



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

FEB 27 2014

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wendlene M. Lavey, Esq.
Squire Sanders, LLP
4900 Key Tower, 127 Public Square
Cleveland, Ohio 44114

Dear Ms. Lavey:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves Republic Steel, CAA Docket No. CAA-05-2014-0012. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on FEB 28 2014.

Pursuant to paragraph 57 of the CAFO, Republic Steel must pay the civil penalty within 30 days of the date the CAFO was filed, FEB 28 2014. Your check must display the docket number, CAA-05-2014-0012.

Please direct any questions regarding this case to Christine Liszewski, Associate Regional Counsel, (312) 886-4670.

Sincerely,

Sara Breneman

Sara Breneman, Chief
Air Enforcement and Compliance Assurance Branch

Enclosure

Cc: Dennis Bush, APC Manager
Northeast District Office
Ohio Environmental Protection Agency

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	Docket No. CAA-05-2014-0012
)	
Republic Steel Canton, Ohio)	Proceeding to Assess a Civil Penalty Under Section 113(d) of the Clean Air Act,
)	42 U.S.C. § 7413(d)
Respondent.)	
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Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the CAA), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) 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.

2. Complainant is the Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is Republic Steel (Republic), a corporation doing business in Ohio. Republic was formerly known as Republic Engineered Products, Inc.

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).

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. The parties consent to the filing of this CAFO and agree to comply with the terms of the CAFO.

Jurisdiction and Waiver of Right to Hearing

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

8. Respondent 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 111 of the CAA, 42 U.S.C. § 7411, the Administrator of EPA (the Administrator) promulgated the New Source Performance Standards (NSPS) General Provisions, at 40 C.F.R. Part 60, Subpart A, and the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983, Subpart AAa, at 40 C.F.R. § 60.270a *et seq.* Subpart AAa applies to each electric arc furnace (EAF) constructed, modified or reconstructed after August 17, 1983. 40 C.F.R. § 60.270a.

10. 40 C.F.R. § 60.272a(a)(2) provides that no owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from an EAF any gases which exit from a control device and exhibit 3 percent opacity or greater.

11. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), provides that it shall be unlawful for any person to violate any requirement of a Title V permit after the effective date of any Title V permit program approved by EPA.

12. The State of Ohio operating permit program was granted full approval by EPA on August 15, 1995, with an effective date of October 1, 1995 (60 Fed. Reg. 42045; 40 C.F.R. Pt. 70, App. A).

13. The regulation at 40 C.F.R. § 70.6(b)(1) specifies that all terms and conditions in a permit issued under a Part 70 program, including any provisions designed to limit a source's potential to emit, are enforceable by EPA under the CAA.

14. The Ohio Environmental Protection Agency issued a Title V permit to Republic for the facility, ID No. 1576050694, on or about April 24, 2002, and a significant permit modification of the Title V permit on December 29, 2005. Republic (or the predecessor owners of the facility) appealed issuance of the initial Title V permit and the modification to the Ohio Environmental Review and Appeals Commission. The appeals are currently pending.

15. Pursuant to Part III.A.1.1. of Republic's Title V permit for Emissions Unit P905 (#7 EAF - #4 Melt Shop), visible emissions shall not exceed 3% opacity as a 6-minute average as measured at the discharge stack of the #4 Melt Shop baghouse when the emissions unit is operating.

16. Pursuant to Part III.A.1.2.c.i. of Republic's Title V permit for Emissions Unit P907 (#9 EAF - #4 Melt Shop), visible particulate emissions shall not exceed 3% opacity as a 6-minute average from the baghouse exit.

17. Pursuant to Part III.A.1.1. of Republic's Title V permit, lead emissions from the control device for P905 shall not exceed 0.06 pounds per hour.

18. Pursuant to Part III.A.1.1. of Republic's Title V permit, combined emissions from P905 and P907 shall not exceed 0.06 pounds per hour of lead.

19. Pursuant to Part III.A.1.2. of Republic's Title V permit for Emissions Unit P123 (Ladle Metallurgy Facility), the pressure drop across the baghouse shall be maintained within the range of 3 to 16 inches of water while the emissions unit is in operation.

20. Pursuant to Part III.A.II.1. of Republic's Title V permit for Emissions Unit P076 (#12 Grinder at #5 Steel Conditioning), the pressure drop across the baghouse shall be maintained within the range of 3 to 8 inches of water while the emissions unit is in operation.

