



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

SEP 28 2012

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John W. Mellowes, Vice President
Charter Manufacturing Company, Inc.
4300 E. 49th Street
Cuyahoga Heights, Ohio 44125

Re: Charter Manufacturing, Inc., Cuyahoga Heights, Ohio

Dear Mr. Mellowes:

Enclosed is a file-stamped copy of Administrative Consent Order (ACO), EPA Order No. EPA-5-12-113(a)-OH-03. The ACO requires Charter Manufacturing Company, Inc., d/b/a Charter Steel (Charter Steel), to:

1. Submit an application to Ohio Environmental Protection Agency requesting the conditions and emissions rates, associated with stainless steel production, be removed from Title V and other air permits;
2. Comply with the melt shop baghouse pressure drop operational and monitoring requirements specified in the ACO; and
3. Keep the door at the west end of the melt shop closed, except for times when a scrap car needs to enter or exit the melt shop.

The following are required by the ACO, and have already been completed by Charter.

1. By August 2010, Charter Steel completed modification of the existing canopy area to better contain and evacuate emissions.
2. By June 1, 2012, Charter Steel submitted a protocol to EPA for approval to performance test the melt shop baghouse.
3. By July 1, 2012, Charter Steel completed the performance test of the melt shop baghouse.
4. By August 15, 2012, Charter Steel submitted a report of the performance testing results to EPA.

Please direct any questions regarding this case to Mr. Luis Oviedo, Associate Regional Counsel, at 312.353.9538.

Sincerely,

William L. MacDowell, Chief
Air Enforcement and Compliance Assurance (MN/OH)

Enclosure

cc: Ann L. Coyle, Regional Judicial Officer/C-14J
Regional Hearing Clerk/E-19J
L. Oviedo/C-14J
Valencia White, Cleveland DAPC
Ed Fasko, Ohio EPA, Northeast District Office
Tom McEligott, Quarles & Brady LLP

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	EPA-5-12-113(a)-OH-03
)	
Charter Manufacturing Company, Inc.)	Proceeding Under Sections 113(a)(1) and
d/b/a Charter Steel)	(a)(3) of the Clean Air Act
Cuyahoga Heights, Ohio)	42 U.S.C. §§ 7413(a)(1) and (3)
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Administrative Consent Order

1. The Acting Director of the Air and Radiation Division, U.S. Environmental Protection Agency, Region 5, is issuing this Order to Charter Manufacturing Company, Inc. (“Charter Steel”) under Sections 113(a)(1) and (3) of the Clean Air Act (Act), 42 U.S.C. §§ 7413(a)(1) and (3).

Statutory and Regulatory Background

2. Each state must submit to the Administrator of EPA a plan for attaining and maintaining the National Ambient Air Quality Standards under Section 110 of the Act, 42 U.S.C. § 7410.

3. On October 12, 1984, EPA approved Ohio Administrative Code (OAC) Rule 3745-15-07 as part of the federally enforceable State Implementation Plan (SIP) for Ohio. 68 Fed. Reg. 2909 (January 22, 2003).

4. OAC Rule 3745-15-07 prohibits the “emission or escape into the open air from any source or sources whatsoever of smoke, ashes, dust, dirt, grime, acids, fumes, gases, vapors, odors, or any other substances or combinations of substances” to endanger the health, safety or welfare of the public, or cause unreasonable injury or damage to property.

5. On March 10, 2003, EPA approved OAC Rule 3745-31-05 as part of the federally enforceable SIP for Ohio. 68 Fed. Reg. 2909 (March 10, 2003).

6. OAC Rule 3745-31-05 authorizes Ohio Environmental Protection Agency (OEPA) to issue Charter Steel a Permit-To-Install with terms and conditions as necessary to ensure compliance with applicable laws and to ensure adequate protection of environmental quality.

