

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

COLLIN O'MARA, Secretary of the
Department of Natural
Resources & Environmental Control, an
Administrative Agency of the State of
Delaware,

Plaintiff,

v.

EVRAZ CLAYMONT STEEL, INC., a
Delaware corporation.

Defendant.

CONSENT DECREE

This Consent Decree ("Consent Decree") is made and entered into as of this 9th day of August ~~July~~, 2010, (the "Effective Date"), by and between Defendant Evraz Claymont Steel, Inc.

("ECS") and Plaintiff the State of Delaware Department of Natural Resources and Environmental Control ("DNREC") (collectively the "Parties") to resolve certain compliance matters associated with operations at the electric arc furnace mini mill located in Claymont, Delaware (the "Facility") and to resolve Secretary's Order No. 2006-A-0048 and Secretary's Order No. 2006-A-0058.

WHEREAS, in 2006, the Secretary of DNREC issued two Notices of Conciliation and Secretary's Orders to the previous owner and operator of the Facility, Claymont Steel Holdings, Inc. ("Claymont Steel"). Secretary's Order No. 2006-A-0048 concerned fugitive slag dust releases from the Facility ("Dust Order") and Secretary's Order No. 2006-A-0058 concerned mercury emissions from the Facility ("Mercury Order");

WHEREAS, on January 25, 2008, a wholly owned subsidiary of Evraz Inc., N.A. completed an acquisition of Claymont Steel through a short form merger with a subsidiary of Evraz Inc., N.A., and as a result of the merger, Claymont Steel become a wholly owned subsidiary of Evraz Inc., N.A.;

WHEREAS, through a series of corporate reorganizations and name changes, Claymont Steel was renamed Evraz Claymont Steel, Inc. ("ECS") and ECS, as a wholly owned subsidiary of Evraz Inc., N.A., currently owns and operates the Facility;

WHEREAS, ECS has undertaken actions to satisfy certain provisions of the Dust Order and the Mercury Order;

WHEREAS, ECS and DNREC have engaged in discussions concerning the status of actions required by the Dust Order and the Mercury Orders;

WHEREAS, during these discussions, ECS has completed a number of projects to enhance air pollution control practices at the Facility, including improvements to the lime and carbon storage and handling system (including the installation of covers to enclose the conveyor system, a camera to observe lime and carbon loading to the charge bucket, four screw conveyors, and a flex hose at the end of the lime/coal discharge chute), the development and implementation of a procedure to maintain proper alignment of the tapping hood during tapping, and a number of improvements to the Melt Shop building structure to close openings;

WHEREAS, DNREC contends that the Dust Order and Mercury Order impose certain ongoing obligations upon ECS, while ECS does not agree that any obligations remain under the Dust Order and the Mercury Order;

WHEREAS, DNREC has filed, contemporaneously with the filing of this Consent Decree, a Complaint against ECS related to ECS' alleged obligations under the Dust Order and

the Mercury Order, and ECS has denied and continues to deny the allegations of the Complaint and maintains its defenses to the allegations;

WHEREAS, ECS has nonetheless agreed to undertake certain remedial measures and enhancements to air pollution management practices at the Facility to resolve and satisfy DNREC's position that certain obligations under the Dust Order and Mercury Order remain outstanding;

WHEREAS, the Parties desire to reflect their respective commitments through this Consent Decree and ECS has not answered or otherwise responded to the Complaint in light of the filing of this Consent Decree;

WHEREAS, the Parties commit to work cooperatively and communicate regularly to effectuate the purposes of this Consent Decree and pursue timely and efficient performance of the actions identified in this Consent Decree;

WHEREAS, the Parties agree that the performance of the actions identified in this Consent Decree will achieve improvements in Delaware's air quality; and

WHEREAS, the Parties have agreed that the resolution of any outstanding matters under the Dust Order and/or Mercury Order addressed by this Consent Decree is in the best interest of the Parties and in the public interest, and that entry of this Consent Decree without further litigation is the most appropriate means of resolving any outstanding matters under the Dust Order and/or Mercury Order.

