

Financial Litigation Unit of the United States Attorney's Office for the Northern District of Illinois at the time payment is being wire-transferred. In addition, Defendant shall confirm to EPA and the Department of Justice that payment has been made in accordance with Section XII. (Notice), below. Interest and late charges shall be paid as specified in Paragraph 28 herein.

15. This civil penalty shall not be deductible for purposes of Federal taxes.

VII. PERFORMANCE OF SUPPLEMENTAL ENVIRONMENTAL PROJECTS

16. Description of SEPs. Defendant shall complete the following supplemental environmental projects ("SEPs"), which the parties agree are intended to secure significant environmental or public health protection and improvements, in accordance with the schedules listed below:

A. Dust Transfer SEP. NWSW shall install a new system for transferring dust from the Plant's main baghouse to trucks which transport the dust to the on-site stabilization plant. This new system shall include a silo which rests on a pad to contain the dust, has an enclosed fill system, allows for gravitational loading onto pneumatic trucks, and has a capacity sufficient to hold dust resulting from three days of steel production at the Plant. The total expenditure for this SEP shall be not less than seven-hundred forty thousand dollars (\$740,000.00). This SEP shall be implemented according to the following schedule:

	<u>Activity</u>	<u>Date</u>
1.	Commence purchase of major equipment	Done
2.	Commence placement of installation purchase orders	Done
3.	Place into operation the new pad and silo and submit a SEP Completion Report	August 15, 2000

B. Paving SEP. NWSW sealed with asphalt the roads north of the scrap yard, the river road near the slag processing plant, the road south of the 14" mill, that portion of the slag road between NWSW's melt shop and the Plant 2 locker room expected to remain in service, and a yard near NWSW's truck scales, and shall thereafter maintain these areas in accordance with the Facility fugitive dust plan. NWSW shall also maintain the integrity of the roads with as-needed cold patching. The total expenditure for this SEP was two-hundred fifty thousand dollars (\$250,000.00).

C. Etch Station SEP. NWSW has added the new electrolytic macroetching machine that uses cold dilute hydrochloric acid rather than the standard hot concentrated hydrochloric acid to replace most etching, previously done with hot dip etching station. The hot dip etching station shall only be used sporadically for oversize pieces. The new station is designed to reduce emissions of hydrochloric acid vapor by at least 70% as compared to the old station. The total expenditure for this SEP was two-hundred four thousand, three-hundred twenty dollars (\$204,320.00).

D. With respect to the SEPs set forth above, Defendant hereby certifies that:

(i) The cost of the SEPs is as follows:

<u>SEP</u>	<u>Cost</u>
Dust Transfer	\$740,000.00
Paving	\$250,000.00
Etch Station	\$204,320.00

(ii) The costs set forth above are, to the best of Defendant's knowledge, reasonable and good faith estimates of the actual costs of the respective SEPs and do not include costs for internal labor;

(iii) That, as of the date of a signature of this Consent Decree, Defendant is not required to perform or develop any of the SEPs listed above by any Federal, State or local law or regulation; nor is Defendant required to perform or develop any of the SEPs by agreement, grants or as injunctive relief in this or any other case.

(iv) That Defendant has not received, is not presently negotiating to receive, and shall never receive, credit in any other enforcement action for any of the SEPs; and

(v) That Defendant will not receive any reimbursement for any portion of any SEP from any outside source.

17. SEP Completion Report. Defendant shall submit a SEP Completion Report to EPA within 30 days of completion of each SEP or entry of the Consent Decree. Each SEP Completion Report shall contain the following information:

A. A detailed description of the SEP as implemented;

- B. A description of any operating problems encountered and the solutions thereto;
- C. Itemized costs, documented by copies of purchase orders and receipts or canceled checks;
- D. Certification that the SEP has been fully implemented pursuant to the provisions of this Consent Decree; and
- E. A description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of the benefits and pollutant reductions, if feasible).

18. Periodic Reports. Defendant shall submit Periodic Reports to EPA within thirty (30) days after the end of each calendar quarter while this Consent Decree is in effect or until all SEPs have been completed. The Periodic Reports will indicate the status of the Work relating to each outstanding SEP.

19. Any public statement by Defendant, whether oral or written, or whether in print, film, or other media, which refers to any SEP required by this Consent Decree, shall include the following language:

This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for Violations of the Clean Air Act.

