BEFORE THE

OHIO E.P.A.

SEP -7 2007

OHIO ENVIRONMENTAL PROTECTION AGENCY

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

Viking-Worthington Steel Enterprise, LLC :
804 Steel Drive :
Valley City, Ohio 44280-9797 :

Director's Final Findings and Orders

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: _____ Date: 9-7-07

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Viking-Worthington Steel Enterprise, LLC ("Respondent") pursuant to the authority vested in the Director ("the Director") of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of Respondent's Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent is a limited liability corporation authorized to do business in Ohio. It owns and operates a steel processing facility ("the Facility"), identified by Ohio EPA as facility ID 1652000030, located at 804 Steel Drive, Valley City, Medina County, Ohio.

2. At the facility, Respondent operates two hydrochloric acid ("HCl") pickling lines, each with an electrostatic oiling system. The lines clean and remove oxidation from rolled steel and apply a rust preventive oil to the steel prior to rerolling.

3. The two pickling lines each emit HCl emissions and, from the oil-application part of each line, emit volatile organic compounds ("VOCs") as the latter term is defined in OAC Rule 3745-21-01(B)(6). The two lines, including their respective oiling systems, are

each "air contaminant sources" as that term is defined in OAC Rule 3745-15-01(C) and (W) and are defined by Ohio EPA as emissions units P001 and P002.

4. Emissions unit P001, a 65-ton-per-hour pickling line with rust preventive oil application, was installed in 1977. Emissions unit P002, a 150-ton-per-hour pickling line with rust preventive oil application, was installed in 1995. Both were installed pursuant to permits to install issued to a former owner of the Facility. HCl emissions from each emissions unit are controlled by wet scrubbers, one for each emissions unit.

5. Emissions units P001 and P002 are both covered by Permit to Install ("PTI") # 16-02319. PTI # 16-02319 was issued to Respondent on November 28, 2003 pursuant to ORC § 3704.03(F), and was modified on May 18, 2004. Respondent is the holder of the PTI and is the permittee. This PTI is a synthetic minor permit that contains federally enforceable restrictions to limit potential HCl and VOC emissions to below Title V permit applicability thresholds.

6. ORC § 3704.05(C) provides that no person who is the holder of a permit issued under ORC § 3704.03(F) shall violate any of the permit's terms or conditions.

7. Part II.B.1 of PTI # 16-02319, as it existed prior to August 8, 2006, required that the annual rust preventive oil usage for emissions units P001 and P002 combined shall not exceed 37,200 gallons, based upon the rolling, 12-month summation of the rust preventive oil usage figures.

8. Respondent's records show Respondent exceeded the rolling, 12-month maximum annual rust preventive oil usage limitation for February, March, April, May and June of 2006 for both emissions units P001 and P002, in violation of PTI # 16-02319 as the permit existed prior to August 8, 2006 and ORC § 3704.05(C). The total usage for February 2006 was 37,315 gallons; March 2006 was 37,557 gallons; April 2006 was 37,234 gallons; May 2006 was 39,212 gallons; and June 2006 was 40,663 gallons. In a PTI modification effective August 8, 2006, Respondent's oil usage limitation was changed to a limitation on VOC input, which has largely corrected these violations.

9. For emissions unit P001, Part II.B.4 of PTI # 16-02319, requires that the water flow rate for the scrubber serving emissions unit P001 shall be continuously maintained at not less than 125 gallons per minute or not less than the minimum water flow rate established during the most recent emissions test that demonstrated that the emissions unit was in compliance with emission limitations at all times while the emissions unit is in operation. Respondent's minimum flow rate is 125 gallons per minute for the scrubber serving emissions unit P001. For emissions unit P002, Part II.B.4 of PTI # 16-02319, requires that the water flow rate for the scrubber serving emissions unit P002 shall be continuously maintained at not less than 150 gallons per minute or not less than the minimum water flow rate established during the most recent emissions test that demonstrated that the emissions unit was in compliance with emission limitations at all times while the emissions unit is in operation. Based on a stack test conducted June 29, 2006, Respondent's minimum flow rate is 180 gallons per minute for the scrubber serving emissions unit P002. Prior to that, Respondent's minimum flow rate was 150 gallons per

minute for the scrubber serving emissions unit P002.