NOW THEREFORE, without any admission of fact or law, including without limitation any admission of potential violations of Delaware law or regulations, it is hereby stipulated and agreed as follows:

I. APPLICATION AND SCOPE

1. The provisions of this Consent Decree shall apply to and be binding upon DNREC, ECS and its parent corporation, and their respective successors and assigns for the term of this Consent Decree. Execution of this Consent Decree by ECS reflects the consent and commitment of its parent corporation and corporate officers on behalf of ECS to commit the resources necessary to fulfill the purposes of this Consent Decree. In the event ECS proposes to sell or transfer the Facility, it shall advise in writing such proposed purchaser or successor-in-interest of the existence of this Consent Decree and provide a copy of the Consent Decree, and shall send a copy of such written notification by certified mail, return receipt requested, to DNREC before such sale or transfer, if possible, but no later than the closing date of such sale or transfer. In addition, if ECS chooses to sell the Facility before this Consent Decree has been terminated, then such sale shall be contingent upon the purchaser agreeing to be bound by any remaining obligations applicable to the Facility under this Consent Decree.

II. EMISSION CONTROL MEASURES

2. ECS will pursue the measures listed in this Section II of this Consent Decree (the “Actions”) consistent with any schedules detailed in each paragraph.

Additional Dust Control Enhancements

Melt Shop Baghouse Capacity and Capture Equipment

3. ECS shall install additional baghouse capacity and any necessary equipment to capture dust emissions from certain operations within the Melt Shop. The capture equipment shall be designed to: (a) capture dust emissions from the electric arc furnace, stir station and ladle reheat operations and direct such emissions either to the existing baghouse currently in

operation at the Melt Shop or to the additional baghouse capacity described in this paragraph; and (b) operate in a manner to meet all applicable Delaware and federal regulatory standards governing such dust emissions. While the additional baghouse capacity is currently estimated to total approximately 600,000 cubic feet per minute (“cfm”), the specific design of the capture equipment and the size of amount of additional baghouse capacity necessary to satisfy the foregoing design objectives shall be determined through completion of an engineering analysis of the Melt Shop that will include a computational fluid dynamic modeling and physical model verification.

4. Based upon the schedule reflected in this Consent Decree and estimated timeframes required for permitting and other approvals, the Parties currently believe that the installation of the additional baghouse capacity and capture equipment would be completed by no later than August 31, 2013. Consistent with this timeline, installation of the additional baghouse capacity and capture equipment described in paragraph 3, shall meet the following schedule:

- a. Within five months of the Effective Date, ECS shall submit to DNREC a substantially complete application for an air quality construction permit that encompasses the work associated with the installation of additional baghouse capacity and capture equipment described in paragraph 3.
- b. Within five months of the Effective Date, ECS shall submit to the appropriate agencies substantially complete applications for all applicable municipal or county approvals (*e.g.*, a building permit by the New Castle County Department of Land Use) necessary to complete the work associated with the installation of additional baghouse capacity and capture equipment described in paragraph 3.
- c. Subject to paragraphs 24 and 26, ECS shall complete construction of the additional baghouse capacity and capture equipment authorized by the air quality construction permit referenced in paragraph 18 within thirty months of the later of (i) the Department’s issuance of a final air quality construction permit under 7 DE Admin. Code 1102 authorizing construction of the additional baghouse capacity and capture equipment; (ii) the Department’s issuance of any other

approvals required for construction of the additional baghouse capacity and capture equipments; and (iii) the issuance of all applicable municipal or county approvals for which an application was submitted in accordance with paragraph 19.

Furnace Slag Cooling and Handling

5. Within six months of the Effective Date, ECS shall not conduct initial slag cooling operations outside the Melt Shop building. On the same timetable and in conjunction with conducting initial slag cooling operations within the melt shop building, ECS shall: (a) relocate the ladle slag dump area to the location indicated on Attachment A; (b) complete an evaluation of alternative water suppression systems (including a patented fogging system referred to as the “dust boss” by Harsco) and install a water suppression system at the relocated ladle slag dump area; (c) install backing plates at the floor support columns under the electric arc furnace; and (d) implement a routine housekeeping process for the slag loader roadway surface underneath the furnace mezzanine. Notwithstanding the foregoing, nothing in this paragraph shall prohibit ECS from conducting initial slag cooling outside the Melt Shop building during emergency conditions or when ECS determines that initial slag cooling should be conducted outside the Melt Shop in order to avoid creating an unsafe condition. ECS shall notify DNREC (either by phone, electronic mail, or other form of electronic communication) of any instance when ECS conducts initial slag cooling outside the Melt Shop either prior to or contemporaneous with any instance when initial slag cooling is conducted outside the Melt Shop.

