

LucasMilhaupt

A Handy & Harman Company

Join with the Best!

September 12, 2006



Mark McDermid
Director, Bureau of Cooperative Environmental Assistance
Wisconsin Department of Natural Resources
101 S. Webster St.
Box 7921
Madison Wisconsin 53707-7921

Dear Mark,

This letter is to inform you that Lucas Milhaupt is applying for the Green Tier program. We have decided to apply for Tier 2. Although we will only need the criteria that fall under Tier 1 at this time, we feel that we may need some of the criteria that falls under Tier 2 in the future.

Lucas Milhaupt is currently certified to ISO 14001-2004. We have been certified to the standard for a few years now we have always been committed to being aggressive when it comes to being an environmentally friendly company. Our plant is located next to a school and across from a residential neighborhood. This even makes it more important that we are good neighbors.

Our EMS system runs parallel with our safety program. Thus our employees are involved and actually win points toward meals that are given out to our Cell (department) Safety/Environmental teams as part of our incentive program. The teams get points for coming up with objectives and completing them. Some of the environmental improvements that we have made are listed below.

- We eliminated the use of our last HAP a couple of years ago. We were using Perc to clean our parts; we now use a citric acid.
- We have installed a filtration system for about 80% of our water that is used to clean or process our products. The remaining 20 % is processed in our evaporator and the sludge is sent out as waste.
- We have installed all electronic ballast along with Alto Fluorescent bulbs through out our plant. We are also replaced the T12 bulbs with T8's.
- We installed a chiller to help cool our furnaces so that we do not have to use city water.
- All of our bag houses used to capture dust are internal.
- We installed 40 new lights in one of our production areas. The old lights used 16,900 watts of power; the new ones consume 8,400 which is a 50% reduction.

- We have reduced our air emissions to the point that for the past two years we only submitted a letter to Ralph Paterson informing him the facility is not required to submit an air emissions inventory report under NR438. This was due to the fact that our emissions were below the reporting thresholds. We submitted this letter through Sigma Environmental.
- Through waste reduction we have gone from being a large quantity generator to a small quantity generator.

Some of our current objectives are

- To reduce or eliminate the use of Isopar G in the production areas. This is one of the few VOC's we use in any quantity.
- To create a dust collection system for the dust coming off of our flattening mills.
- To reduce plastic spool waste.

We feel it is important that we point out that we are an OSHA VPP Star site. We are committed to protecting our employees and our environment, and firmly believe that standards are just that, a minimum requirement, and our over-all Lucas family needs to exceed them whenever possible.

Sincerely,



Dave Beyer
EHS Coordinator
Lucas Milhaupt.