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State of Ohio Environmental Protection Agency

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June 2, 2010

RTC of 3/31/09 NOV

Ms. Elizabeth Sitterly
Giddings & Lewis, Machine Tools LLC
142 Doty Street
P.O. Box 590
Fond Du Lac, Wisconsin 54936-0590

026-024

017-012

**Re: Giddings and Lewis, Inc. OHR000005538/OHR000005546
Cleveland, Ohio
Financial Assurance
Financial Record Review
Return to Compliance**

Dear Ms. Sitterly:

On May 25, 2010, I completed a review of the financial assurance documentation file for the Giddings and Lewis Machine Tools, Inc. (G&L) facility referenced above. I evaluated the facility for compliance with financial assurance and liability requirements set forth in OAC rules 3745-66-42, 3745-66-43 and 3745-66-47. To satisfy financial assurance obligations the following has been submitted on behalf of G&L:

- A post-closure cost estimate for \$219,055.00 submitted on June 15, 2009, listing post-closure annual costs through 2038 using a 3.0% inflation rate beginning in 1911; and
- A LOC No. SM229911W with Wachovia Bank for \$229,460.00 submitted on February 8, 2008.

In a March 31, 2009 Notice of Violation Letter the following violations were cited:

OAC Rules 3745-66-47(A) and 3745-55-51(J): G&L failed to submit documentation of liability coverage containing the wording required by OAC rule 3745-55-51(J) and remains in violation of OAC rule 3745-66-47(A). As the G&L Cleveland site is in the 30 year groundwater monitoring phase of closure you will no longer be required to provide third-party liability coverage until the site has been certified closed. **Therefore this violation is abated.**

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director



OAC rule 3745-66-42(B): G&L has also failed to submit an updated closure cost estimate in violation of OAC rule 3745-66-42(B). The closure cost estimate must be updated annually for inflation. This is due 60 days prior to the anniversary date (February 7) of the financial assurance mechanism. **This violation was abated with the June 15, 2009 submittal noted above.**

Upon review of the financial assurance documentation, the following area of concern was noted:

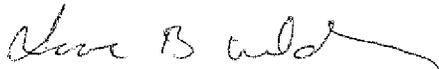
Ohio Administrative Code ~~3745-66-44~~

OAC 3745-44-(E)(1) states that a copy of the facility's current, detailed post-closure cost estimate prepared and maintained in accordance with OAC rules 3745-44-(A) and (B) must be submitted **annually** to the Director of the Ohio EPA. Although LOC No. SM229911W appears to be sufficient to cover current post-closure costs the annual post-closure cost estimate needs to be updated for inflation. The current inflation factor for 2009 is 1.18%. Please update the post-closure costs for inflation and submit this to me in writing.

Based upon review of the documentation noted above, G&L is in compliance with Ohio's financial assurance requirements

If you have any questions, or need further clarification of any matter mentioned in this letter, please do not hesitate to contact me at (614) 644-3067 or isaac.wilder@epa.state.oh.us.

Sincerely,



Isaac B. Wilder
Compliance Assurance Section
Division of Hazardous Waste Management

cc. Todd Surrena, DHWM, NEDO
Kristina Durnell, RISS, DHWM

Notice:

Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with applicable regulations.