

BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 Region III
 1650 Arch Street
 Philadelphia, Pennsylvania 19103-2029

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 ENVIRONMENTAL PROTECTION AGENCY
 PHILADELPHIA, PA

In Re:	:	
	:	Docket No. CAA-03-2017-0095
	:	
Latrobe Specialty Metals Company, LLC, 2626 Ligonier Street, Latrobe, Pennsylvania 15650,	:	FINAL ORDER
	:	
	:	Proceeding under the Clean Air Act, Section 113(a)(3)(A) and (d)(1)(B)
Respondent.	:	

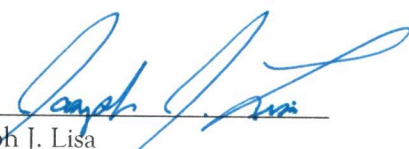
FINAL ORDER

Complainant, Director, Air Protection Division, United States Environmental Protection Agency (EPA), Region III, and Respondent, Latrobe Specialty Metals Company, LLC, have executed a document entitled "CONSENT AGREEMENT", which I hereby ratify as a consent agreement in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules of Practice), 40 C.F.R. Part 22 [with specific reference to 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3)]. The terms of the executed CONSENT AGREEMENT, attached hereto, are accepted by the undersigned and incorporated herein as if fully set forth.

Based on the representations of the parties in the attached CONSENT AGREEMENT, the civil penalty agreed to therein is based upon consideration of, *inter alia*, EPA's Clean Air Act Stationary Source Civil Penalty Policy, dated October 25, 1991, as modified, and the statutory factors set forth in Section 113(e)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7413(e)(1). **NOW, THEREFORE, PURSUANT TO** Section 113(a)(3)(A) and (d)(1)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(A) and (d)(1)(B), and 40 C.F.R. § 22.18(b)(3) of the Consolidated Rules of Practice, **IT IS HEREBY ORDERED** that Respondent pay a civil penalty of TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000), plus any applicable interest, as specified in the CONSENT AGREEMENT, and comply with the terms and conditions of the CONSENT AGREEMENT.

The effective date of this FINAL ORDER and attached CONSENT AGREEMENT is the date on which the FINAL ORDER, signed by the Regional Administrator of EPA - Region III or the Regional Judicial Officer of EPA - Region III, is filed with the Regional Hearing Clerk of EPA - Region III.

Sept. 27, 2017
Date



 Joseph J. Lisa
 Regional Judicial Officer
 EPA - Region III

BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

In Re:	:	
	:	Docket No. CAA-03-2017-0095
	:	
Latrobe Specialty Metals Company, LLC,	:	
2626 Ligonier Street,	:	CONSENT AGREEMENT
Latrobe, Pennsylvania 15650,	:	
	:	Proceeding under the Clean Air Act,
	:	Section 113(a)(3)(A) and (d)(1)(B)
Respondent.	:	

CONSENT AGREEMENT

I. Preliminary Statement

1. This administrative consent agreement is entered into by and between the Director, Air Protection Division, United States Environmental Protection Agency (EPA), Region III (Complainant), and Latrobe Specialty Metals Company, LLC (Respondent), pursuant to Section 113(a)(3)(A) and (d)(1)(B) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3)(A) and (d)(1)(B), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22 (Consolidated Rules of Practice). The Consolidated Rules of Practice at 40 C.F.R. § 22.13(b) provide, in pertinent part, that “where the parties agree to settlement of one or more causes of action before the filing of a complaint, a proceeding may be simultaneously commenced and concluded by the issuance of a consent agreement and final order pursuant to § 22.18(b)(2) and (3).”

2. This administrative consent agreement and the accompanying final order (CAFO) address violations set forth herein, which occurred at Respondent’s facility located at 2626 Ligonier Street, Latrobe, Pennsylvania 15650 (Latrobe facility). The Commonwealth of Pennsylvania is within the jurisdiction of EPA - Region III.

