



Capabilities and Qualifications

Capitol Environmental Services, Inc.

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ENVIRO
NEXUS

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Who We Are

Company History

Incorporated in the Commonwealth of Virginia in 1989 by founder and President James M. Mraz, Capitol Environmental Services, Inc. (CESI) provides clients from industry and local, state and federal government agencies with a broad spectrum of services related to the management of hazardous and non-hazardous materials. These services include waste transportation and disposal, technical consulting, industrial cleaning, remediation, and solvent reuse and recycling.

Since 1990, we have provided on-site assistance to help our clients properly identify and consolidate wastes, as well as provide a complete tracking and accounting system which includes all aspects of sampling, analysis, characterization, waste profiling, manifesting, labeling, land-ban forms, and certificates of disposal. CESI initiated its Field Services program to provide customers on-site personnel coordinate waste management activities for large-scale remediation projects, manage small remediation projects, lab-pack and prepare smaller shipments. This program was initiated in response to our customers increasing needs to utilize environmental professionals for short-term staff augmentation.

In 1992 CESI was awarded the first of two contracts with the Defense Reutilization and Marketing Service (DRMS). This contract was for the identification, packaging, transportation, treatment and ultimate disposal of hazardous and non-hazardous waste in various containers originating from the DRMS located in Richmond, Virginia. The contract also required services at several "satellite" facilities. CESI was awarded a second DRMS contract in August of 1992. This contract required services similar to those of the Richmond DRMO at the Letterkenny Army Depot, located in Chambersburg, PA, and its associated satellite facilities.

In 1994, Inc. Magazine ranked CESI as #149 of the "500 Fastest Growing Companies". CESI has experienced steady continuous growth since our inception in 1989 through 2000. We have been able to avoid the dangers of "hyper-growth" and keep our focus within our core competency – waste management services. Recruiting exceptionally well qualified technical and managerial people to the CESI staff assures that CESI will always be able to provide prompt, unparalleled professional-quality services. CESI is focused on managing all aspects of its growth. The company presently has 30 full time and 16 part-time employees.

In 1996, CESI established a regional office in Barceloneta, Puerto Rico to better serve our customers from the pharmaceutical and oil industry. Today, like our other regional offices, this office provides a full range of waste management services to support industrial and remediation activities. Our continued success is based upon our investment in knowledgeable personnel and strong vendor relationships. We have continued our growth into the Caribbean to include shipments from the US Virgin Islands.

In 2000, CESI initiated the development of Environexus – an Internet based collaborative waste management service. Environexus represents the convergence of CESI industry expertise and state-of-the-art Internet technology. CESI is the first independent waste management service provider in the country to offer this range of collaborative business-to-business e-commerce functionality.

Today, our existing customer base for waste management services is diverse in terms of type, size and industries served. Our continued success is a result of our ability to provide our customers and our partners' tangible value and service in the form of total cost reduction, liability reduction and productivity. The following sections provide further discussions of our customer base, our partners and our resources.

Markets Served

Our existing customer base for waste management services is diverse in terms of type, size and industries served. CESI provides waste management services for the consulting and engineering industry as well as the chemical, petro-chemical, pharmaceutical, paint, metal plating, automotive and steel industry. Many of the consulting and engineering companies retain CESI as a sub-contractor to manage the waste management component of a demolition or an engineering and construction project. Overall, we have provided services to customers from both the private and public sector both foreign and domestic. Table 1 provides a representative list of CESI customers.

Table 1 – Representative Customer List

Heavy Industry	Engineering Companies	Utilities and Energy
Abbott	Shaw Group	Shell
Merck Sharp & Dohme	Roy F. Weston	Phillips/Chevron
Pfizer	EarthTech	Buckeye Pipeline
Pharmacia/Upjohn	URS (Dames & Moore)	Texaco
Baxter Healthcare	Tetra Tech	Niagara Mohawk
BASF	CH2M Hill	Sunoco
Firmenich	O'Brien & Gere	
Volvo North America	WRS Infrastructure	Public
Hamilton Beech	Jacobs Engineering	U.S. EPA
Atofina	Kemron Environmental	U.S. Department of Defense
Westvaco		NYS DEC, PADEP
BWX Technology		State of Florida

Our Partners

On average, CESI manages over 14 million pounds of wastes per month that are generated by manufacturing and/or remediation project activities. These wastes are typically contaminated soils that require solidification, chemical oxidation, metals stabilization, or other treatment to prepare them for landfill. We also ship truckload (bulk) quantities of contaminated water, solvents, and sludge as well as drums via intermediary TSDf's for consolidation into tanker quantities or shipment directly to a disposal facility for treatment, storage, recycling, incineration, or landfill. Materials with energy recovery value are often burned by cement kilns while other materials are used in the construction industry as low-grade products.

