repackaged into smaller containers for easier handling 21 and transport to the booster operation. Waste materials 22 from this area are spills, floor sweepings, off-spec explosive materials and contaminated packaging. The decon 23 24 explosive materials observed this day were received in

KEEFE REPORTING COMPANY

large cardboard cylindrical containers with metal bands
 around the ends. These shipments are purchased under
 contract from the military and may arrive in a variety of
 DOT approved containers.

5 We then proceeded to the burn area. There are 6 three specific burn sites within the fenced burn unit 7 area. One burn pad handles the RCRA listed waste material KO44 and KO45. Another burn pad handles waste explosives 8 DOO3, and the third is a small burn pit used to burn the 9 explosive contaminated waste materials, which based on 10 11 their 2000 IEPA RCRA inspection report are classified as nonhazardous. The two burn pads used to burn RCRA 12 13 hazardous wastes were recently upgraded to add motorized 14 covers to prevent precipitation contamination from the 15 burned residues to the surrounding areas. There is a cyclone fence that surrounds the two burn pads and burn 16 17 pit, and the burn pit for the nonhazardous waste has an 18 additional wire enclosure over its top. The enclosure 19 appears to be in good condition. No burning was taking 20 place at this time. During this inspection most of the 21 processes were not operating.

Since Mr. Buchanan had not returned at the conclusion of my inspection, I met with him on May 17 at the Collinsville regional office. He indicated that some

KEEFE REPORTING COMPANY

of the material generated at the EBCo Graham, Kentucky 1 2 facility, which in the past had been open burned is currently going to ICI Explosive Environmental Company 3 4 located in Joplin, Missouri. He indicated that ICI had 5 received their RCRA Part-B permit from the State of 6 Missouri. He also supplied some cost information for 7 disposal of waste at this facility: \$5-7 dollars per round 8 for nonhazardous waste and \$5-15 per pound for hazardous waste materials. These figures did not include packaging 9 and shipping costs. Mr. Buchanan indicated that he would 10 11 provide me with the phone number for Mr. Zoghby, a representative of ICI, so that I could follow up. 12

13 Mr. Buchanan suggested that he was looking into a 14 possible disposal method for their nonhazardous wastes that could reduce the amount of explosive contaminated packaging 15 materials waste by as much as 50 percent. He indicated 16 17 that due to the nature of this waste material the paper 18 recycling industry could use the paper and cardboard as a raw material. He said that once this material comes into 19 20 contact with water, it is desensitized and safe for them to 21 handle and process. I asked him why this had not been 22 discussed in the petition, and he answered that he did not have a customer for the material at present, but could 23 24 potentially have one in the near future.

KEEFE REPORTING COMPANY

I followed up with Mr. Buchanan by phone on June 18 1 2 and June 25, 2001 to obtain the phone number for ICI and discuss other alternatives. On June 125, 2001 I contacted 3 4 Mr. Dave Zoghby, Business Director of ICI who said that ICI 5 in Joplin, Missouri could receive and treat all kinds of 6 explosive and potentially explosive contaminated waste. I 7 requested and later received information on the 8 incinerator. Mr. Zoghby also indicated that Safety Kleen Inc. has a site in Louisiana that could accept and treat 9 these types of wastes. We also discussed the accident that 10 11 had occurred three years prior.

12 I then revisited the facility on April 9, 13 2002 to allow me the opportunity to reinspect the 14 generating points of the contaminated explosive materials. During the May 4, 2001 inspection, the booster process was 15 not operating, making it difficult for me to observe the 16 17 points of waste generation. This inspection was a result 18 of the March 27, 2002 meeting with the company. I was met by Mr. Buchanan and indicated that I was most interested in 19 20 where the contaminated explosive waste materials, DOO3 were 21 generated and how EBCo decided which cardboard could be 22 recycled and which was classified as explosive contaminated packaging material. Mr. Buchanan said that sorting 23 24 packaging material was based on a visual inspection of

KEEFE REPORTING COMPANY

1 boxes and containers.

2 We discussed the primer cord that exceeded their 90 3 day storage limit. Mr. Buchanan said that they had shipped 4 approximately 700 pounds of primer cord to Onyx for 5 disposal. The material was shipped as class 1.1 explosive 6 materials.

