



THOMAS J. MILLER
ATTORNEY GENERAL

Department of Justice

ADDRESS REPLY TO:
ENVIRONMENTAL AND FARM DIVISIONS
LUCAS STATE OFFICE BUILDING
321 E 12TH, GROUND LEVEL, ROOM 018
DES MOINES, IOWA 50319
PHONE: (515) 281-5351
FAX: (515) 242-6072

January 4, 2005

SENT VIA FAX TRANSMISSION AND REGULAR U.S. MAIL

Mr. Robert L. Cramer, President
FAREWAY STORES, INC.
2300 East 8th Street
P.O. Box 70
Boone, IA 50036-0070

RE: Violations of Iowa Code chapter 455C

Dear Mr. Cramer:

It has come to our attention that numerous Fareway grocery stores are refusing to accept beverage containers and pay refunds even though there is no applicable order from the Iowa Department of Natural Resources (IDNR) approving an alternative redemption center. This constitutes continuing violations of Iowa Code sections 455C.2(1) and 455C.3(1). The law requires Fareway to accept beverage containers and pay the refund to customers until there is an approved alternative redemption center.

We understand that the IDNR's previous attempts to obtain voluntary compliance with these requirements have been unsuccessful. Additional copies of IDNR Letter from Jon C. Tack to Robert L. Cramer, dated November 8, 2004; and IDNR Memorandum to Grocers and Redemption Center Operators, dated November 16, 2004, are enclosed for your convenience. In addition, on November 29, 2004, IDNR Program Planner Jeff Geerts spoke with Fareway Vice-President Fred Greiner concerning these requirements and e-mailed to Mr. Greiner a copy of the November 16 memorandum, a sample Redemption Center Registration and Approval Form, and a checklist for redemption centers of the information required to obtain approval. Despite these IDNR efforts, Fareway's violations are continuing.

The purpose of this letter is to request that Fareway grocery stores immediately cease refusing to accept and pay refunds on beverage containers for redemption where there is no applicable IDNR order approving an alternative redemption center. Please confirm by providing my office with a copy of a Fareway corporate directive to all Fareway grocery stores requiring each store to immediately comply and to post notice to its customers that beverage containers will be accepted and refunds will be paid until an alternative redemption center is approved.