



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUN 29 2005

REPLY TO THE ATTENTION OF

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kevin J. Young, Chief Operating Officer
Companhia Siderurgica Nacional, LLC
455 West Industrial Drive
Terre Haute, Indiana 47802

Re: Companhia Siderurgica Nacional, LLC
Terre Haute, Indiana

Dear Mr. Young:

Enclosed is an executed original of the Consent Agreement and Final Order (CAFO). The CAFO was filed with Regional Hearing Clerk on JUL 06 2005. Payment instructions are located in paragraph Twenty Three (23) of the CAFO. Initial payment is due thirty (30) days after the filing date. Your check should display the case docket number CAA-05-2005-0032 and the billing document number BD # 050305036.

If you have any questions please contact myself, at (312) 886-6812, or Christine Liszewski (312) 886-4670.

Sincerely yours,

Brent Marable, Chief
Air Enforcement and Compliance Assurance section (IL/IN)

Enclosure

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:) Docket No. ~~CAA-05-~~ 2005 0032
)
Companhia Siderurgica Nacional, LLC)
Terre Haute, Indiana,)
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Respondent.)
_____)

Consent Agreement and Final Order

Preliminary Statement

US ENVIRONMENTAL PROTECTION AGENCY REGION V
RECEIVED REGION V OFFICE
05 JUL -6 12:35

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the Act), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b), and 22.18(b) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (Consolidated Rules) as codified at 40 C.F.R. Part 22 (2004).
2. Complainant is the Director of the Air and Radiation Division, United States Environmental Protection Agency, Region 5 (U.S. EPA).
3. Respondent is Companhia Siderurgica Nacional, LLC (CSN), a limited liability company doing business in Indiana.
4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a Consent Agreement and Final Order (CAFO). 40 C.F.R. § 22.13(b) (2004).
5. The parties agree that settling this action without the filing of a complaint or the adjudication

of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to entry of this CAFO and the assessment of the specified civil penalty, and agrees to comply with the terms of the CAFO.

Jurisdiction and Waiver of Right to Hearing

7. CSN admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. CSN waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO, and its right to appeal this CAFO.

Statutory and Regulatory Background

9. Under Section 112 of the Act, the Administrator of U.S. EPA promulgated the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Steel Pickling-HCL Process Facilities and Hydrochloric Acid Regeneration Plants at 40 C.F.R. Part 63, Subpart CCC.

10. The owner or operator of an existing affected source was required to comply with the requirements of 40 C.F.R. Part 63, Subpart CCC by June 22, 1999.

11. The NESHAP for Steel Pickling-HCL Process Facilities and Hydrochloric Acid Regeneration Plants applies to, among other things, all new and existing steel pickling facilities that pickle carbon steel using hydrochloric acid (HCL) solution that contains 6 percent or more by weight HCL and is at a temperature of 100 °F or higher and that are major sources for hazardous air pollutants (HAP) or are parts of facilities that are major sources for HAP.

12. The NESHAP, at 40 C.F.R. § 63.1158(a)(1) prohibits the owner or operator of a new or reconstructed affected continuous pickling line at a steel pickling facility from discharging into the atmosphere from the affected pickling line: (i) any gases that contain HCL in a concentration

in excess of 6 ppmv; or (ii) HCL at a mass emission rate that corresponds to a collection efficiency of less than 99 percent.

13. The Administrator of U.S. EPA (the Administrator) may assess a civil penalty of up to \$27,500 per day of violation up to a total of \$220,000 for NESHAP violations that occurred from January 31, 1997 through March 15, 2004 under Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19 (2004).

14. Section 113(d)(1) limits the Administrator's authority to matters where the first alleged date of violation occurred no more than 12 months prior to initiation of the administrative action, except where the Administrator and Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

15. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that an administrative penalty action is appropriate for the period of violations alleged in this CAFO.

Factual Allegations

16. CSN owns and operates a steel pickling facility at 455 West Industrial Drive, Terre Haute, Indiana (the Facility).

17. The Facility has the potential to emit 10 tons per year or more of HCL, a HAP, and therefore the facility is a major source as defined in Section 112(a)(1) of the Act, 42 U.S.C. § 7412, and 40 C.F.R. § 63.2.

