



6 November 2008

Mr. Paul E. Foster
Department of Natural Resources and Environmental Control
Division of Air and Waste Management
Air Quality Management Section
715 Grantham Lane
New Castle, DE 19720

Re: Evraz Claymont Steel

Dear Mr. Foster:

This letter responds to your letter, dated October 24, 2008, hand-delivered to Evraz Claymont Steel ("ECS") during our meeting on October 24, 2008 with James Werner and Brad Klotz of the Department. Your letter raises certain issues related to ECS' efforts to further address fugitive dust and mercury emissions from operations at ECS' Claymont, Delaware Facility (the "ECS Facility"). For ease of reference, this letter focuses on the issues in the October 24 letter concerning fugitive dust emissions.¹ ECS' response related to the mercury emission issues outlined in the October 24 letter has been submitted to the Department under separate cover.

In general, the letter asserts that the Department believes that ECS has not fully satisfied certain obligations under Order of Conciliation No. 2006-A-0048 (the "Dust Order"). Based on our review of the letter and our discussions during the October 24 meeting, ECS believes that the Department's impressions are significantly influenced by the insufficiency of the information available to the Department relative to the status of our efforts, specifically ECS' continued pursuit and implementation of additional measures to achieve progress in this area, which are described more fully below. At the same time, we recognize that the insufficiency of such information results in significant part from the limitations and structure of our communication to the Department throughout the relevant timeframe.

At the outset, it is important to reiterate that ECS remains committed to fulfill the primary objectives of the Dust Order, namely to conduct studies to evaluate available measures to further limit fugitive dust emissions in accordance with

¹ Please note that this letter is not intended to serve as a point by point response to the October 24 letter, and neither the response herein nor the absence of a response to any specific item raised in the October 24 letter should be construed as an admission of any non-compliance with any applicable regulations or orders.

applicable regulatory standards, and then implement appropriate measures in accordance with corresponding schedules. Indeed, as noted below, ECS has already implemented a number of control measures contemplated by studies performed in accordance with the Dust Order. At the same time, however, as the studies and associated work has proceeded, it has become apparent that certain control methods that seemed appropriate based upon an initial evaluation proved impractical, infeasible or likely to be ineffective based upon further evaluation and/or attempts at initial implementation. Accordingly, in certain instances, resources have been re-directed to further assessments or other control technologies rather than pursuing control technologies with questionable effectiveness.

We acknowledge that we have not done as good a job as we should in keeping the Department informed about the progress of our efforts under the Dust Order. We recognize the importance of effective communication with the Department to our implementation strategies, and we will endeavor to improve our efforts in this area in the future. In that context, as we discussed at the meeting, we are implementing enhancements to our monthly reports to ensure that they are more informative as to our progress. In addition, we believe that the following response to your letter will provide more complete and accurate information to the Department concerning these issues.

The Department acknowledges that ECS had made progress toward compliance with the Dust Order, but characterizes this progress as covering "minor elements" of the Dust Order. A review of the control solutions listed in the November 2007 Fugitive Dust Control Implementation Plan (the "Dust Control Plan"), however, reveals that ECS has completed a considerable number of important projects outlined in the Dust Control Plan:

- Installation of a new scarfing operation with larger capacity baghouse;
- Construction of a series of slag bay cooling structures and implementation of a wet suppression system, using fine spray;
- With respect to roadways, completion of access road paving and construction of a truck wheel wash system to minimize dust carry-off at the exit to Philadelphia Pike;
- Planting a tree lined berm around the scrap yard to serve as a wind break;
- Improving the water/suppressant spray system for slag pit operation by installing a water spray at the grizzly on the main feed hopper at the slag plant, which controls dust at a most critical point in the slag process;
- Adding water spray on slag piles; and
- Reducing inventory of processed slag and scarfing fines.

In addition, ECS has completed several dust control projects that were not even included within the scope of the Dust Control Plan. For example, ECS has closed roof vents and other openings in building walls to minimize dust emissions from the melt shop operations. ECS has also installed and currently maintains a

weather station at the north border of the plant to assist with complaint response and decisions on slag processing. In addition, ECS conducted trials of three different sweeper trucks in an effort to determine which would be most effective at the ECS Facility. Ultimately, ECS selected a sweeper truck with a sidewalk attachment and increased sweeper truck hours to 40 hours per week. ECS also added a second truck for roadway watering, and established (and currently enforces) a speed limit at the facility to reduce fugitive dust from truck traffic.