10. Respondent's records show that for 71 days from February 24, 2006 to March 31, 2007, while Respondent operated emissions unit P001, the scrubber water flow rates were below 125 gallons per minute, in violation of the terms and conditions of PTI # 16-02319 and ORC § 3704.05(C). Respondent's records for the first quarter of 2007 show that for 3 days, while Respondent operated emissions unit P002, the scrubber water flow rates were below 180 gallons per minute, in violation of the terms and conditions of PTI # 16-02319 and ORC § 3704.05(C).

11. Part II.C.3. of PTI # 16-02319 requires Respondent to properly maintain equipment to continuously monitor the static pressure drop across the scrubber serving emissions unit P002.

12. On May 8, 2006, while emissions unit P002 was in operation, the pressure gauge for the scrubber serving emissions unit P002 was inoperable and in need of repair, in violation of PTI # 16-02319 and ORC § 3704.05(C). The gauge was repaired during the inspection.

13. PTI # 16-02319, Part II.B.2., requires the pH of the scrubber liquor in the scrubbers for emissions units P001 and P002 be maintained within the range of 0.4 to 7.5.

14. Respondent's records show that on March 6, March 24, May 17 and July 18, 2006, while emissions unit P001 was in operation, the pH of the scrubber liquor was not maintained within the range of 0.4 to 7.5 for emissions unit P001. Respondent's records also show that on March 8, April 17 and June 1, 2006, while emissions unit P002 was in operation, the pH of the scrubber liquor was not maintained within the range of 0.4 to 7.5 for emissions unit P002. These acts violate the requirements of PTI # 16-02319 and ORC § 3704.05(C).

15. PTI # 16-02319, Part II.B.3, requires Respondent to maintain, while the emissions unit is in operation, a certain static pressure drop range across the scrubber for emissions unit P002. The pressure drop is not to be less than two inches of water or not less than the minimum static pressure drop established during the most recent emission test that demonstrated compliance with emission limitations. Based on a stack test conducted June 29, 2006, Respondent's minimum static pressure drop for the scrubber for emissions unit P002 is 3.7 inches of water. Prior to June 29, 2006, the minimum static pressure for the scrubber for emissions unit P002 was two inches of water.

16. Between February 24, 2006 and May 22, 2006, a total of 47 days, scrubber static pressure drop readings for emissions unit P002 were below two inches of water. These pressure drops violated PTI # 16-02319 and ORC § 3704.05(C).

17. PTI # 16-02319, Part II.C.3., in part, requires Respondent to continuously monitor the static pressure drop across the scrubber serving emissions unit P001 and to record the pressure drop reading on a daily, once per shift, basis.

18. On May 8, 2006, Respondent recorded the wrong scrubber parameter for emissions unit P001. The scrubber water supply pressure was being recorded instead of the pressure drop across the scrubber, in violation of PTI # 16-02319 and ORC § 3704.05(C).

19. PTI # 16-02319, Part II.C.4., requires the Respondent to maintain documentation as to whether or not each liquid organic material used in either emissions units P001 or P002 is a photochemically reactive material ("PRM") as defined in OAC Rule 3745-21-01(C)(5).

20. From November 28, 2003 to May 22, 2006, Respondent failed to maintain documentation as to whether or not each liquid organic material used in either emissions unit P001 or P002 is a photochemically reactive material, in violation of PTI # 16-02319 and ORC § 3704.05(C).

21. PTI 16-02319, Part I.A.3. requires Respondent to retain for five years from the date the record was created, a record of any monitoring data, testing data, and support information required by the permit.

22. Respondent failed to retain for 5 years records created for the period from January 1, 2004 through February 23, 2006, of scrubber parameter monitoring for emissions units P001 and P002, in violation of PTI # 16-02319 and ORC § 3704.05(C). These included records of scrubber water flow rate, pH of the scrubber liquor, and static pressure drop across the scrubbers.