18. CSN owns and operates a continuous pickle line identified as Pickle Line PL-1 at the Facility. Pickle Line PL-1 pickles carbon steel using HCL solution that contains 6 percent or more by weight HCL and is at a temperature of 100 °F or higher.

19. The Pickle Line PL-1 is subject to the emission standards at 40 C.F.R. § 63.1158(a)(1).

20. On March 6, 2003, CSN conducted a performance test for HCl emissions on Pickle Line PL-1. Test results showed that Pickle Line PL-1 discharged gases into the atmosphere containing HCl in a concentration of 7.08 ppmv and HCL at a mass emission rate that corresponds to a collection efficiency of 94.7%. These emissions exceed the emission standards at 40 C.F.R. § 63.1158(a)(1).

21. After the March 6, 2003 performance test, CSN performed a number of activities to improve the performance of the wet scrubber associated with Pickle Line PL-1. On May 15, 2003, CSN conducted another performance test for HCl emissions on Pickle Line PL-1. The results showed that Pickle Line PL-1 discharged gases into the atmosphere containing HCL in a concentration of 3.34 ppmv and at a mass emission rate that corresponds to a collection efficiency of 97.2%. These emissions are below the emission standards at 40 C.F.R. § 63.1158(a)(1)

Violations

22. CSN discharged gases containing HCL into the atmosphere from Pickle Line PL-1 at the Facility in violation of the emission standards at 40 C.F.R. § 63.1158(a)(1) from approximately March 6, 2003 through May 14, 2003.

Civil Penalty

23. Based on analysis of the factors specified in Section 113(e) of the Act, 42 U.S.C. § 7413(e), the facts of this case, and CSN's cooperation, prompt return to compliance, and agreement to perform a supplemental environmental project (SEP), U.S. EPA has determined that an appropriate civil penalty to settle this action is \$15,793.

24. CSN must pay the \$15,793 civil penalty by cashier's or certified check payable to the

"Treasurer, United States of America," within 30 days after the effective date of this CAFO.

25. CSN must send the check to:

U.S. Environmental Protection Agency
Region 5
P.O. Box 70753
Chicago, Illinois 60673

26. A transmittal letter, stating Respondent's name, complete address, the case docket number, and the billing document number must accompany the payment. Respondent must write the case docket number and the billing document number on the face of the check. Respondent must send copies of the check and transmittal letter to:

Attn: Regional Hearing Clerk, (E-19J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

Attn: Compliance Tracker, (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

Christine Liszewski,(C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

27. This civil penalty is not deductible for federal tax purposes.

28. If CSN does not pay timely the civil penalty, or any stipulated penalties due under paragraph 39, below, U.S. EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties and the United States' enforcement expenses

for the collection action under Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

29. Interest will accrue on any overdue amount from the date payment was due at a rate established under 31 U.S.C. § 3717. CSN will pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. CSN will pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue according to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). This nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter.

Supplemental Environmental Project

30. CSN must complete a supplemental environmental project (SEP) designed to protect the environment and public health.

31. CSN must complete the SEP as follows:

a. CSN shall purchase one (1) Thermal Imaging Camera and up to six (6) Panasonic Tough Book 29 Laptop Computers and donate them to the Honey Creek Fire Department by September 2, 2005. This equipment will allow the Honey Creek Fire Department to better respond to accidents involving hazardous materials and thus to protect the environment or ecosystems which could be damaged by an accident.

32. CSN must spend at least \$34,273 to purchase the equipment described in paragraph 31, above.

33. CSN certifies that it is not required to perform or develop the SEP by any law, regulation, grant, order, or agreement, or as injunctive relief as of the date it signs this CAFO. CSN further certifies that it has not received, and is not negotiating to receive, credit for the SEP in any other

enforcement action.

34. CSN must submit a SEP completion report to U.S. EPA by September 30, 2005. This report must contain the following information:

- a. detailed description of the SEP as completed;
- b. description of any problems and the actions taken to correct the problems;
- c. itemized costs of goods purchased to complete the SEP documented by copies of invoices, purchase orders, or cancelled checks that specifically identify and itemize the individual costs of the goods;
- d. certification that CSN has completed the SEP in compliance with this CAFO; and
- e. description of the environmental and public health benefits resulting from the SEP.