Accordingly, ECS has implemented a number of improvements both in accordance with and outside the scope of the Dust Order. At the same time, ECS also recognizes that there is more to do. ECS promptly responds to any public complaints of off-site dusting. ECS institutes prompt response to such public notifications even when available (meteorological or operational) information demonstrates that ECS' operations could not be the source of the alleged dusting. In general, ECS expends considerable resources to respond effectively and promptly to the public when concerns have been raised.

ECS acknowledges that completion of the Fume Control Assessment has been delayed beyond the initial target. It is important to realize, however, that all our actions, including the items listed above related to the Melt Shop, are focused on reducing site-wide fugitive emissions. ECS is assisting the consultant by providing necessary operational and other information to ensure that the alternative response actions presented by the Fume Control Assessment are consistent with actual operational and/or equipment information (e.g., extent of operations of specific equipment or frequency of certain operating scenarios). Conclusions of the fume assessment as well as reasonable and technologically feasible solutions will be explained in detail in the final Fume Control Assessment Report. We understand that the Fume Control Assessment Report will be completed and delivered to the Department shortly after the Thanksgiving holiday.

Your letter also addresses the status of ECS' efforts to shift to a truck transport system for scrap transfer. Additional evaluation following approval of the Dust Study has identified additional complexities with implementation of this project. Most significantly, the slagging operation cannot be transferred into the Melt Shop Building; our initial plan relied upon that hoped-for re-location. Notwithstanding this obstacle, we continue to pursue this project and are hopeful to identify an alternative conceptual design shortly.

Your letter also identifies the Department's dissatisfaction with the time required by ECS to complete installation of the ambient air monitoring stations. However, as your letter points out, such delay was significantly driven by the timing of landowner approval; of course, the timing of landowner approval was not entirely within ECS' control. In any event, the approvals ultimately were obtained, and the monitors have been installed and operational for several months. Notably, the preliminary data obtained by the monitors to date do not appear to identify

exceedances of ambient air quality standards. ECS will provide this data to the Department once appropriate quality assurance/quality control procedures have been completed.

Relative to monthly progress reports, the Department's letter identifies delays in the submittal of these reports.² We regret any such delays and have undertaken steps to prevent recurrence. In this context and as noted above, we are implementing enhancements to the reports to ensure that they are more informative and useful for these purposes, and are working to render their submittal routine. Consistent with this point, the September monthly progress report was submitted on October 2, and the October report was submitted on November 4, indicating ECS' intention to submit monthly progress reports during the first three working days of each month.

In addition, the October 24 letter asserts that preparation of an air dispersion monitoring protocol could have been prepared only a few days after ECS met with the Department on September 9, 2008. ECS does not agree with that suggestion concerning the amount of resources necessary to prepare the modeling protocol, especially when resources are being directed to dust control efforts. Nonetheless, ECS has completed and submitted an air dispersion modeling protocol to the Department on November 4.

In sum, ECS has actively pursued a number of actions in furtherance of ECS' and the Department's shared objective of reducing fugitive dust emissions from the ECS Facility. In addition to certain items outlined in the Dust Plan, ECS has explored other opportunities to improve operations with respect to fugitive dust and has implemented a number of successful control strategies. ECS has also attempted to proactively and promptly respond to any dust related complaints from the surrounding community. In certain instances, ECS' investigation into these complaints has identified other potential sources of dust emissions in the area. In addition, preliminary data from ambient air monitors indicate that dust levels in the area have not exceeded ambient air quality standards, a result that should be considered a positive step towards assessing and addressing dust emissions in the area.


ECS' ongoing efforts with respect to fugitive dust emissions have also provided ECS with considerable information about the elements of the Dust Plan that are both feasible and effective, the elements of the Dust Plan for which additional evaluation has identified obstacles to practical implementation and effectiveness, and other strategies that may be more appropriate than certain projects currently listed in the Dust Plan. The final Fume Control Assessment Report should complement this iterative process by providing more specific information about

² As a clarification, the Department implies in the October 24 letter that monthly reports are required by the Dust Order. The Dust Order, however, is silent on the issue of progress reports. Rather, the monthly report obligation was instituted at the Department's request in the context of its review of the dust implementation plan.

efforts that should be undertaken at the Melt Shop to further reduce fugitive dust emissions. Accordingly, once the Fume Control Assessment Report has been completed and submitted to the Department, ECS would like to meet with the Department to discuss the preferred course of action going-forward in light of all the information and analysis that have been completed to date with respect to control of fugitive dust emissions.

We hope that this response letter serves as an initial step in improving communications between ECS and the Department concerning these issues. We also note that the Department has posted its October 24 letter on the web page it has dedicated to documents related to the ECS facility. In the interest of fostering better communication with the public on these issues, we request that this response letter also be posted on that web page.

Sincerely,



Victor Clark