23. PTI # 16-02319, Part I.A.2.b., requires Respondent to submit to Ohio EPA or the local air agency quarterly deviation (excursion) reports, which identify all exceedances of the rolling, 12-month OC emission limitation of 93 tons for emissions units P001 and P002, of the rolling 12-month rust preventive oil usage limitation of 37,200 gallon for emissions units P001 and P002, of the scrubber liquor pH requirements for emissions units P001 and P002, of the static pressure drop across the scrubbers for emissions units P001 and P002, and of the scrubber water flow rate restrictions for emissions units P001 and P002, by January 31, April 30, July 31, and October 31 of each year. Additionally, Respondent was required to describe the probable cause of any deviation and any corrective actions or preventative measures taken to correct or prevent further deviations.

24. Respondent submitted late deviation reports for the first, second and third quarters of 2005 and the first quarter of 2006, in violation of the PTI # 16-02319 and ORC ORC § 3704.05(C). Furthermore, the report submitted May 8, 2006 for the months of January through March 2006 identified no deviations even though violations existed, in violation of PTI # 16-02319 and ORC § 3704.05(C). Additionally, in the deviation report submitted on July 17, 2006 for the second quarter of 2006, Respondent failed to describe, for exceedances of the rust preventive oil usage limitation, the probable cause of any deviation and any corrective actions or preventive measures taken to correct or prevent further deviations, all in violation of PTI # 16-02319 and ORC § 3704.05(C). The first and second quarter 2005 reports were submitted on August 1, 2005. The third quarter 2005 report was submitted on January 24, 2006.

25. On May 12, 2006, the Akron Regional Air quality Management District ("Akron"), as a representative of the Director for Medina County, sent a Notice of Violation ("NOV") letter to Respondent for violations of the terms and conditions of PTI # 16-02319 for emissions units P001 and P002 discovered during a May 8, 2006 inspection of the facility. The NOV letter requested the Respondent to submit a complete compliance plan and time schedule to bring the above-mentioned emissions units into compliance with the applicable requirements.

26. On May 18, 2006, Respondent sent Akron a response letter to the May 12, 2006 NOV. The letter indicated that Respondent implemented a formal 8-step corrective action to address the findings noted in the NOV dated May 12, 2006. Also, the letter notified Akron of the following corrective action plans:

a) Respondent plans on meeting the general terms and conditions of PTI # 16-02319. All materials at the facility were reviewed and were found to be non-photochemically reactive materials.

b) All procedures related to the operations monitoring of emissions units P001 and P002 will be encompassed in the Respondent's quality system and subject to internal auditing.

c) In May 2006, Respondent started logging the required record-keeping for the quarterly deviation reports.

27. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with these Orders and to evidence relating to conditions calculated to result from compliance with these Orders, and its relation to the benefits to the people of the State to be derived from such compliance in accomplishing the purposes of ORC Chapter 3704.

V. ORDERS

The Director hereby issues the following Orders:

1. Pursuant to ORC § 3704.06, Respondent shall pay sixty-five thousand dollars ($65,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for thirty-five thousand dollars ($35,000) of the total penalty amount. Within sixty (60) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for seventeen thousand dollars ($17,000). The official checks shall be submitted to Brenda Case, or her successor, together with a letter identifying Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining thirteen thousand dollars ($13,000) of the civil penalty, Respondent shall, within sixty (60) days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of thirteen thousand dollars ($13,000) to Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD). Such payment shall be made by an official check made payable to "Treasurer, State of Ohio" and sent to Brenda Case, or her successor, together with a letter identifying the Respondent and Fund 5CD, to the above-stated address.

3. A copy of the checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

4. Should Respondent fail to fund the SEP within the required time frame set forth in Order 2, Respondent shall immediately pay to Ohio EPA $13,000 of the civil penalty in accordance with the procedures in Order 1.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is the person authorized to sign in OAC Rule 3745-35-02(B)(1) for a corporation or a duly authorized representative of Respondent as that term is defined in the above-referenced rule.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state, and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Akron Regional Air Quality Management District
Suite 904
146 South High Street
Akron, Ohio 44308
Attention: Laura Miracle, Air Quality Engineer

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: James Orlemann, SIP Development and Enforcement

or such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges, and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation, or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

Chris Korleski
Director

9/4/07
Date

IT IS SO AGREED:

Viking-Worthington Steel Enterprise, LLC

Signature

8/14/07
Date

KEVIN DERVE
Printed or Typed Name

OPERATIONS MANAGER
Title