20. Defendant shall submit all notices and reports required by this Consent Decree in accordance with Section XII (Notice) of this Consent Decree.

21. Defendant agrees that EPA may inspect the Facility at any time in order to confirm that the SEPs are being undertaken in conformity with the representations made herein.

22. Defendant shall regularly and routinely use or operate each SEP for not less than five (5) years subsequent to installation.

23. Defendant shall maintain legible copies of documentation of any underlying research performed and data generated by Defendant for each SEP for any and all documents or reports submitted to EPA pursuant to this Consent Decree, and Defendant shall provide the documentation of any such underlying research and data to EPA within fifteen (15) days of the receipt of a request for such information. In all documents or reports, including, without limitation, the Periodic Reports and the SEP Completion Reports, submitted to EPA pursuant to this Consent Decree, Defendant shall, by a person authorized to do so, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

24. EPA Acceptance of SEP Completion Report. Following receipt of each SEP Completion Report described in Paragraph 17, above, EPA will do one of the following: (i) accept the SEP Completion Report; (ii) reject the SEP Completion Report, notifying the Defendant, in writing, of deficiencies in the SEP Completion Report and grant Defendant an additional thirty (30) days in which to correct any deficiencies; or (iii) reject the SEP Completion Report and seek stipulated penalties in accordance with Paragraph 25 herein. Except as provided below in

Paragraph B, disputes between EPA and the Defendant concerning the SEP Completion Report shall be resolved in accordance with Section X (Dispute Resolution).

A. If EPA elects to exercise option (ii) above, EPA shall permit Defendant the opportunity to object in writing to the notification of deficiency or disapproval given pursuant to this Paragraph within ten (10) days of receipt of such notification. EPA and Defendant shall have an additional thirty (30) days from the receipt by the EPA of the notification of objection to reach agreement. If agreement cannot be reached on any such issue within this thirty (30) day period, EPA shall provide a written statement of its decision to Defendant, which decision shall be final and binding upon Defendant, unless Defendant disputes the decision in accordance with Section X (Dispute Resolution).

B. In the event a SEP is not completed as contemplated herein, stipulated penalties shall be due and payable by Defendant to EPA in accordance with Paragraph 25 herein.

25. Stipulated Penalties for Failure to Complete SEP/Failure to Spend Agreed-Upon Amount.

A. In the event that Defendant fails to comply with any of the terms or provisions of this Consent Decree relating to the performance of each SEP described in Paragraph 16 above and/or to the extent that the actual expenditures for each SEP do not equal or exceed the costs of the SEPs described in Paragraph 16, above, Defendant shall be liable for stipulated penalties according to the provisions set forth below:

(i) For each SEP that has not been satisfactorily completed pursuant to this Consent Decree, Defendant shall pay a stipulated penalty to the United States according to the following table:

	<u>SEP</u>	<u>STIPULATED PENALTY</u>
1.	Dust Transfer	\$740,000.00
2.	Paving	\$250,000.00 (the amount actually spent on the project)
3.	Etch Station	\$204,320.00 (the amount actually spent on the project)

(ii) If any of the SEPs identified in Paragraph 16 above is satisfactorily completed, but Defendant spent less than 90% of the total estimated cost of that SEP set forth in Paragraph 16(d)(i) above, Defendant shall pay, within 30 days of receiving U.S. EPA's written demand, stipulated penalties at the rate of seventy-five cents (\$0.75) for every one dollar (\$1.00) that Defendant's total allowed costs, identified in Paragraph 17 above, are less than the total estimated costs of that SEP. All payments due pursuant to this paragraph shall be made in the same manner set forth at Section IV of the Consent Decree (Civil Penalty), except that the check and its transmittal letter shall also reference that payment is being made pursuant to this paragraph.

(iii) For each failure to timely submit any SEP Completion Report required by Paragraph 17, in accordance with the schedules contained in paragraphs 16(a) through 16(c), above, Defendant shall pay a stipulated penalty in the amount of \$2,000 for each day beyond the required date of submittal of a Report until the Report is submitted.

(iv) For each failure to submit any Periodic Report required by Paragraph 18 above, Defendant shall pay a stipulated penalty in the amount of \$750 for each day after the Report is originally due until the Report is submitted.

B. Stipulated penalties for subparagraphs (i), (ii), (iii), (iv) and (v) above shall begin to accrue on the day after performance is due, and shall continue to accrue through the final day of the completion of the activity.