35. CSN must submit all notices and reports required by this CAFO by first class mail to:

Attn: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

36. In each report that CSN submits as provided by this CAFO, it must certify that the report is true and complete by including the following statement signed by one of its officers:

I certify that I am familiar with the information in this document and that, based on my inquiry of those individuals responsible for obtaining the information, the information is true and complete to the best of my knowledge. I know that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.

37. Following receipt of the SEP completion report described in paragraph 34, above, U.S. EPA must notify CSN in writing that:

- a. It has satisfactorily completed the SEP and the SEP report;
- b. There are deficiencies in the SEP as completed or in the SEP report and U.S. EPA will give CSN 30 days to correct the deficiencies; or
- c. It has not satisfactorily completed the SEP or the SEP report and U.S. EPA will seek stipulated penalties under paragraph 39.

38. If U.S. EPA exercises option 37.b, above, CSN may object in writing to the deficiency notice within 10 days of receiving the notice. The parties will have 30 days from U.S. EPA's receipt of CSN's objection to reach an agreement. If the parties cannot reach an agreement, U.S. EPA will give CSN a written decision on its objection. CSN will comply with any requirements that U.S. EPA imposes in its decision. If CSN does not complete the SEP as required by U.S. EPA's decision, CSN will pay stipulated penalties to the United States under paragraph 39, below.

39. If CSN violates any requirement of this CAFO relating to the SEP, CSN must pay stipulated penalties to the United States as follows:

- a. Except as provided in subparagraph b, below, if Respondent did not complete the SEP satisfactorily according to this CAFO, Respondent must pay a stipulated penalty of \$34,273.
- b. If Respondent did not complete the SEP satisfactorily, but U.S. EPA determines that Respondent: (i) made good faith and timely efforts to complete the SEP; and (ii) certified, with supporting documents, that it spent at least 90 percent of the required amount on the SEP, Respondent will not be liable for any stipulated penalty.
- c. If Respondent satisfactorily completed the SEP, but spent less than 90 percent of the required amount on the SEP, Respondent must pay a stipulated penalty of \$34,273 minus the amount of money Respondent spent on the SEP.
- d. If Respondent fails to timely complete the SEP required by paragraph 31, above, or timely submit the SEP completion report required by paragraph 34, above, Respondent must pay stipulated penalties for each failure to meet an applicable deadline, as follows:

<u>Penalty per violation per day</u>	<u>Period of violation</u>
\$100.00	1 st through 14 th day
\$200.00	15 th through 30 th day
\$500.00	31 st day and beyond

These penalties will accrue from the date Respondent was required to meet each deadline until it achieves compliance with the deadline.

40. U.S. EPA's determinations of whether CSN satisfactorily completed the SEP and whether it made good faith, timely efforts to complete the SEP will bind CSN.

41. CSN must pay any stipulated penalties within 15 days of receiving U.S. EPA's written demand for the penalties. CSN will use the method of payment specified in paragraphs 25 and 26, above, and will pay interest, handling charges, and nonpayment penalties on any overdue amounts.

42. Any public statement that CSN makes referring to the SEP must include the following language, "CSN undertook this project under the settlement of the United States Environmental Protection Agency's enforcement action against CSN for alleged violations of the National Emission Standards for Hazardous Air Pollutants for Steel Pickling-HCL Process Facilities and Hydrochloric Acid Regeneration Plants."

43. If an event occurs which causes or may cause a delay in completing the SEP as required by this CAFO:

a. CSN must notify U.S. EPA in writing within 10 days after learning of an event which caused or may cause a delay in completing the SEP. The notice must describe the anticipated length of the delay, its cause(s), CSN's past and proposed actions to prevent or minimize the delay, and a schedule to carry out those actions. CSN must take all reasonable actions to avoid or minimize any delay. If CSN fails to notify U.S. EPA according to this paragraph, CSN will not receive an extension of time to complete the SEP.

b. If the parties agree that circumstances beyond the control of CSN caused or may cause a delay in completing the SEP, the parties will stipulate to an extension of time no longer than the period of delay.

c. If U.S. EPA does not agree that circumstances beyond the control of CSN caused or may cause a delay in completing the SEP, U.S. EPA will notify CSN in writing of its decision and any delays in completing the SEP will not be excused.

d. CSN has the burden of proving that circumstances beyond its control caused or may cause a delay in completing the SEP. Increased costs for completing the SEP will not be a basis for an extension of time under subparagraph b, above. Delay in achieving an interim step will not necessarily justify or excuse delay in achieving subsequent steps.