II. General Provisions

1. Section 113(a)(3)(A) and (d)(1)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(A) and (d)(1)(B), authorizes the Administrator of EPA to, among other things, issue an administrative penalty order assessing a civil administrative penalty whenever, on the basis of any information available to the Administrator, the Administrator finds that a person has violated a requirement of any rule promulgated under Subchapter I of Chapter 85 of Title 42 of the United States Code or a requirement of a permit issued under Subchapter V of Chapter 85 of Title 42 of the United States Code. Chapter 85 of Title 42 of the United States Code is the CAA, 42 U.S.C. §§ 7401-7671q. Subchapter I of Chapter 85 [also referred to as Title I of the CAA] includes Section 101 to Section 193 of the CAA, 42 U.S.C. §§ 7401-7515. Subchapter V of Chapter 85

[also referred to as Title V of the CAA] includes Section 501 to Section 507 of the CAA, 42 U.S.C. §§ 7661-7661f. The authority to issue the accompanying final order has been duly delegated to the Regional Judicial Officer of EPA - Region III.

2. Respondent is a "person" as that term is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e), and as that term is used in Section 113(a)(3) and (d)(1) of the CAA, 42 U.S.C. § 7413(a)(3) and (d)(1).
3. On September 20, 2007, EPA proposed a rule under Section 112 of the CAA establishing national emission standards for hazardous air pollutants for area sources: electric arc furnace steelmaking facilities (72 Fed. Reg. 53814). On December 28, 2007, EPA promulgated a rule under Section 112 of the CAA establishing national emission standards for hazardous air pollutants for area sources: electric arc furnace steelmaking facilities (72 Fed. Reg. 74088). This rule was effective on December 28, 2007. This rule was and is codified at 40 C.F.R. Part 63, Subpart YYYYYY, National Emission Standards for Hazardous Air Pollutants for Area Sources: Electric Arc Furnace Steelmaking Facilities (§§ 63.10680-10692). As noted in Section II, Paragraph 1 above, Subchapter I of Chapter 85 includes Section 112 of the CAA, 42 U.S.C. § 7412.
4. On January 5, 2011, EPA delegated to the Commonwealth of Pennsylvania Department of Environmental Protection (PADEP) authority to implement and enforce 40 C.F.R. Part 63, Subpart YYYYYY (76 Fed. Reg. 30703, May 26, 2011). At 76 Fed. Reg. 30704, EPA stated that "[a]ll notifications, applications, reports and other correspondence required pursuant to the newly delegated standards must be submitted to both the US EPA Region III and to the Pennsylvania Department of Environmental Protection". When such a delegation is made, EPA retains certain non-delegable implementation authorities, as well as the authority to enforce the relevant standards.
5. Title V of the CAA, 42 U.S.C. §§ 7661-7661f, established an operating permit program for major sources of air pollution. Pursuant to Section 502(b) of the CAA, 42 U.S.C. § 7661a(b), the Administrator promulgated regulations providing for the establishment of Title V State operating permit programs at 40 C.F.R. Part 70.
6. Section 502(d) of the CAA, 42 U.S.C. § 7661a(d), provides that each State must submit to the Administrator a permit program meeting the requirements of Title V.
7. EPA granted final full approval to the Commonwealth of Pennsylvania's Title V operating permit program effective August 29, 1996 (61 Fed. Reg. 39597, July 30, 1996).
8. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b), provide that, after the effective date of any permit program approved or promulgated under Title V of the CAA, no person may operate any source subject to Title V except in compliance with a Title V permit.
9. PADEP is a permitting authority for Title V purposes as defined in Section 501(4) of the CAA, 42 U.S.C. § 7661(4).
10. Pennsylvania's Title V regulations are promulgated at 25 Pa. Code §§ 127.501 through 127.543.