Stir Station

6. As of the Effective Date, ECS shall not introduce calcium wire feed at the stir station at a rate greater than 400 feet per minute until such point that emissions from stir station operations are controlled by a baghouse and capture system.

Ladle Reheat Process

7. Within six months of the Effective Date, ECS shall complete operational modifications to the tapping hood to enable the tapping hood to be positioned over the ladle during ladle reheating operations, and thereafter position the tapping hood over the ladle during ladle reheating operations. If any physical modifications, as defined in 7 Del. Admin. Code 1100 et seq., are necessary to achieve that end, ECS shall apply for appropriate permits within five months from the Effective Date and complete construction within 180 days of the receipt of the construction permits.

Mercury Actions

8. In accordance with the Mercury Order, in January 2007, the Facility established an enhanced mercury pollution prevention program (“PPP”) that emphasized purchasing motor vehicle scrap from providers that participated in the National Vehicle Mercury Switch Removal Program (“NVMSRP”) and also prohibited the charging of scrap from municipal waste incinerators. In December 2007, the United States Environmental Protection Agency promulgated the “National Emission Standards for Hazardous Air Pollutants for Area Sources: Electric Arc Furnace Steelmaking Facilities” at 40 C.F.R. Part 63, Subpart YYYYYY (40 C.F.R. §§ 63.10680 – 63.10692) (“Subpart YYYYYY”). Subpart YYYYYY provides, at 40 C.F.R. § 63.10685(b), that a facility’s participation in an EPA-approved source reduction program for motor vehicle scrap constitutes Maximum Achievable Control Technology (“MACT”) for mercury control for this source category and explicitly approved the NVMSRP as a qualifying program. ECS subsequently amended its enhanced mercury PPP in an effort to harmonize the PPP with the requirements of 40 CFR § 63.10685(b)(2)(iv) of Subpart YYYYYY.

9. ECS shall operate in accordance with its enhanced mercury PPP, as may be amended, and continue its source reduction efforts through inspection of scrap supplier facilities. The requirement to comply with the enhanced mercury PPP shall be incorporated into ECS' Title V Permit. A copy of ECS' enhanced mercury PPP in effect as of the Effective Date is included with this Consent Decree as Attachment B.

10. ECS shall not charge to its EAF scrap obtained from municipal waste incinerators. This prohibition shall be incorporated into ECS' Title V permit.

11. Within thirty days of the Effective Date of this Agreement, ECS shall update its renewal application for a Title V State Operating permit.

12. Nothing in this Agreement is intended to nor shall have the effect of relieving ECS from any obligations to comply with any rules or regulations relevant to mercury emissions promulgated by the United States Environmental Protection Agency or by DNREC that are otherwise applicable to ECS' operation of its EAF.

Emissions Monitoring

Ambient Air Monitoring Program

13. ECS submitted to DNREC an initial ambient air monitoring protocol ("AAMP") in March of 2007 that proposed procedures for using four ambient air quality monitors to measure the ambient concentrations of total suspended particulates ("TSP") in areas surrounding the Facility. DNREC subsequently approved the AAMP and ECS began monitoring for TSP in March 2008. To date the ambient air monitors have not recorded any exceedances of the

ambient air quality standards for TSP established by the State of Delaware “Regulations Governing the Control of Air Pollution,” Regulation No. 1103.

14. ECS will continue to obtain TSP data from the four ambient air quality monitors in accordance with AAMP until the date one year after ECS completes installation of the additional baghouse capacity and capture equipment described in paragraph 3. During any period when the Partisol air quality monitor or the data acquisition systems have malfunctioned or are undergoing repair and/or maintenance, ECS may satisfy any data collection requirements set forth in the AAMP by obtaining TSP data from a HiVol air quality monitor.

15. ECS shall submit to DNREC semi-annual reports of the data obtained through the AAMP. The semi-annual reports required by this paragraph shall be submitted by February 15 and August 15 of each calendar year in which ECS is required to implement the AAMP in accordance with paragraph 14.

