

MedPointe
pharmaceuticals

October 26, 2004

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STATE OF ILLINOIS
Pollution Control Board

Charles E. Matoesian
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
PO Box 19276
Springfield, Illinois 62794

Re: Wallace v. IEPA, PCB 02-207 (Air Variance)

Dear Mr. Matoesian,

As per condition 3.h. of the Order granting a variance in the above referenced matter, MedPointe Healthcare, Inc. is submitting this letter as a progress report for the period from April 1, 2004 through September 30, 2004. As noted previously, the Wallace Pharmaceuticals' name has been changed to MedPointe Pharmaceuticals.

According to the Order, MedPointe is required to report on the progress of the development of a suitable alternative to the usage of ethanol in the affected processes. We are pleased to report that research and development of direct-compression manufacturing processes has been successful, and do not involve the use of ethanol. These research efforts should satisfy conditions 3.a., 3.b., and 3.c. of the Order, in that the bench-top, pilot, and commercial scale processes were successful for these products, and do not utilize VOM solvents.

We continue our research efforts with emphasis being placed on non-VOM products and processes for our future product development. All new products introduced, or in development, since the effective date of the variance, have involved the use of direct compression or other non-VOM processes. At this writing, we do not expect that add-on control technology will be necessary to achieve compliance with our pre-variance limits of 12.5 tons per year.

At this writing, we expect our VOM emissions to be well below both the allowable variance limit of 25 tons per year, and our pre-variance limit of

12.5 tons per year. Our VOM emissions for 2003 were indeed well below that level.

As a result of our successful process developments, combined with our current product portfolio which is primarily manufactured with non-VOM processes, we will be scheduling a meeting in the near future with you to discuss the process of withdrawing this variance.

I trust this brief letter report satisfies the Order requirement for a progress report. If any additional information is required please advise.

Sincerely,



William J. Taraszewski, Ph.D.
Director, Pharmaceutical Production

cc: Dorothy Gunn, Clerk ✓
Illinois Pollution Control Board
State of Illinois Center
100 West Randolph St., Suite 11-500
Chicago, IL 60601

bc: Mr. Paul Edick
Mr. Will Robinson
Ms. Beth Hecht
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Mr. Rick Majos