44. CSN hereby agrees not to claim any funds expended in the performance of the SEP as a deductible business expense for the purpose of Federal taxes.

Final Statement

45. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in the Violations section of this CAFO.

46. This CAFO does not affect the right of U.S. EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

47. This CAFO does not affect CSN's responsibility to comply with the Act and other applicable federal, state and local laws, and regulations. Except as provided in paragraph 45, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws and regulations administered by Complainant.

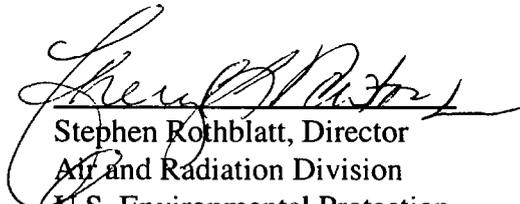
48. CSN certifies that it is complying fully with 40 C.F.R. § 63.1158(a)(1).

49. This CAFO constitutes an "enforcement response" as that term is used in "U.S. EPA's Clean Air Act Stationary Source Civil Penalty Policy" to determine CSN's "full compliance history" under Section 113(e) of the Act, 42 U.S.C. § 7413(e).

- 50. The terms of this CAFO bind CSN, and its successors, and assigns.
- 51. Each person signing this consent agreement certifies that he or she has the authority to sign this consent agreement for the party whom he or she represents and to bind that party to its terms.
- 52. Each party agrees to bear its own costs and attorneys' fees in this action.
- 53. This CAFO constitutes the entire agreement between the parties.

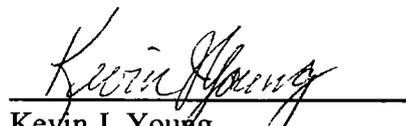
U.S. Environmental Protection Agency, Complainant

6/28/05
Date


Stephen Rothblatt, Director
Air and Radiation Division
U.S. Environmental Protection
Agency, Region 5 (A-18J)

Companhia Siderurgica Nacional, LLC, Respondent

6/14/05
Date


Kevin J. Young
Chief Operating Officer
Companhia Siderurgica Nacional, LLC

CAA-05- 2005 0032

CONSENT AGREEMENT AND FINAL ORDER

Companhia Siderurgica Nacional, LLC

Docket No.

CAA-05- 2005 0032

Final Order

It is ordered as agreed to by the parties and as stated in the consent agreement, effective immediately upon filing of this CAFO with the Regional Hearing Clerk. This final order disposes of this proceeding pursuant to 40 C.F.R. § 22.18.

6/29/05
Date



Bharat Mathur
Acting Regional Administrator
U.S. Environmental Protection
Agency, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3511

In the Matter of Companhia Siderurgica Nacional, LLC
Docket No.

CAA-05- 2006 0032

CERTIFICATE OF FILING AND MAILING

I, Betty Williams, do hereby certify that the original of the foregoing Consent Agreement and Final Order (CAFO) was hand delivered to the Regional Hearing Clerk, Region 5, United States Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604; and that correct copies were mailed first-class, postage prepaid, certified mail, return receipt requested, to the Respondent's Counsel by placing it in the custody of the United States Postal Service addressed as follows:

Kevin J. Young, Chief Operating Officer
Companhia Siderurgica Nacional, LLC
455 West Industrial Drive
Terre Haute, Indiana 47802

I also certify that a copy of the Consent Agreement and Final Order was sent by First Class Mail to:

David McIver, Chief
Office of Enforcement Air Section
Indiana Department of Environmental Management
100 North Senate Avenue, Room 1001
Indianapolis, Indiana 46206-6015

on the 6th Day of July, 2005

Betty Williams
Betty Williams, Secretary
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 70010320000602953116

US
POSTAL
SERVICE
REGIONAL
AGENCY
05
JUL
-6
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CLERK