

BEFORE THE UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION III

In the Matter of:

Ross Transport Co., Inc.  
and Arnold Steinman

RESPONDENT

4220 Almond Street  
Philadelphia, PA 19137

FACILITY

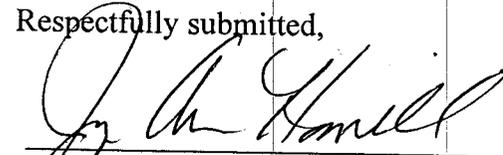
Docket No. RCRA-03-2010-0268

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SUPPLEMENT TO THE RECORD IN THE MATTER OF ROSS TRANSPORT, INC.  
AND ARNOLD STEINMAN

As noted in the Declaration of Marie Owens submitted as part of Complainant's initial moving papers, Complainant used a factor .825 per gallon to determine the economic benefit of Respondent's failure to obtain insurance from the Pennsylvania Underground Storage Tank Indemnification Fund. Ms. Owens used the BEN model, and the economic benefit obtained for the avoided cost of \$825.00 per year for five years. A copy of the BEN printout is attached with corrections as noted.

Respectfully submitted,

  
\_\_\_\_\_  
Joyce A. Howell  
Sr. Assistant Regional Counsel (3RC30)

Dated: 8/8/2013

Run Name = FR	
Present Values as of Noncompliance Date (NCD),	01-Jan-2004
A) On-Time Capital & One-Time Costs	\$0
B) Delay Capital & One-Time Costs	\$0
C) Avoided Annually Recurring Costs	\$2,950
D) Initial Economic Benefit (A-B+C)	\$2,950
E) Final Econ. Ben. at Penalty Payment Date,	
	<b>31-Mar-2010</b>
	<b>\$4,799</b>
<i>Your model version may be outdated:</i>	
<i>go to <a href="http://www.epa.gov/compliance/civil/econmodels">www.epa.gov/compliance/civil/econmodels</a></i>	
<i>C-Corporation w/ PA tax rates</i>	
Discount/Compound Rate	8.1%
Discount/Compound Rate Calculated By:	BEN
Compliance Date	31-Mar-2010
<b>Capital Investment:</b>	
Cost Estimate	\$0
Cost Estimate Date	N/A
Cost Index for Inflation	N/A
Consider Future Replacement (Useful Life)	N/A (N/A)
<b>One-Time, Nondepreciable Expenditure:</b>	
Cost Estimate	\$0
Cost Estimate Date	N/A
Cost Index for Inflation	N/A
Tax Deductible?	N/A
<b>Annually Recurring Costs:</b>	
Cost Estimate	\$825
Cost Estimate Date	01-Jan-2004
Cost Index for Inflation	PCI
<b>User-Customized Specific Cost Estimates:</b>	
On-Time Capital Investment	
Delay Capital Investment	
On-Time Nondepreciable Expenditure	
Delay Nondepreciable Expenditure	

Run Name = FR

<u>Present Values as of Noncompliance Date (NCD),</u>		<u>01-Jan-2004</u>
A) On-Time Capital & One-Time Costs		\$0
B) Delay Capital & One-Time Costs		\$0
C) Avoided Annually Recurring Costs		\$2,950
D) Initial Economic Benefit (A-B+C)		\$2,950
E) Final Econ. Ben. at Penalty Payment Date,		
	<u>31-Mar-2010</u>	<u>\$4,799</u>
<i>Your model version may be outdated: go to <a href="http://www.epa.gov/compliance/civil/econmodels">www.epa.gov/compliance/civil/econmodels</a> C-Corporation w/ PA tax rates</i>		
Discount/Compound Rate		8.1%
Discount/Compound Rate Calculated By:		BEN
Compliance Date		31-Mar-2010
<u>Capital Investment:</u>		
Cost Estimate		\$0
Cost Estimate Date		N/A
Cost Index for Inflation		N/A
Consider Future Replacement (Useful Life)		N/A (N/A)
<u>One-Time, Nondepreciable Expenditure:</u>		
Cost Estimate		\$0
Cost Estimate Date		N/A
Cost Index for Inflation		N/A
Tax Deductible?		N/A
<u>Annually Recurring Costs:</u>		
Cost Estimate		\$825
Cost Estimate Date		01-Jan-2004
Cost Index for Inflation		PCI
<u>User-Customized Specific Cost Estimates:</u>		
On-Time Capital Investment		N/A
Delay Capital Investment		
On-Time Nondepreciable Expenditure		
Delay Nondepreciable Expenditure		

