



February 5, 2008

Department Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

Attention: Secretary Kathleen McGinty

RE: Resource Recovery Project
Rush Township, Centre County

Secretary McGinty:

Resource Recovery, LLC is a privately owned company created to undertake an economic development project situated in Rush Township, Centre County, Pennsylvania. This endeavor will offer new economic opportunities for the region, increase the tax base, provide "green energy", alternative energy, as well as remediate and protect the environment. This project was originally introduced to you and some of your staff at an introductory meeting with myself and several of our consultants in 2004.

The parent tract of land is comprised of approximately 5,758 acres situated along the north side of Interstate 80 between the Kylertown and Snow Shoe exits. The 2,460 acres situated in Rush Township are in a newly created Industrial Enterprise Zone. The remaining acres in Snow Shoe Township will remain largely unchanged. Access to the project site will be via a privately-funded interchange that will provide access to and from the project and therefore will not increase traffic flow to the existing local roadway network. The project is comprised of four component uses or applications that are in the planning and approval stages. Each of the components will complement the overall planning and design of this economic development endeavor.

The first use is a 274.4 acre state-of-the art landfill to be designed and constructed so that the landfill volume will maximize capacity and effectively allow the collection of resulting methane landfill gas. The longevity of the landfill capacity is estimated to be 28 years. This landfill will be the catalyst for many other uses on the project. The methane gas collected and processed will be an outstanding "green energy" source available to companies located on the project campus. The administratively complete landfill permit application has been accepted by the PA Department of Environmental Protection (DEP).

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A second application results from the extensive on-site test drilling and geological evaluation that has been completed on the property. This work reveals a sizable deposit of high quality sandstone material which has significant value as an asphalt component specified in high traffic highway design. Therefore, a quarrying operation is proposed for the site. The quarry will produce needed aggregates for landfill construction, operation, and will also result in the export of the sandstone material found on the project site. A mining permit has been applied for through DEP.

The third component use of the project site is the construction of a bio-diesel plant. This plant is initially designed to produce 12 million gallons of bio-diesel soy oil per year. Soy beans brought to the facility will be processed utilizing the methane landfill gas to power the production plant. The soy meal by-product will be sold to suppliers as an excellent livestock feed, and the remaining soy oil sold to fuel processors for blending to ultimately create bio-diesel fuel.

The fourth application, is the planning of a 270 acre industrial park which will provide the opportunity for facilities to capitalize on the resources produced within the project. These companies would use energy from methane landfill gas as a power source in their production of goods, and may also utilize recyclable waste in their manufacturing process.

In many regions of the Commonwealth, citizens are challenged to find the means to provide for their families, promote opportunities for future generations, and enhance their local communities. Rush Township and the greater Moshannon Valley region of western Centre County are no different. Recently, the citizens have been buffeted by the bankruptcy and closing of the Philipsburg Hospital, the discovery that the Philipsburg-Osceola School District faces in excess of 3-million dollar budget shortfall, and Rush Township struggling to find an extra \$75,000.00 to add to a \$400,000.00 general operating budget to implement a much needed sanitary sewer extension.

The local economy has witnessed declining prosperity throughout the region as easily obtained natural resources, especially coal and timber, have been consumed and those industries moved out. As a result, the population has also declined and business development has stagnated.

Resource Recovery has moved forward with its initiative to create a municipal solid waste landfill and a new interchange along Interstate 80. As mentioned, the Phase I Landfill Permit Application has been submitted to DEP and has been deemed administratively complete.

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The process with DEP has been handled well and all personnel that our consultant, ARM Group, have dealt with have been helpful and professional in their handling of our permit application and fielding of questions. However, DEP has stated that it must have conceptual acknowledgment for the I-80 interchange to continue its' permit review process. This leads us to the current dilemma that we have found ourselves in at this time.

The Interstate 80 Point of Access Study has also received initial conceptual approval from the Pennsylvania Department of Transportation. Along with the landfill permit, the point of access study represents the culmination of extensive study, evaluation, and planning that have been conducted over the last three years. Resource Recovery has invested millions of dollars to date; and the commitment to the process is ongoing. Estimated 2009 construction costs for the landfill and interchange total \$73 million. Resource Recovery has not received, nor has the company requested, any public funding to offset the expense of the significant infrastructure costs to be undertaken. Resource Recovery's desire is to facilitate the development of a state-of-the-art waste facility that the region and the Commonwealth will tout as a progressive step toward comprehensive, innovative solid waste management, resource management and alternative energy production.

