

October 10, 2014

**VIA E-MAIL [PAULINE.BATARSEH@DTSC.CA.GOV] AND U.S. MAIL**

Pauline Batarseh  
Chief of Policy Implementation Branch  
Department of Toxic Substances Control  
1001 I Street  
Sacramento, CA 95812-0806

Re: ***Lennox International Inc.'s Response to the Department of Toxic Substances Control's Review of the Thermostat Recycling Corporation's 2013 Annual Report for California***

Dear Ms. Batarseh:

This letter is Lennox International Inc.'s ("Lennox") response to the Department of Toxic Substances Control's ("DTSC") Review of the Thermostat Recycling Corporation's ("TRC") 2013 Annual Report for California ("Review"). Initially, we would like to thank DTSC for the 30-day extension granted to respond to the Review, and for meeting with Lennox company representatives and counsel on October 6, 2014. This additional time has allowed us to fully evaluate the Review, and coordinate with other members of the TRC. Lennox generally supports Honeywell International Inc.'s response to the Review. Below we set forth our responses to the Review.

First, we have been very supportive of TRC providing program updates to DTSC; several of these program updates have occurred after the submittal of the TRC 2013 Annual Report ("Report"). Yet, it appears that the Review focuses solely on the substance of Report, and fails to take into account information provided in the TRC program updates that would address comments raised by DTSC in the Review. We hope that DTSC will take this information into consideration as we move forward.

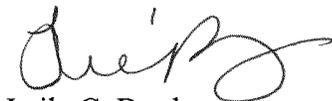
Second, we maintain, for the reasons set forth in our September 10, 2014 letter to you, that the targets set by the Mercury Thermostat Collection and Performance Requirements regulations ("Performance Requirements") are unachievable. As discussed during our meeting on October 6, 2014, even if the members of TRC make what DTSC would consider significant efforts to collect more mercury thermostats, we may not achieve the targets set in the Performance Requirements, and will likely still not be in compliance with the Performance Requirements for 2014. We, nevertheless, look forward to working with DTSC to develop reasonable measures to increase the number of mercury thermostats collected by TRC.

Third, DTSC's statement in the Review that TRC has "abandoned" efforts to increase collections from channels other than wholesale distributors is not accurate. In fact, the TRC continues to work to increase collections from all channels, not just wholesale distributors. Thus far, TRC's past efforts to engage retailers, household hazardous waste ("HHW") and waste disposal companies has not proven fruitful. However, TRC has continued, and will continue to make efforts to encourage these entities to participate in the TRC program. For example, in 2013, TRC mailed an outreach poster and an accompanying letter to HHWs to encourage their participation and program awareness. This effort was ultimately unsuccessful, resulting in only one HHW requesting a TRC bin. But, this effort demonstrates that TRC is committed to trying to engage channels other than wholesale distributors in its efforts to increase collections. It should also be noted that it appears that these other channels are collecting mercury thermostats outside of the TRC program. As a result, these thermostats are not being counted towards TRC's total collections.

Finally, the Review also states that TRC has offered no factual support for its position that channel participant accountability is necessary. But, TRC has demonstrated that it has little to no formal control over the recycling behavior of channel participants; TRC can only try through marketing and promotional strategies to encourage participation in the program. As discussed during our October 6, 2014 meeting, we would like to work with DTSC to improve collections from channel participants, and we hope that DTSC will take an active role in reminding these channels regarding their legal obligations.

We look forward to working with DTSC as we move forward in this process. As discussed, we will also be providing DTSC with a letter to supplement the information we provided during the October 6, 2014 meeting regarding Lennox's efforts to support the TRC program. Please feel free to contact us if you would like to discuss any of these issues further.

Very truly yours,



Leila C. Bruderer

LCB:cbp

cc: Monica Brown, Esq. Lennox  
Robert Johnson, Lennox  
Steven Goldberg, Downey Brand LLP