



Environmental
Protection Agency

John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

Re: Richland County
Stein Steel Mill Services, Inc.
Premise # 03.70.01.0148
Notice of Violation (NOV)

August 12, 2011

CERTIFIED MAIL

Mr. James Conlon
Stein Steel Mill Services, Inc.
1929 East Royalton Road
Broadview Heights, Ohio 44147

Dear Mr. Conlon:

This letter shall serve as follow-up to several inspections of the Stein Steel Mill Services, Inc. (Stein) located at 1490 Old Bowman Street in Mansfield, Ohio, as the result of a series of ongoing complaints received during April and May of this year. The purpose of these inspections, conducted by Ohio EPA's Division of Air Pollution Control (DAPC), Northwest District Office (NWDO), was to determine the compliance status of all air contaminant emissions units located there and to more accurately assess the operations conducted at Stein's facility in Mansfield, Ohio.

Based on our discussions, our observations during the inspections, and a review of the company's files, our findings are as follows:

1. Stein acquired the facility from Heckett-MultiServ and officially began operation at the above referenced site on July 13, 2010. Stein had requested that any permits applicable to Heckett-MultiServ be transferred to Stein so that operation could continue. At that time, and in subsequent correspondence, Stein indicated that several emissions units remained on site. Ohio EPA indicated in an e-mail, dated September 8, 2010 that any emissions units that were new to the site would need to be properly permitted and Stein was asked to identify any new units. No new units were identified at that time.
2. An inspection on February 16, 2011, revealed that multiple emissions units were either new or have not been properly permitted. A notice of violation (NOV) was issued on February 23, 2011, for those violations and the company has since submitted Permit to Install and Operate (PTIO) applications for the following emissions units: modifications to existing plant roadways (F001); modifications to existing plant storage piles (F002); installation of a main screening plant (F007); installation of a secondary screening plant (F008);

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installation of a gasoline dispensing operation (G001); installation of a 90 HP engine (P004); installation of a 51 HP engine (P005). Those permits will be discussed later in this letter.

3. Multiple complaints were received regarding each of three separate events which alleged that material from Stein was deposited on houses and personal properties along Shulties Drive in Mansfield, Ohio. The events in question reportedly occurred late in the evening of April 6, 2011, late in the evening of May 2, 2011, and late in the evening of May 24, 2011. Based on discussions with the complainants, photographic evidence provided to Ohio EPA by the complainants and discussions with Stein representatives, it is believed that the origin of this material is slag produced by AK Steel in the Ladle Metallurgical Furnace (LMF), which is handled and processed by Stein for metals reclamation. On or about May 6, 2011, Sean Mitchell, a Stein employee and representative, indicated that he had visited the complainants the morning of May 3, 2011, and agreed that the material deposited on the vehicles and properties of the complainants appeared to be LMF slag and that, as the complainants described, it "looked like it snowed" at those locations.
4. On June 6, 2011, Mr. Chad Winebrenner and I conducted an inspection of the facility. There had been no precipitation within the previous three days and daily temperatures were in the upper 80s and low 90s. Before entering the facility, Stein's operations were observed from an offsite location. Large plumes of dust were generated from the dumping of various materials into storage piles. A crane was in use to sort reclaimable metals and was producing plumes of visible emissions. Slag transport vehicles were observed traveling between the processing operations and AK Steel and were observed producing visible emissions along the unpaved roadway connecting Stein and AK Steel. Upon arrival, at approximately 10:05 a.m., the plant roadways were dry and the oscillating sprinklers at the facility entrance were not running. Visible emissions readings were conducted at multiple locations on the property. No violations were observed on that date; however, it is believed that the conditions and operations observed at that time were not representative of normal operating conditions. Within minutes of beginning VE readings plant water trucks began applying water to the roadways. Also the vehicles and equipment operating on site appeared to travel significantly slower and more precisely than what was observed from the offsite location. At this time it was also noted that the watering of the LMF slag storage piles was minimal, at best. PTIO applications, mentioned in item 2 above, indicate 80% control efficiency for storage pile emissions based on water application. The equipment on site appears to be inadequate and possibly incapable of achieving that level of control.

