



A Tyco International Ltd. Company

CLAYMONT STEEL INC.

FUGITIVE DUST CONTROL MONTHLY PROGRESS REPORT #3

March 2008

Prepared for:

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April 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 March 31, 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 #3 for March 2008 and has been submitted on the planned submission date of April 1, 2008.

2.2 REGULATORY REVIEW

- Air permits are currently being reviewed to establish the framework for any new permits for new sources of air emissions that need to be developed. The review ensures that all current documentation and emissions estimates are included.

2.3 EMISSIONS IMPACT ASSESSMENT

- Information gathered from the field work on February 19 to 22, 2008 is being organized and analyzed to develop an inventory of emissions from the facility.

2.4 MELT SHOP

2.4.1 Fume Control System Assessment

- Airflow rates were calculated on the secondary canopy hood and the primary dry duct based on results from the field work conducted on February 19 to 22, 2008.
- Video analyses were conducted on carbon and lime charging, first charging, ladle reheating, stirring and lance, and tapping. Fumes generated for these processes were calculated, which will help to determine the performance of the existing fume control system and identifies components of the system that require modification or upgrade to improve control of fugitive emissions from melt shop operations.

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.

- Status of detailed equipment specification development – Preliminary engineering is complete, and with the board's approval, final specifications will be provided.

2.4.3 Baghouse for Carbon and Lime Transfer

- No activity was planned for this task.

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.

2.6 ROADWAYS

2.6.1 Paving

- Development of the paving specifications is complete.

2.6.2 Truck Wheel Wash Station

- Final design of the required system configuration is complete.
- Tender package developed and issued for quotation.

2.6.3 Speed Limit Enforcement

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

2.7 SCRAP YARD

2.7.1 Relocate Stockpiles

- Periodic pile relocation – Initial pile relocation is complete. Further pile relocation will be a direct relation to the start of the rubber tire project.

2.7.2 Tree-lined Berm

- Began to prepare area for this activity.

2.8 SLAG YARD

2.8.1 Enclosure for Charge Hopper

- Design of the charge hopper enclosure is complete.
- Fabrication and installation is going out for bid.

2.8.2 Spray System Improvements

- No activity was planned for this task.

2.8.3 Minimize Inventory of Processed Slag and Scarfing

- March's slag production was 7040 tons from the melt tons produced. Of the produced, 7791.24 tons of slag was sold. Net reduction of inventory by 751.24 tons. See Appendix B for detailed summary of slag sales.
- March's scarfing production was 2406 tons from the melt tons produced. Of the produced, 3302 tons of scarfing was sold. Net reduction of inventory by 896 tons. See Appendix B for detailed summary of scarfing sales.

2.9 AMBIENT AIR MONITORING PROGRAM

- Locations
 - Final locations secured for the monitors are Knollwood Park, Woodshaven Park, and the Claymont Community Center.
 - The playground at the dead-end of Parkway Avenue is the fourth and final location. Waiting for authorization from the property owner to proceed.
 - Monitors
 - Monitors were installed and began operation at Knollwood and Woodshaven Parks on March 10, 2008.
 - The monitor for the Claymont Community Center was installed on March 26, 2008. As soon as the electrical connections are inspected and approved by the electric company, operation of the unit will begin.
 - The monitor for the playground at the dead-end of Parkway Avenue will be installed as soon as the approval is granted by the property owner.
-

3 WORK PLANNED FOR THE NEXT MONTH

The following work is planned for the next month:

3.1 PROJECT MANAGEMENT AND MEETINGS

- Progress Report #4 for April 2008 will be submitted on May 1, 2008.
- The next scheduled quarterly meeting with Claymont Steel and DNREC is on May 1, 2008.

3.2 REGULATORY REVIEW

- An initial review of the current regulatory status will be continued using the permits and associated documents. A full regulatory review will be performed following the emission inventory.

3.3 EMISSIONS IMPACT ASSESSMENT

- The plant-wide emission inventory will be initiated this month.
- Earth Tech will continue to review existing air permits and associated documents. Following the air permit review, analyses of and calculations from information gathered during site work, an air dispersion model will be set up with all significant sources of fugitive dust identified for the melt shop. The air dispersion model will be used to predict expected impact reductions for each project and will be incorporated into the progress tracking process.

3.4 MELT SHOP

3.4.1 Fume Control System Assessment

- Design concepts for new controlled sources of air emissions required to control fugitive dust emissions will be developed. These items will be discussed in the Melt Shop Fume Control Assessment Report.
- Analysis and preliminary design will be on-going in April. The report is not scheduled for completion until April.
- Preliminary presentation to Claymont Steel is scheduled for April 4, 2008

3.4.2 Scrap Bay Operations Changes (Rail to Truck)

- Large equipment specifications – Preliminary engineering is complete. 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 April.
- 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

- Tender documents will be submitted within the April - May timeframe.
- Firm pricing expected in May.

