



State of Ohio Environmental Protection Agency

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**Memo to File**

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**TO:** Facility Financial Assurance File

OHD 004 218 673

**FROM:** <sup>JBW</sup> Isaac B. Wilder, CAS, DHWM

**SUBJECT:** AcelorMittal Steel USA, Inc.  
OHD004218673 - ArcelorMittal Cleveland, Inc. (Electric Shop Degreaser)  
OHD046203774 - ArcelorMittal West Properties, Inc. (Cadence Area)  
Financial Record Review

042-024  
-045-042

**DATE:** June 1, 2010

On May 28, 2010, I completed a review of the financial assurance documentation on file for the ArcelorMittal Steel USA, Inc. (Arcelor) facilities referenced above. I evaluated the facilities for compliance with financial assurance and liability requirements set forth in the Ohio Administrative Code (OAC) rules 3745-55-42 through 3745-55-51.

Ohio EPA has received the following financial assurance submittals:

- On February 27, 2009, Ohio EPA was notified that the property containing the former Electric Shop degreaser sludge unit was sold to Steel Warehouse of Ohio LLC.
- On July 1, 2009, Ohio EPA received a financial assurance submittal consisting of a financial guarantee for closure and/or post-closure. The cover letter stated that liability coverage would be provided by a separate mechanism.
- On October 13, 2009, Ohio EPA received a Hazardous Waste Certificate of Liability Insurance for sudden accidental coverage. The certificate is for policy # PPL-G24881180-001 issued on July 31, 2009 with an effective date of July 31, 2009. The policy has limits of liability of \$1,000,000.00 for each occurrence with a \$2,000,000.00 aggregate.
- An Alternative II Financial Test, dated March 31, 2010, for financial assurance for closure of the Cadence Area (\$1,492,921.00) and post-closure of the Degreaser Area (\$14,000.00). Total value of Arcelor's financial assurance obligations is \$48,671,981.00.

Ted Strickland, Governor  
Lee Fisher, Lieutenant Governor  
Chris Korleski, Director



**Upon review of the financial assurance documentation the following violations were found:**

- Acelor has failed to submit a detailed closure cost estimate for the Cadence Area or the Degreaser Area since March 30 2007, **in violation of OAC Rule 375-55-42(B)**;
- The financial test is not acceptable as it is. They have added back the Degreaser area (OHD004218673) which was supposedly sold in 2008 and not included last year. They also have \$14,000.00 in post closure costs for this facility which was a closure cost in 2008. They also omitted \$226,357.00 in post-closure costs for this facility which were in the 2008 submittal, **in violation of OAC 3745-55-45**;
- All submissions were signed by Chief Accounting Officer, rather than by the CFO **in violation of OAC 3745-55-43(F)(3)(a) and OAC 3745-55-45(F)(3)(a)**.
- The Chief Financial Officers letter contains the following errors and/or omissions:
  - Section 2.; used "This Firm" in place of "The Firm" in the first sentence, omitted "identified above is" after "The Firm" in the last sentence;
  - Section 5.; used "This Firm" in place of "The Firm" in the first sentence;
  - Used the Alternative II from OAC 3745-55-51(G) part B instead of from OAC 3745-55-51(F).
- The recital from OAC 3745-55-51(H)(1) contains the following errors and/or omissions:
  - Section 2; omitted the name and address of the facility; and
  - Section 4 and Section 8: used 3745-248 instead of 3745-256.

On February 22, 2010, U.S. EPA's Office of Civil Enforcement initiated a conference call with Regions 2, 3 and 5 and those states that have Arcelor facilities. Ohio has five facilities that were or are owned by Arcelor. Two of these facilities have financial

assurance obligations. The reason for the call was to discuss discrepancies found in Arcelor's corporate guarantee submissions and confirm the status of any ongoing enforcement activities. U.S. EPA's Office of Civil Enforcement wants to issue a blanket NOV for all past violations. Region 2 has already issued a complaint and begun settlement discussions with ArcelorMittal. EPA HQ will draft a Notice of Violation to ArcelorMittal USA and its subsidiaries based on the FY 2010 violations, as well as similar violations from the past five years (including the violations of late submissions).

ec: Kristina Durnell, ITTS, DHWM  
Todd Surrena, DHWM, NEDO

**Notice:**

Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with applicable regulations.