

US EPA ARCHIVE DOCUMENT



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

JUN 15 2012

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James E. Earl
Manager, Environmental Engineering
Severstal Dearbom, LLC
14661 Rotunda Drive
P.O. Box 1699
Dearbom, Michigan 48120-1699

Re: Notice of Violation/Finding of Violation
Severstal Dearbom, LLC

Dear Mr. Earl:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation/Finding of Violation (NOV/FOV) to Severstal Dearbom, LLC (you). We find that you have violated the Michigan State Implementation Plan (SIP), your Permit to Install (PTI) Number 182-05B, and certain conditions of your Title V operating permit at your Dearbom, Michigan facility.

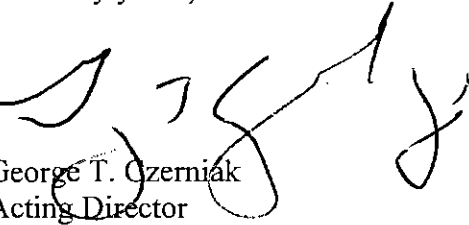
We have several enforcement options under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the NOV/FOV.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific violations, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Daniel Schaufelberger. You may call him at (312) 886-6814 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,



George T. Czerniak
Acting Director
Air and Radiation Division

Enclosure

cc: Christopher Ethridge, Acting District Supervisor
Michigan Department of Environmental Quality

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Severstal Dearborn, LLC
Dearborn, Michigan

Proceeding Pursuant to
the Clean Air Act,
42 U.S.C. §§ 7401 et seq.

)
)
) **NOTICE OF VIOLATION and
FINDING OF VIOLATION**
)

) **EPA-5-12-MI-05**
)
)
)
)

NOTICE OF VIOLATION AND FINDING OF VIOLATION

Severstal Dearborn, LLC (you or Severstal) owns and operates an integrated steel mill at 3001 Miller Road, Dearborn, Michigan (facility).

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation and Finding of Violation (NOV/FOV or Notice) pursuant to Section 113(a)(1) and (a)(3) of the Clean Air Act (the Act or CAA), 42 U.S.C. § 7413(a)(1) and (a)(3). The authority to issue this Notice has been delegated to the Regional Administrator of the EPA, Region 5, and redelegated to the Director, Air and Radiation Division.

EPA finds that Severstal has violated the Michigan State Implementation Plan (SIP), its Title V operating permit, and its Permit to Install (PTI) 182-05B at its Dearborn, Michigan facility by exceeding the opacity limits set forth in the Michigan SIP, Title V permit, and PTI 182-05B. In addition, Severstal violated the Michigan SIP and its Title V permit by causing fallout of particulate matter beyond its property boundary that unreasonably interfered with the enjoyment of life and property.

STATUTORY AND REGULATORY BACKGROUND

Michigan State Implementation Plan (SIP)

1. EPA approved Rule 336.1301 as part of the federally enforceable SIP for Michigan on June 11, 1992. The rule became effective on July 13, 1992. 57 Fed. Reg. 24752. A revised Michigan SIP Rule 336.1301 was approved by EPA on June 1, 2006 and became effective July 3, 2006. 71 Fed. Reg. 31093 (June 1, 2006). The revisions to this SIP rule were minor and not pertinent to the matters covered by the NOV/FOV.

2. Rule 336.1301(1) provides that a person shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of a density greater than the most stringent of: (a) a 6-minute average of 20% opacity, except for 1 6-minute average per hour of not more than 27% opacity; (b) a limit specified by an applicable federal new source performance standard; or (c) a limit specified as a condition of a permit to install or permit to operate.

3. EPA approved Rule 336.1364 as part of the federally enforceable SIP for Michigan on June 11, 1992. The rule became effective on July 13, 1992. 57 Fed. Reg. 24752.

4. Rule 336.1364(2) provides that a person shall not cause or permit to be discharged to the outer air, from a basic oxygen furnace shop roof monitor, a visible emission with a density of more than 20% opacity.

5. EPA approved Rule 336.1901 as part of the federally enforceable SIP for Michigan on May 6, 1980. 45 Fed. Reg. 29790. Rule 336.1901 was incorporated by reference into Wayne County Air Pollution Control Ordinance 801, and on May 13, 1993, EPA approved Wayne County Air Pollution Control Ordinance into the Michigan SIP, effective June 14, 1993. 58 Fed. Reg. 28361.