7 We also discussed possible annual limits for the 8 pending variance request. Mr. Buchanan indicated that they 9 could live with annual limits of 31,200 pounds for 10 explosive waste and 65,000 pounds for potentially explosive 11 contaminated waste. I did not agree or disagree with such 12 limits.

13 We then proceeded to the booster process and 14 observed operations. I noted the various operations 15 resulting in waste materials and their handling procedures. The contaminated explosive materials are sent 16 17 to the screening operation for inspection and possible 18 reuse. Any recyclable materials are then placed back into 19 the melting pots. We also observed a new recycling 20 activity, which removes explosive materials from obsolete 21 boosters which would otherwise be classified as off-spec 22 product. A small amount of the waste materials results from this activity which are contaminated small balloons 23 and cardboard sleeves. We next went to the break out 24

KEEFE REPORTING COMPANY

area. There was no activity in this area on this day. We 1 2 also inspected the non-electric delay detonator assembly area, the burn unit site and the cardboard baling area. 3 4 On August 13, 2002 I inspected the Onyx hazardous 5 waste site in Sauget, Illinois. The purpose of my visit 6 was to evaluate the company's storage capabilities and 7 capacity to store explosive and potentially explosive 8 contaminated wastes on-site and their ability to treat these types of waste materials. I have met with Dennis 9 Warchol, the environmental manager. Mr. Warchol was 10 11 familiar with waste materials currently being shipped to Onyx from EBCo for incineration and treatment, waste 12 13 detonators, blasting caps and waste detonator assemblies, 14 configured devices.

Onyx is permitted to store under their RCRA 15 permit 1.3, 1.4, 1.5 and 1.6 class explosives, but not 1.1 16 17 or 1.2. They are permitted storage of up to 100,000 pounds 18 of explosive waste materials. The bunker for explosives storage is a 27 foot by 30 foot enclosure with the 19 20 capability to accommodate 180 55-gallon drums. They are 21 permitted to treat all classes of explosives. This means 22 for the waste materials currently being shipped from EBCo to Onyx must be fed into the unit continuously until it is 23 24 gone. They are not permitted to store it on-site.

KEEFE REPORTING COMPANY

1 As I have testified, my inspection findings determined that there are at least three companies that can 2 legally dispose of Petitioner's waste materials. They are 3 4 ICI Explosives Environmental, Onyx Environmental Services, 5 and Safety Kleen's Grant Parish Facility. Based on 6 discussions with Petitioner and employees of the IEPA, it 7 also appears that some non-incineration types of disposal 8 methods exist such as land filling of the nonhazardous 9 waste and desensitizing the hazardous waste to a 10 nonhazardous waste to open up cheaper and safer disposal 11 methods. EBCo has not presented the Agency with the facts that support the conclusion that open burning is the best 12 13 way to go and supports their Adjusted Standard. 14 HEARING OFFICER LANGHOFF: Let the record reflect that Mr. John B. Justice has read his testimony into the 15 record. Anything further from Mr. Justice? 16 MS. DOCTORS: No. 17 18 HEARING OFFICER LANGHOFF: Cross examination? CROSS EXAMINATION 19 20 BY MR. HARSCH: 21 Q. Mr. Justice, has the Agency ever, to your 22 knowledge, made any complaint to EBCo for the operation of their waste burn unit or flashing of obsolete equipment? 23 24 A. Not to my knowledge.

KEEFE REPORTING COMPANY

1 Are you aware of any complaints from any Q. member of the public with respect to the operation of these 2 3 units? 4 Α. No. I am not. 5 Ο. You would be aware if the Agency had made a 6 complaint or any complaints had been made to the Agency, 7 would you, not in your position? 8 Α. Would I would say yes I should. 9 Ο. Do you concur with the summary in the opening statement made by Ms. Doctors regarding the lack of an 10 environmental problem associated within the direct burning? 11 12 Yes, I do. Α. 13 Ο. So you have had the opportunity to thoroughly 14 inspect, as well as the inspectors on your staff have had an opportunity to thoroughly inspect the EBCo facilities at 15 16 all times that you have made visits to the plant, correct? 17 Α. Yes. 18 Ο. Would you agree with the assessment that Mr. Buchanan testified to as to his working relationship with 19 the Agency? 20 Yes, I would. 21 Α. 22 Q. And that extends personally to you and from you back to Todd, does it not? 23 24 Α. Yes.