In order to maintain a level of flexibility and responsiveness to our customers, CESI does not engage in "exclusive" arrangements with any treatment, disposal, or recycling waste management facility. We believe that "exclusive" arrangements create a biased representation of the market and inhibit the best available alternatives or resources to be utilized. However, because of the volume of waste we manage and the nature and depth of our market coverage, waste management vendors extend to CESI preferential business services in terms of price, service, and support without a "binding" relationship. Table 2 provides an estimated distribution of our sales for the year 2003 based upon type of service and the number of individual vendors utilized.

Table 2 –Vendor Type and Utilization

Service	# Vendors	Service	# Vendors
Fuel Blending	15	Other Disposal	27
Hazardous Treatment/Landfill	13	RCRA Incineration	4
Lab Packs/Cylinders	10	Specialty Transportation (Rail/Ocean)	11
Non-Hazardous Incineration & Recycling	15	Waste Water Treatment	18
Non-hazardous Landfill	36	Other Suppliers	52
Transportation	61		

CESI has a solid reputation with the recognized specialists in the industry. Some of these relationships have been in existence in excess of twenty years. To CESI, pricing leverage will not support a long-term business relationship with vendors. Other efforts such as joint-sales calls, co-marketing, timely invoicing and payments are the day-to-day interactions that place CESI ahead of our competition and solidify these relationships. Thus, CESI is a valuable sales and service channel for our partners.

For the vendors we utilize, we represent a lower cost channel rather than trying to support the customer directly. Our partners will provide us lower pricing rather verses that offered direct to the customer because we manage the customer administration – profiling, manifesting, invoicing, etc. at a lower cost. As a result of our strong vendor relations, we can provide our customers the following:

- Our use of multiple vendors per technology (incineration, stabilization, landfilling, etc.) allows us to load balance resources to ensure shipments continue on time and on budget. Typically, on large remediation projects we will use 3-5 independent vendors for transportation and disposal services.
- Favorable business terms that allow flexibility to meet customer needs.
- Technical insight of facility operations and material acceptance criteria.

We believe our success is based upon our business model, our people and our vendor relations. These elements have enabled us to continue to deliver value and results to both our customers and our vendors.

Our Resources

CESI has retained some of the most experienced and knowledgeable people in the industry. The average CESI employee has over 14 years of experience. Our experience is broad and deep in all facets related to waste management. As a result, we provide our customers the following:

- **Responsiveness** – Continuous market interface provides our customers the “pulse” of the market in terms of pricing, logistics, capacity and technology
- **Information** - The information we provide is a compilation of all waste management activity and the pertinent regulatory, project management and procurement information.
- **Innovation** – Environexus will improve our level of service, resources and capabilities to meet our customers evolving demands for online procurement and information management.

Our organization is structured into Business Managers, Operations and Governance. Provided below is a brief description of each group and their respective operating principles.

-
- **Business Managers** - At CESI, we refer to our sales personnel as Business Managers (or National Account Managers). This reference is based on the operating principle that CESI empowers our employees to make good, sound business decisions. Our business managers are held accountable for the level of service and the overall profitability. Thus, they are the decision makers for customer service issues. As a result, questions are answered promptly.
 - **Operations** – Our operations personnel comprise of customer service representatives, logistics, compliance, sourcing, chemists, and technicians. These people are responsible for all aspects of service delivery – in-plant services, shipment logistics, facility sourcing, waste profiling and characterization, documentation and invoicing.
 - **Governance** – Our governance personnel comprise of accounting, information technology, human resources and general counsel. These support functions are utilized across all organizations. These personnel are primarily responsible for financial reporting, accounts receivable, accounts payable, credit issuance and collections, purchasing (indirect materials), compensation, benefits, contracts and legal.

At CESI, we experience a very low turnover amongst our employees. It is our objective to recruit and retain highly talented and professional personnel with a strong environmental background or demonstrate exceptional problem solving or operations management capacity that is necessary to perform their job. Our compensation is above average in the waste management industry and we provide them resources to perform. Our organization is flat and not encumbered with layers of administration and management thus providing our employees direct access to the officers of CESI.

Since January 2003, every employee in CESI is enrolled in a performance compensation system. This system rewards employees on individual performance and the overall financial performance of the company. This program has reinforced a level of teamwork amongst all personnel – business managers, operations and governance.

CESI emphasizes cross-functional training amongst several roles. We encourage this practice because not only does it create operational redundancy, but also further develops the skills of our personnel. For example, in Puerto Rico, our business managers act as a primary and secondary capacity to each customer. Our CSRs and Logistics personnel will switch roles once a quarter to ensure their awareness of these business operations are kept current. In addition, for each major customer, CESI maintains and operating plan for all locations that we service. This plan is a hardcopy document and includes the shipment procedures, key personnel, waste profiles, pricing, and contractual information. This level of documentation enables a smooth transition of service if an emergency situation were to arise.