6. Rule 336.1901 provides that a person shall not cause or permit the emission of an air contaminant or water vapor in quantities that cause, alone or in reaction with other air contaminants, either of the following: (a) injurious effects to human health or safety, animal life, plant life of significant economic value, or property; (b) unreasonable interference with the comfortable enjoyment of life and property.

Title V

7. Title V of the Act, 42 U.S.C §§ 7661a-7661f, establishes an operating permit program for certain sources, including "major sources." Pursuant to Section 502(b) of the Act, 42 U.S.C. § 7661a(b), on July 21, 1992, EPA promulgated regulations establishing the minimum elements of a permit program to be administered by any air pollution control agency. 57 Fed. Reg. 32295. These regulations are codified at 40 C.F.R. Part 70.

8. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), states that, after the effective date of any permit program approved or promulgated under Title V of the Act, no source subject to Title V may operate the source except in compliance with its Title V permit.

9. Title 40 C.F.R. § 70.7(b) states that, no source subject to Title V may operate the source except in compliance with a Title V permit.

10. EPA granted full approval to the Michigan Title V operating permit program on December 4, 2001. 66 Fed. Reg. 62949. The program became effective on November 30, 2001.

11. Severstal is a major source subject to Title V.

12. Michigan Department of Environmental Quality (MDEQ) issued Renewable Operating Permit (Title V permit) No. 199700004 to Severstal with an effective date of October 18, 2004.

13. General Condition 2(a) of Severstal's Title V permit establishes a 6-minute average opacity limit of 20% (except for one 6-minute average per hour of not more than 27% opacity) for the basic oxygen furnace (BOF) B vessel, the BOF electrostatic precipitator stack (ESP), the Blast Furnace roof monitors, Blast Furnace bleeder stack, Blast Furnace stove stack, and Blast Furnace slag pits.

14. General Condition 7(b) of Severstal's Title V permit provides that a person shall not cause or permit the emission of an air contaminant or water vapor in quantities that cause, alone or in reaction with other air contaminants, either of the following: (a) injurious effects to human health or safety, animal life, plant life of significant economic value, or property; (b) unreasonable interference with the comfortable enjoyment of life and property.

15. Section 1, Table E-01.03 (II)(B) of Severstal's Title V permit establishes a 20% opacity limit for emissions from the Blast Furnace C Bleeder Stack.

16. Section 2, Table E-02.01(II)(B) of Severstal's Title V permit establishes a 20% opacity limit for fugitive emission dust sources other than roads, lots or storage piles.

Severstal Permit to Install 182-05B

17. On April 19, 2007, MDEQ issued a permit to install to Severstal for modifications to the C Blast Furnace including installation of a baghouse for air pollution control and the installation of the BOF secondary particulate emission control baghouse.

18. MDEQ issued this permit under Title I of the CAA.

FACTUAL BACKGROUND

19. Severstal's steel manufacturing facility is located in Dearborn, Wayne County, Michigan.

20. Severstal manufactures flat-rolled sheet steel products for a variety of manufacturing applications at its Dearborn, Michigan facility.

21. Severstal operates, among other operations, a BOF and a blast furnace (C Blast Furnace) at its Dearborn, Michigan facility.

22. Iron is converted to steel in Severstal's BOF shop B vessel.

23. Slag from the C Blast Furnace is directed through troughs to slag pots. The slag pots are transported to and emptied into the facility's blast furnace slag pits.

24. The MDEQ has received numerous complaints from residents in the neighborhood area adjacent to the Severstal Dearborn facility.

25. MDEQ analyzed the fallout material by taking samples from the residents' property and found that the fallout contained graphite kish. MDEQ's analysis concluded that the graphite kish is a by-product of the desulfurization process at the BOF. MDEQ's analysis also concluded that the mixture of materials in the fallout is associated with ferrous metals refining and processing activity.