KEEFE REPORTING COMPANY

1 In your testimony regarding your observations Q. of the Onyx facility, it was not presented in any means to 2 contradict any of the statements that Mr. Buchanan made on 3 4 the record regarding his assessment of the Onyx facility 5 was it? 6 Α. It was made to educate myself with their 7 storage capabilities and their firing capabilities dealing 8 with explosive wastes. 9 You are in agreement with the Ο. characterizations Mr. Buchanan provided on the record? 10 11 Α. I have some questions with the packaging material, but there again that goes back to how it's 12 13 classified, and if it deals with -- and this is something 14 that I thought about while I have been here. If it deals with the type of material that the cardboard is 15 contaminated with, then yes. I would agree with that, but 16 if it deals with the waste material as a whole, then I 17 18 might have a question about that. When you reference that bunker size of 27 19 Ο. feet by 30 feet enclosure, that is a smaller volume than 20 21 the truck that EBCo normally uses to ship material to Sauget, is it not? 22 That, I don't know. 23 Α. 24 I might add it's a fairly large building. Q.

KEEFE REPORTING COMPANY

1 Now, those are dimensions provided to me by Mr. Warchol, and it's a three bay wide. I don't know if you are 2 familiar with their storage, but it's a three bay wide 3 4 type. It's one bay, but it's three aisles wide, and it's 5 as deep as what the normal bay would be. 6 Q. Your reference to Safety Kleen Grant Parish 7 facility, that is the Louisiana facility that Mr. Buchanan 8 testified to? 9 Α. Yes. 10 Ο. Have you inspected that facility? No. I have not. 11 Α. 12 Would it surprise you to learn that that Q. facility accepts all types of materials for open burning? 13 14 Α. No. It would not. Would it surprise you to know that that site 15 Q. is a potential Superfund site for ground contamination? 16 That wouldn't surprise me, no. 17 Α. 18 You might expect that given that past Ο. practice? 19 20 If I knew the kind of waste they had been Α. 21 receiving over the past few years I might expect it. 22 Q. Do you personally believe that there is merit from an environmental basis and a safety basis to land fill 23 24 the types of materials that Mr. Buchanan currently destroys

KEEFE REPORTING COMPANY

1 on-site?

2 Α. Can you repeat that? From a personal standpoint, based on your 3 Q. 4 experience, do you believe there is any merit from an 5 environmental standpoint and or a safety standpoint in 6 landfilling the materials that are currently destroyed of 7 by Todd on-site that he has testified to? 8 My decision on that is based primarily on Α. talking to the people down in the Marion office that 9 10 inspect Ensign Bickford's site. They tell me that that material can by its -- I would assume they are talking 11 12 about the profile for the material, the non-RCRA 13 classification -- can be stored at surrounding at the --14 and didn't identify any one particular one, but surrounding landfills or landfills permitted in the State of Illinois. 15 Anywhere beyond, I haven't gone anywhere beyond that other 16 than to learn that information. As far as personally 17 environmentally, I am not -- I don't work for the Bureau of 18 Land, but there would have to be a trade-off in burying 19 something versus burning it. 20 Q. 21 Are you familiar with the Agency's position 22 basically that, apart from landfilling, the other available alternative is to haul the material to ICI in Joplin, 23 24 Missouri for disposal?

KEEFE REPORTING COMPANY

1 Those are the alternatives that appear to be Α. within the regulations. 2 3 Do you have any idea what the emissions would Q. 4 be from the diesel engines and trucks to haul that amount 5 of material to Joplin, Missouri? 6 Α. No. But I have thought about it. 7 Q. What has your thought been? 8 Α. It would be at least an argument on your 9 part. 10 Pretty good argument? Ο. That, I couldn't say. 11 Α. 12 You saw the pounds that were used by Mr. Q. 13 Trzupek in his testimony, did you not? 14 Α. Yes. Would there be, in fact, an environmental air 15 Q. pollution trade off by the diesel fumes from hauling it. 16 17 Α. There could potentially be, but I don't know what they would be. 18 Do you know what the emission factor is for a 19 Ο. diesel engine per mile? 20 21 Α. No, I don't. 22 Q. Do you have that available at the Agency? Yes, we do. 23 Α. 24 Q. Would you provide that to me?

