

EVRAZ CLAYMONT STEEL

FUGITIVE DUST CONTROL MONTHLY PROGRESS REPORT #6

June 2008

Prepared for:

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July 1, 2008

Project No. 98250

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1 INTRODUCTION

On December 21, 2007 the Delaware Department of Natural Resources and Environmental Control (DNREC) approved the implementation plan and schedule submitted by Claymont Steel in support of the required projects and tasks associated with the improvements to dust control measures at its steel-making facility in Claymont, Delaware.

Regular communication of progress status with DNREC is an important aspect of this implementation plan. Monthly progress reports are part of the approved implementation plan. They are due on the first day of each month to report on progress of the various projects being undertaken.

This report covers activities up to June 30, 2008 and provides an update of the project progress, outlines the work planned for the following month, and identifies discussion items that require action or feedback to maintain progress on the overall implementation plan.

2 UPDATE ON PROJECT ACTIVITIES FOR CURRENT MONTH

2.1 PROJECT MANAGEMENT AND MEETINGS

- This report is Progress Report #6 for June 2008 and has been submitted on the planned submission date of July 2, 2008, (July 1st is a Canadian holiday).
- A meeting with Claymont was held on June 5, 2008 to discuss increase in future production operations and corresponding changes to furnace practice and process control.

2.2 REGULATORY REVIEW

- No activity was planned for this task.

2.3 EMISSIONS IMPACT ASSESSMENT

- Emissions calculations from steel making, combustion, slag handling, scarfing, road dust, wind erosion, scrap handling, coal handling, and lime and carbon silo loading were developed from Claymont data. Dispersion modelling has been set up with all significant sources of fugitive dust identified for the melt shop from the emission inventory.

2.4 MELT SHOP

2.4.1 Fume Control System Assessment

- The draft fume control assessment report with recommendations was submitted to Claymont on June 24, 2008.

2.4.2 Scrap Bay Operations Changes (Rail to Truck)

- Evraz (new owners) are reviewing and planning capital expenses associated with this project.
- Status of approval by Board of Directors – Evraz is reviewing the planning and capital expenses with their board.
- Final equipment specifications will be provided upon the board's approval.

2.4.3 Baghouse for Carbon and Lime Transfer

- No activity was planned for this task. Fume assessment study will dictate the need for this activity.

2.4.4 Fume Control System Improvements

- No activity was planned for this task.
- This task will be further defined following completion of the melt shop fume system assessment.

2.5 SLAG QUENCHING

- No activity was planned for this task. Nozzle review and determining if additional measures are needed are currently underway.

2.6 ROADWAYS

2.6.1 Paving

- Re-evaluating the old specification; new specification will be added. New paving will begin in late July, early August.

2.6.2 Truck Wheel Wash Station

- Wash system installed and operational.

2.6.3 Speed Limit Enforcement

- On-going enforcement and monitoring is carried out by Claymont Steel security.

2.7 SCRAP YARD

2.7.1 Relocate Stockpiles

- Periodic pile relocation continued.
- Target achieved.

2.7.2 Tree-lined Berm

- Area for this activity was prepared.

2.8 SLAG YARD

2.8.1 Enclosure for Charge Hopper

- Contractor awarded fabrication was a small fabricator and recently passed away (Rollins Metalworks); a new bid will be prepared.

2.8.2 Spray System Improvements

- No activity was planned for this task. Working on nozzle review and if additional measures are needed.

2.8.3 Minimize Inventory of Processed Slag and Scarfing

- June's slag production was 7,411 tons from the melt tons produced. Of the amount produced, 7,272.42 tons of slag was sold. See Appendix B for detailed summary of slag sales.
- June's scarfing production was 1,161 tons from the melt tons produced. Of the amount produced, 3,085.46 tons of scarfing was sold. Net reduction of inventory by 1,924.46 tons. See Appendix B for detailed summary of scarfing sales.

2.9 AMBIENT AIR MONITORING PROGRAM

- Fourth monitor at the roof top of the discount liquor store was in operation as of June 6, 2008.

3 WORK PLANNED FOR THE NEXT MONTH

The following work is planned for the next month:

3.1 PROJECT MANAGEMENT AND MEETINGS

- Progress Report #7 for July 2008 will be submitted on August 1st.