Starting in 2000, CESI embarked on a complete upgrade of our business operations infrastructure. Today, all information (e.g., manifest, invoices, weight tickets, etc) is electronically scanned and stored in a secured database system. All information is stored at a Class AAA Data Center that is equipped with redundant power, fire suppression and security.

CESI Business applications are firewall protected and are accessible only through a secure virtual private network. Therefore, if a local power outage at a regional office has taken place, another regional office has access to the same files and can retrieve this information.

Environexus is accessible to our customers through the Internet. This business application is maintained in a similar environment as our business applications. A complete system shutdown or failure can be fully restored within 2 hours.

Table 3 lists the locations from which CESI currently conducts business operations.

Table 3 – CESI Customer Service Centers

<p>Vienna, Virginia 8229 Boone Boulevard, Suite 310 Vienna, VA 22182 Contact: Jim Mraz Phone: (703) 356-3135 Fax: (703) 356-4198</p>	<p>Wilmington, Delaware Suite 15 C Trolley Square Wilmington, DE 19806 Contact: Mike Schubert Phone: (302) 652-8999 Fax: (302) 652-8980</p>
<p>Barceloneta, Puerto Rico Road #140, Km 64.7, Cruce Davila Barceloneta, PR 00617 Contact: Luis Millan Phone: (787) 846-8100 Fax: (787) 846-8130</p>	<p>Roanoke, Virginia 416 S. Jefferson Street Roanoke, VA 24018 Contact: Terri Fort Phone: (540) 777-6547 Fax: (540) 777- 6549</p>

Provided below is a list of CESI current insurance coverage instruments. An electronic copy of our insurance certificate is available on our website at this location <http://www.capitol-environmental.com/Docs/InsuranceDocument.pdf> CESI can customize current insurance programs with AIG to accommodate specific requirements

Table 4 - CESI Insurance Summary

Type	Policy No.	Policy Limit	Expiration Date	Insurance Company
Comprehensive General Liability	PRO1953602	\$2M	10/25/04	AIG (A++)
Professional Liability	PRO1953602	\$2M	10/25/04	AIG (A++)
Pollution Liability	PRO1953602	\$2M	10/25/04	AIG (A++)
Worker’s Compensation	4814593	\$1M	10/25/04	AIG (A++)
Automobile Liability	CA1953604	\$1M	10/25/04	AIG (A++)
Excess Liability (Umbrella)	PRU1953603	\$5M	10/25/04	AIG (A++)
Property & Casualty	3579-88-00	\$300K	10/25/04	CHUBB (A++)

What We Do

Overview

Since 1989, CESI has provided industrial and public sector customers with a broad spectrum of services related to waste management. For our customers, CESI is a single point of contact for all actions associated with waste materials generated by manufacturing operations or remediation and/or construction activities (project related). Our range of services include the following:

- **Waste Management** – CESI has the ability to integrate plant service; technical support and logistics to provide our customers with a comprehensive end-to-end waste management service that is flexible and adaptable to the needs of each facility or project location
- **Field Services** – CESI has provided field services to support our customer's industrial maintenance and/or remediation project activities. These services complement our waste management services for our engineering, industrial and government customers.
- **Solvent Management** – CESI can provide a team of professional engineers and chemists with expertise in the solvent acquisition and recovery market. This team will perform detailed evaluations of all technologies and capabilities to identify solvent management practices that minimize the “total solvent cost”
- **Environexus** – CESI utilizes Environexus, a web-based e-commerce application, to track, monitor, report, and manage all waste management transactions. Environexus is readily available on a 24x7 basis through a standard Internet browser.

CESI Professional Services will deliver both strategic and tactical value to our customers in the form of lower costs, reduced risk, and increased productivity. In comparison to our competition, no one vendor has demonstrated the ability to provide these range of services.

Our “virtual network” of vendors allow us to provide specific and unique services related to the waste and materials management industry. This flexibility allows us to be a true “one-stop” shop for waste management services – landfills, incineration, wastewater treatment, recycling, etc. As the customer requirements transform, we have the ability to transform as well. As a result, we provide our customers the following:

- **Flexible Solutions** – Our flexibility to align the right vendors to meet the exact needs and requirements of the project.
- **Lower Costs** - Our corporate overhead expenses are much lower than the National waste management firms. Thus our prices are lower. We routinely beat the National firms – even when we go to their own respective facilities.
- **Financial Strength** - Our balance sheet is free of long-term debt obligations associated with owning facilities that have limited usage and utilization for waste materials. We do not represent a financial risk. A \$6 million insurance policy (Triple A rated) and \$10 million aggregate bonding capacity is available for all jobs with greater levels available on a per job/contract basis.
- **Efficiency** – A more direct and simplified supply-chain means lower costs for the customer and for the final disposal facility.
- **Productivity** – A single point of contact enables our customer to spend more time on environmental management not administration or gathering of information.