21. Pursuant to Part III.A.III.2.b. of Republic's Title V permit for Emissions Unit P905, Republic must check and record on a once-per-shift basis the furnace static pressure and either (1) check and record the control system fan motor amperes and damper positions on a once-per-shift basis; or (2) install, calibrate, and maintain a monitoring device that continuously records the volumetric flow rate through each separately ducted hood.

22. Pursuant to Part III.A.III.2.b. of Republic's Title V permit for Emissions Unit P907, Republic must check and record on a once-per-shift basis the furnace static pressure and the control system fan motor amperes and damper positions.

23. Pursuant to Part III.A.III.5. of Republic's Title V permit for Emissions Unit P907, Republic must perform daily checks when the emissions unit is in operation during daylight hours and when the weather conditions allow for any visible fugitive particulate emissions from any non-stack egress point from the building housing this emissions unit.

24. Pursuant to Part III.A.III.1. of Republic's Title V permit for Emissions Unit P070 (#4 Grinder at #5 Steel Conditioning), Republic must record the pressure drop across the baghouse on a daily basis.

25. Pursuant to Part III.A.III.1. of Republic's Title V permit for Emissions Unit P071 (#5 Grinder at #5 Steel Conditioning), Republic must record the pressure drop across the baghouse on a daily basis.

26. Pursuant to Part III.A.III.1. of Republic's Title V permit for Emissions Unit P076 (#12 Grinder at #5 Steel Conditioning), Republic must record the pressure drop across the baghouse on a daily basis.

27. Pursuant to Part III.A.III.1. of Republic's Title V permit for Emissions Unit P078 (#14 Grinder at #5 Steel Conditioning), Republic must record the pressure drop across the baghouse on a daily basis.

28. Pursuant to Part III.A.III.2. of Republic's Title V permit for Emissions Unit P070 (#4 Grinder at #5 Steel Conditioning), Republic must perform daily checks when the emissions unit is in operation during daylight hours and when the weather conditions allow for any visible fugitive particulate emissions from any non-stack egress point from the building housing this emissions unit.

29. Pursuant to Part III.A.III.2. of Republic's Title V permit for Emissions Unit P071 (#5 Grinder at #5 Steel Conditioning), Republic must perform daily checks when the emissions unit is in operation during daylight hours and when the weather conditions allow for any visible fugitive particulate emissions from any non-stack egress point from the building housing this emissions unit.

30. Pursuant to Part III.A.III.2. of Republic's Title V permit for Emissions Unit P076 (#12 Grinder at #5 Steel Conditioning), Republic must perform daily checks when the emissions unit is in operation during daylight hours and when the weather conditions allow for any visible fugitive particulate emissions from any non-stack egress point from the building housing this emissions unit.

31. Pursuant to Part III.A.III.2. of Republic's Title V permit for Emissions Unit P078 (#14 Grinder at #5 Steel Conditioning), Republic must perform daily checks when the emissions unit is in operation during daylight hours and when the weather conditions allow for any visible fugitive particulate emissions from any non-stack egress point from the building housing this emissions unit.

32. The Administrator may assess a civil penalty of up to \$32,500 per day of violation up to a total of \$270,000 for violations of NSPS and/or a Title V permit that occurred after March 15, 2004 through January 12, 2009 and may assess a civil penalty of up to \$37,500 per day of violation up to a total of \$295,000 for violations of NSPS and/or a Title V permit that occurred after January 12, 2009 through December 6, 2013 under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

33. 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 the Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

34. 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 and Alleged Violations

35. Republic owns and operates a special bar quality steel-producing facility located at 2633 Eighth Street, N.E., in Canton, Ohio.

36. According to Republic's approved Title V operating permit, Republic operates, among other things, the following emissions units at its Canton, Ohio facility: two electric arc furnaces (EAFs) identified as #7 EAF (P905) and #9 EAF (P907); #4, #5, #12 and #14 grinders at #5 steel conditioning identified respectively as P070, P071, P076 and P078; and the Ladle Metallurgy Facility identified as P123.

37. On May 19, 2010, representatives of EPA and Canton City Health Department

inspected the Republic facility located in Canton, Ohio.

38. On May 16, 2009, January 3, 2010 and January 6, 2010, Republic conducted observations of the visible emissions measured at the discharge stack vents of the #4 Melt Shop baghouse when the EAF #7 or EAF #9 was operating.