At the very least, the equipment is not employed in such a manner that is indicative of achieving that level of control. As an observational note, water was being applied via a small stream from a sprinkler head to a single pile of LMF slag in the LMF pit while wind erosion was observed creating fugitive visible emissions from multiple other piles in the same pit and other pits. This speaks to the inadequacy of the control system in place.

5. On June 8, 2011, Ms. Jennifer Jolliff and I conducted an inspection of the facility. Again, there had been no precipitation within the previous days and daily temperatures were still in the upper 80s and low 90s. Before entering the facility, Stein's operations were again observed from an offsite location and operations and conditions appeared to be similar to those observed on June 6 and described above. The only notable difference was that the oscillating sprinklers at the facility entrance had been running prior to our arrival. As an additional observational note, the same wind erosion issue identified at the end of item 4, above, was also observed as an issue on this date as well. This, again, speaks to the inadequacy of the control system in place.
6. On June 8, 2011, visible emissions readings were conducted on a portable magnet loading reclaimed metal into a vehicle for transport to Tube City IMS. The metal was sorted out of slag from a contaminated heat of steel that had been sent from AK Steel the previous evening and was processed prior to our arrival. Fugitive visible emissions were observed for 16 minutes and 49 seconds of the 23 minute observation period. This is a violation of term one of the Permit-to-Operate issued on July 14, 1995, to Heckett Company and transferred to Stein, and is also a violation of Ohio Revised Code (ORC) 3704.05.
7. On June 8, 2011, visible emissions readings were also conducted on the same portable magnet separating metals from slag generated in the EAF. Fugitive visible emissions were observed for 13 minutes and seven seconds of the 60 minute observation period. This is a violation of term one of the Permit-to-Operate issued on July 14, 1995, to Heckett Company and transferred to Stein, and is also a violation of Ohio Revised Code (ORC) 3704.05.
8. On July 13, 2011, USEPA Method 9 observations were conducted on the facility drop block operations while the block was used to break a "skull". The magnet on the larger boom crane was used for this operation while a front end loader was bringing LMF slag to the crane for sorting, simultaneously. Method 9 observations show compliance with the applicable rules for such operations in an Appendix A area.

As additional observational notes, the same wind erosion issue identified at the end of item 4, above, was also observed as an issue on this date as well. Also, operational conditions and operation speeds seem to vary greatly from observations made from an offsite position in comparison to those observed when the operators know Ohio EPA is on site and observing plant operations. As indicated in item #4 above, again, the vehicles and equipment operating on site appeared to travel significantly slower and more precisely than what was observed from an offsite location earlier that same day. While on site, facility traffic was greatly reduced, in comparison to the previous observations made from offsite earlier that same day. Plant personnel stated that it was "just a slow day" because several facility staff were not there that day and some of the equipment was inoperable due to maintenance, however, some observations were made earlier that day, during the same operational shift. Finally, it was stated that the facility would not be bringing LMF slag from the mill to the pits at Stein that day, due to the dry conditions that existed in the area, however, during the time I was not on site for my lunch break five loads were brought to the pits. Ohio EPA has yet to observe LMF slag being loaded into the LMF pits.

9. Based on NWDO's numerous observations of the facility recently, in addition to a review of the facility's files, it appears that there are several operations on site which have not been identified by either Stein or previous operators. Emissions units/activities that have not been issued permits previously are: facility wide drop block or drop ball operations, facility wide material handling operations (ex: vehicle loading, vehicle unloading, pile load-in, pile load-out and metal reclamation operations) and LMF slag pits. Failure to obtain permits prior to installation and/or operation of each of the above identified emissions units is a violation of Ohio Administrative Code (OAC) rule 3745-31-02(A) and Ohio Revised Code (ORC) 3704.05.

NWDO is concerned that there may be other emissions units/operations at the Mansfield facility that have not been properly identified due to a review of other Stein operations in Ohio. Prior to Stein preparing permit application for the emissions units identified above, NWDO will schedule another on-site visit to observe all operations in a manner that is indicative of 'normal operation' and assist in properly identifying all emissions units on site.

