



Environmental

RECYCLING & DISPOSAL
SERVICE

Phone: 815-725-4555 • 877-323-2222 • Fax: 815-725-5235 • PO Box 675 • Orland Park, IL 60462-0675

To our valued customers:

August 2005

As a privately owned company, we understand the need to keep costs down while operating efficiently. We constantly search for ways to maximize the value our service provides. From time to time, however, it is necessary to adjust our service rates to compensate for increases in expenses.

An example of this which is readily apparent is the increase in fuel costs. Over the past few years we have seen the price of fuel jump significantly. This increase has come to the point that it is no longer absorbable into our current rate structure. After careful review of industry practices, we have decided that the best way to handle this excessive cost is to impose a fuel surcharge on our services. This surcharge will begin with this month's billing. The transportation industry has widely used fuel surcharges to help compensate for the added expense. We will use a calculation based on the monthly retail averages published by the Energy Information Administration of the U.S. Department of Energy ("EIA/DOE"). This [report](#) is publicly available through the [EIA/DOE website](#). This index is objective and is widely recognized in the trucking and transportation industries. Our calculations will be based on the Midwest Regional statistics for On-Highway Diesel. We will use the calculated average for the previous month as the base for the surcharge. If the average decreases, the surcharge will also decrease. The [chart](#) that we will use will be made available on our website at "www.environmentalrecyclingdisposal.com".

Fuel is not the only cost that has risen dramatically. Regulatory changes at Local, State, and Federal levels have also impacted our ability to maintain our rate schedules. Locally, many towns have imposed or increased costly licensing fees for the privilege of doing business within the community. On the State level, fees placed on disposal sites have been raised again. Licensing fees have increased for trucks. Toll increases have had an impact on our cost to service certain areas. New taxes on the tires our trucks use have been enacted. Federal Highway taxes have increased. These are only a few examples of changes that have affected our industry.

Certain commodities have a below surface impact on expenses as well. Increases in petroleum prices have an impact on many of our suppliers that have petroleum based products. Tires and plastics are two examples of this. Steel prices have also risen making container purchases and repairs more costly. Recycling markets have not provided better returns recently as a result of higher shipping and processing costs.

At Environmental Recycling & Disposal we strive to provide the best service at a reasonable cost. We also strive to maintain the level of professional service you have come to expect.

We have a way for you to balance these increases. Our referral program allows commercial accounts a discount for one month's regular service charges up to \$100.00. The new customer must mention your name and business when signing up for service with us. The first month's service for the new customer will be provided at no charge as long as they mention this program.

We value your business and look forward to continued opportunities to meet your disposal service needs.

Thank You,

Environmental Recycling & Disposal