**Discount/Compound Rate Calculation**

- Notes: (1) Corporate bond rates averaged across all industries (average of Aaa & Baa); Federal Reserve Statistical Release H.15.  
 (2) Combined state/federal marginal tax rates: federal+(state\*(1-federal)); Federation of Tax Administrators.  
 (3) Calculated as: (1) \* (100%-(2)). [Adjusts for tax-deductibility of interest payments.]  
 (4) Average corporate debt weight; Standard & Poor's Analysts' Handbook, S&P Industrials Sample Balance Sheet.  
 (5) Federal Reserve Bulletin Table 1.35. [Used as a proxy for the risk-free rate in the Capital Asset Pricing Model (CAPM)].  
 (6) Beta measures risk relative to overall stock market, with a value of 1.00 therefore assuming risk is same as market.  
 (7) Differences of average returns between stock market and 5-yr T-notes, 1926 - prior yr; Ibbotson Associates Handbook.  
 (8) Calculated as (6) \* (7). [Also equal to (7), since (6) is equal to 1.00 for a company of average risk.]  
 (9) Calculated as (5) + (8). [Reflects risk-free rate of return plus the company risk premium.]  
 (10) Calculated as 100% - (4). [Reflects: total financing - debt = equity financing.]  
 (11) Calculated as (3) \* (4) + (9) \* (10). [Reflects: (debt cost x debt weight) + (equity cost x equity weight).]

YEAR	(1)	(2)	(3)	(4)	average from: 2004		to: 2010		=	<u>Final rate:</u>	
	Cost of Debt	Tax Rate	After-Tax Debt Cost	Debt Weight	(5) 5-Year Treasury Notes	(6) Beta	(7) Intermed. Horizon Risk Prem	(8) Company Risk Premium	(9) Equity Cost	(10) Equity Weight	(11) Rate
1987	9.98%	39.6%	6.03%	46%	7.94%	1.00	7.7%	7.7%	15.6%	54%	
1988	10.27%	39.6%	6.20%	50%	8.48%	1.00	7.6%	7.6%	16.1%	50%	
1989	9.72%	39.6%	5.87%	46%	8.50%	1.00	7.6%	7.6%	16.1%	54%	
1990	9.84%	39.6%	5.94%	50%	8.37%	1.00	7.8%	7.8%	16.2%	50%	
1991	9.29%	42.1%	5.38%	45%	7.37%	1.00	7.5%	7.5%	14.9%	55%	
1992	8.56%	42.1%	4.96%	49%	6.19%	1.00	7.8%	7.8%	14.0%	51%	
1993	7.58%	43.0%	4.32%	44%	5.14%	1.00	7.7%	7.7%	12.8%	56%	
1994	8.30%	43.0%	4.73%	48%	6.69%	1.00	7.6%	7.6%	14.3%	52%	
1995	7.90%	42.2%	4.57%	41%	6.38%	1.00	7.4%	7.4%	13.8%	59%	
1996	7.71%	41.5%	4.51%	37%	6.18%	1.00	7.8%	7.8%	14.0%	63%	
1997	7.57%	41.5%	4.43%	32%	6.22%	1.00	7.9%	7.9%	14.1%	68%	
1998	6.88%	41.5%	4.02%	28%	5.15%	1.00	8.2%	8.2%	13.4%	72%	
1999	7.47%	41.5%	4.37%	26%	5.55%	1.00	8.4%	8.4%	14.0%	74%	
2000	8.00%	41.5%	4.68%	29%	6.16%	1.00	8.5%	8.5%	14.7%	71%	
2001	7.52%	41.5%	4.40%	34%	4.56%	1.00	8.2%	8.2%	12.8%	66%	
2002	7.15%	41.5%	4.18%	41%	3.82%	1.00	7.8%	7.8%	11.6%	59%	
2003	6.21%	41.5%	3.63%	37%	2.97%	1.00	7.4%	7.4%	10.4%	63%	
2004	6.01%	41.5%	3.52%	37%	3.43%	1.00	7.6%	7.6%	11.0%	63%	8.2%
2005	5.65%	41.5%	3.31%	36%	4.05%	1.00	7.6%	7.6%	11.7%	64%	8.7%
2006	6.04%	41.5%	3.53%	33%	4.75%	1.00	7.6%	7.6%	12.4%	67%	9.5%
2007	6.02%	41.5%	3.52%	34%	4.43%	1.00	7.6%	7.6%	12.0%	66%	9.1%
2008	6.54%	41.5%	3.83%	45%	2.80%	1.00	7.5%	7.5%	10.3%	55%	7.4%
2009	6.30%	41.5%	3.69%	39%	2.20%	1.00	6.9%	6.9%	9.1%	61%	7.0%
2010	5.49%	41.5%	3.21%	37%	1.93%	1.00	7.2%	7.2%	9.1%	63%	6.9%
2011	5.42%	41.5%	3.17%	37%	1.81%	1.00	7.2%	7.2%	9.0%	63%	

