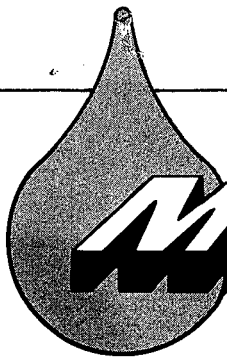


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**MDI MORGAN
DISTRIBUTING
INC.**

"THE PETROLEUM PEOPLE"

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MAY 20 1999

**STATE OF ILLINOIS
Pollution Control Board**

Illinois Pollution Control Board
100 West Randolph
Chicago, IL 60601

RE: Docket R98-29; Docket R98-18 Used Oil Regulations

R98-18
P.C. #15

Ladies and Gentlemen:

I am writing this letter in order to provide the comments of my company on any proposed regulatory changes, pursuant to 35 Ill. Adm. Code 807 or 739 that may affect oil recyclers operating in the State of Illinois. Our company's principal concerns are twofold: First, used oil recyclers should not be subject to any regulatory or permit requirements that are more stringent than the federal requirements set forth in 40 CFR Part 279. It is my understanding that Part 739 requires that Illinois' used oil regulations must be "identical in substance" to the federal requirements. This makes good sense because the federal used oil management standards work well, are enforceable, and encourage legitimate methods of used oil recycling. As you know, the vast majority of states have opted Part 279 with either no changes or very minor changes.

Second, it is imperative that Illinois regulations not place a greater burden on Illinois-based-transporters and recyclers than their out-of-state competitors. Specifically, if a recycler in another state is allowed to pick up used oil in Illinois without a manifest or special permit with conditions and restrictions, it is unfair to impose these requirements on a recycler operating out of a facility in Illinois. Also, many transporters and recyclers in Illinois use commercial leased storage for oil transfer facilities or EPA on-specification oil storage. Those types of facilities will not subject themselves to permitting requirements. Where will Illinois transporters and recyclers store their oil then? Since those requirements impose significant paperwork and end burdens, the out-of-state recycler enjoys a major competitive advantage. What useful purpose could be served by this kind of discrimination? In addition, it is imperative that Illinois burners of EPA on-specification fuel not be required to be permitted or they will simply switch back to virgin fuel. Where will the oil going to them, which is a good portion of all the oil in the state, go for recycling if they are not willing to burn it?

There are other important issues concerning the requirements affecting the oil recyclers in Illinois. These are addressed in a letter to the Board of the General Counsel of the National Oil Recyclers Association ("NORA"). My company fully endorses NORA's comments.

If you need addition information, please contact me at the number listed below. Thanks for your consideration in this matter.

MORGAN DISTRIBUTING, INC.

Gary R. Morgan
CEO

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