



RECEIVED JUL 30 2014

July 25, 2014

**VIA FEDERAL EXPRESS**

Pauline Batarsch  
Chief, Policy Implementation Branch  
Policy and Program Support Division  
Hazardous Waste Management Program  
Department of Toxic Substances Control  
1001 "I" Street  
Sacramento, California 95814

Re: Department of Toxic Substances Control ("DTSC") letter to Climate Master, Inc. ("Climate Master") dated July 3, 2014, relating to Out-of-Service Mercury-added Thermostats

Dear Ms. Batarsch:

I am writing this letter in response to the referenced letter sent to Climate Master on behalf of the DTSC. Your letter requests a meeting to discuss the possible improvements and modifications to the Thermostat Recycling Corporation's ("TRC") collection program (the "TRC Collection Program") reflected in TRC's 2013 Annual Report submitted to DTSC on April 1, 2014 ("the 2013 Annual Report").

Pursuant to your request that the DTSC meet with a committee of TRC members, a committee consisting of a few of the members of TRC is scheduled to meet with DTSC on July 30, 2014, to discuss the agenda for a more substantive meeting to occur in September, 2014. After this agenda meeting with DTSC, the committee shall report to the other TRC members on the proposed agenda and seek any comments the other members may have concerning the proposed agenda for the September, 2014 meeting. It is Climate Master's desire that the members of the TRC and DTSC have a realistic and constructive dialog on possible enhancements to the TRC Collection Program.

Please be aware that Climate Master does not agree with DTSC's determination that the 2013 Annual Report reflects that Climate Master, as a member of the TRC, is in violation of Section 66274.5 of the California Code of Regulations ("CCR"). For example, the 2013 Annual Report reflects that there are companies who manufactured or branded mercury-added thermostats currently located in the state of California who are not members of the TRC.

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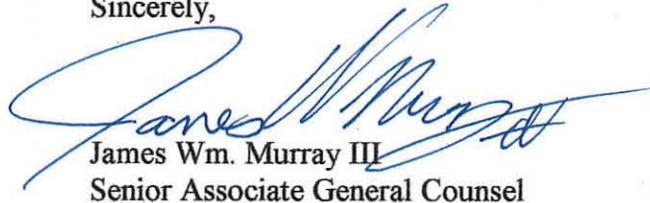
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Climate Master cannot be held responsible for the collection of all mercury-added thermostats, including those manufactured or branded by other TRC members or by other non-members of the TRC, simply because Climate Master is a member of TRC.

Because your letter does not provide adequate support for the asserted violation by Climate Master of Section 66274.5 of the CCR, Climate Master must advise you that it disputes the alleged violation. Climate Master reserves its right to more fully dispute DTSC's allegations once DTSC provides the basis of the claimed violation. Climate Master also reserves the right to raise any further objections or make any further arguments regarding Climate Master's compliance with the applicable provisions of the CCR related to mercury-added thermostats.

If you would like to discuss the matter further, please feel free to contact me.

Sincerely,



James Wm. Murray III  
Senior Associate General Counsel

JWM/clw

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