

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5

IN THE MATTER OF: )  
)  
International Mill Service, ) **NOTICE OF VIOLATION**  
Inc. )  
Gary, Indiana ) **EPA-5-01-IN-12**  
)  
)  
Proceedings Pursuant to )  
Section 113(a)(1) of the )  
Clean Air Act, 42 U.S.C. )  
§ 7413(a)(1) )

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**NOTICE OF VIOLATION**

The Administrator of the United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). U.S. EPA finds that International Mill Service, Inc. (IMS) is violating the federally-approved Indiana State Implementation Plan (SIP), as follows:

**Statutory and Regulatory Background**

1. On November 15, 1990, the U.S. designated the cities of East Chicago, Hammond, Whiting and Gary, Indiana, to moderate non-attainment for particulate matter less than ten (10) microns in diameter. 40 C.F.R. § 81.315.
2. 326 IAC 2-3-1(q)(1) states that a "major stationary source" is any stationary source of air pollutants which emits, or has the potential to emit, one hundred (100) tons per year or more of any air pollutant subject to regulation under the Clean Air Act.
3. On December 6, 1994, U.S. EPA approved Indiana SIP Rule 326 IAC 2-3, containing requirements for new or modified stationary sources or major modifications constructed in non-attainment areas, as part of the federally enforceable SIP for Indiana. 59 Fed. Reg. 51108 (December 6, 1994). This rule replaced APC 19.
4. 326 IAC 2-3-2(a) states that new or modified major stationary sources or major modifications, constructed in an area designated in 326 IAC 1-4 as non-attainment for a

pollutant for which the stationary source or modification is major, are subject to 326 IAC 2-3.

5. 326 IAC 2-3-3(a)(2) states that, prior to the issuance of a construction permit, the applicant must apply emission limitation devices or techniques to the proposed construction or modification such that it achieves the Lowest Achievable Emission Rate (LAER) for the applicable pollutant.
6. 326 IAC 2-3-3(a)(5) requires that emissions resulting from the proposed construction or modification be offset by a reduction in actual emissions of the same pollutant from an existing source or combination of existing sources.
7. 326 IAC 2-3-3(a)(6) states that the applicant must obtain the necessary preconstruction approvals and must meet all the permit requirements specified in Indiana SIP rule 326 IAC 2-1.

#### **Factual Findings**

8. The International Mill Service, Inc. owns and operates an iron and steel slag processing facility in the U.S. Steel Gary Works integrated steel mill at 1 North Broadway in Gary, Indiana.
9. U.S. Steel Gary Works is classified as a major stationary source. The U.S. Steel Gary Works facility is also classified as one of the 28 listed source categories, specified in 40 C.F.R. § 51.166(i)(4)(ii).
10. IMS facility in Gary, Indiana is located in Lake County, which has been designated as a moderate non-attainment area for particulate matter smaller than 10 microns in diameter, according to 40 C.F.R. § 81.315.
11. On March 31, 1995, the Indiana Department of Environmental Management issued a minor source permit for IMS's steel slag processing facility. For the purposes of New Source Review, this modification is considered to be a modification of the U.S. Steel Gary Works integrated steel mill, according to the Indiana State Construction Permit Number 089-4337-00132.
12. IMS's modification had the potential to emit more than 15 tons per year of PM-10, which is considered *significant*

according to 40 C.F.R. § 51.166(b)(23)(i).

13. PM-10 emissions from IMS's steel slag process are subject to the PM-10 regulations for new and modified major stationary sources in non-attainment areas in 326 IAC 2-3.

#### Violations

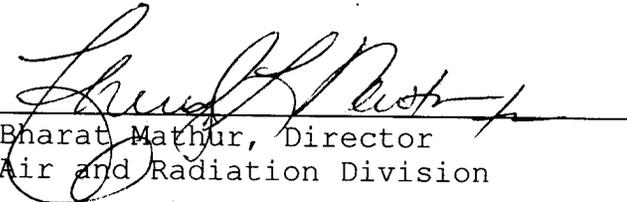
14. IMS constructed its steel slag process, a major modification to a major stationary source of PM-10, in a non-attainment area, without obtaining the necessary preconstruction approvals and without meeting all the permit requirements specified in the federally-approved Indiana SIP, Section 326 IAC 2-1. Therefore, IMS is in violation of the New Source Review requirements of the federally-approved Indiana SIP, Section 326 IAC 2-3-3(a)(6), as approved at 40 C.F.R. § 52.773(c).
15. IMS constructed its steel slag process, a major modification to a major stationary source of PM-10, in a non-attainment area, without the application of emission limitation devices or techniques such that the LAER for PM-10 will be achieved, in violation of the New Source Review requirements of the federally-approved Indiana SIP, Section 326 IAC 2-3-3(a)(2), as approved at 40 C.F.R. § 52.773(c).
16. IMS constructed its steel slag process, a major modification to a major stationary source of PM-10, in a non-attainment area, without acquiring greater than one-for-one offsets by a reduction in actual emissions of the same pollutant from an existing source or combination of existing sources, in violation of the New Source Review requirements of the federally-approved Indiana SIP, Sections 326 IAC 2-3-3(a)(5) and 326 IAC 2-3-3(b), as approved at 40 C.F.R. § 52.773(c).
17. IMS constructed its steel slag process, a major modification to a major stationary source of PM-10, in a non-attainment area, without either: (1) demonstrating that all existing major sources owned and operated by IMS in the state of Indiana are in compliance with all applicable emission limitations and standards contained in the Clean Air Act and in its title; or (2) demonstrating that IMS is in compliance with a federally enforceable compliance schedule requiring compliance as expeditiously as possible. Therefore, IMS is in violation of the New Source Review requirements of the federally-approved Indiana SIP, Section 326 IAC 2-3-3(a)(3), as approved at 40 C.F.R. § 52.773(c).

18. IMS constructed its steel slag process, a major modification to a major stationary source of PM-10, in a non-attainment area, without submitting an analysis of alternative sites, sizes, production processes, and environmental control techniques which demonstrates that the benefits of the IMS steel slag process modification significantly outweighs the environmental and social costs imposed as a result of IMS's current location of its modification, in violation of the New Source Review requirements of the federally-approved Indiana SIP, Section 326 IAC 2-3-3(a)(4), as approved at 40 C.F.R. § 52.773(c).

**FINDING OF VIOLATION**

The Administrator of the U.S. EPA, by authority duly delegated to the undersigned, notifies the State of Indiana and International Mill Service, Inc. that IMS is in violation of the Indiana SIP as set forth in this Notice of Violation.

1/10/02  
Date

  
Bharat Mathur, Director  
Air and Radiation Division

CERTIFICATE OF MAILING

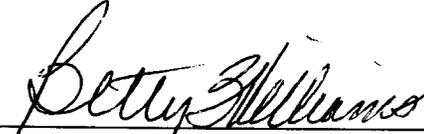
I, Betty Williams, certify that I sent a Request to Provide Information Pursuant to the Clean Air Act by Federal Express, to:

Mr. E. A. Kaczmarek  
International Mill Service, Inc.  
U.S. Steel Gary Works  
1 North Broadway  
Gary, Indiana 46401

I also certify that I sent a copy of the Request to Provide Information Pursuant to the Clean Air Act 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, IN 46206-6015

on the 11<sup>th</sup> day of January 2002.

  
Betty Williams, Secretary  
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 7099 3400 0000 95864655