16. All existing past and all future TSP samples obtained from said monitors shall be maintained in accordance with standard laboratory and all relevant chain of custody procedures in a secure location for five years. DNREC may approve a shorter retention timeframe upon ECS’ request.

Mercury Testing

17. As of the Effective Date, ECS shall continue the program of quarterly testing for mercury emissions from the Cadre positive pressure baghouse and any future installed baghouse(s) used to control emissions from the Electric Arc Furnace. The quarterly tests shall be

conducted no later than March 31, June 30, September 30, and December 31 of each calendar year, and ECS shall submit the test results to DNREC within sixty days of test completion.

III. PERMITTING

18. Based on representations made by ECS, the Parties agree that the following permits are permits that ECS will be required to obtain from DNREC to complete the Actions required under Section II of this Agreement (each such permit is hereinafter referred to as a “Melt Shop Permit”):

- a. An air quality permit to construct additional baghouse capacity and any necessary equipment to capture dust emissions from certain operations within the Melt Shop and direct such emissions to the baghouse as described in paragraph 3.
- b. An air quality permit to operate the additional baghouse capacity and any necessary equipment to capture dust emissions from certain operations within the Melt Shop and direct such emissions to the baghouse as described in paragraph 3.

19. In addition to DNREC Permits, ECS believes it will need to obtain a building permit from the New Castle County Department of Land Use and potentially other municipal and county permits to complete the Actions required under Section II of this agreement (“Other Permits”).

20. The Parties agree to cooperate and make all reasonable efforts to secure issuance in a timely manner of all appropriate Melt Shop Permits required by ECS to implement the emission reduction objectives of Section II. Similarly, ECS shall make all reasonable efforts to secure issuance in a timely manner all appropriate Other Permits required by ECS to implement the emission reduction objectives of Section II. Notwithstanding any other provisions of this Agreement, the obligations imposed upon ECS pursuant to Section II are subject to this Section III, which shall govern ECS’ application for and DNREC’s issuance of the Melt Shop Permits.

21. ECS shall submit a substantially complete application for each Melt Shop Permit by the applicable date specified in this Agreement, and shall promptly respond to any written notice by DNREC requesting additional information or identifying deficiencies in the application.

22. Prior to issuing any final Melt Shop Permit, DNREC shall, to the extent practicable, provide ECS with a draft permit reflecting the terms and conditions that DNREC proposes to include within any Melt Shop Permit. ECS and DNREC shall work cooperatively in an attempt to promptly resolve any disagreements concerning specific terms and conditions for inclusion in any Melt Shop Permit.

23. Nothing in this Agreement shall limit or affect the rights of ECS to contest, appeal or otherwise challenge any Melt Shop Permit, any other Order or permit issued by the Secretary related to any Melt Shop Permit and/or any Other Permit provided, however, that ECS shall not contest, appeal or otherwise challenge any such permit or Secretary's Order unless ECS, in good faith, identifies specific objectionable provisions therein. In the event that ECS contests, appeals or otherwise challenges any Melt Shop Permit, any other Order or permit issued by the Secretary related to any permit contemplated by this Agreement or Other Permit, then the Parties agree to attempt to cooperatively resolve any differences concerning the permit and/or request expedited review of such appeal or challenge before the EAB or, with respect to Other Permits, before the appropriate regulatory authority.

24. In the event that ECS or any other person contests, appeals or otherwise challenges any Melt Shop Permit, any other Order or permit issued by the Secretary related to any permit contemplated by this Agreement or any Other Permit, and ECS notifies DNREC that

such appeal or challenge materially bears upon one or more deadlines contained in this Agreement, then ECS and DNREC shall confer to discuss the relationship between the issue(s) on appeal or challenge and specific schedule deadlines contained in this Agreement. In the event that DNREC concurs that the issue(s) raised on any such appeal or challenge (whether filed by ECS or any other person) materially bear upon any deadline(s) set forth in this Agreement, then any such appeal or challenge shall be deemed a “Material Appeal” and DNREC and ECS shall confer to establish an alternative deadline for any affected obligations. This Consent Decree specifically provides that upon written mutual agreement, under this circumstance, deadlines may be extended without court approval.