3.2 REGULATORY REVIEW

- Regulatory review will be ongoing.

3.3 EMISSIONS IMPACT ASSESSMENT

- Impact analysis will be performed based on the results from the air dispersion model.

3.4 MELT SHOP

3.4.1 Fume Control System Assessment

- Results and design concepts identified in the Melt Shop Fume Control Assessment Report will be discussed with Claymont.

3.4.2 Scrap Bay Operations Changes (Rail to Truck)

- Large equipment specifications – Further work is pending approval by the new Board of Directors.

3.4.3 Baghouse for Carbon and Lime Transfer

- No work is planned for July.
- The details of the requirements for this work will be defined by the melt shop fume control system assessment.

3.4.4 Fume Control System Improvements

- Design concepts for fume control system improvements will be included in the Melt Shop Fume Control Assessment Report.

3.5 SLAG QUENCHING

- The design of the enclosure for the slag quenching operations is on hold pending approval of scrap bay re-design project.

- The basis of design will be dependant upon the final decision of whether this operation will be moved into the melt shop scrap bay area.

3.6 ROADWAYS

3.6.1 Paving

- Revised quotation expected from contractors.

3.6.2 Truck Wheel Wash Station

- Implemented in April 2008. Task complete.

3.6.3 Speed Limit Enforcement

- This project has been implemented. On-going enforcement and monitoring will be carried out by Claymont Steel security.

3.7 SCRAP YARD

3.7.1 Relocate Stockpiles

- The relocation of stockpiles has been completed.
- Any further impact from the Rubber Tire Project will be assessed as required.

3.7.2 Tree-lined Berm

- Preparation of the area will continue for this activity.

3.8 SLAG YARD

3.8.1 Enclosure for Charge Hopper

- A new bid will be prepared.

3.8.2 Spray System Improvements

- Planning for spray system improvements is ongoing.

3.8.3 Minimize Inventory of Processed Slag

- On-going slag storage reduction will continue to be monitored and reported monthly.

3.9 AMBIENT AIR MONITORING

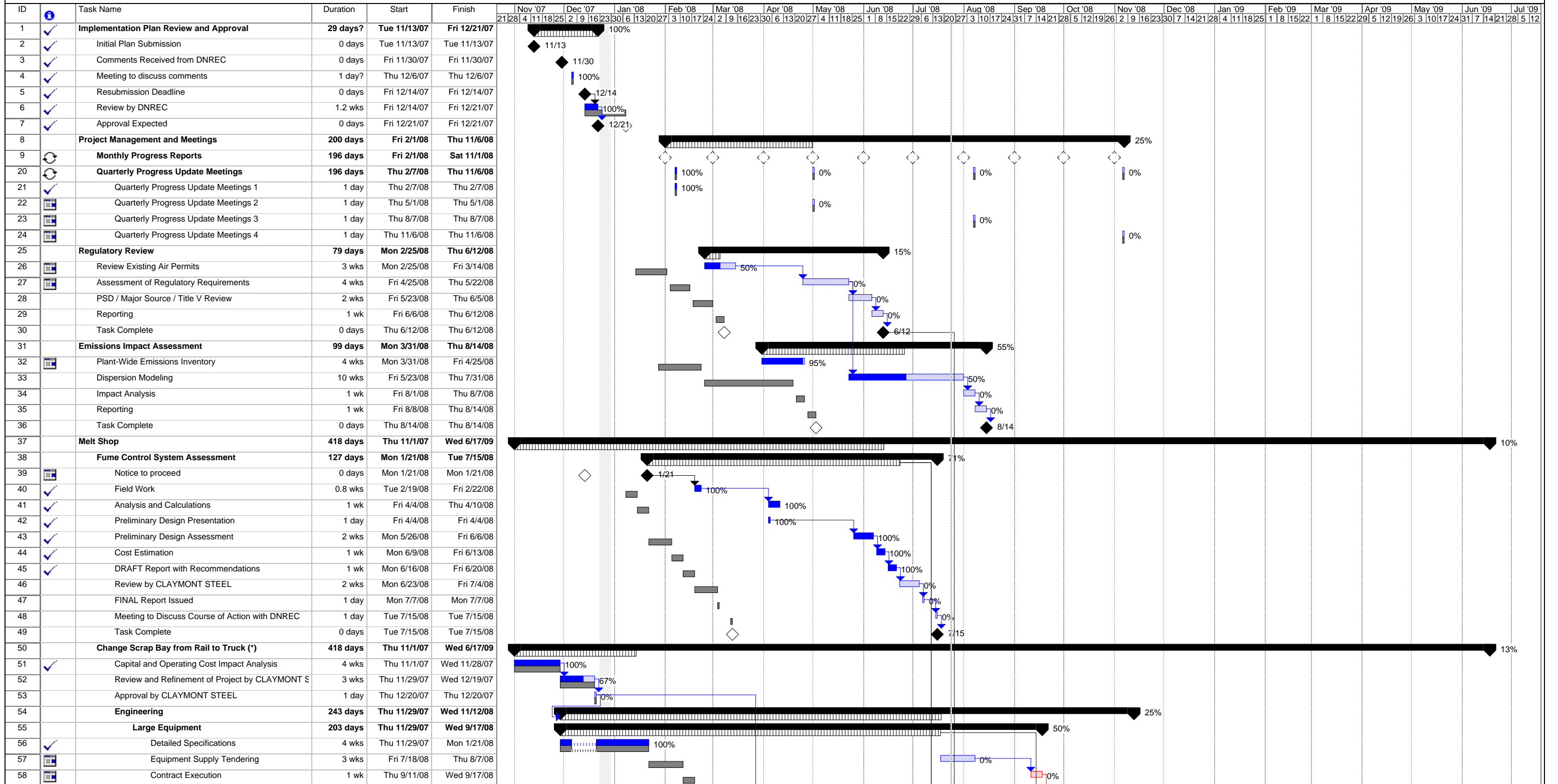
- On-going monitoring, data analysis and progress reporting will continue in July.