11. Pursuant to 25 Pa. Code § 127.512, each permit issued to a Title V facility shall contain the minimum permit terms and conditions set forth in § 127.512, which includes a provision stating that “[t]he permittee shall comply with conditions of the operating permit.” 25 Pa. Code § 127.512(c)(1).
12. Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), limits the Administrator’s authority to matters where the total penalty sought does not exceed \$200,000 and the first alleged date of violation occurred no more than 12 months prior to the initiation of the administrative action, except where the Administrator and the Attorney General of the United States jointly determine that a matter involving a larger penalty amount or a longer period of violation is appropriate for administrative penalty action. Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), further provides that any such determination by the Administrator and the Attorney General shall not be subject to judicial review. Under 40 C.F.R. Part 19 (Adjustment of Civil Monetary Penalties for Inflation), § 19.4, the figure of \$200,000 has been increased to \$362,141 effective January 15, 2017 (82 Fed. Reg. 3633, January 12, 2017).
13. The Administrator of EPA and the Attorney General of the United States, each through their respective delegates, have jointly determined that administrative penalty action is appropriate for the longer period of violation involved in this matter.
14. For the purpose of this proceeding, Respondent admits the jurisdictional allegations of this CAFO. Respondent agrees not to contest jurisdiction with respect to the issuance, execution and enforcement of this CAFO.
15. EPA and Respondent expressly acknowledge that the provisions of Section II, Paragraph 14 immediately above shall not constitute an admission as to any matter other than as necessary for establishing EPA’s jurisdiction in this proceeding, and is neither intended nor shall it be construed as an admission that may be relied upon for any purpose by any person not a party to this proceeding.
16. For the purpose of this proceeding, except as provided in Section II, Paragraph 14 above, Respondent neither admits nor denies the specific factual allegations and conclusions of law in this consent agreement.
17. For the purpose of this proceeding, Respondent consents to the issuance of this CAFO and agrees to comply with its terms and conditions.
18. This CAFO records all terms and conditions of the settlement.

III. Findings of Fact and Conclusions of Law

1. Respondent, Latrobe Specialty Metals Company, LLC (LSMC), was most recently registered as a limited liability company in the State of Delaware on June 26, 2015. Respondent LSMC is located at 2626 Ligonier Street, Latrobe, Pennsylvania 15650.
2. Respondent LSMC is the owner and operator of the Latrobe facility at 2626 Ligonier Street, Latrobe, Pennsylvania 15650. At the Latrobe facility, Respondent manufactures specialty metals. The Latrobe facility includes, among other things, an electric arc furnace (Electric Arc Furnace B) that produces molten steel and heats the charge materials with electric arcs from carbon electrodes, and an argon-oxygen

decarbonization vessel, each of which is a significant emitter of the air pollutant particulate matter. Each of these sources is equipped with a required fabric filter (baghouse) to reduce the amount of particulate matter emitted.

3. Pursuant to 40 C.F.R. § 63.10692 of Subpart YYYYY, an “Electric arc furnace (EAF)” is “a furnace that produces molten steel and heats the charge materials with electric arcs from carbon electrodes”, and an “Electric arc furnace (EAF) steelmaking facility” is “a steel plant that produces carbon, alloy, or specialty steels using an EAF”.

4. Pursuant to 40 C.F.R. § 63.10681(a) of Subpart YYYYY, owners and operators of existing affected sources were required to achieve compliance with applicable provisions of Subpart YYYYY by no later than June 30, 2008.

5. The Latrobe facility presently contains, and at all relevant times in the past has contained:

- an “Electric arc furnace (EAF)”, and an “Electric arc furnace (EAF) steelmaking facility” that is an area source of hazardous air pollutant (HAP) emissions, under 40 C.F.R. §§ 63.2 and 63.10692, given that the EAF steelmaking facility is not and has not at any time in the past been a major source of HAP emissions under 40 C.F.R. §§ 63.2 and 63.10692 [the Latrobe EAF steelmaking facility does not have, and has not had, the potential to emit 10 tons or more per year of any single HAP or 25 tons or more per year of any combination of HAPs; the facility emits small amounts of the following HAPs: chromium, lead, nickel, cadmium, manganese, and mercury]; and

- an existing affected source under 40 C.F.R. § 63.10680(b)(1) of Subpart YYYYY, given that the EAF steelmaking facility was constructed before September 20, 2007, the date of proposal of Subpart YYYYY.