25. In the event that DNREC does not agree that the issue(s) raised on appeal or challenge materially bears upon any deadline established under this Consent Decree or the Parties are unable to agree upon a mutually acceptable alternative deadline, then the Secretary shall issue a written decision summarizing DNREC’s position. If ECS determines to challenge DNREC’s decision, ECS and DNREC agree to promptly file a motion to ask this Honorable Court to review the Secretary’s written decision so that the Court may rule on whether or not the deadline should be extended.

26. Notwithstanding any obligations imposed or schedules established under the provisions of this Agreement, ECS may petition DNREC for an extension of any applicable deadline under this Agreement, and DNREC may in its discretion grant such extension, which would then be promptly and mutually submitted to this Honorable Court for approval.

**IV. GENERAL RECORDKEEPING,
RECORD RETENTION AND REPORTING**

27. ECS shall retain records demonstrating compliance with Section II of this Consent Decree for a minimum period of five years or until termination of the Consent Decree, whichever is later, unless applicable regulations require the relevant record to be maintained longer.

V. STIPULATED PENALTIES

28. Subject to the provisions of Sections VIII and IX, ECS shall pay stipulated penalties to DNREC for violations of the terms of this Consent Decree according to the provisions of this Section V. For each referenced violation, the amounts identified below shall apply on the first day of violation, and shall be calculated for each incremental period of violation (or portion thereof).

- a. Requirements related to installation of additional baghouse capacity.
 - i. Failure to submit a substantially complete application for a permit to construct additional baghouse capacity and capture equipment for the Melt Shop pursuant to paragraph 4, \$1,000 per week for the first eight weeks, \$2,000 per week for the next eight weeks, and \$4,000 per week thereafter.
 - ii. Failure to complete construction of additional baghouse capacity and capture equipment for the Melt Shop pursuant to paragraph 4, \$50,000 per month for the first three months, \$100,000 per month for the next three months and \$200,000 per month thereafter.
- b. Requirements related to furnace slag cooling and handling.
 - i. Failure to commence the practice of initial slag cooling operations within the Melt Shop pursuant to paragraph 5, \$10,000 per month for the first three months, \$20,000 per month thereafter.
- c. Requirements related to the stir station.
 - i. Failure to reduce the rate at which calcium wire feed is introduced to the ladle at the stir station pursuant to paragraph 6, \$1,000 per day during which wire feed was introduced at rate exceeding the limit in paragraph 6.

- d. Requirements related to the ladle reheat process.
 - i. Failure to complete operational modifications to the tapping hood to allow for dust control during ladle reheat operations pursuant to paragraph 7, \$2,500 per week.
- e. Requirements related to mercury emissions.
 - i. Failure to operate in accordance with the enhanced PPP described in paragraph 9, \$2,000 per incident. For purposes of this subparagraph, an “incident” shall be defined as each time ECS fails to take an action that the enhanced PPP requires ECS to undertake.
- f. Requirements related to monitoring.
 - i. Failure to conduct ambient air monitoring pursuant to paragraph 12, \$500 per day for any day on which monitoring was scheduled but did not occur.
 - ii. Failure to submit an ambient air monitoring report to DNREC pursuant to paragraph 13, \$1,000 per week.
 - iii. Failure to conduct quarterly mercury emission testing pursuant to paragraph 15, \$5,000 per week.
 - iv. Failure to submit a mercury emissions testing report pursuant to paragraph 15, \$1,000 per week.

29. The parties agree that the schedule for installation of the additional baghouse capacity and capture equipment described in paragraph 3 contemplates that ECS will not elect to comply with the emission control requirements of this Consent Decree by permanently ceasing operations at the Melt Shop. Accordingly, if ECS permanently ceases operations at the Melt Shop before installation of the baghouse and capture equipment has been completed, or otherwise fails to complete construction and commence operation of the baghouse and capture equipment, then ECS shall pay a stipulated penalty of \$750,000.

