



**Environmental
Protection Agency**

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

Re: Fulton County
NorthStar BlueScope Steel, LLC
Premise Number 0326000073
Notice of Violation (NOV/Non-HPV)

August 14, 2012

CERTIFIED MAIL

Mr. Nathan Berry, EHS Manager
NorthStar BlueScope Steel
6767 County Road 9
Delta, Ohio 43515

Dear Mr. Berry:

This letter shall serve as a follow-up to the inspection conducted on August 7, 2012, of the above-referenced facility by Mr. Tom Cikotte and myself, from the Division of Air Pollution Control (DAPC) at the Northwest District Office (NWDO). The purpose of the inspection was to determine the compliance status of all air contaminant sources located at this facility.

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

- (1) During the inspection, both Mr. Cikotte and I noticed an excessive amount of dust being generated from the unloading of metal in the scrapyard NorthStar BlueScope (NSBS) operates. Based on the information provided during our visit it was not clearly ascertained whether the scrapyard operations would qualify for a de minimis exemption as defined in Ohio Administrative Code (OAC) rule 3745-15-05 or are subject to the rules and regulations under OAC rule 3745-31-05 regarding Permits to Install (PTI) and Permits to Install and Operate (PTIO).

This office is requiring the facility to submit emissions calculations for all air contaminant sources associated with the scrapyard. If it is determined that a PTI is required, NSBS shall submit a completed PTI application, calculations and the appropriate emissions activity category (EAC) form(s) and process flow diagrams.

- (2) Title V (TV) Permit P0086998 was issued August 7, 2006 which included the permitting of an electric arc furnace (P901), ladle furnace metallurgy facility 1 (P902) and ladle furnace metallurgy facility 2 (P903).

Monitoring and recordkeeping requirement A.III.6.c. requires the company to keep a cumulative summation of material production based on a rolling, 12-month summation for emissions unit P901, P902 and P903, combined. While the company maintains monthly production records, the cumulative summations for the rolling, 12-month periods are not being kept in accordance with these requirements.

Pursuant to the recordkeeping requirement established in A.III.6.d., the facility is required to maintain annual emissions for SO₂, CO, OC and NO_x based on a rolling, 12-month summation. The company currently maintains monthly emission records; however, the rolling, 12-month summations are not being kept in accordance with these requirements.

The recordkeeping requirements established in A.III.6.d. and A.III.7.c. require the facility to maintain annual PE, PM₁₀, Pb and Hg emissions separately for both fugitive and stack emissions based upon a rolling, 12-month period. Monthly records are being kept for the fugitive and stack emissions as a combined limit for each pollutant, but are required to be kept separately. The monthly records and cumulative summations for the rolling, 12-month periods are not being kept in accordance with these requirements.

Failure to maintain records in accordance with the monitoring and recordkeeping requirements is a violation of terms and conditions A.III.6.c., A.III.6.d. and A.III.7.c. of TV Permit P0086998, issued August 7, 2006, and ORC 3704.05. NSBS should immediately start maintaining monthly rolling, 12-month records for P901, P902 and P903, combined, in accordance with the TV Permit.

NWDO requests that the company provide a summary of the rolling, 12-month material production rates, fugitive emissions and stack emissions for P901, P902 and P903, combined, for the last twelve calendar months.

- (3) The quarterly deviation reports submitted through the eBusiness Center: Air Services have not included the following emissions units: ladle preheater 1 (OEPA ID P004), ladle preheater 4 (OEPA ID P016) and ladle dryer 3 (OEPA ID P017).

Failure to submit the quarterly deviation reports is a direct violation of terms and conditions A.IV.1. of TV Permit P0086998, issued August 7, 2006 and A.IV.1. of PTI #03-17339, issued September 18, 2007 and ORC 3704.05.

The facility is required to update their deviation report forms and provide a copy to this office. In addition, the company should resubmit their quarterly deviation reports for the last four quarters to include this information.

- (4) In accordance with the TV Permit P0086998, issued August 7, 2006, NSBS is complying with the recordkeeping requirement A.III.1.a specifying the weekly testing for the total dissolved solids (TDS) content for cooling tower #7 (OEPA ID P015). The facility has determined to test conductivity to show compliance. While this is an acceptable measurement, it cannot be ascertained whether the permittee is complying with the 1,000 ppm TDS operational requirement A.II.1. of the permit as there is no current unit of measurement requirement. In order to determine the compliance with the operational restriction, Ohio EPA is requesting the facility submit a conversion from conductivity in umhos to TDS in ppm.

In order to ensure future compliance, the company has two options. NSBS should begin converting conductivity measurements into TDS or needs to request a PTI modification incorporating a conductivity limit. Should the facility request a permit modification, NSBS will be required to submit calculations pertaining to TDS and conductivity limits.

- (5) NSBS has agreed to modify the way in which it currently maintains records for plant roadways and parking areas (OEPA ID F005) in order to more accurately reflect the information required per recordkeeping requirement A.III.4.a. through A.III.4.d. of the TV Permit P0086998, issued August 7, 2006. Please provide this office with a copy of the updated visible emissions form.
- (6) This office is also requesting that NSBS update their facility profile in Air Services to reflect their current facility contacts, within 30 days of receipt of this letter.

The information requested in items (1) through (5) above shall be submitted to my attention no later than September 4, 2012.

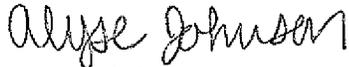
Please note that the submission of the requested information to respond to this letter does not constitute waiver of the Ohio EPA's authority to seek civil penalties pursuant to ORC section 3704.06. The Ohio EPA will make a decision whether to pursue such penalties regarding this matter at a later date.

I would like to thank you for the courtesy extended during my visit.

Mr. Nathan Berry, EHS Manager
August 14, 2012
Page 4

Should you have any questions or comments concerning this letter, please feel free to contact me at (419) 373-3110 or electronically at Alyse.Johnson@epa.state.oh.us.

Sincerely,



Alyse Johnson
Environmental Specialist

/llr

cc: Alyse Johnson, NWDO-DAPC
Jennifer Jolliff, NWDO-DAPC
Mark Barber, NWDO-DAPC
Tom Cikotte, NWDO-DAPC
Bruce Weinberg, CO-DAPC
William MacDowell, US EPA-Region V
Jakob Reinbolt, NorthStar BlueScope Steel
Nathan Berry, NorthStar BlueScope Steel)

Certified Mail Receipt Number 7009 1410 0001 1834 5338