The following sections provide a more in depth discussion of the aforementioned services. In addition, each section outlines our competitive advantages and the value of our services to our customers and our vendors.

Waste Management

CESI Waste Management Services is a comprehensive end-to-end approach to the transportation and disposal of regulated wastes and/or materials. These services are a combination of our expertise in plant activities, sourcing, waste characterization, regulatory guidance and logistics. Our approach provides our customers several advantages including the following:

- A complete and unbiased view of the waste management marketplace
- An efficient, streamlined business model that is capable of efficient day-to-day management of a customer's waste management strategy
- Strategic vendor relationships providing stable and continuous operations and minimizing both operating and regulatory risks
- Complete end-to-end oversight of the waste management transaction - from point of generation to the certificate of disposal

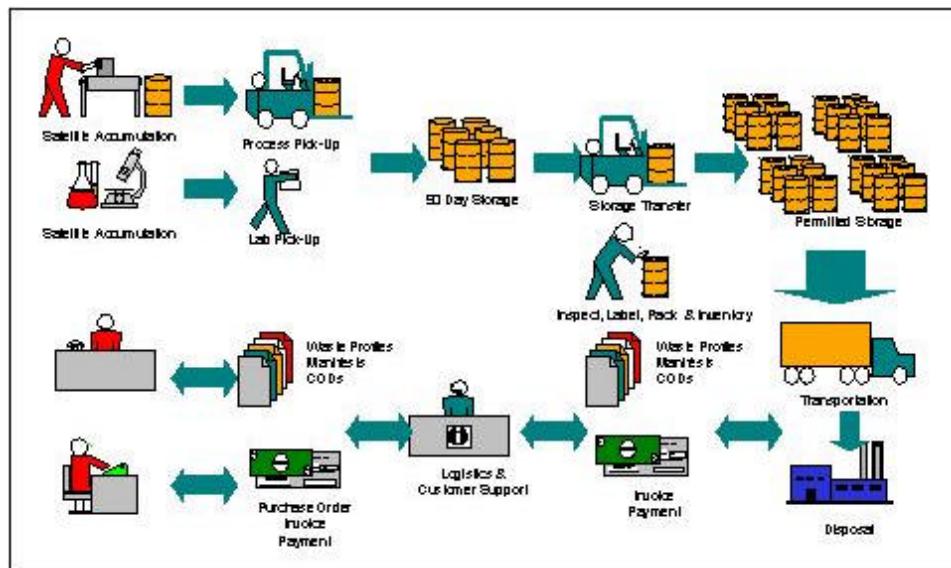
As illustrated in table below, our total Waste Management Service package combines the individual activities executed by our Plant Services, Technical Services and Logistics departments. We know that customer needs vary – some companies wish to handle certain tasks in-house, while others wish to outsource. With CESI's assortment of Waste Management Services, we offer the highest level of flexibility for our customers – another illustration of the flexibility of our business model.

CESI Waste Management Services

Activity	Plant Services	Technical Services	Logistics
Waste Profile and Characterization		X	
Sourcing and Selection		X	
On-site pick-up and transfer from satellite accumulation areas or laboratories	X		
Inventory Management of Storage Areas	X		
Schedule and Coordination of Shipments			X
Laboratory Chemical Packaging	X		
Container Labeling and Inspection	X		
Shipping Documents and Manifests			X
Material Loading (Bulk or Containers)	X		X
Sampling & Analysis	X		
Shipment Tracking			X
Resolve Shipment Discrepancies		X	
Manifest Receipt			X
COD Receipt			X
Reporting (Cost, Activity)			X

CESI Waste Management Services ensure the safe, secure and efficient transfer of waste materials through well-structured and efficient daily operational activities. The following graphic illustrates our end-to-end management and the role of our personnel and Environexus.

Figure 1 - CESI Waste Management Services



Plant Services

CESI Plant Services enable our customers to out-source all or portions of day-to-day waste management activities. CESI personnel can provide both labor and administrative activities associated with waste management. Typical activities include:

- On-site pick-up and transfer from satellite accumulation areas to storage areas
- Inventory management of storage areas
- Container labeling and inspection
- Inspection of shipping documents and manifests
- Loading and packaging of containers
- Material sampling and analysis
- Lap-packing of small quantity chemicals
- Project management of waste generated by one-time activities

CESI site visitations can be scheduled once a week, once a month, or daily, based on the needs of each facility. The diverse skills of our personnel allow CESI to minimize the number of individuals needed to maintain the appropriate service level. With fewer points of contact, our customers will enjoy simplified interaction with CESI personnel, leading to a higher level of personalized service and project control.