30. Subject to Section IX, ECS shall pay any stipulated penalties upon written demand by DNREC no later than sixty days after ECS receives such demand. ECS shall make payment to DNREC by submitting a corporate check, payable to the State of Delaware, to:

Valerie M. Satterfield
Deputy Attorney General
Delaware Office of the Attorney General
Environmental Unit - Third Floor
102 W. Water Street
Dover, Delaware 19904

31. Subject to the provisions of paragraph 32 and Section X (Effect of Settlement), DNREC reserves the right to pursue any other remedies to which it is entitled, including, but not limited to, additional injunctive relief, for any violations by ECS of this Consent Decree or applicable regulatory standards.

32. DNREC is not required to seek stipulated penalties under this Section for any specific violation, but the failure of DNREC to seek a stipulated penalty for any specific violation shall not waive or affect DNREC's rights to seek stipulated penalties for any future violation of the Consent Decree. DNREC will not seek both stipulated penalties and civil or administrative penalties for any violation arising under this Consent Decree.

VII. RIGHT OF ENTRY

33. Any authorized representative of DNREC, including independent contractors, upon presentation of credentials, shall have a right of entry upon the premises of the Facility at any reasonable times for the purposes of monitoring compliance with the provisions of this Consent Decree, including inspecting equipment at the Facility subject to this Consent Decree, and inspecting and copying all records maintained by ECS required by this Consent Decree.

Nothing in this Consent Decree shall limit the authority of DNREC to conduct tests and inspections under applicable statutory and regulatory provisions.

VIII. FORCE MAJEURE

34. If any event occurs that causes or may cause a delay or impediment to performance in complying with any provision of this Consent Decree, ECS shall notify DNREC in writing as soon as practicable, but in any event within twenty business days of when ECS first knew of the event or should have known of the event by the exercise of due diligence. In this notice ECS shall specifically reference this paragraph of this Consent Decree and describe the anticipated length of time the delay may persist, the cause or causes of the delay, and the measures taken or to be taken by ECS to prevent or minimize the delay and the schedule by which those measures will be implemented. ECS shall adopt all reasonable measures to avoid or minimize such delays.

35. Failure by ECS to comply with the notice requirements of paragraph 34 as specified above shall render this Section VIII voidable by DNREC as to the specific event for which ECS has failed to comply with such notice requirement, and, if voided, it shall be of no effect as to the particular event involved.

36. DNREC shall notify ECS in writing regarding ECS' claims of a delay or impediment to performance within twenty business days of DNREC's receipt of the Force Majeure notice required under paragraph 34.

37. If DNREC agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of ECS, including any entity controlled by ECS, and that ECS could not have prevented the delay by the exercise of due diligence, the parties shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay

by a period equivalent to the delay actually caused by such circumstances, or such other period as may be appropriate in light of the circumstances. Such stipulation shall modify this Consent Decree by agreement of the Parties and will not require Court approval. ECS shall not be liable for stipulated penalties for the period of any such agreed to delay. If the Parties cannot agree to an extension of the required deadline(s) for all requirement(s) affected by the delay, then ECS may invoke Dispute Resolution under Section IX of this Consent Decree with respect to the affected deadline(s).

38. If DNREC does not accept ECS' claim of a delay or impediment to performance, DNREC's position shall be binding unless ECS invokes Dispute Resolution under Section IX of this Consent Decree.

39. ECS shall bear the burden of proving that any delay of any requirement(s) of this Consent Decree was caused by or will be caused by circumstances beyond its control, including any entity controlled by ECS, and that ECS could not have prevented the delay by the exercise of due diligence. ECS shall also bear the burden of proving the duration and extent of any delay(s) attributable to such circumstances. An extension of one compliance date based on a particular event may, but does not necessarily, result in an extension of a subsequent compliance date or dates.

40. Unanticipated or increased costs or expenses associated with the performance of ECS' obligations under this Consent Decree shall not constitute circumstances beyond ECS' control, or serve as a basis for an extension of time under this Section.

41. Notwithstanding any other provision of this Consent Decree, no inference shall be drawn nor presumptions adverse to any party established as a result of ECS transmitting a notice of Force Majeure or the Parties' inability to reach agreement.

IX. DISPUTE RESOLUTION

42. The dispute resolution procedure provided by this Section IX shall be available to resolve all disputes arising under this Consent Decree, provided that the Parties shall make a good faith attempt to resolve the matter independent of dispute resolution.