39. Based on Republic's observations of the visible emissions measured at the discharge stack of the #4 Melt Shop baghouse when #7 EAF was operating, visible emissions exceeded 3% opacity as a 6-minute average from the baghouse exit on May 16, 2009 and January 3, 2010. This is a violation of 40 C.F.R. § 60.272a(a)(2) and the emissions limitation at Part III.A.I.1. of Republic's Title V permit.

40. Based on Republic's observations of the visible emissions measured at the discharge stack of the #4 Melt Shop baghouse when #9 EAF was operating, visible emissions exceeded 3% opacity as a 6-minute average as measured at the discharge stack of the #4 Melt Shop baghouse on January 6, 2010. This is a violation of 40 C.F.R. § 60.272a(a)(2) and the emissions limitation at Part III.A.I.2.c.i. of Republic's Title V permit.

41. From August 5 to 8, 2008, Republic conducted a stack test at the #4 Melt Shop baghouse to measure, among other pollutants, lead emissions. During the stack test, the three-hour average of lead emissions at the #4 Melt Shop baghouse was measured at 0.45 pounds per hour. This is a violation of the lead emissions limit of 0.06 pounds per hour for P905 and P907 at Part III.A.I.1. of Republic's Title V permit.

42. From November 11 to 13, 2008, Republic conducted a stack test at the #4 Melt Shop baghouse to measure lead emissions. During the stack test, the three-hour average of lead emissions at the #4 Melt Shop baghouse was measured at 0.057 pounds per hour.

43. From July 12 to 14, 2011, Republic conducted a stack test at the #4 Melt Shop

baghouse to measure lead emissions. During the stack test, the three-hour average of lead emissions at the #4 Melt Shop baghouse was measured at 0.041 pounds per hour.

44. Republic failed to maintain the pressure drop across the baghouse in the range of 3 to 16 inches of water while Emissions Unit P123 was in operation on the following days: August 20, 2009; September 15, 2009; September 27, 2009; January 1, 2010; January 4, 2010; January 19, 2010; February 20, 2010; March 7, 2010; March 8, 2010; and March 19, 2010. This is a violation of the operational restrictions for Emissions Unit P123 at Part III.A.II.2. of Republic's Title V permit.

45. Republic failed to maintain the pressure drop across the baghouse in the range of 3 to 8 inches of water while Emissions Unit P076 was in operation on October 23, 2008 and October 24, 2008. This is a violation of the operational restrictions for Emissions Unit P076 at Part III.A.II.1. of Republic's Title V permit.

46. Republic failed to check and record on a once-per-shift basis the furnace static pressure and the control system fan motor amperes and damper positions for Emissions Units P905 and P907 on January 15, 2009 and February 16, 2009. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.2.b. of Republic's Title V permit for Emissions Units P905 and P907.

47. Republic failed to perform the daily check for visible fugitive particulate emissions from any non-stack egress point from the building housing Emissions Unit P907 when this emissions unit was in operation on November 30, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.5. of Republic's Title V permit for Emissions Unit P907.

48. Republic failed to record the pressure drop across the baghouse while Emissions

Unit P070 was in operation on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.1. of Republic's Title V permit for Emissions Unit P070.

49. Republic failed to record the pressure drop across the baghouse while Emissions Unit P071 was in operation on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.1. of Republic's Title V permit for Emissions Unit P071.

50. Republic failed to record the pressure drop across the baghouse while Emissions Unit P076 was in operation on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.1. of Republic's Title V permit for Emissions Unit P076.

51. Republic failed to record the pressure drop across the baghouse while Emissions Unit P078 was in operation on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.1. of Republic's Title V permit for Emissions Unit P078.

52. Republic failed to perform the required daily check for visible fugitive particulate emissions from any non-stack egress point from the building housing Emissions Unit P070 on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.2. of Republic's Title V permit for Emissions Unit P070.

53. Republic failed to perform the required daily check for visible fugitive particulate emissions from any non-stack egress point from the building housing Emissions Unit P071 on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.2. of Republic's Title V permit for Emissions Unit P071.

54. Republic failed to perform the required daily check for visible fugitive particulate emissions from any non-stack egress point from the building housing Emissions Unit P076 on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.2. of Republic's Title V permit for Emissions Unit P076.

55. Republic failed to perform the required daily check for visible fugitive particulate emissions from any non-stack egress point from the building housing Emissions Unit P078 on July 3, 2008. This is a violation of the monitoring and/or record keeping requirements at Part III.A.III.2. of Republic's Title V permit for Emissions Unit P078.