CESI's customer service personnel provide administrative support for our on-site personnel with. Therefore, our on-site personnel can utilize their on-site time more efficiently. For example, our Customer Service Representatives (CSRs) and Logistics personnel schedule and track shipments, and prepare labels and manifests. In addition, our CSRs compile analytical results, compile performance reports, and coordinate waste shipments. Thus, our on-site personnel spend more time on specific site activities rather than administrative tasks.

From our experience, CESI has learned that "little things" can greatly simplify waste management. For example, CESI provides a customer preprinted labels to place on each drum in the satellite accumulate areas. Personnel will only need to enter the "start-date" on the container. Labels can be customized to include the following: waste name, profile number, DOT

shipping name and ERG. At the time of shipment, CESI will only need to add the manifest number to the container label. This time-saving process eliminates the need to re-label each drum of waste during the preparation of a shipment.

It is not uncommon for a commercial disposal facility to offer the Plant Services described above free of charge for waste that is shipped to their facility. However, this perceived cost savings is usually lost, as the waste material is not shipped to the best available option and the resulting disposal costs are thus higher.

CESI can provide our standard operating procedures (SOPs) that we utilize for performing our Plant Services. These SOPs are created by our Technical Services personnel and reviewed with all operations personnel. Examples include – drum loading, lab packing, container labeling, manifesting. CESI provides these SOPs to customers for review and approval and will be part of the implementation process.

Technical Services

The CESI Technical Services group provides regulatory and purchasing expertise at the site and region level. The objectives of this service are to utilize our customer's approved vendors in the most effective manner, and to maintain regulatory compliance. Our Technical Services personnel continually evaluate the collective approach of each individual site and reevaluate the region. Specific activities include:

- Submit and approve waste profile
- Source and evaluate disposal options
- Confirm waste characterization
- Secure primary and secondary options
- Develop shipping procedures, container requirements, and emergency response guide
- Monitor and audit program
- Evaluate and integrate new options when applicable
- Define safe handling procedures and requirements

Our Technical Services group ensures that the regulatory, logistical and safety components of our waste management services are performed in a compliant, safe and efficient manner for the protection of our employees and our customers.

Logistics

Our logistics services utilize the best available resources in the region and our knowledge of the regional traffic. Poor scheduling, planning, and communication will impact the cost of waste management services in the form of transportation costs. These charges show up on the invoice in the form of "demurrage".

The transportation of materials from Puerto Rico to the United States is best achieved by assembling a team of differentiated vendors who specialize in each transportation component. In the United States, CESI has long-term relationships with transportation providers like SJ Transportation and Freehold Cartage that work with CESI on a day-to-day basis and provide us well maintained equipment, security checks and flawless operating performance.

Our logistics personnel are trained and knowledgeable of RCRA, OSHA and DOT regulations as they pertain to transportation. In addition, our people are trained in FAA, USCG and DHS (Department Homeland Security) requirements as well.

Field Services

Since 1990, we have provided on-site assistance to help our clients properly manage their regulated materials. Our field services are available for both short- and long-term timeframes on an as-needed basis. This level of service allows our customer to offset spikes in demand for

qualified personnel related to environmental projects. Our field services can be segmented as Industrial Services or Remediation Programs. The following sections provide a more in-depth description of these services.

Industrial Services

Industrial Services are related to typical maintenance activities related to manufacturing and/or commercial operations. Some examples include the following:

- Chemical cleaning
- Hydro-blasting
- UST and AST testing and inspection
- High-pressure sodium bi-carbonate cleaning
- Confined space entry
- Excavation Management
- Dewatering
- Pit cleaning
- Pipe/vessel pigging
- Waste treatment system operations

Similar to our Plant services, customers are provided the flexibility to incorporate our personnel on an as-needed basis to support Plant Engineering and Maintenance organizations. CESI waste management expertise assures our customers that all waste materials generated from such activities is managed in accordance with the customer's guidelines and expectations.

Remediation Programs

CESI Remediation Programs service is designed to address both small sporadic remediation projects (UST removal, isolated excavations) or day-to-day operation and maintenance (sampling, carbon change, etc.). These services are extremely beneficial to engineering companies as they manage large-scale remediation and construction projects. Some examples include:

- Soil excavation
- Demolition and facility decommissioning
- Lead, asbestos and PCB abatement
- Impoundment and fill closure
- Lagoon stabilization and solidification
- UST and AST removal and closure
- Treatment system installation, monitoring and maintenance

CESI Remediation Programs provide the opportunity to quickly resolve an unexpected project activity in a timely and cost-effective manner with minimal interruption.