6. Respondent’s Latrobe facility is a “Title V Facility” under 25 Pa. Code § 121.1 because it is a “major stationary source” of air pollutants, pursuant to Section 302(j) of the CAA, 42 U.S.C. § 7602(j), in that it has the potential to emit 100 tons or more per year of criteria air pollutants carbon monoxide and nitrogen oxides.

7. On January 4, 2013, PADEP issued a renewed Title V operating permit to Respondent for the Latrobe facility (Permit No. 65-00016) with an effective date of January 4, 2013 and an expiration date of January 4, 2018.

8. Among other requirements, Permit No. 65-00016 contains monitoring requirements relating to the operation of the fabric filters (baghouses) serving the electric arc furnace (Electric Arc Furnace B) and argon-oxygen decarbonization vessel. In Section D., Source ID 101 (Electric Arc Furnace B), III., #013 (page 36) of Permit No. 65-00016, quarterly calibration of the magnehelic gauge is required. In Section D., Source ID 102 (argon-oxygen decarbonization vessel), III., #003 (page 50) of Permit No. 65-00016, monthly calibration of the magnehelic gauge is required. These requirements applied as of the January 4, 2013 effective date of the permit.

9. On December 2 and 3, 2015, personnel from EPA - Region III conducted a CAA compliance inspection at Respondent’s Latrobe facility. During this inspection, Respondent’s personnel indicated to

the EPA - Region III personnel that at no time since January 4, 2013 had Respondent complied with either of the monitoring requirements requiring periodic calibration noted in Paragraph 8 immediately above. In addition, Respondent was not able to provide to the EPA - Region III personnel the following: 1) the initial notification of compliance status required by 40 C.F.R. § 63.10690 of Subpart YYYYY [and 40 C.F.R. § 63.9(h) of Subpart A of Part 63], 2) the approved written pollution prevention plan for metallic scrap selection and inspection required by 40 C.F.R. § 63.10685(a)(1) of Subpart YYYYY, and 3) the semiannual compliance report for the semiannual period of July 1, 2013 through December 31, 2013 required by 40 C.F.R. § 63.10685(c)(3) of Subpart YYYYY [and 40 C.F.R. § 63.10(d)(1) of Subpart A of Part 63].

**Failure to Keep Records to Demonstrate Compliance with the Requirements for a
Pollution Prevention Plan for Metallic Scrap Selection and Inspection**

10. 40 C.F.R. § 63.10685(c) of Subpart YYYYY requires the owner or operator of an existing EAF steelmaking facility that is an area source of HAP emissions to keep records to demonstrate compliance with a pollution prevention plan for metallic scrap selection and inspection required by 40 C.F.R. § 63.10681(a)(1) on and after June 30, 2008. Based on EPA's information and belief, Respondent failed to comply with this requirement from October 1, 2012 through March 8, 2016.

11. Respondent's failure to comply with this requirement in Subpart YYYYY constitutes a violation of a requirement of a rule promulgated under Subchapter I of Chapter 85 of Title 42 of the United States Code, 40 C.F.R. § 63.10685(c) of Subpart YYYYY, and Section 112(i)(3)(A) of the CAA, 42 U.S.C. § 7412(i)(3)(A).

Failure to Maintain Files and Keep Required Records

12. 40 C.F.R. § 63.10690(a) and 40 C.F.R. § 63.10(b)(1) together require the owner or operator of an existing EAF steelmaking facility that is an area source of HAP emissions to, on and after June 30, 2008, maintain files of all information (including all reports and notifications) required by Subpart YYYYY. Based upon Respondent's inability to provide to the EPA - Region III personnel at the December 2 and 3, 2015 CAA compliance inspection the following: 1) the initial notification of compliance status required by 40 C.F.R. § 63.10690 of Subpart YYYYY [and 40 C.F.R. § 63.9(h) of Subpart A of Part 63], 2) the written pollution prevention plan for metallic scrap selection and inspection required by 40 C.F.R. § 63.10685(a)(1) of Subpart YYYYY, and 3) the semiannual compliance report for the semiannual period of July 1, 2013 through December 31, 2013 required by 40 C.F.R. § 63.10685(c)(3) of Subpart YYYYY [and 40 C.F.R. § 63.10(d)(1) of Subpart A of Part 63], Respondent failed to comply with these requirements from December 2, 2015 through April 1, 2017.

