



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

DEC 20 2012

REPLY TO THE ATTENTION OF: *e*

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Hudson
Senior Manager of Safety & Environmental
NLMK Indiana
6500 South Boundary Road
Portage, Indiana 46368

Rc: Finding of Violation at NLMK Indiana, Portage, Indiana

Dear Mr. Hudson:

The U.S. Environmental Protection Agency has determined that the NLMK Indiana (NLMK) facility at 6500 South Boundary Road, Portage, Indiana, is in violation of the Clean Air Act (CAA). This Finding of Violation (FOV) is issued in accordance with Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3).

NLMK's Title V permit contains several operational limitations, emissions limits and operating requirements. The purpose of these limits and requirements are to protect the public from unhealthy exposures to air pollutants such as particulate matter (PM), nitrogen oxides (NO_x), and volatile organic compounds (VOC), which contribute to respiratory problems, lung damage and premature deaths.

Based on EPA's inspection of NLMK in June of 2012, NLMK has violated and continues to violate several provisions in its Title V Permit as outlined in the attached FOV. These violations of NLMK's Title V Permit are violations of Title V of the CAA and the regulations promulgated thereunder at 40 C.F.R. Part 70, which require compliance with the terms and conditions of Title V permits.

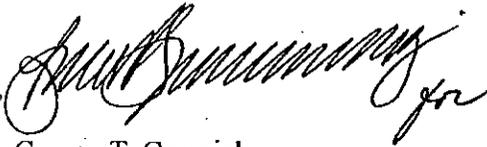
Section 113 of the CAA gives us several enforcement options. These options include: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action, and bringing a judicial criminal action.

You may request a conference with us about the violations alleged in the FOV. A conference should be requested within 10 days following receipt of this notice and any conference should be held within 30 days following receipt of this notice. This conference will provide you a chance

to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent you at this conference.

EPA's contacts in this matter are Eleanor Kane, Environmental Engineer, and Susan Tennenbaum, Associate Regional Counsel. You may call them, respectively, at (312) 353-4840 and (312) 886-0273 to request a conference. EPA hopes that this FOV will encourage NLMK's compliance with the requirements of the CAA.

Sincerely,

A handwritten signature in cursive script, appearing to read "George T. Czerniak".

George T. Czerniak
Director
Air and Radiation Division

cc: Phil Perry, Chief
Air Compliance and Enforcement Branch
Indiana Department of Environmental Management
100 N. Senate Ave. (Mail Code 61-53 IGCN 1003)
Indianapolis, IN 46204-2251

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

NLMK Indiana

Proceedings Pursuant to
the Clean Air Act,
42 U.S.C. §§ 7401 *et seq.*

(
(
(**FINDING OF VIOLATION**
(
(**EPA-5-13-IN-03**
(
(

FINDING OF VIOLATION

The U.S. Environmental Protection Agency is issuing this Finding of Violation (FOV) to NLMK Indiana (NLMK) for violations of the Clean Air Act (CAA), 42 U.S.C. §§ 7401 *et seq.*, at the NLMK facility in Portage, Indiana.

This FOV is issued pursuant to Section 113 (a)(3) of the CAA, 42 U.S.C. § 7413(a)(3). The authority to issue this FOV has been delegated to the Regional Administrator of EPA, Region 5, and redelegated to the Director, Air and Radiation Division.

STATUTORY AND REGULATORY BACKGROUND

1. Section 502(d)(1) of the CAA, 42 U.S.C. § 7661a(d)(1), requires each state to develop and submit to EPA an operating permit program which meets the requirements of Title V. On December 4, 2001, EPA granted Indiana final approval of its Title V Clean Air Act Permit Program, effective November 30, 2001.
2. 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 source subject to Title V may operate except in compliance with a Title V permit.
3. 40 C.F.R. § 70.3 provides that the requirements of Part 70 apply to any major source located in a state that has received whole or partial approval of its Title V program.
4. Indiana Department of Environmental Management (IDEM), delegated authority by EPA, issued to NLMK on October 9, 2009 a Part 70 Operating Permit Renewal (Title V Permit) No. T 127-27948. IDEM approved an administrative amendment to the Title V permit on September 21, 2011.
5. Part D.1.8(a) of the Title V Permit limits throughput at the Melt Shop to 151 tons per hour, over a period of 24 operating hours rolling average, with compliance demonstrated at the end of each hour. Part D.1.16 of the Title V Permit requires that NLMK record and maintain records of the Melt Shop throughput for a period of five years.