43. The dispute resolution procedure required herein shall be invoked upon the giving of written notice by one of the Parties to this Consent Decree to the other, advising of a dispute pursuant to this Section. The notice shall describe the nature of the dispute, and shall state the noticing Party's position with regard to such dispute. The Party receiving such a notice shall acknowledge receipt of the notice and the Parties shall expeditiously schedule a meeting to discuss the dispute informally, not later than fourteen days from the receipt of such notice.

44. Disputes submitted to dispute resolution shall, in the first instance, be the subject of informal negotiations between the Parties. Such period of informal negotiation shall not extend beyond thirty calendar days from the date of the first meeting between representatives of DNREC and ECS, unless the Parties' representatives agree to shorten or extend this period.

45. In the event that the Parties are unable to reach agreement during such informal negotiation period, the Secretary shall issue a written decision summarizing the Secretary's position regarding the dispute. The Parties agree to promptly file a motion to ask this Honorable Court to review the Secretary's written decision so that the Court may resolve the dispute.

46. Where the nature of the dispute is such that a more timely resolution of the issue is required, the time periods set out in this Section IX may be shortened upon the agreement of the Parties.

47. Without limitation to paragraph 23 of this Consent Decree, as part of the resolution of any dispute submitted to dispute resolution or any appeal of a permit issued by DNREC in accordance with this Consent Decree, the Parties, by agreement, may, in appropriate circumstances, extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of dispute resolution or any appeal of a permit issued by DNREC in accordance with this Consent Decree. ECS shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule.

48. As part of the resolution of any dispute submitted to dispute resolution, this Honorable Court, may, in appropriate circumstances, remand the matter to DNREC with direction to extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of dispute resolution. ECS shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule.

X. EFFECT OF SETTLEMENT

49. ECS' satisfaction of its obligations under this Consent Decree shall resolve all civil and administrative liability of ECS to DNREC for fugitive dust emissions and mercury emissions from the Facility, including any noncompliance with the Dust Order, the Mercury Order or the Notice of Violation dated October 24, 2008, through the Effective Date.

50. During the term of this Consent Decree, ECS' management and operation of the Facility shall be on a compliance schedule with respect to fugitive dust and mercury emissions from the Facility. To the extent ECS takes required actions identified in this Consent Decree related to fugitive dust emissions, the releases of liability set forth in paragraph 49 with respect

to fugitive dust emissions shall extend through the time this Consent Decree is terminated pursuant to paragraph 63. To the extent ECS takes required actions identified in this Consent Decree with respect to mercury emissions, the releases of liability set forth in paragraph 49 with respect to mercury emissions shall extend through the time the Department issues the renewed or revised Title V State Operating permit referenced in paragraph 11 or other State Operating permit, or through the time this Consent Decree is terminated pursuant to paragraph 63, whichever is earlier, at which time DNREC shall revoke the Mercury Order. This paragraph is not intended nor shall be construed to limit the provisions of paragraph 49.

51. DNREC shall withdraw the Dust Order thirty days after the Effective Date of this Consent Decree.

52. This Consent Decree is not a permit. Compliance with its terms does not guarantee compliance with any applicable federal, state or local law or regulation. Nothing in this Consent Decree shall be construed to be a ruling on, or determination of, any issue related to any federal, state or local permit.

XI. GENERAL PROVISIONS

53. This Consent Decree shall be governed by, and interpreted under, the laws of the State of Delaware. For purposes of enforcement or implementation of any provision of this Consent Decree, the parties submit to the jurisdiction of this Honorable Court.

54. Other Laws. Except as specifically provided by this Consent Decree, nothing in this Consent Decree shall relieve ECS of its obligation to comply with all applicable federal, state and local laws, regulations and permits. Subject to paragraph 32 and Section X, nothing contained in this Consent Decree shall be construed to prevent, alter or limit the ability of

DNREC to seek or obtain other remedies or sanctions available under other federal, state or local statutes or regulations, in response to any violation by ECS of applicable statutes and regulations.

55. Third Parties.

- a. This Consent Decree does not limit or affect the rights of ECS or of DNREC against any person or entity not party to this Consent Decree, nor does it limit the rights of any person or entity not party to this Consent Decree against ECS, except as otherwise provided by law.
- b. This Consent Decree shall not be considered to create rights in, grant any cause of action to, or be used in any manner by any third party not party to this Consent Decree.