13. Respondent's failures to comply with these requirements constitute violations of requirements of rules promulgated under Subchapter I of Chapter 85 of Title 42 of the United States Code, 40 C.F.R. § 63.10690(a) of Subpart YYYYY [and 40 C.F.R. §§ 63.10(b)(1) of Subpart A of Part 63], and Section 112(i)(3)(A) of the CAA, 42 U.S.C. § 7412(i)(3)(A).

Failure to Provide Change in Information

14. 40 C.F.R. § 63.10690, 40 C.F.R. § 63.9(h), 40 C.F.R. § 63.10685(b)(2), (3) and (4), 40 C.F.R. § 63.9(j), and 40 C.F.R. § 63.10681(a) together require the owner or operator of an existing EAF steelmaking facility that is an area source of HAP emissions to provide, to the extent a notification of compliance status was previously submitted, any change in the information previously provided within 15 calendar days after the change. Respondent's semiannual compliance report under Subpart YYYYYY dated July 1, 2014 indicated that on or before January 1, 2014 Respondent changed its compliance option under 40 C.F.R. § 63.10685(b). This change was not provided in a revised notification of compliance status as required. Respondent eventually provided a revised notification of compliance status, which was received by EPA on March 14, 2016. Based on EPA's information and belief, Respondent failed to comply with this requirement from at least January 1, 2012 through March 14, 2016.

15. Respondent's failure to comply with this requirement constitutes a violation of a requirement of a rule promulgated under Subchapter I of Chapter 85 of Title 42 of the United States Code, 40 C.F.R. § 63.10690 of Subpart YYYYYY [and 40 C.F.R. § 63.9(j) of Subpart A of Part 63], and 40 C.F.R. § 63.10681(a) of Subpart YYYYYY, and Section 112(i)(3)(A) of the CAA, 42 U.S.C. § 7412(i)(3)(A).

Failure to Submit Complete Semiannual Compliance Report

16. 40 C.F.R. § 63.10690, 40 C.F.R. § 63.10(d)(1), 40 C.F.R. § 63.10685(c)(3), and 40 C.F.R. § 63.10681(a) together require the owner or operator of an existing EAF steelmaking facility that is an area source of HAP emissions to submit semiannual compliance reports for the control of contaminants from scrap that:

-clearly identify any deviation from the requirements in 40 C.F.R. § 63.10685(a) and (b) and the corrective action taken, and

-identify which compliance option in 40 C.F.R. § 63.10685(b) applies to each scrap provider, contract, or shipment.

By letter dated January 21, 2016, Respondent submitted a semiannual compliance report for the semiannual compliance period of July 1, 2015 through December 31, 2015 but the report failed to address Respondent's compliance status with respect to the requirements of 40 C.F.R. § 63.10685(a)(1). EPA - Region III's December 2 and 3, 2015 CAA compliance inspection was conducted during this semiannual compliance period and deviation from the requirements in 40 C.F.R. § 63.10685(a)(1) was detected. This deviation was not identified in the submitted semiannual compliance report. Every other semiannual compliance report submitted by Respondent covering the period from January 1, 2012 through December 31, 2016 (except the period of July 1, 2013 through December 31, 2013 for which no report was submitted) [8 reports in total] specifically addressed Respondent's compliance status with respect to the requirements of 40 C.F.R. § 63.10685(a)(1) even though no deviations were reported.