Civil Penalty

56. Based on analysis of the factors specified in Section 113(e) of the CAA, 42 U.S.C. § 7413(e), the facts of this case and the cooperation of the Respondent, Complainant has determined that an appropriate civil penalty to settle this action is \$259,000.00.

57. Within 30 days after the effective date of this CAFO, Respondent must pay a \$259,000.00 civil penalty by sending a cashier's or certified check, payable to "Treasurer, United States of America," to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

58. Respondent must send a notice of payment that states Respondent's name, the docket number of this CAFO and the billing document number to EPA at the following addresses when it pays the penalty:

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

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

Regional Hearing Clerk (E-19J)
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

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

60. If Respondent does not pay timely the civil penalty, EPA may request the Attorney General of the United States to bring an action to collect any unpaid portion of the penalty with interest, nonpayment penalties and the United States enforcement expenses for the collection action under Section 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

61. Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2). Respondent must pay the United States enforcement expenses, including but not limited to attorneys fees and costs incurred by the United States for collection proceedings. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue. 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. 42 U.S.C. § 7413(d)(5).

General Provisions

62. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in this CAFO including the violations alleged by EPA in the finding of violation dated September 3, 2010.

63. The CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law or Respondent's right to assert any defenses thereto.

64. This CAFO does not affect Respondent's responsibility to comply with the CAA and other applicable federal, state and local laws. Except as provided in paragraph 62, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

65. Respondent certifies that it is complying fully with those NSPS requirements at Subpart AAa and Title V permit terms and conditions that are identified in paragraphs 39 through 41 and 44 through 55 above.

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

67. The terms of this CAFO bind Respondent, its successors and assigns.

68. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

69. Each party agrees to bear its own costs and attorneys fees in this action.

70. This CAFO constitutes the entire agreement between the parties.

Republic Steel, Respondent

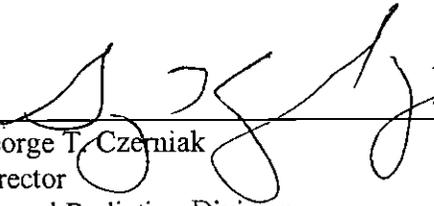
2-20-14
Date



Michael B. Humphrey
Vice President, Canton/Lackawanna Division
Republic Steel

United States Environmental Protection Agency, Complainant

2/26/14
Date



George T. Czerniak
Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

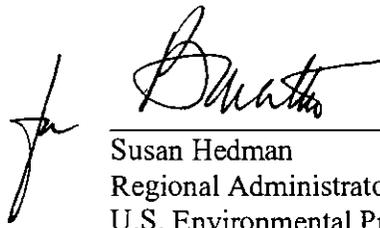
**Consent Agreement and Final Order
In the Matter of: Republic Steel
Docket No.**

CAA-05-2014-0012

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

Feb 28, 2014
Date



Susan Hedman
Regional Administrator
U.S. Environmental Protection Agency
Region 5

**Consent Agreement and Final Order
In the Matter of: Republic Steel
Docket No.**

CAA-05-2014-0012

Certificate of Service

I certify that I filed the original and one copy of the Consent Agreement and Final Order (CAFO), docket number CAA-05-2014-0012 with the Regional Hearing Clerk (E-19J), United States Environmental Protection Agency, Region 5, 77 W. Jackson Boulevard, Chicago, Illinois 60604, and that I mailed the second original copy to Respondent by first-class, postage prepaid, certified mail, return receipt requested, by placing it in the custody of the United States Postal Service addressed as follows:

Michael B. Humphrey, Vice President
Canton/Lackawanna Division
Republic Steel
2633 Eight Street, N.E.
Canton, Ohio 44704

I certify that I delivered a correct copy of the CAFO by intra-office mail, addressed as follows:

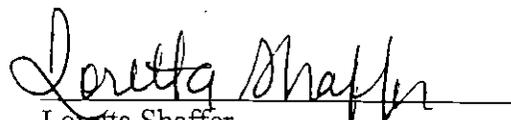
Ann Coyle
Regional Judicial Officer (C-14J)
U.S. Environmental Protection Agency
77 W. Jackson Boulevard
Chicago, Illinois 60604

I also certify that I mailed a correct copy of the CAFO by first-class mail to:

Wendlene M. Lavey, Esq.
Squires Sanders, LLP
4900 Key Tower, 127 Public Square
Cleveland, Ohio 44114

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On the 28 day of February 2014.


Loretta Shaffer
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7670 0405