7. On June 10, 2004, OEPA issued a Permit-to-Install to Charter Steel, Facility ID#1318171623 ("PTI") for certain emissions units, including emission unit P900, an electric arc furnace ("EAF"). That PTI was modified on February 12, 2008. The modified PTI includes the following specific provisions:

- a. Part III.A.I.2.b of the PTI for P900 prohibits visible emissions from the melt shop building greater than 6 percent opacity, as averaged over six minutes.
- b. Part III.A.II.1 of the PTI for P900 requires the pressure drop across the melt shop baghouse be maintained within the range of 3.0 to 8.0 inches of water while the EAF is in operation.
- c. Part III.A.III.2.a of the PTI for P900 requires visible emission observations be conducted at the melt shop at least once per day when P900 is operating in the melting and refining periods. Opacity is to be determined based on the arithmetic average of 24 consecutive 15-second opacity readings.
- d. Part III.A.IV.3 of the PTI for P900 requires Charter Steel to submit "quarterly written deviation (excursion) reports that identify all periods of time during which the pressure drop for the Melt Shop Baghouse did not comply with the allowable range specified in A.II.1."

- e. Part III.A.III.7 of the PTI for P900 requires Charter Steel to obtain an analysis of the melt shop baghouse dust for at least chromium, magnesium, manganese, lead, zinc, and mercury content on a monthly basis.

8. Furthermore, under Section 111 of the Act, 42 U.S.C. § 7411, EPA promulgated the Standards of Performance for New Stationary Sources (“NSPS”) for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 (“Steel Plants”) at 40 C.F.R. §§ 60.270a through 60.276a. The NSPS for Steel Plants applies to Charter Steel.

9. Under Section 111 of the Act, 42 U.S.C. § 7411, EPA promulgated the NSPS General Provisions at 40 C.F.R. §§ 60.1 through 60.19. These NSPS General Provisions apply to Charter Steel as owner and operator of an affected facility.

10. The NSPS, at 40 C.F.R. § 60.11(d), requires that Charter Steel, at all times, including periods of startup, shutdown, and malfunction, to the extent practicable, maintain and operate its facility, including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.

11. Under Section 113(a)(1) of the Act, 42 U.S.C. § 7413 (a)(1), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating a SIP. Under Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating the NSPS regulations. The Administrator has delegated this authority to the Director of the Air and Radiation Division.

Findings

12. Charter Steel owns and operates a steel plant facility at 4300 E. 49th Street, Cuyahoga Heights, Ohio. This facility is a stationary source and an affected source under 40 C.F.R. § 60.2, and includes emission unit P900 and related emission units.

13. Charter Steel is also subject to the Ohio SIP. Specifically, Charter Steel is subject to OAC Rule 3745-15-07, which limits emissions into the open air, and OAC Rule 3745-31-05, which authorizes OEPA to issue a PTI to Charter Steel based on specific terms and conditions.

14. Charter Steel is subject to the NSPS for Steel Plants at 40 C.F.R. §§ 60.270a through 60.276a, and the NSPS General Provisions at 40 C.F.R. §§ 60.1 through 60.19.

15. On March 31, 2011, EPA issued to Charter Steel a notice/finding of violation alleging that it violated the following requirements:

- a. The Ohio SIP, by exceeding 6 percent opacity from the melt shop building, as averaged over six minutes, on October 8, 2008, August 28, 2009 and November 18, 2009.
- b. The Ohio SIP, for violations of Charter Steel's PTI, including: 1) failing, from January 2007 through September 2010, to maintain pressure drop across the melt shop baghouse within the range of 3.0 to 8.0 inches of water while P900 operated, in violation of Part III.A.II.1 of the PTI; 2) failing, from April 27, 2007 through January 29, 2010, to identify all periods of time during which the pressure drop for the melt shop baghouse did not comply with the allowable range, in violation of Part III.A.IV.3 of the PTI; and 3) failing for four months, during the semi-annual reporting period of July 1, 2009 through December 31, 2009, to obtain an analysis of the melt shop baghouse dust for mercury and magnesium content, in violation of Part III.A.III.7 of the PTI.

- c. The NSPS General Provisions, by failing to operate the melt shop baghouse “air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.”

16. On November 28, 2011, EPA issued to Charter Steel a second notice/finding of violation alleging that it violated the NSPS General Provisions and the Ohio SIP, for violations of Charter Steel’s PTI, by failing to test P900 at its maximum production rate since December 26, 2006 (i.e., within 180 days of startup).