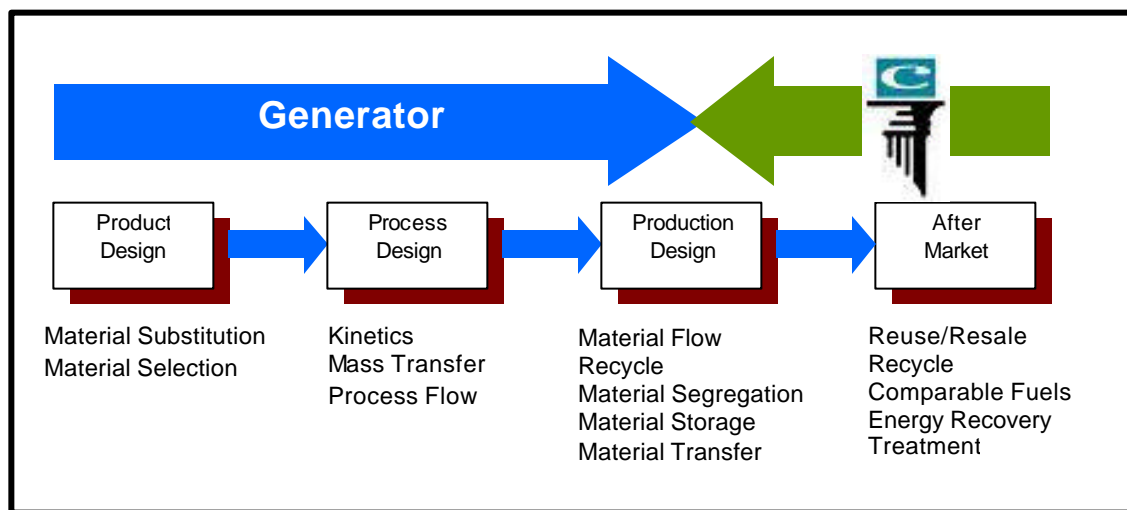
Solvent Management Services

CESI Solvent Management Services provide professional engineering and technical expertise in the use and management of solvents, from acquisition to disposition. This professional service utilizes our expertise in the recovery, reuse and resale of solvent materials typically generated from the pharmaceutical industry, including, but not limited to, alcohols, amines, ketones, aliphatics, aromatics and specialty products. Our technical resources can thus lower costs and improve your waste management processes – lowering pollution levels at the same time – through better analysis of the details of the situation. These benefits are evident in our pricing approach and management strategy. We believe this professional service is unmatched in the waste management industry and will be a vital resource for customers to achieve waste reduction and cost reduction efforts.

Properly managing solvent waste streams requires a broad and in-depth knowledge of market values, market uses and acceptability, material specifications, distillation and separation techniques, technical resources and waste disposal options. CESI's broad experience in these areas will enable us to properly evaluate any and all waste materials solvent waste streams and optimize your economic return with respect to risk.

As illustrated in the following figure, a customer can impact solvent management in the product design and process design phases, whereas CESI can impact solvent management in the After Market. At the Production Design Phase, a customer's design decisions and CESI After Market expertise can merge to optimize solvent management practices. Examples would include piping for waste segregation, collection of various distillation cuts, segregation of vapor recovery knock-out pots, or conical bottom storage tanks to promote phase separation of immiscible liquids.

Figure 2 - Solvent Management Design Considerations



CESI can evaluate each of the customer's waste stream for its market value "as is" and its market acceptability. This evaluation includes process, logistical and market operations for opportunities to lower direct costs, lower risks and maximize material economic opportunity. Additionally, we can evaluate the necessary steps to improve the market value and acceptability, and compare those steps against the costs and available resources, including the existing waste liability and the solvent replacement cost. In this approach, the total cost of a solvent is viewed as the cost of acquisition and the cost of disposal. At the completion of this evaluation, we will provide our customers with a summary of our findings and a management-by-fact plan that identifies the current state, desired state, root cause, proposed plan and identified risks and opportunities.

One advantage of CESI's business model is our unbiased view of the marketplace for solvent recovery and reuse. We don't own any specific facility, so we are constantly evaluating the best opportunities. When we recommend the best option for waste disposal or beneficial reuse of solvents, our decision is not predisposed by facility ownership. We are not bound by "internalization" requirements that tend to create the inefficiencies in the supply-chain and increase costs. As a result, CESI is able to continually provide the best available market outlet to our customer.

EnvironexusSM

Recently, The BTI Consulting Group issued a report "E-Strategies for Environmental Management: Opportunities for Performance" based upon 225 interviews and three focus groups. As a result of this research, it is estimated that for every \$1.00 spent on environmental

management, another \$1.76 is spent managing the information behind it. These costs are incurred by the following:

- Ad hoc and duplicative processes that are in place to support environmental information management;
- Informal and individual, independent, non-standardized, environmental information systems currently in use;
- Diversity and complexity of sources of environmental management information that needs to be brought together;
- Rework due to the lack of quality control and quality assurance applied to environmental management process.

