

RECEIVED
CLERK'S OFFICE

SEP 22 2004

STATE OF ILLINOIS
Pollution Control Board

September 22, 2004

Ms. Marie Tipsord
Hearing Officer
Illinois Pollution Control Board
1021 North Grand Avenue East
P.O. Box 19274
Springfield, Illinois 62794-9274

PC#2

Re: Proposed Rulemakings R-04-22 and R-04-23.

I am writing to respectfully request at least one additional hearing, before the Illinois Pollution Control Board proceeds to first notice in the above referenced matter. My rationale for requesting the additional hearing is as provided below.

As you know, United Science Industries, Inc. has participated in the numerous hearings held before the IPCB since March of this year relating to the above referenced proposed rule. USI's participation in the hearing process has been at the firm level and also as a member of the Professionals of Illinois for the Protection of the Environment (PIPE).

Early in the rulemaking process, USI and most of the other members of PIPE agreed that the best way to implement a fair, uniform and consistently administered costs containment program would be to develop a database of the costs to perform the various tasks required by the Illinois LUST program. The notion was that this database would be used to develop a statistically reliable dataset that could serve as a foundation for the entire Illinois EPA's cost containment program.

Our firm felt so strongly that a statistically reliable database was needed that we voluntarily developed a detailed written format that could be used as a framework for establishing such a database. The format provided the concepts of a standardized work breakdown structure (WBS), a standard billing methodology for each task within the work breakdown structure, standardized units of measure and a table of standard resources that could be utilized for time and materials tasks. We also provided a means by which tasks and resources could be added/removed from the standardized WBS and table of resources respectively. Finally, we provided paper forms that could be utilized by owners/operators and their consultants for purposes of submitting budget proposals and payment applications to the Illinois EPA LUST Program.

USI presented this format to the PIPE Board of Directors in the late Spring of 2004. PIPE embraced the concept and elected to present the concept to the IEPA for their consideration.

IEPA quickly rejected the format and suggested that the process of developing a system to manage and administer a database would be too complicated, too costly and too time consuming. One main objection was based upon their assertion that LUST program was quickly running out of money and that there simply was not enough time to develop a database.

Upon, IEPA's rejection of the format for the development of a database of LUST clean-up costs, USI and the many members of PIPE that elected to present the format to the IEPA, decided to try and collaborate with the IEPA to develop a jointly prepared proposal. Our hopes were that a jointly prepared proposal would be considered in a more favorable light by the IPCB. Although, PIPE and the Agency did meet on numerous occasions and were able to reach a consensus on several issues, the two groups were not able to reach a consensus on a joint proposal. As a result of the inability of the two groups to develop a joint proposal, PIPE has or will be submitting to the IPCB its proposed changes to Subpart H.

Although PIPE's proposed changes to Subpart H do not include language that would require the establishment of a database to track historical costs or serve as the foundation for a costs containment program, the changes to Subpart H that are proposed by PIPE would be implemented and administered most effectively through a reliable database system. In fact, it is my belief that the majority of the PIPE membership would be supportive of the establishment of a database that would be used to administer the IEPA LUST Program.

USI certainly still strongly supports the development of a database system customized to meet the distinctive needs of the IEPA LUST Program. In fact, USI believes that a database system that automates portions of the budget and claims review processes would provide the IEPA with a means of achieving several of their stated goals. These include: 1.) limiting the amount of technical reviewer (IEPA Project Manager) time spent on budget reviews/issues; 2.) minimizing the timeframe for reimbursement; and 3) allowing the Agency to gain a thorough understanding of the costs of clean-up. 4.) maximizing the effectiveness of expenditures from the LUST Fund (containing costs).

Since the August 9th hearing USI has developed a prototype of an automated administrative system. This system, which USI envisions could be utilized by the Agency in the administration of their program, facilitates the creation of a statistically reliable dataset of Illinois LUST clean-up costs and would allow the Agency to achieve all of its above stated goals.

Further, because the system is process oriented, it is flexible and would provide the Agency with appropriate managerial latitude and discretions in setting interim threshold pricing levels. Finally, since the system is functional, it could be implemented very quickly thereby meeting the time constraints of the IEPA.

For all of the above stated reasons, and because the many efficiencies and subtle benefits of utilizing an automated budgetary and claims review system are best presented in a face-to-face forum, I respectfully request that the Board consider another hearing to provide USI with an opportunity to present its proposed approach to costs containment and the associated prototype of automated administrative system.

If you have any questions or comments regarding this matter or need further information, please do not hesitate to contact me.

Sincerely,

Jay P. Koch

United Science Industries, Inc.
President