17. On April 26, 2011 and on subsequent occasions, representatives of Charter Steel and EPA have discussed the March 31, 2011 and November 28, 2011 notices/findings of violation. Charter Steel acknowledges that, both directly and through legal counsel, it conferred and submitted written information to EPA, and had the opportunity to present any evidence, arguments, comments, regarding the legal and factual determinations on which this Order is based, its applicability to respondent, the appropriateness of its terms or any other relevant and material issue.

18. EPA alleges that Charter Steel violated the Ohio SIP, OAC rules 3745-15-07 and 3745-31-05, and the NSPS General Provisions, at 40 C.F.R. § 60.11(d) and 40 C.F.R. § 60.08.

Compliance Program

19. By the effective date of this Order, Charter Steel must demonstrate and maintain compliance with the Ohio SIP and the NSPS for Steel Plants, including the NSPS General Provisions, at its Cuyahoga Heights facility.

20. By August 2010, Charter Steel completed modification of the existing canopy area to better contain and evacuate emissions and increase total flow rate as recommended in the report prepared by AECOM, Charter Steel’s consultant, on December 18, 2009.

21. Charter Steel's PTI currently has provisions allowing it to produce stainless steel. Within 30 days from execution of this Order, Charter Steel must submit an application to OEPA requesting that the conditions and emissions rates that are associated with stainless steel production be removed from the PTI and all subsequent permits.

22. On June 1, 2012, Charter Steel submitted a protocol to EPA for approval to performance test the melt shop baghouse.

23. On July 1, 2012, Charter Steel completed the performance test of the melt shop baghouse. The test(s) were conducted while permitted emission units P032-P038, P041, P047 and P900-P902 were operating simultaneously at or near their maximum capacity.

24. Charter Steel has submitted a report of the performance testing results to EPA.

25. Within 30 days from execution of this Order, Charter Steel must comply with the melt shop baghouse pressure drop operational and monitoring requirements, as specified in the OEPA application for administrative amendment required below, at paragraph 26.

26. Within 30 days from execution of this Order, Charter Steel must submit an application for administrative amendment to OEPA for amendment of the monitoring language for the melt shop baghouse. The application shall request inclusion of the following language:

- a. The minimum pressure drop across the melt shop baghouse shall be 4.0 inches of water, based on 15-minute averages. The "set point" for the baghouse shall be 8.0 inches of water. The baghouse shall be operated and maintained within these parameters. This pressure drop shall be monitored and recorded at least every 15-seconds.
- b. Charter Steel may change the set point for the baghouse from 8.0 inches of water if subsequent particulate matter performance tests demonstrate compliance at the requested set point. The performance test protocol (i.e., OEPA Intent to Test) shall

specify the requested baghouse pressure set point. The performance test report of results shall include data that proves the baghouse was tested at the requested set point.

- c. Charter Steel shall properly operate and maintain a continuous parameter monitoring system (CPMS) to measure the pressure drop across the melt shop baghouse while the emissions unit is in operation.
- d. Charter Steel is required to record the pressure drop across the melt shop baghouse at least every 15-seconds and monitor the 15-minute average pressure drop using a CPMS.
- e. If the minimum average pressure drop is less than 4.0 inches of water, an automated notification (email or text message) shall be sent to the melt shop operator and environmental engineer. If the set point for the baghouse deviates from 8.0 inches of water, or a set point established by subsequent performance testing, an automated notification (email or text message) shall be sent to the melt shop operator and environmental engineer.
- f. Charter Steel shall operate each CPMS as follows.
 - i. Each CPMS must complete a minimum of one cycle of operation for each successive 1-minute period.
 - ii. Charter Steel must have a minimum of three of the required four data points to constitute a valid minute of data.
 - iii. Each CPMS must have valid data for 100 percent of every averaging period.
 - iv. Each CPMS must determine and record the 15-minute average of all recorded readings.
- g. The CPMS shall be installed calibrated, operated, and maintained as follows:

- i. Locate the pressure sensor in or as close as possible to a position that provides a representative measurement of the pressure drop and that minimizes or eliminates pulsating pressure, vibration, and internal and external corrosion.
- ii. Check the pressure tap for pluggage daily.
- iii. Use a gauge with a minimum measurement sensitivity of 0.5 inch of water or a transducer with a minimum measurement sensitivity of 1 percent of the pressure range.
- iv. Using a manometer, check and record gauge calibration quarterly and transducer calibration monthly.
- v. Conduct calibration checks any time the sensor exceeds the manufacturer's specified maximum operating pressure range, or immediately install a new pressure sensor.