56. Public Documents. All information and documents submitted by ECS to DNREC pursuant to this Consent Decree shall be subject to public inspection, unless subject to legal privileges or protection or identified and supported by ECS as business confidential in accordance with applicable state law and regulations.

57. Notice. Unless otherwise provided herein, notifications to or communications with DNREC or ECS shall be deemed submitted on the date they are postmarked and sent either by overnight receipt mail service or by certified or registered mail, return receipt requested, or on the date that they are hand delivered. Except as otherwise provided herein, when written notification or communication is required by this Consent Decree, it shall be addressed as follows:

As to ECS:

Miles Brittain
Vice President and General Manager
Evraz Claymont Steel, Inc.
4001 Philadelphia Pike
Claymont, DE 19703

Tomasz Wesolowski
Environmental Manager
Evraz Claymont Steel, Inc.
4001 Philadelphia Pike
Claymont, DE 19703

W. Harding Drane, Jr., Esquire
Potter Anderson & Corroon LLP
1313 N. Market Street
Hercules Plaza, 6th Floor
Wilmington, DE 19889-0951

Bart E. Cassidy, Esquire
Manko, Gold, Katcher & Fox LLP
401 City Avenue, Suite 500
Bala Cynwyd, PA 19004

As to DNREC:

Ali Mirzakhilili
Delaware Department of Natural Resources
and Environmental Control
Blue Hen Corporate Center
655 S. Bay Road, Suite 5 N
Dover, DE 19901

Bradley Klotz, Engineer
Delaware Department of Natural Resources
and Environmental Control
Division of Air & Waste Management
Engineering & Compliance Branch
715 Grantham Lane
New Castle, DE 19720

Valerie M. Satterfield
Deputy Attorney General
Delaware Office of the Attorney General
Environmental Unit – Third Floor
102 W. Water Street
Dover, DE 19904

58. Either party may change either the notice recipient or the address for providing notices to it by serving the other party with a notice setting forth such new notice recipient or address.

59. This Consent Decree shall be binding upon the Parties to this action, and their successors and assigns.

60. The undersigned representative of each Party to this Consent Decree is authorized by the Party whom he or she represents to enter into the terms of this Consent Decree and bind that Party to them.

61. Modification. This Consent Decree may be modified only by the written consent of DNREC and ECS, upon approval of this Honorable Court, or as otherwise provided herein.

62. This Consent Decree constitutes the entire agreement and settlement between the Parties.

XII. TERMINATION

63. This paragraph establishes the procedures and standards for termination of this Consent Decree. The standard for termination of this Consent Decree is ECS' satisfaction of the requirements of this Consent Decree. Specifically, the requirements for termination include payment of any stipulated penalties that may be due to DNREC under this Consent Decree and implementation of the Actions. The procedure for termination is as follows: if ECS believes that

it is in compliance with the requirements of this Consent Decree, and has paid any stipulated penalties required by this Consent Decree, then ECS shall so certify to DNREC. Within sixty days after receipt of ECS' certification, DNREC shall provide a written response to ECS indicating whether DNREC concurs that ECS is in compliance with the requirements of this Consent Decree through the date of the certification and has paid any stipulated penalties required by this Consent Decree. To the extent that DNREC states in such response that it concurs with ECS' certification, then this Consent Decree shall be terminated, effective on the date of ECS' certification. To the extent that DNREC states in its response that it does not concur with ECS' certification, then DNREC shall identify within its response those requirements of the Consent Decree with which DNREC asserts that ECS is not in compliance, and/or any stipulated penalties that DNREC asserts are due and owing from ECS under this Consent Decree. Any disagreement between the Parties with respect to termination under this paragraph shall be submitted to this Honorable Court for resolution. Termination of this Consent Decree under this paragraph 63 shall conclusively and finally establish that ECS has satisfied all the requirements of this Consent Decree for purposes of Section X (Effect of Settlement).

FOR DNREC

By: 
Colin O'Mara, Secretary
Department of Natural Resources
and Environmental Control
89 Kings Highway
Dover, DE 19901

Date: 9 August 2010

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Date: 8/4/10



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