In addition, industry analysts estimate that electronic procurement can reduce the administrative cost by 70% and reduce product cost by 10%. Streamlining business processes and workflow typically associated with the procurement of goods and services – requisition, purchase order, invoice, payment, and settlement, will drive administrative cost savings. These complete electronic purchasing records create a more informed level of strategic decision-making that improves contract pricing and utilization.

Over the past two years, CESI has met with over 100 customers to discuss their strategic imperatives and their utilization of the Internet. Their feedback not only supports the aforementioned research, but also can be summarized as follows:

- Lower the cost of information management related to waste management by providing accurate data in a format that can be integrated with multi-media environmental management systems
- Enable online procurement of environmental goods and services that support business workflow and utilization of approved vendors.
- Help me do more with less!

At CESI, we recognize the opportunity to apply Internet technology to expand our range of services, enhance the level and quality of support, and meet our customer's information management and purchasing requirements. Over the past two years months, we have developed the first independent Internet- based Waste Management Service called Environexus.

At CESI, we refer to Environexus as the "Glass Pipeline" because it allows our customers to verify that we are managing their waste in accordance with pre-determined guidelines and requirements. Some of the capabilities of Environexus include:

- Accessible 24x7 by an Internet browser - No software to install or maintain on your desktop
- Manage Approved Vendors - Complete view of waste management transporters, facilities, service and their audit information.
- Standard and Custom Reports - waste profiles, purchase order summary, waste activity, cost accounting, and point of generation and adhoc reporting engine.
- Document Management - upload scanned images or electronic files such as manifests, analytical, CODs, audit reports and inspection reports
- Electronic Invoicing – Flexible invoicing procedures (bill by shipment, by facility, by week, by month) and submit electronically, email or hardcopy format. Direct link to related shipment documentation.
- User Specific Functionality - sourcing, selection, scheduling, tracking, invoice, and payment.
- Custom Business Rules - support environmental, safety, and procurement policies, spending limits, approved vendors, etc.
- Flexible Messaging and Notification – fax, e-mail, phone, or wireless.

Since 2002, CESI has utilized Environexus for the waste management services we provide in Puerto Rico and the United States.

Currently, several waste management companies offer some form of waste tracking or profiling software to their customers. However, Environexus contains a level of functionality that surpasses the capabilities of these applications and provides a strategic solution. For example, Environexus

- Does not require the installation of software on a desktop computer.
- Offers customizable workflow and business rules to support the procurement rules (spending limits) and environmental policies (approved vendors) of an organization.
- Enables a single user (e.g., purchasing manager, corporate environmental) to have complete access to waste management information across the entire company. This may also be limited to view a single location and/or waste process.
- Allows real-time collaboration amongst all parties involved in the waste management transaction. The generator controls the roles and responsibilities of personnel within their own organization and third-party suppliers.
- Will list all waste shipments to disposal facilities, not just individual locations or companies.
- “Pushes” information to the end-users via email; fax machine or a phone call. An end-user does not need to sit and monitor a website on a continuous basis and wait for information.
- Architecture is compatible with third party EMIS and e-procurement applications (e.g., Ariba).
- Scalable software platform that will not slow-down when simultaneous users are logged on

CESI will set-up standardized reports that will enable Our customers personnel to obtain waste management information - volumes, cost, material profiles, etc. Environexus will provide Our customers the necessary data to submit the Annual Generator Report on a per facility basis. All reports will be available to customer personnel via secured access to Environexus on a 24x7 basis.

As the centralized repository of all waste management transaction data – costs, containers, mass, etc., Environexus can provide our customers real-time reporting on a 24x7 basis. Some example reports include the following:

- Purchase Order Summary – A list of all invoices issued against a specified purchase order
- Shipment Summary – A one page summary of the shipment include location, dates, materials, pricing, documentation and vendors,
- Material Cost Summary – A graphic and listing of average unit costs for disposal of a specific waste material based upon the date range entered.
- Location Summary – A listing of all shipments from a specified location based upon the date range entered.
- Process Summary – A listing of all shipments from a specified process at a specified location.

In addition, Environexus is equipped with an Adhoc Reporting Engine. This reporting tool enables an end user to customize a specific report and view it online or export into MS Excel. This reporting database may also be exported into a specified data file structure for integration into third-party EMIS applications.

Why Capitol?

What is considered waste to one company may be the basic component of another company's manufacturing product or process. CESI brings this kind of creativity to our customers everyday. If we can find an efficient reuse for our customers' waste materials, everybody wins – in terms of reduced cost and environmentally friendly solutions.