17. Respondent's failure to submit a complete semiannual compliance report for the semiannual period of July 1, 2015 through December 31, 2015 constitutes a violation of a requirement of a rule promulgated under Subchapter I of Chapter 85 of Title 42 of the United States Code, 40 C.F.R. § 63.10690 of Subpart YYYYYY [and 40 C.F.R. § 63.10(d)(1) of Subpart A of Part 63], and 40 C.F.R. §§

63.10685(c)(3) and 63.10681(a) of Subpart YYYYY, and Section 112(i)(3)(A) of the CAA, 42 U.S.C. § 7412(i)(3)(A).

**Failure to Conduct Quarterly Calibration of the Magnehelic Gauge at the Fabric Filter (Baghouse)
Serving Electric Arc Furnace B**

18. Section D., Source ID 101 (Electric Arc Furnace B), III., #013 (page 36) of Permit No. 65-00016 (effective on January 4, 2013) required quarterly calibration of the magnehelic gauge at the fabric filter (baghouse) serving Electric Arc Furnace B. During EPA - Region III's December 2 and 3, 2015 CAA compliance inspection, Respondent stated that that no quarterly calibrations had been done from January 4, 2013 to that date. In a December 18, 2015 email from Respondent following the compliance inspection, Respondent reported that they had begun conducting the required quarterly calibrations on December 15, 2015. Based on EPA's information and belief, Respondent failed to conduct the required quarterly calibrations (11 in all) from January 4, 2013 to December 15, 2015.

19. Respondent's failures to conduct the required quarterly calibrations constitute violations of a requirement of a permit issued under Subchapter V of Chapter 85 of Title 42 of the United States Code, 25 Pa. Code § 127.512, and Section 502(a) of the CAA, 42 U.S.C. § 7661a(a).

**Failure to Conduct Monthly Calibration of the Magnehelic Gauge at the Fabric Filter (Baghouse) Serving
the Argon-Oxygen Decarbonization Vessel**

20. Section D., Source ID 102 (argon-oxygen decarbonization vessel), III., #003 (page 50) of Permit No. 65-00016 (effective on January 4, 2013) required monthly calibration of the magnehelic gauge at the fabric filter (baghouse) serving the argon-oxygen decarbonization vessel. During EPA - Region III's December 2 and 3, 2015 CAA compliance inspection, Respondent stated that that no monthly calibrations had been done from January 4, 2013 to that date. In a December 18, 2015 email from Respondent following the compliance inspection, Respondent reported that they had begun conducting the required monthly calibrations on December 15, 2015. Based on EPA's information and belief, Respondent failed to conduct the required monthly calibrations (35 in all) from January 4, 2013 to December 15, 2015.

21. Respondent's failures to conduct the required monthly calibrations constitute violations of a requirement of a permit issued under Subchapter V of Chapter 85 of Title 42 of the United States Code, 25 Pa. Code § 127.512, and Section 502(a) of the CAA, 42 U.S.C. § 7661a(a).

IV. Civil Penalty

1. In full and final settlement and resolution of the alleged violations set forth in Section III above, and for the purpose of this proceeding, Respondent consents to the assessment of, and agrees to pay, a civil penalty in the amount of two hundred twenty thousand dollars (\$220,000) in the manner specified herein.

2. The settlement amount of two hundred twenty thousand dollars (\$220,000) is based upon Complainant's consideration of, and application of, the statutory penalty factors set forth in Section 113(e)(1) of the CAA, 42 U.S.C. § 7413(e)(1) [which include the size of the business, the economic impact of the penalty on the business, the violator's full compliance history and good faith efforts to comply, the duration of the violations as established by any credible evidence, payment by the violator of penalties

previously assessed for the same violations, the economic benefit of noncompliance, the seriousness of the violations, and such other matters as justice may require], and EPA's Clean Air Act Stationary Source Civil Penalty Policy (dated October 25, 1991), as modified [including modifications to adjust for inflation in keeping with 40 C.F.R. Part 19 (Adjustment of Civil Monetary Penalties for Inflation)].

3. In accordance with 40 C.F.R. § 13.9(a)(2), the assessed civil penalty of two hundred twenty thousand dollars (\$220,000) is due on the date that a copy of the filed CAFO is received by Respondent. Respondent must pay the entire civil penalty within thirty (30) calendar days of this date in order to avoid the assessment of interest, administrative costs, and late payment penalties in connection with such civil penalty as described in this CAFO.