27. Charter Steel shall implement the following as best management practices designed to maintain compliance with the 6 percent opacity limitation in 40 C.F.R. § 60.272a(3).

- a. By the effective date of this Order, the door at the west end of the melt shop shall remain closed (i.e., open no more than 8 feet from grade), except for times when the scrap car needs to enter or exit the melt shop.
- b. By the effective date of this Order, Charter Steel shall operate sensors at the west end melt shop door that alert the melt shop operator as to when the door is open or closed. If the west end melt shop door remains open for more than 5 minutes while the EAF is in operation, an automated alarm notification (email or text message) shall be sent to the melt shop operator and environmental engineer. The melt shop operator or environmental engineer shall take immediate action to ensure that the door is closed immediately after the scrap car enters or exits the melt shop.

28. Charter Steel has installed a system that electronically records the period of time whenever the melt shop door remains open for more than 5 minutes while the EAF is in operation. The system records start time, end time and date.

29. Charter Steel must send all reports required by this Order to:

Attention: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

General Provisions

30. This Order does not affect Charter Steel's responsibility to comply with other federal, state and local laws.

31. This Order does not restrict EPA's authority to enforce the Ohio SIP, Section 111 of the Act or any other section of the Act.

32. Nothing in this Order limits the EPA's authority to seek appropriate relief, including penalties, under Section 113 of the Act, 42 U.S.C. § 7413, for Charter Steel's violation of the SIP and NSPS for Steel Plants (including NSPS General Provisions).

33. Failure to comply with this Order may subject Charter Steel to penalties of up to \$37,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

34. The terms of this Order are binding on Charter Steel, its assignees and successors. Charter Steel must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the above address, that it has given the notice.

35. EPA may use any information submitted under this Order in an administrative, civil judicial or criminal action.

36. Charter Steel agrees to the terms of this Order. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate two years from the effective date, provided that Charter Steel has complied with all terms of the Order throughout its duration.

9/19/2012

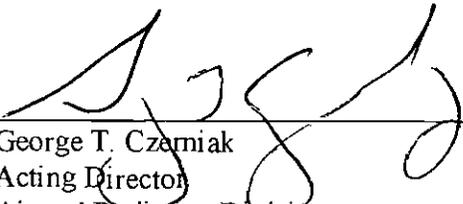
Date



John W. Mellowes
Vice President
Charter Manufacturing Company, Inc.

9/25/12

Date



George T. Czerniak
Acting Director
Air and Radiation Division

Standard bcc's:

Official File Copy w/Attachment (s)

Originating Organization Reading File w/Attachment(s)

Other bcc's:

L. Oviedo (C-14J)

[insert document path]

U.S. ENVIRONMENTAL
PROTECTION AGENCY

SEP 19 2001

OFFICE OF REGIONAL
COUNSEL

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent the Administrative Consent Order, EPA Order No. EPA-5-12-113(a)-OH-03, by certified mail, return receipt requested, to:

John W. Mellowes, Vice President
Charter Steel Manufacturing Company, Inc.
4300 E. 49th Street
Cuyahoga Heights; Ohio 44125

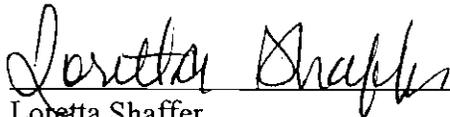
I also certify that I sent a copy of the Administrative Consent Order, EPA Order No. EPA 5-12-113(a)-OH-03, by first-class mail to:

Valencia S. White
Cleveland Division of Air Quality
Cleveland Department of Public Health
Division of Air Quality
75 Erieview Plaza, 2nd Floor
Cleveland, Ohio 44114

Ed Fasko
Air Pollution Group
Ohio EPA NEDO
2110 East Aurora Road
Twinsburg, Ohio 44087

Thomas P. McElligott
Attorney at Law
Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-4497

On the 1 day of October 2012.



Loretta Shaffer
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7467 6328