KEEFE REPORTING COMPANY

1 If it's okay it with my counsel, I would be Α. 2 more than happy to. 3 I am asking if you would be willing to Q. 4 provide it to me, would you please? 5 Α. If I get approval from my counsel I will. 6 MR. HARSCH: Counsel? 7 MS. DOCTORS: I don't know why we wouldn't provide a piece of information that is already available. 8 9 MR. HARSCH: Thank you. Maybe we should calculate what that trade off might be. 10 Q. You have not had any inquiries from the 11 12 forest service over EBCo's operations? 13 Α. Not to my knowledge. 14 Ο. During your inspection when you were referring to the boxes of the PETN shipped back sent from 15 Graham to EBCo's Wolf Lake facility in return, if the box 16 had lost its functionality, is it your understanding if the 17 18 box was not contaminated if it no longer met DOT requirements but had not been contaminated, Mr. Buchanan's 19 practice is to ship that? 20 21 Α. That is my understanding. 22 MR. HARSCH: I have no further questions. MS. DOCTORS: Is there anything you need to add? 23 24 A. I don't see any need.

KEEFE REPORTING COMPANY

1 HEARING OFFICER LANGHOFF: Thank you Mr. Justice. Anything further Ms. Doctors? 2 MS. DOCTORS: No. I have nothing further. 3 4 MR. HARSCH: We have no rebuttal. 5 (Discussion held off the record.) 6 HEARING OFFICER LANGHOFF: On the record, the 7 parties have indicated that they are going to waive any 8 closing arguments and provide those in their briefs. I want to read that briefing schedule in the record at this 9 10 time. The transcript of these proceedings will be 11 available from the court reporter by September 10, 2002. I 12 13 want to establish a public comment period of 14 days. The 14 Agency has indicated that they may be filing another amended recommendation. The Agency will file a 15 recommendation or notify the Board and EBCo that they will 16 not be filing that recommendation by October 3, 2002. 17 18 EBCo's brief will be due by November 7, 2002, and the mail box rule will apply. The Agency's brief will be due by 19 December 12, 2002, and again the mailbox rule will apply. 20 21 The transcript of the proceedings here today is usually put 22 on the Board's web site within a day or two of its availability. I will attempt to get it on the web site the 23 day the Board receives it. I would like to note our web 24

KEEFE REPORTING COMPANY

site address is www.ipcb.state.il.us.

2 All post hearing comments must be filed in accordance with Section 101.10. Public comments must be 3 filed by September 12, 2002. The mailbox Rule 34 Ill.Adm. 4 5 Code 101.1072d and 101.144c will apply to any post hearing 6 filings. That means they must be postmarked by September 12. 7 8 Is there anything further from the parties before we conclude? 9 10 MR. HARSCH: Mr. Hearing Officer, I personally on behalf of EBCo and myself would like to thank you and the 11 Agency for the courtesies you have shown today in this long 12 13 hearing. 14 HEARING OFFICER LANGHOFF: Thank you, Mr. Harsh. I want to note there are no members of the public 15 present that want to make statements on the record. I am 16 17 required to make a statement as to the credibility of 18 witnesses testifying during this hearing. This statement 19 is to be based on my legal judgment and experience, and 20 accordingly, I state I have found all the witnesses 21 testifying to be credible. Credibility should not be an 22 issue for the Board to consider in rendering a decision in this case. 23

At this time I will conclude the proceedings. It's

KEEFE REPORTING COMPANY

24

1	Thursday August 29, 2002 at approximately 5:15 in the
2	evening. I thank everybody. I wish everybody a safe and
3	pleasant drive home. Thank you very much.
4	(End of proceedings.)
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	

1	BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
2	
3	I, Stacy A. Wilson, an Certified Shorthand
4	Reporter in the State of Illinois, do hereby certify that I
5	reported in machine shorthand the proceedings had on the
6	hearing in the above entitled cause; that I thereafter
7	caused the foregoing to be transcribed into typewriting,
8	which I hereby certify to be a true and accurate transcript
9	of the proceedings had before the Illinois Pollution
10	Control Board.
11	IN WITNESS WHEREOF, I have subscribed my name and
12	affixed my Notarial Seal on the 10th day of September,
13	2002.
14	
15	STACY A. WILSON, CSR
16	#084-003906
17	NOTARY PUBLIC
18	
19	
20	
21	
22	
23	
24	

KEEFE REPORTING COMPANY