4. Payment of the civil penalty set forth in Section IV, Paragraph 1 above shall be made by cashier's check, certified check, electronic wire transfer, the Automated Clearing House, or online internet payment, as specified below. Payment, regardless of how it is made, is to be made payable to Treasurer, United States of America, and shall reference the above case caption and docket number (CAA-03-2017-0095).

5. Instructions for making payment of the civil penalty set forth in Section IV, Paragraph 1 above using the methods described in Section IV, Paragraph 4 immediately above are provided at the following EPA website addresses:

<http://www2.epa.gov/financial/makepayment>

<http://www2.epa.gov/financial/additional-instructions-making-payments-epa>

6. At the same time that payment is made, regardless of how it is made, copies of any check or written documentation confirming any electronic wire transfer, ACH/REX payment, or online internet payment shall be mailed to Regional Hearing Clerk (3RC00), EPA - Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029, to James M. Baker, Senior Assistant Regional Counsel (3RC10), EPA - Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029, and to Gwendolyn Supplee, Life Scientist (3AP20), EPA - Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029.

7. If Respondent fails to timely pay any portion of the civil penalty assessed under this consent agreement, EPA may:

a. request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);

b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;

c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, Subparts C and H; and

d. (i) suspend or revoke Respondent's licenses or other privileges, or (ii) suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.17.

8. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment or to comply with the conditions in this CAFO shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

9. Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a copy of the filed CAFO is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30) calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).

10. The cost of EPA's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue, 40 C.F.R. § 13.11(b). Pursuant to Appendix 2 of EPA's Resources Management Directives - Cash Management, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.

11. A penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent for more than ninety (90) calendar days, 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent, 31 C.F.R. § 901.9(d).

12. Thus, in accordance with the above provisions, to avoid the assessment of interest, late payment penalties, and handling charges on the civil penalty set forth herein, Respondent must pay the full amount of the civil penalty, in the manner directed, no later than thirty (30) calendar days after Respondent's receipt of the filed CAFO, as provided in Section IV, Paragraph 9 above.

13. Complainant and Respondent enter into this consent agreement in order to settle the alleged violations specifically set forth in Section III of this consent agreement.

14. This settlement pursuant to 40 C.F.R. § 22.18(b) of the Consolidated Rules of Practice:

a. shall only resolve Respondent's liability for Federal civil penalties for the violations and facts alleged herein; and

b. shall not in any case affect the right of EPA or the United States to pursue Federal civil penalties for other violations of law; and

c. shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

V. Settlement

1. For the purpose of this proceeding, Respondent waives any right to contest the allegations in this consent agreement, waives its right to appeal the final order accompanying this consent agreement, waives its opportunity for a hearing on the record in accordance with 5 U.S.C. §§ 554 and 556 under Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), and waives its right to judicial review under Section 113(d)(4) of the CAA, 42 U.S.C. § 7413(d)(4).
2. Pursuant to 40 C.F.R. § 22.31(b), the effective date of this CAFO is the date on which the CAFO is signed by either the Regional Administrator or his designee, the Regional Judicial Officer.
3. EPA and Respondent each agrees to pay its own costs and attorney fees.
4. Respondent agrees that this CAFO shall apply to, and be binding upon, Respondent, its directors, officers, employees, servants, agents, successors and assigns.
5. By signing this consent agreement, the undersigned representative of Respondent certifies that he is fully authorized to execute and enter into the terms and conditions of this consent agreement and has the legal capacity to bind Respondent to the terms and conditions of this consent agreement.
6. By signing this consent agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
7. Penalties paid pursuant to this consent agreement shall not be deductible for purposes of federal taxes.
8. This consent agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the settlement of the above-captioned matter and the subject matter hereof. There are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this consent agreement and the accompanying final order. Nothing in this consent agreement or the accompanying final order shall be construed to affect or limit in any way the obligation of Respondent to comply with all federal, state and local laws and regulations governing any activity required by this consent agreement and the accompanying final order.
9. Nothing in this consent agreement shall relieve Respondent of its duty to comply with all applicable provisions of the CAA and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit. Compliance with this consent agreement and accompanying final order shall not be a defense to any action commenced at any time for any other violation of any federal laws and regulations administered by EPA.

