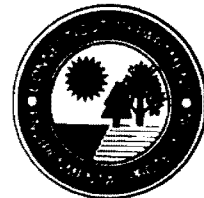
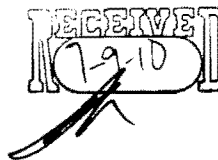


**STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

July 7, 2010



Housatonic Railroad Company, Inc.
8 Davis Road West
P.O. Box 687
Old Lyme, CT 06371



Attn: Mr. Edward J. Rodriquez, Executive Vice President & General Counsel

Re: Solid Waste Inspection on April 09, 2010 of Housatonic Railroad Company, Inc. located at 30 Hawleyville Road in Newtown, CT

Dear Mr. Rodriquez:

The Waste Engineering and Enforcement Division of the Department's Bureau of Materials Management and Compliance Assurance has reviewed the report of an inspection conducted April 09, 2010 of Housatonic Railroad Company, Inc.'s compliance with Connecticut's solid waste management regulations. The attached Notice of Violation has been issued for violations found during the inspection. Additionally, based on the significance of the violations, the Department will be issuing a formal enforcement action, a consent order, which will require payment of a civil penalty with the option of completing a supplemental environmental project to displace part of that cost. The consent order will also include a schedule for obtaining compliance with the outstanding violations.

Please contact Bethany McWade of my staff at (860) 424-3303 if you are interested in settling this matter through a consent order. If we have not heard from you within thirty (30) days from the date of this letter, we will assume that you do not want to discuss settlement through a consent order and other enforcement options will be recommended.

Sincerely,

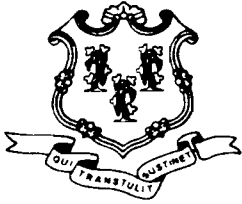
Robert C. Isner, Director
Waste Engineering and Enforcement Division
Bureau of Materials Management and Compliance Assurance

RCI/bm

cc:

- F. Colin Pease, Housatonic Railroad Company, Inc., 8 River Street, Concord, MA 01742
- Stephen Goldblum, Strategic Disposal, LLC, 30 Hawleyville Road, Newtown, CT 06470
- ✓ George Benson, Town of Newtown Land Use and Planning Department, 3 Primrose Street Newtown, CT 06470
- Donna Seresin, WPED, Department of Environmental Protection

REMEMBER TO REDUCE, REUSE, AND RECYCLE; it's a *first* step towards a more sustainable world and in Connecticut it's the Law. To learn more about what you can do, go to www.ct.gov/dep/swmp, or call (860) 424-3365.



**STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION**



WASTE ENGINEERING & ENFORCEMENT DIVISION

NOTICE OF VIOLATION # WSWDS10074

Date Issued: July 7, 2010

To: The Housatonic Railroad Company, Inc.
8 Davis Road
P.O. Box 687
Old Lyme, CT 06371

The purpose of this Notice is to inform you that personnel of the Department of Environmental Protection ("DEP") have made observations or otherwise obtained information indicating that a violation of law has occurred at your property located at 30 Hawleyville Road, Newtown, CT 06470.

In accordance with The Federal Clean Railroads Act of 2008 Title VI - Clarification of Federal Jurisdiction over Solid Waste Facilities Sec. 603. § 10908 Regulation of Solid Waste Rail Transfer Facilities (a) "IN GENERAL.- Each solid waste rail transfer facility shall be subject to and shall comply with all applicable Federal and State requirements, both substantive and procedural, including judicial and administrative orders and fines, respecting the prevention and abatement of pollution, the protection and restoration of the environment, and the protection of public health and safety, including laws governing solid waste, to the same extent as required for any similar solid waste management facility, as defined in section 1004(29) of the Solid Waste Disposal Act (42 U.S.C. 6903(29)) that is not owned or operated by or on behalf of a rail carrier, except as provided for in section 10909 of this chapter."

On April 9, 2010, an inspection was conducted by the DEP Bureau of Materials Management & Compliance Assurance. Based upon that inspection, it appears that you have:

- 1) Altered the proposed design and operation of a pending application, No. 200901096 submitted April 14, 2009, for a solid waste facility without the altered plan, design, and method of operation of the proposed facility having been filed with the Department and approved by the Commissioner by the issuance of a modified permit as required by §22a-208a(d) of the Connecticut General Statutes (CGS) and §22a-209-4 of the Regulations of Connecticut State Agencies (RCSA);
- 2) Failed to remove waste stored within the property boundary within a forty-eight (48) hours as required by §22a-209-10(4) of the RCSA;
- 3) Failed to unload waste only within an enclosed structure as required by §22a-209-10(5) of the RCSA;
- 4) Failed to keep the facility and the adjacent areas clean and reasonably free of litter as required by §22a-209-10(6) of the RCSA; and,
- 5) Failed to notify the Department within twenty-four (24) hours of the roof collapsing as required by §22a-209-10(12) of the RCSA.

The Housatonic Railroad Company, Inc.
30 Hawleyville Road, Newtown, CT 06470

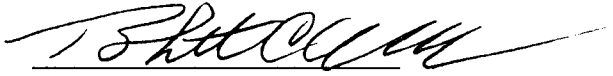
When you have corrected the violation(s) alleged in this notice, you should submit in writing the details of the corrective action(s). Your submittal should be made within thirty (30) days of receipt of this document and sent to the contact person identified below in paragraph D along with the signed Compliance Statement (enclosed). If the violation(s) cannot be corrected within thirty (30) days, send DEP a schedule for compliance within thirty (30) days, describing the actions you will take to correct the violation(s) with a timetable for such actions. Until the DEP has received such a statement, the DEP will presume you remain in violation.

A. Other violations may exist; legal obligations. This Notice does not necessarily specify all violations of Connecticut environmental law or violations of any other legal requirements which may exist at the aforementioned property. The Notice does not preclude the DEP or other state, local or federal agencies from commencing any enforcement action regarding any such violations. Your facility may be inspected again pursuant to law and without additional prior notice to determine compliance with state and federal law. It is your responsibility to comply with all legal requirements, whether or not the DEP notifies you of any violations or takes any enforcement action against you. Nothing in this Notice relieves you of other obligations under applicable federal, state and local law.

B. Enforcement action. Civil penalties of up to \$25,000 may be assessed for each day of violation under §22a-226 of the CGS. Notwithstanding the issuance of this Notice, the DEP may seek such penalties and may issue an order, seek an injunction, or take other legal action under Chapters 439 and 446D of the CGS.

C. No assurance by Commissioner. No provision of this Notice and no action or inaction by the Commissioner shall be construed to constitute an assurance by the Commissioner that actions you may take to address the violation(s) alleged herein will result in compliance.

D. Staff contact. If you question any of the information contained in this Notice, you may contact Ms. Bethany McWade of the Bureau of Materials Management & Compliance Assurance at (860) 424-3303, 79 Elm Street, Hartford, Connecticut 06106-5127.


Robert C. Isner, Director
Waste Engineering & Enforcement Division
Bureau of Materials Management & Compliance Assurance

NOV # WSWDS10074
Date Issued: July 7, 2010
cc:

- F. Colin Pease, Housatonic Railroad Company, Inc., 8 River Street, Concord, MA 01742
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Certified to be a true copy of a document in the file of the Department of Environmental Protection, Bureau of Materials Management and Compliance Assurance.

Name: Joyle Eason
Title: Secretary II
Date: July 7, 2010