

(AR-18J)

Paul Dubenetzky, Chief
Permits Branch, Office of Air Management
Indiana Department of Environmental Management
100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015

Dear Mr. Dubenetzky:

This letter is in response to your May 19, 2000, applicability determination request for the Heartland Steel facility in Terre Haute, Indiana. The Region 5 office has worked together with the Office of Air Quality Planning and Standards (OAQPS) and the Office of General Council (OGC) to develop this determination. This determination will address the question of whether this source should be considered to be within the "iron and steel mill" category, which is one of the 28 source categories listed in 40 CFR 52.21(b)(1)(I)(a) and Section 169 of the Clean Air Act. All sources within these 28 source categories are considered major stationary sources if they emit more than 100 tons per year of any criteria pollutant.

In our determination, we carefully reviewed the February 28, 2000, document entitled "Supporting Documentation: Request for Change in Major Source Threshold" submitted by Heartland Steel, Inc. (HSI). This document outlines the manufacturing processes of the HSI plant. The process includes continuous hydrochloric acid pickling, cold rolling reduction, continuous hot-dip galvanizing, batch annealing and tempering. It also lists four Source Identification Codes (SIC) that HSI states that are applicable to the source: 3398-Metal Heat Treating; 3316-Cold Rolled Steel Shape, Strip, Bars; 3479-Coating, Engraving and Allied Services; and 3471-Electroplating, Plating, Polishing, Anodizing and Coloring.

Your letter describes HSI's contention that based upon the 1997 North American Industrial Classification System (NAICS), none of its individual processes would fall under the definition of an iron and steel mill. However, according to 52.21(b)(6), pollutant emitting activities are considered as part of the same industrial grouping if they belong to the same "Major Group"

(i.e., first two digits of the SIC are identical).

While the United States Environmental Protection Agency is in the process of converting over to the NAICS, the predominance of existing EPA guidance uses the SIC system as the main mechanism to determine applicability for the 28 source category list.

Based upon the information available, several of Heartland Steel's processes are typically found in an iron and steel mill. According to a Region 5 December 22, 1997, letter to Robert Hodanbosi of the Ohio Environmental Protection Agency, concerning a similar finishing facility called Pro-Tec Coating Company, the facility had a nested "iron and steel" process within the larger source. Specifically, a number of processes at Pro-Tec would be typically found in an iron and steel mill, and therefore, would be subject, collectively, to the "iron and steel mill" 100 ton per year major source threshold category. It is evident that certain processes within the Heartland Steel facility should be nested in the same manner for purposes of PSD applicability. In Heartland's case, only units that fall under SIC Major Group 33 should be included into this nested group. The plant, as a whole, however, shall be subject to the 250 ton per year threshold, according to PSD regulations.

We appreciate the information and questions submitted by IDEM. If you have any additional questions concerning this issue, please contact, Kushal Som, of my staff, at (312) 353-5792.

Sincerely yours,

/s/ (07/12/00)

Pamela Blakley, Chief
Permits and Grants Section