10. Based on guidance from USEPA and a comparison of similar operations such as the Stein operations that exist in Lorain (Facility ID #0247080619) and Cuyahoga counties (Facility ID #1318003929), NWDO believes that Stein's Mansfield operation may be considered a support facility to AK Steel's operations in Mansfield and could be subject to the Title V operating permit program. NWDO has reviewed the July 15, 1997, letter from US EPA, Region V to Robert Hodanbosi, Chief, DAPC, Ohio EPA (attached) regarding LTV Steel, Stein, Inc., and Allegra, Inc. and whether they should be considered one or separate Title V sources for Title V applicability. US EPA determined that the Stein and Allegra facilities were support facilities to LTV Steel and; therefore, should be considered one source for Title V applicability. Since the processes handled by AK Steel and Stein are similar in nature to those of LTV Steel and Stein, Inc., NWDO believes that Stein's current permitting status is questionable and needs to be reviewed.

It should be noted that NWDO is aware that Stein must determine if they are a separate facility from AK Steel and continue to be permitted under OAC Chapter 3745-31, based on a May 28, 1999, letter addressed to you from Robert Hodanbosi, based on conversations with our Central Office.

11. With regards to the PTIO application identified in item 2 above, NWDO has completed a technical review of permit application A0041725, received on April 15, 2011. After careful review and consideration, the processing of this application cannot be processed at this time. Therefore, the applications are enclosed with this letter. Since the submittal of this application was brought upon by the Notice of Violation letter dated February 23, 2011, the permitting violations indicated in that letter are unresolved until a permit has been issued.

The reasons that these applications are being returned are noted below:

- a) For Title V purposes, Stein Steel Mill Services, Inc. and AK Steel Corp - Mansfield Operations may be considered as a single source. In addition to a revised permit application for the sources included in this application, those identified in item 8 and other emissions units not identified in this letter, Stein may need to provide an appropriate Prevention of Significant Deterioration (PSD) analysis of its operations to address the single source issue.
- b) If it is determined that Stein will be subject to OAC Chapter 3745-77, then any future permit applications and reports will need to be submitted via Ohio EPA's online portal, eBusiness Center. This portal can be accessed at ebiz.epa.ohio.gov. Additional information can be obtained from <http://www.epa.ohio.gov/dapc/airservices.aspx>.

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- c) Regarding Stein's storage piles, based on the observations conducted on June 6 and 8, 2011, and a review of the permit applications received on April 15, 2011, it has been determined that Stein has not fully or adequately identified the storage piles on site in the permit applications. Future applications must identify the location, size and type of material contained in each storage pile.

It should also be noted that, because of the potential impact upon AK Steel discussed in this item, AK Steel has been copied on this letter so that they may be able to adequately assess their involvement and assist Stein in the planning of future actions to be taken, if necessary.

Due to the complex and urgent nature of the issues outlined above, NWDO requests that a meeting with Stein be scheduled within 14 days of receipt of this letter. Additionally, a written response to this letter is requested by September 19, 2011. The company's response should include a timeline for submitting the appropriate permits required for bringing the facility into compliance.

Please note that the submission of information to respond to this letter does not constitute a waiver of Ohio EPA's authority to seek civil penalties pursuant to ORC section 3704.06. The Ohio EPA will make the decision on whether to pursue or decline to pursue such penalties regarding this matter at a later date.

If the company has any questions and/or comments concerning this letter, please contact me at the above address, by calling (419) 373-3137, or via e-mail at thomas.cikotte@epa.state.oh.us.

Sincerely,


Thomas C. Cikotte
Division of Air Pollution Control

/llr

pc: Thomas C. Cikotte, DAPC – NWDO
John Cavese, AK Steel
Certified Mail Receipt Number 7009 1410 0001 1840 9702
ec: William MacDowell, U.S. EPA Region V
Tom Kalman, DAPC – CO
Mark Budge, DAPC – NWDO,
Jennifer Jolliff, DAPC – NWDO
Andrea Moore, DAPC – NWDO. Mike Mansour, DAPC – CO, Bob Hodanbosi, DAPC-CO