APPENDIX A

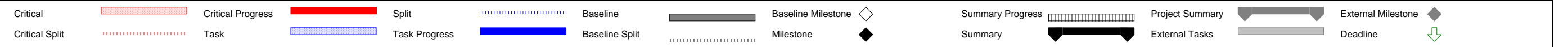
Updated Implementation Schedule

**Evraz Claymont Steel
Implementation Plan
Dust Control Projects**

Update # 6
July 1, 2008

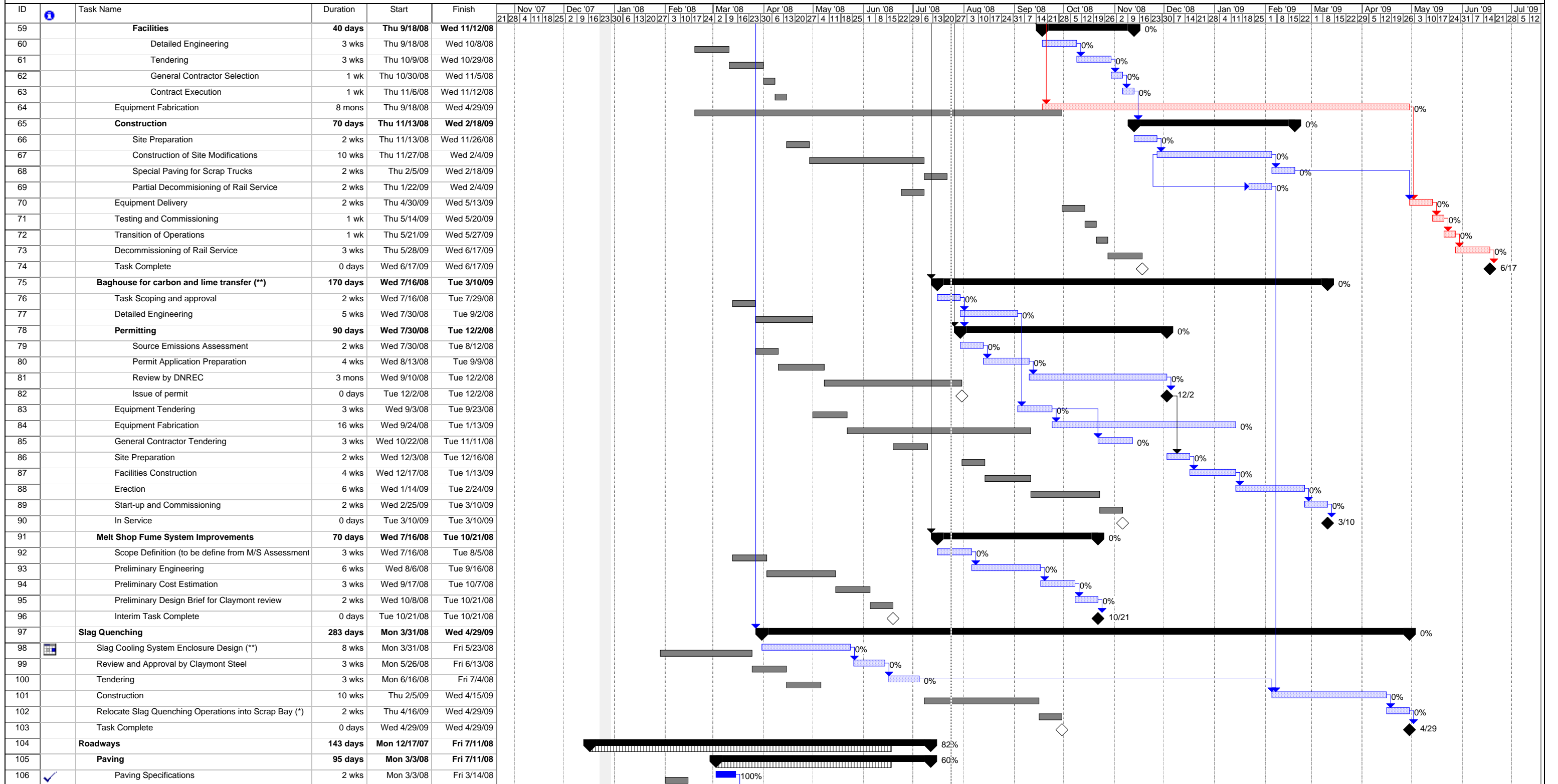


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Notes:
(*) - Subject to approval of "Rubber Tire" project by Claymont Steel
(**) - Subject to outcome of melt Shop Fume System Assessment