VIOLATIONS

26. Severstal violated Michigan SIP Rule 336.1301 and General Condition 2(a) of its Title V permit for the following opacity exceedances at the BOF ESP Stack:

Date(s)	Limit	Highest 6-minute Average Opacity
10/26/10	20%	82%
4/13/11	20%	34%
3/19/12	20%	49%
4/13/12	20%	50%
5/3/12	20%	34%
5/6/12	20%	44%

27. Severstal violated Michigan SIP Rule 336.1301 and General Condition 2(a) and Table E-01.03(II)(B) of its Title V permit for the following opacity exceedances at the C Blast Furnace Bleeder Stack:

Date(s)	Limit	Highest 6-minute Average Opacity
12/17/09	20%	92%
8/10/11	20%	55%

28. Severstal violated Michigan SIP Rule 336.1301 and General Condition 2(a) and Table E-01.02(II)(B)(1) of its Title V permit for the following opacity exceedances at the C blast Furnace East Taphole roof monitor:

Date(s)	Limit	Highest 6-minute Average Opacity
4/22/09	20%	63%
1/27/10	20%	56%

29. Severstal violated Michigan SIP Rule 336.1301, General Condition 2(a) of its Title V permit and condition 11 of its PTI 182-05B permit for the following opacity exceedance at the Blast Furnace Stove Stack: August 10, 2011, highest 6-minute average opacity observation of 40%.

30. Severstal violated Michigan SIP Rule 336.1301 and General Condition 2(a) of its Title V permit and General Condition 11 of its PTI 182-05B permit for the following opacity exceedances at the BOF B Vessel:

Date(s)	Limit	Highest 6-min Average Opacity
4/13/11	20%	30%
3/19/12	20%	34%

31. Severstal violated Michigan SIP Rule 336.1364(2) and General Condition 2(a) of its Title V permit and General Condition 11 of its PTI 182-05B permit for the following opacity exceedance at the BOF Roof Monitor: May 6, 2012, highest 6-minute average opacity observation of 33%.

32. Severstal violated Michigan SIP Rule 336.1901 and General Condition 7(b) of its Title V permit for fallout events that occurred offsite on the following dates: 7/11/2008, 7/12/2008, 7/15/2009, 9/12/2009, 2/20/2010, 3/8/2010, 4/19/2010, 10/7/2010, 10/8/2010, 10/13/2010, 10/20/2010, 10/22/2010, and 8/16/2011.

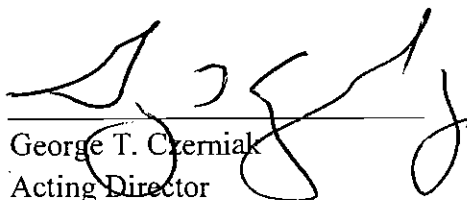
33. Severstal violated Michigan SIP Rule 336.1301, General Condition 2(a) and Section 2 Table E-02.01(II)(B) of its Title V permit for the following exceedance at the blast furnace slag pits: October 21, 2010, highest 6-minute average opacity observation of 28%.

ENFORCEMENT AUTHORITY

34. Sections 113(a)(1-3) of the Act, 42 U.S.C. § 7413(a)(1-3), provide that the Administrator may issue an administrative penalty order pursuant to Section 113(d), 42 U.S.C. § 7413(d), or bring a civil action pursuant to Section 113(b), 42 U.S.C. § 7413(b), for injunctive relief and/or civil penalties whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of, among others, an applicable implementation plan or permit under Title I or Title V of the Act, or any rule promulgated, issued or approved under Title I or Title V of the Act.

6/15/12

Date


George T. Czerniak
Acting Director

Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-12-

MI-05, by Certified Mail, Return Receipt Requested, to:

James E. Earl
Manager, Environmental Engineering
Severstal Dearborn, LLC
14661 Rotunda Drive
P.O. Box 1699
Dearborn, Michigan 48120-1699


I also certify that I sent copies of the Notice and Finding of Violation by first class mail

to:

Thomas Hess
Enforcement Unit Chief
Michigan Department of Environmental Quality
Air Quality Division
P.O. Box 30260
Lansing, Michigan 48909

Christopher Ethridge
Acting District Supervisor
Michigan Department of Environmental Quality
Southeast Michigan District Office
Air Quality Division
27700 Donald Court
Warren, Michigan 48092-2793

on the 15 day of June 2012.



Loretta Shaffer
Administrative Program Assistant
Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7669 7033