6. Parts D.1.9 and D.2.5 of the Title V Permit require Preventive Maintenance Plans for, among other things, the Melt Shop baghouse, the Hot Strip Mill Reheat Furnace, and the Selective Catalytic Reduction (SCR) unit.
7. Part D.1.14 of the Title V Permit requires that NLMK calibrate or replace the instrument used for determining the pressure differential on the Melt Shop baghouse at least once every six months.
8. Part D.2.2(c) of the Title V Permit establishes a limit for the nitrogen oxides (NO_x) emissions from the Hot Strip Mill Reheat Furnace of 18.88 pounds per hour on a three operating hour average basis except during periods of startup and shutdown.
9. Part D.4.3 of the Title V Permit prohibits NLMK from using cold cleaning degreasers with a solvent vapor pressure that exceeds one millimeter of mercury measured at 20 degrees Celsius.

FACTUAL BACKGROUND

10. NLMK owns and operates a steel mill at 6500 South Boundary Road, Portage, Indiana 46368 (the facility).
11. The facility began operation in 1991 as Beta Steel Corporation with just the Hot Strip Mill. In 1996 the Melt Shop was added. In 2010, NLMK acquired the facility.
12. On June 11th and June 12th, 2012, EPA inspected the NLMK facility for, among other things, compliance with the CAA. During the inspection, the EPA inspector collected records, including electronic data pertaining to throughput at the Melt Shop; quarterly continuous emission monitoring system (CEMS) reports containing NO_x emissions rates at the Hot Strip Mill; pollution control equipment Preventative Maintenance Plans; and Material Safety Data Sheets (MSDS).

VIOLATIONS OF TITLE V OF THE CLEAN AIR ACT

13. On nine days between August 30, 2010 and March 30, 2012, NLMK exceeded the maximum short term production limit from the Melt Shop, in violation of Part D.1.8(a) of its Title V permit.
14. During the June 2012 inspection, NLMK did not have Preventative Maintenance Plans for the Melt Shop baghouse, for the Hot Strip Mill Reheat Furnace, or for the SCR, in violation of Parts D.1.9 and D.2.5 of the Title V Permit.

15. During the June 2012 inspection, NLMK did not have any records to demonstrate that the instrument used for determining pressure differential across the Melt Shop baghouse had been calibrated or replaced within the last five years in violation of Part D.1.14 of the Title V Permit.
16. On five days between April 27, 2012 and May 30, 2012, NLMK exceeded the emissions limits established for NO_x at the Hot Strip Mill Reheat Furnace during normal operations. The exceedences totaled 15 hours of operating time for the quarter. These exceedences were in violation of Part D.2.2(c) of the Title V Permit.
17. According to the MSDS for the Safety-Kleen Premium Solvent, used as a cold cleaning degreaser by NLMK, the vapor pressure of this solvent ranges from 1 to 2 millimeters of mercury at 20 degrees Celsius, in violation of Part D.4.3 of the Title V Permit.

ENVIRONMENTAL IMPACT OF VIOLATIONS

The violations alleged in this FOV result in excess emissions of Particulate Matter (PM), NO_x, and Volatile Organic Compounds (VOC).

Health effects of PM include increased respiratory symptoms and disease, decreased lung function, and alterations in lung tissue and structure and in respiratory tract defense mechanisms and premature death. PM also is the major cause of reduced visibility in many parts of the nation.

NO_x pollution causes a variety of health and environmental impacts, such as acid rain, global warming, water quality deterioration, and visual impairment. NO_x plays a major role, with VOCs, in the atmospheric reactions that produce ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

12/17/12

Date



George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, CYNTHIA DIXON, certify that I sent a Finding of Violation, No. EPA-5-13-IN-03, by Certified Mail, Return Receipt Requested, to:

John Hudson
Senior Manager of Safety & Environmental
NLMK Indiana
6500 South Boundary Road
Portage, IN 46368

I also certify that I sent copies of the Finding of Violation by first-class mail to:

Mr. Phil Perry, Chief
Air Compliance and Enforcement Branch
Indiana Department of Environmental Management
100 N. Senate Ave. (Mail Code 61-53 IGCN 1003)
Indianapolis, IN 46204-2251

On the 20th day of December 2012.


AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 70010320000589148260