**Evraz Claymont Steel
Implementation Plan
Dust Control Projects**



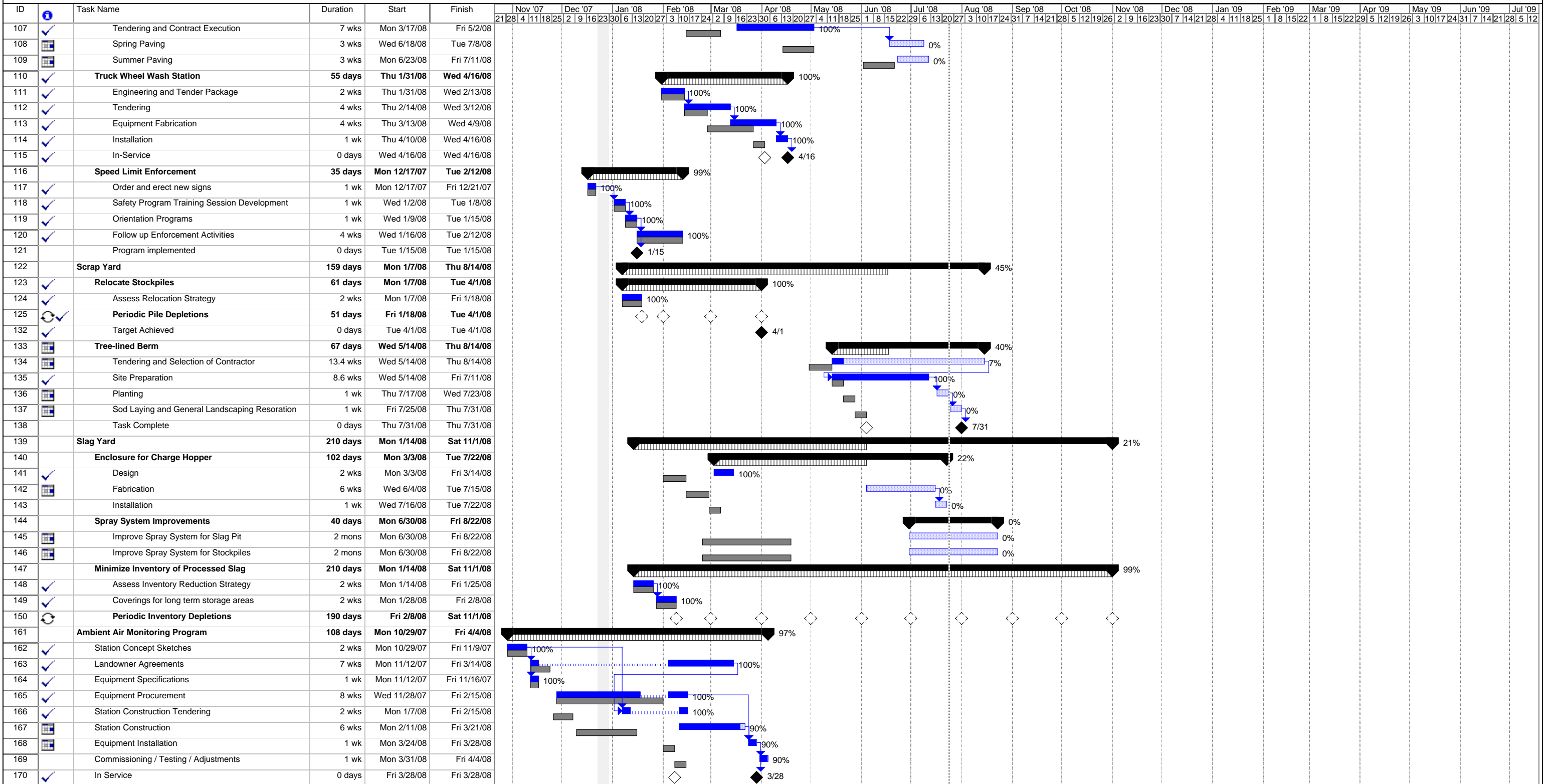
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Critical		Critical Progress		Split		Baseline		Baseline Milestone		Summary Progress		Project Summary		External Milestone	
Critical Split		Task		Task Progress		Baseline Split		Milestone		Summary		External Tasks		Deadline	

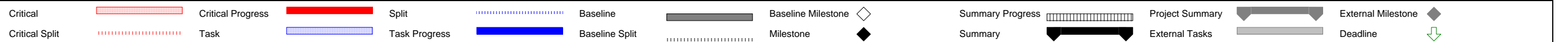
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**Evrax Claymont Steel
Implementation Plan
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APPENDIX B

Outside Sales Summary

June 2008

JUNE 2008 OUTSIDE SALES

SLAG PRODUCED 7411
 SCARFINGS/MILLSALE PRODUCED 1161

Material Slag Total Tons 7272.42

Customer	Type of Material	# of Loads	Total tons
Ocean Port	2A	45	915.08
Billy Warren	2A	28	406.09
Cash	2A	7	159.25
DSWA Cherry Island	2A	117	2753.08
CitiSteel	2A	7	167.24
Total			4400.74

Customer	Type of Material	# of Loads	Total tons
DSWA Cherry Island	2"x4"	98	2304.73
DSWA Sussex	DE#3	12	334.96
Total			2639.69

Customer	Type of Material	# of Loads	Total tons
DSWA Cherry Island	4+	10	231.99
Total			231.99

Material Scarfings/Millsale Total Tons 3085.46

Customer	Type of Material	# of Loads	Total tons
IDI	1/4"	4	403.94
US Block	1/4"	0	0
Otis Graysom	1/4"	0	0
Lehigh	1/4"	49	1117.21
Chesapeake	1/4"	42	905.48
TSTL	1/4"	0	0
Total			2426.63

Customer	Type of Material	# of Loads	Total tons
Tubecity Fairless	5"-3'	0	0
Total			0

Customer	Type of Material	# of Loads	Total tons
Tubecity Wheeling-Pitt	1/2"x5"	2	167.36
Tubecity Camden	1/2"x5"	11	192.04
Tubecity Fairless	4"x8"	3	53.14
Tubecity Sayreville	4"x8"	14	246.29
Total			658.83