C) Avoided Annually Recurring Costs

PCI value as of cost estimate date= 411,000

	445,600	461,900	509,100	533,700	608,800	512,100	539,100
PCI mid-point value:	445,600	461,900	509,100	533,700	608,800	512,100	539,100
Period of Avoided Annual Costs; From:	01-Jan-2004	01-Jan-2005	01-Jan-2006	01-Jan-2007	01-Jan-2008	01-Jan-2009	01-Jan-2010
To:	31-Dec-2004	31-Dec-2005	31-Dec-2006	31-Dec-2007	31-Dec-2008	31-Dec-2009	31-Mar-2010
Annual Costs Avoided	(897)	(927)	(1,022)	(1,071)	(1,225)	(1,028)	(267)
Marginal Tax Rate	41.5%	41.5%	41.5%	41.5%	41.5%	41.5%	41.5%
Net After-Tax Cash Flow	(525)	(542)	(598)	(627)	(717)	(601)	(156)
PV Factor: Adjusts Cash Flow to NCD	0.9618	0.8896	0.8230	0.7613	0.7042	0.6514	0.6205
PV Cash Flow as of NCD	(505)	(483)	(492)	(477)	(505)	(392)	(97)
<b>NPV of Avoided Annual Costs as of NCD</b>	<b>(\$2,950)</b>						

In the Matter of:

Ross Transport Co., Inc.  
and Arnold Steinman

Respondents,

4220 Almond Street  
Philadelphia, PA 19137

Facility.

U.S. EPA Docket No.  
RCRA-03-2010-0268

Proceeding under Section 9006  
of the Resource Conservation and  
Recovery Act, as amended,  
42 U.S.C. § 6991e

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**CERTIFICATE OF SERVICE**

I hereby certify that on the date set forth below, I caused to be hand-delivered to Ms. Lydia Guy, Regional Hearing Clerk (3RC00), U.S. EPA Region III, 1650 Arch Street, 5<sup>th</sup> Floor, Philadelphia, PA 19103-2029, the original and one copy of the foregoing in Supplement to the record in the Matter of Ross Transport, Inc. and Arnold Steinman. I further certify that on the date set forth below, I caused true and correct copies of the same to be served upon each of the following persons at the following addresses and in the manner identified below:

Via Hand Delivery to:

Renée Sarajian  
Regional Judicial Officer (3RC00)  
U.S. Environmental Protection Agency, Region III  
1650 Arch Street  
Philadelphia, PA 19103-2019.

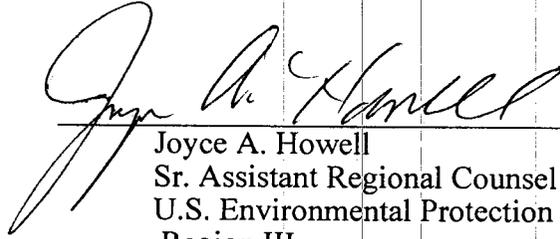
Via, Certified Mail, Return Receipt Requested, Postage Prepaid, to:

Mr. Arnold Steinman  
c/o Ross Transport Co., Inc.  
4220 Almond Street  
Philadelphia, PA 19137  
Certified mail, return receipt requested

Ross Transport Co., Inc.  
4220 Almond Street  
Philadelphia, PA 19137  
Certified mail, return receipt requested

Date:

8/8/2013



Joyce A. Howell  
Sr. Assistant Regional Counsel (3RC30)  
U.S. Environmental Protection Agency  
Region III  
1650 Arch Street  
Philadelphia, PA 19103-2029