



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

Re: Marion County
Nucor Steel Marion, Inc.
Premise #0351010017
Notice of Violation
HPV-GC1, GC4

November 23, 2012

Certified Mail

Mr. Trevor Beers
Environmental Manager
Nucor Steel Marion, Inc.
912 Cheney Avenue
Marion, Ohio 43302

Dear Mr. Beers:

This letter shall serve as a follow-up to observations made on October 4, 2012 and observations and a site visit on October 16, 2012 by myself and Mohammad Smidi of the Northwest District Office (NWDO), Division of Air Pollution Control (DAPC). The purpose of the visits was to observe the slag operations and to evaluate fugitive emissions from these sources in relation to the PTI application submitted on September 5, 2012. And also, to assess compliance with the Director's Final Findings and Orders (DFF&O's) issued on March 14, 2012, regarding the on-site slag operations. The findings are as follows:

1. NWDO and Nucor Steel Marion, Inc. (herein referred to as Nucor) have had numerous conversations regarding the on-site slag operations at the facility. On August 10, 2009, Nucor submitted a Permit to Install and Operate (PTIO) application, on behalf of Tube City IMS, as part of the PSD Permit to Install (PTI) application addressing PSD violations and a facility-wide expansion project. Since Tube City IMS was owner and operator of those activities, it was required that they (Tube City IMS) apply for the modifications of those operations and not Nucor. Therefore, NWDO did not include the slag operation activities in the PSD permit.

At the request of NWDO, on November 4, 2010, Nucor submitted supplemental data to the August 10, 2009 PSD application. As part of the supplemental information Nucor agreed to move slag sizing, screening and marketing operations to an off-site location. It was proposed that slag quenching, drop balling, load out and storage piles would remain on-site.

NWDO accepted these changes and moved forward with the issuance of PSD PTI #P0105283 on December 23, 2010.

In subsequent months, NWDO had several conversations with Tube City IMS regarding the permitting of both the on-site and the off-site slag operations. On January 27, 2012, NWDO received a PTIO application from Tube City IMS for the proposed off-site slag operations. It was also indicated by Tube City IMS, that an on-site application would be forthcoming. However, Tube City IMS informed NWDO that the facility ceased all operations at Nucor on February 28, 2012, thus never having submitted the required PTIO application for slag operations on-site. In addition, the requested PTIO application for off-site slag operations was withdrawn. Subsequently, Nucor was made aware of the fact that the on-site slag operations were unpermitted.

In an email to the facility on May 22, 2012, NWDO requested an update from Nucor as to the status of the on-site slag operations. In addition, NWDO made Nucor aware that a permit application was still required for the on-site slag activities. The requirement to permit on-site slag operations was further addressed during a conference call on July 20, 2012, and then in a follow-up e-mail dated July 24, 2012 to the facility. In the end, an e-mail was sent on August 22, 2012, providing Nucor a deadline of September 5, 2012 to submit an application for the on-site slag operations.

The requested application for the on-site slag operations was submitted by Nucor on September 5, 2012.

Nucor is in violation for installing and operating the on-site slag operations without first obtaining a PTI. Failure to first obtain the necessary permits prior to installing and operating these emissions units is a violation of Ohio Administrative Code (OAC) 3745-31-02 and Ohio Revised Code (ORC) §3704.05.

2. During both site visits to the facility, fugitive emissions from the on-site slag operations (quenching, drop balling and material handling) were excessive and therefore, not representative of what the facility supplied to the Agency in terms of control efficiency of fugitive emissions in its permit application.

It has also been determined that Nucor has not constructed a three-sided enclosure with an integral watering system that effectively controls fugitive emissions, as required in the DFF&O's, associated with slag quenching, loading and unloading operations. In addition, NWDO observed what appeared to be inadequate amounts of water being applied to control fugitive emissions from these operations as well as, emissions from material handling, drop balling and storage piles.

These are direct violations of the DFF&O's, issued on March 14, 2012, specifically, Order Number V.7.g. which states that "within one hundred-twenty (120) days of the effective date of these Orders, Respondent shall construct a partial three-sided, enclosure with an integral watering system surrounding the slag quenching operations at the facility" and Order Number V.7.h. that "Respondent shall continue to implement the water spray control method for the ball dropping and the quenched slag load-out operations at the facility pursuant to its Title V permit for the facility and in accordance with good air pollution practices".

3. On October 31, 2012, Ohio EPA held a conference call with Nucor to discuss the above deficiencies. During the call, the facility proposed short term actions to better control fugitive emissions. In addition, the facility has proposed to construct a total enclosure (four-sided, roofed enclosure) for slag quenching operations.

At this time, Ohio EPA requests that the facility submit a compliance plan and schedule that details, at a minimum, the following information:

- a. Application of water on a frequency that would adequately control fugitive dust emissions associated with slag quenching operations, material handling operations, drop balling operations and storage piles.
- b. Submission of detailed plans regarding the construction of a building enclosure for the slag quenching, loading and unloading operations.
- c. The projected schedule to complete each of the milestones that will outline proactive steps to address the existing emissions concerns.

Once this information has been submitted, it will be reviewed by NWDO and a formal response will be sent to your attention. Please have this information submitted by December 10, 2012.

4. NWDO requests the following information from Nucor regarding the slag processing operations that occurred on-site from March 1, 2012 to present, it is necessary that the following be submitted to NWDO based on a to-date schedule:
 - a. Amount of slag quenched during the time period;
 - b. Amount of material handled, both loading and unloading operations;
 - c. Amount of material that was ball dropped; and
 - d. Amount of slag and other material placed in storage piles.

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In addition to the information requested above, emission calculations of all operations associated with the on-site slag processing are necessary. Please have this information submitted by December 21, 2012.

Please be advised that the submission of information to respond to this letter does not constitute a waiver of the Ohio EPA's authority to seek civil penalties as provided in ORC §3704.06. Ohio EPA will determine later whether to pursue such penalties in this case.

If you have any questions and/or comments regarding this letter, please contact me electronically at Erin.shalabe@epa.state.oh.us or by phone at (419) 373-4110.

Sincerely,



Erin Shalabe
Environmental Specialist
DAPC-NWDO

/cg

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