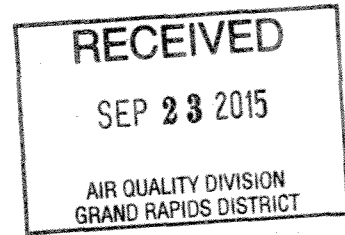


Friday, September 18, 2015

Department of Environmental Quality
Grand Rapids District Office
350 Ottawa Ave NW
Unit 10
Grand Rapids, MI 49503-2341
616/356-0500



Re: Letter dated September 3rd, 2015

Dear Kaitlyn DeVries,

Details of the resolution and a summary of the situation follow. Michigan Rail and Storage (MRS) is a transloading facility and does not own any of the products it handles. The customers determine which products to send and when. MRS does not have control over when or where the railroad places railcars or how the product arrives. The condition of the product cannot generally be determined until opening the car. Clearly, this puts MRS in a vulnerable position if there is a problem with the product upon arrival.

This year, late-July through August, the facility received numerous railcar loads that contained smoking "off-spec" product. This type of car, while rare, can occur in the warm weather months, particularly if loaded hot. To receive this many "hot" cars was unprecedented. The railway cannot re-transport cars like this, so MRS became their final destination. In what amounted to a "perfect storm," all of the wrong events took place at the same time and put undue hardship on our small company.

The hot cars were creating a problem with odors for neighboring residents. Several issues made it hard to process these cars as quickly as we would have preferred; this was not an apathetic effort. At the time we had an abundance of railcars already at the facility and these problematic cars were placed in the least accessible location. Railcars can only be moved while on the rail and to do so requires a space for all of the other railcars. Moving a railcar is a slow and intricate process in the best of situations.

MRS worked diligently to combat the problem. MRS's employees were working large quantities of overtime and additional staff was brought in to help.

The smell and smoke issues that resulted from these “hot cars” has **been resolved** since that time. Currently, MRS has no smoking hot cars. At one point, a few weeks ago, there was a complaint about smoke, but that smoke actually originated from a neighboring company and was wholly unrelated to our operations.

To resolve this problem long-term, Michigan Rail and Storage has reached out to the customer (this had been done in the past, but they said it was up to the plant), that owns the product. That customer has communicated with the plant that produces the material that we will not accept this type of “off-spec” product. They also forwarded a copy of the DEQ letter to convey the severity of the problem this product was causing. This company assures us that going forward we will only be receiving “spec” product. The plant will be making changes in the temperature at which it loads the cars. Several cars that have arrived since receiving that reassurance have proven to be “good.” While we cannot anticipate every possible situation, particularly since we do not own or determine which commodities ship, we think that this will resolve the problem.

MRS does have a plan in the event that, at some point in the future, another “off-spec” hot car arrives. If a hot car does arrive at our facility, we will be flooding the car’s compartments with water, extinguishing the flames as soon as we are able. In the rare event that it reignites, we will abate the fire again. In the past there was an attempt made to protect the valuable product within the car that was still viable, however going forward that will not be the case.

While this situation was unfortunate for our neighbors, it was also an unpleasant situation for our company. We appreciate the assistance provided by the DEQ and hope that going forward these preventative measures will ensure that we do not encounter problems of this nature again.

Sincerely,

Ronald Cordes

Ronald Cordes
Owner
Michigan Rail and Storage, Inc
5758 Vinton Ave NW,
Comstock Park, MI 49321