CESI is focused on providing services to our customers in a manner that provides them direct benefits in terms of reduced liability, cost reduction, and productivity. Our business model and our people enable us to continually evolve and respond to our customers' unique needs and transitions in the marketplace.

Liability Reduction

Our customers are responsible for releases to the environment that may impact human health and or the environment. As a result, there exists an extremely thorough auditing process for vendors managing any form of environmentally regulated materials. At the expense of higher costs, customers will take actions to avoid a potential long-term liability. Unfortunately, higher costs can be incurred with only a perception of reduced liability. At CESI, we reduce your liability by shipping direct to specialized vendors using online tracking, monitoring, and compliance reporting while extending customer service beyond the expected.

Outsourcing your waste management is a major decision. It's born of ever-changing challenges and reduced resources. You need a company you can trust, a partner with your perspective in mind-a teaming company that can provide the solution. CESI performs every service in a professional, safe manner and in strict accordance with local, state and federal laws and regulations. Our single-point service combined with our integrated supply chain approach ensures that every step is managed in a coordinated and reliable manner.

We maintain an unbiased view of the entire environmental spectrum and are not bound to anyone's technology or facility. We constantly strive to improve our offerings by continually auditing for results in cost-competitive pricing and innovative waste management strategies.

Our customers place their trust in CESI to manage their spent materials because of the value of our services, our reputation, and our demonstrated expertise. Our integrated supply-chain approach, regardless of the classification, enables our customers to view the "glass pipeline" and confirm that spent materials are being managed properly and within their respective requirements. Our continual market interface allows us to bring forth the knowledge and resources needed to allow our customers to confirm a safe and secure vendor selection.

Total Cost Reduction

Environmental personnel and services related to the production of goods and services place an administrative and cost burden to operations. Therefore, our customers are continually pursuing total cost reduction in the form of vendor consolidation (strategic sourcing), reduced pricing and personnel, and pollution prevention.

The pursuit of lower cost must be balanced with the acceptable level of risk. As a single point of service, CESI provides both transactional and strategic cost reduction opportunities. Consolidated invoices and payments to CESI reduce internal processing costs for purchasing.

By virtue of the sheer volume of our business, we receive preferred rates from our partners and service providers nationwide, which translate into cost efficiencies for your company. Whether it's a one time or small volume of waste, or a weekly routine disposal, the experts at Capitol will find the most sensible solution to every job. Our business-to-business relationships allow us to provide unparalleled service, performance, and savings.

One of the disadvantages of strategic sourcing is the limitation of accessible vendors or suppliers. This disadvantage is created by a practice commonly referred to a “waste internalization”. This initiative forces National waste management companies to use their own respective facilities first. As a result, the customer is not provided a true reflection of the best available alternatives.

However, CESI's “virtual network” of vendors allow us to provide specific and unique services that represent the best available commercial alternatives. This flexibility allows us to be a true “one-stop” shop for waste management services – landfills, incineration, wastewater treatment, recycling, etc. Utilizing CESI for strategic sourcing increases the range of vendors and yet still eliminates the administrative burden. Furthermore, by using multiple facilities that offer the same technology, fuels blending for instance, we can offer long-term price stability verses being “tied” to disposing of the wastes within a National company.

Productivity

For our customers, it is not uncommon for a single person to represent all environmental issues at a single facility – purchasing, services, reporting, audits, remediation projects, etc. As our customers are asked to do more with less, CESI provides a range of services that improve their productivity. Our services enable our customers to consolidate vendors, streamline tracking and reporting, and remotely manage multiple locations. In addition, CESI is in constant pursuit of new technology and developing alternatives that allow them to maximize the economic and environmental return of their materials. As a result, day-to-day operations are simplified and standardized.

At CESI, we anticipate and understand the changing needs of our customers. We go beyond the expected to offer unique recycling treatment and disposal alternatives, flexible field services and reliable, accountable service with minimal risk and cost. We do this by bringing the best resources and technologies from our extensive network of transporters and facilities directly to our customers. By focusing on each customer's particular needs, we tailor a program that works best for them and yields maximum savings. Our strategic, "out-of-the-box" thinking gives CESI and you the competitive edge. Whether you need administrative burdens minimized, or a sole-source full service provider managing daily workloads, CESI delivers.

In summary, over the past 15 years, CESI has acquired talented people, established strong vendor relationships and exceeded customer expectations. Each year we invest in people and technology that provide us a competitive and differentiated position enabling us to strengthen our relationship with both customers and vendors. It is CESI's vision to become the leading materials management services company in North America to both generators and vendors. Our goals and objectives are consistent with our customers and our suppliers. We feel our business model and position in the marketplace make us uniquely qualified to provide our customers the desired results on an immediate and long-term basis.