Not only has the consumption and subsequent reuse of natural resources and the recovery of energy been headline news lately, these issues will play an ever increasing role in our collective ability to use natural resources wisely. Anchored by a state-of-the-art municipal solid waste landfill as the catalyst for the additional facilities, Resource Recovery's development initiative goes beyond being only a landfill development. The larger picture is one in which the energy and infrastructure base, constructed for the landfill operation, also serves as a catalyst for related and associated technologies and enterprises developed in this new industrial enterprise zone. For example, the landfill requires completion of a sizeable wastewater treatment system, the development of a potable water supply, and requires that electric power be brought to the site. Other industrial enterprise tenants will use this infrastructure as well.

Long-term success of this economic development initiative depends, in part, upon having direct access to I-80. The location of past development efforts at the Township's Regional Airport Park and KOZ area have been unsuccessful as transportation access is seen as a challenge.

The economic advantages are numerous. Real estate taxes that will be paid to local entities, waste disposal, host and impact fees that will be distributed to Pennsylvania, Rush and other surrounding townships, and negotiated payments to environmental organizations amount to hundreds of millions of dollars over the life of the entire development.

Payments collected from Resource Recovery's fully operational landfill, on a yearly basis, will be approximately \$1.2 million for the Philipsburg-Osceola School District, \$200,000 for Centre County, \$9.7 million for the Commonwealth of PA, \$5.0 million for Rush Township, \$750,000 for Snow Shoe Township, and \$150,000 for the Moshannon Creek Watershed Coalition. The relative size of these payments to current operating budgets is significant for many of these entities. Please note that none of these dollar amounts include any local, state, or federal income taxes determined by wages earned or the real estate taxes assessed on the ultimate value of non-landfill assets constructed within areas of the industrial park development.

The landfill development will serve to alleviate acid mine drainage and site erosion problems currently existing on parts of this brownfield acreage. Some of this acreage consists of abandoned mine sites with open cuts that have existed for over half a century and have never been reclaimed. This site is not the pristine land that some would have everyone believe. The landfill and interchange development will also serve as an example of the positive outcomes that can flow from the Governor's Growing Greener II and Penn Security Fuels Initiatives. We strongly believe that this project, with all of its' possibilities for waste to energy production and economic opportunities, could be one that the region would be proud to have as a neighbor and the Commonwealth proud as a bold step in excellent facility planning and operation.

Currently, Resource Recovery is caught in a procedural dilemma. We cannot proceed with the landfill permitting until we receive the interchange approval, nor can we proceed with a request from the Centre County Municipal Planning Organization until we show an approval by DEP of the landfill permit. We need to move forward in our permitting phase of the project. We need help breaking free from the "Catch 22" that we are finding ourselves in at the moment.

At present, the project needs DEP to move forward with its' permit review of the landfill and for the Federal Highway Administration to grant conceptual approval of the interchange so that the project can continue through the design and approval process. Resource Recovery is very anxious to move this project toward approval and construction.

We would welcome any ideas or help that your department could lend to move us past our current roadblock. We feel that because our project is privately funded it should be placed on the Long Range Transportation Plan and Traffic Improvement Plan by the Centre County MPO and allowed to pass or fail on it's own merits in the permitting process with FHWA. However, we need the MPO to move us forward or a change of procedure by DEP to move us forward with the landfill application which would also free up our log jam with FHWA for the interchange.

Secretary McGinty
DEP

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February 7, 2008

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Enclosed is a DVD which details the project and its' components and a small copy of the Master Plan of the proposed facilities. Should you wish to receive a larger plan size, we would be happy to provide you with one. Thank you for your time and consideration of our thoughts and observations, and we welcome the opportunity to discuss them more fully with you and your staff. I can be reached at (717) 285-2020 to respond to any questions you may have.

Sincerely,

RESOURCE RECOVERY, LLC

TROY E. ABEL
Vice President

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Enclosure

c: Jacqueline Parker, Executive Director, Community Action Team, DCED
Kate Fairweather, Regional Director, Governor's Action Team
Dan Vilello, Local Government Liason, DEP
Stan LaFuria, Executive Director, Moshannon Valley Economic Dev. Partnership
John Coleman, President, Chamber of Business and Industry of Centre County