10. By signing this consent agreement, Respondent certifies, to the best of its information and belief following reasonable inquiry, that Respondent is, as of the date of that signature, currently in compliance with the applicable requirements of 40 C.F.R. Part 63, Subpart YYYYYY, National Emission Standards for Hazardous Air Pollutants for Area Sources: Electric Arc Furnace Steelmaking Facilities (Sections 63.10680-10692), and Title V Operating Permit No. 65-00016 (for the Latrobe facility) issued by PADEP on January 4, 2013 that Respondent is alleged to have violated in Section III above.

11. Nothing herein shall be construed to limit the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution, and to the reservation of rights, set forth in 40 C.F.R. § 22.18(c).

12. Further, Complainant reserves any rights and remedies available to it under the CAA, the regulations promulgated thereunder, and any other federal laws or regulations for which Complainant has jurisdiction, to enforce the provisions of this CAFO following its filing with the Regional Hearing Clerk.

For the Respondent:

9/22/17

Date



Christopher S. Simcik
Vice President and General Manager
Latrobe Specialty Metals Company, LLC

For the Complainant:

9/27/17

Date



Cristina Fernandez, Director
Air Protection Division
United States Environmental Protection Agency
Region III

Accordingly, the Air Protection Division, United States Environmental Protection Agency, Region III, recommends that the Regional Administrator of EPA - Region III or the Regional Judicial Officer of EPA - Region III, ratify this CONSENT AGREEMENT and issue the accompanying FINAL ORDER (Docket No. CAA-03-2017-0095). The amount of the recommended civil penalty assessment is two hundred twenty thousand dollars (\$220,000).

Date

Cristina Fernandez, Director
Air Protection Division
United States Environmental Protection Agency
Region III

Accordingly, the Air Protection Division, United States Environmental Protection Agency, Region III, recommends that the Regional Administrator of EPA - Region III or the Regional Judicial Officer of EPA - Region III, ratify this CONSENT AGREEMENT and issue the accompanying FINAL ORDER (Docket No. CAA-03-2017-0095). The amount of the recommended civil penalty assessment is two hundred twenty thousand dollars (\$220,000).

9/27/17

Date



Cristina Fernandez, Director
Air Protection Division
United States Environmental Protection Agency
Region III

CERTIFICATE OF SERVICE

I hereby certify that today, Friday, September 29, 2017:

1. the original and two copies of the Consent Agreement and Final Order in Docket No. CAA-03-2017-0095 were hand-delivered to the Regional Hearing Clerk, U.S. EPA-Region III, and filed/clocked in; and

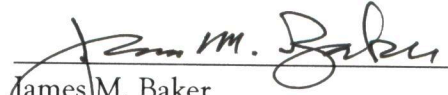
2. a copy of the filed/clocked-in Consent Agreement and Final Order in Docket No. CAA-03-2017-0095 was sent by overnight mail to the addressee listed below; and

3. a copy of the filed/clocked-in Consent Agreement and Final Order in Docket No. CAA-03-2017-0095 was emailed to the individual listed below.

Under the Consolidated Rules of Practice at 40 C.F.R. Part 22, the official date of filing, and the effective date, of the Consent Agreement and Final Order in Docket No. CAA-03-2017-0095 is today, Friday, September 29, 2017.

Bart E. Cassidy, Esquire
Manko, Gold, Katcher & Fox, LLP
401 City Avenue, Suite 901
Bala Cynwyd, Pennsylvania 19004

Date: 9/29/17


James M. Baker
Senior Assistant Regional Counsel
Office of Regional Counsel
U.S. EPA - Region III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029