3.6.2 Truck Wheel Wash Station

- Work planned for installation once materials are received from vendor.

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

- Initial pile relocation has been completed. The relocation of stockpiles will be defined by the rubber tire project.

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

- Design of the charge hopper enclosure is complete.
- Fabrication and installation are going out for bid.

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

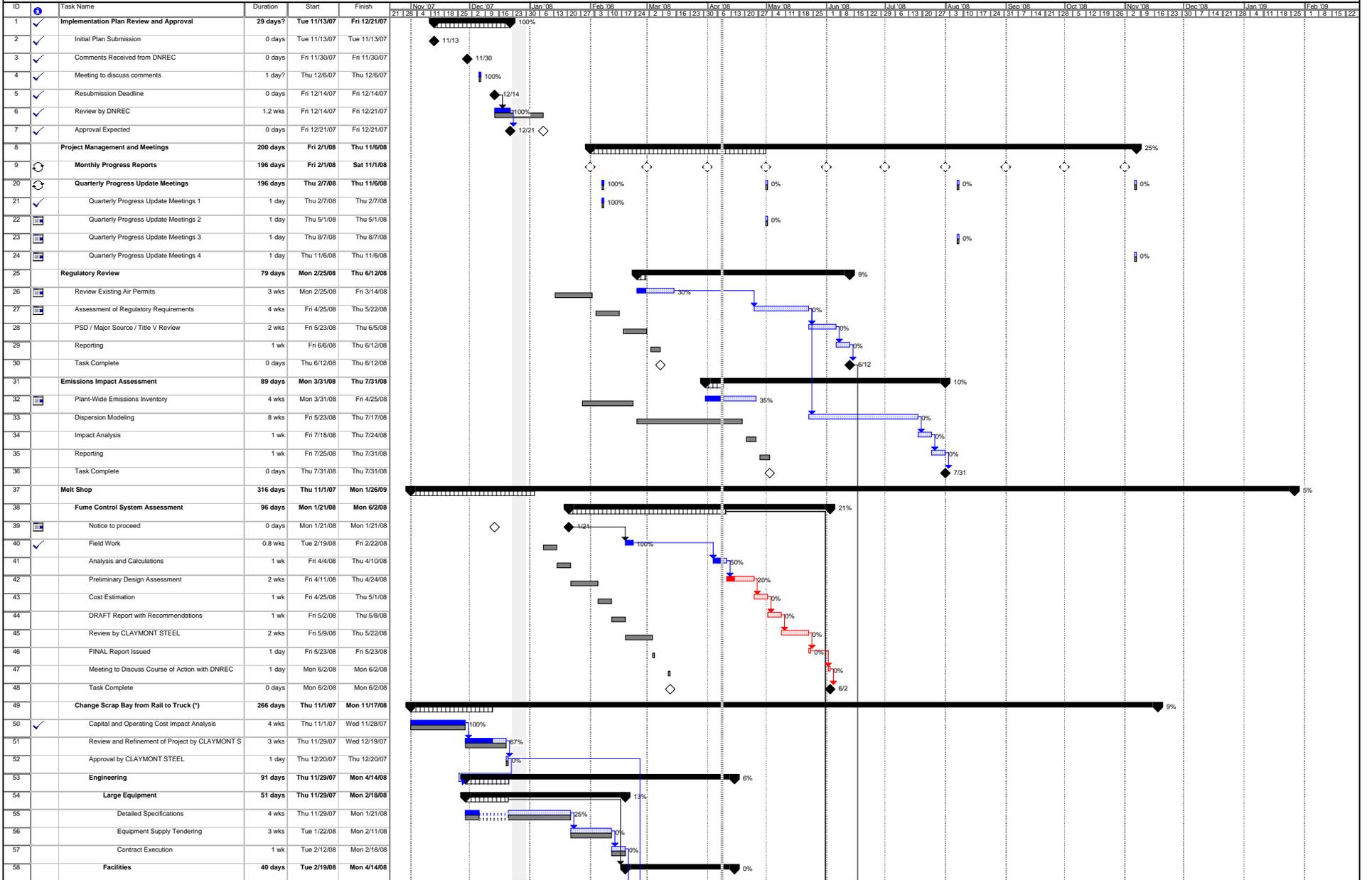
- Operation of the monitor will begin at the Claymont Community Center.
- Obtain land owner's permission to install and begin operation of the monitor at the playground at the dead-end of Parkway Avenue.
- On-going monitoring and data analysis will commence in April.
- Regular reports will be part of this monthly progress report starting in May 2008.

APPENDIX A

Updated Implementation Schedule

**Claymont Steel
Implementation Plan
Dust Control Projects**

Update # 3
April 1, 2008



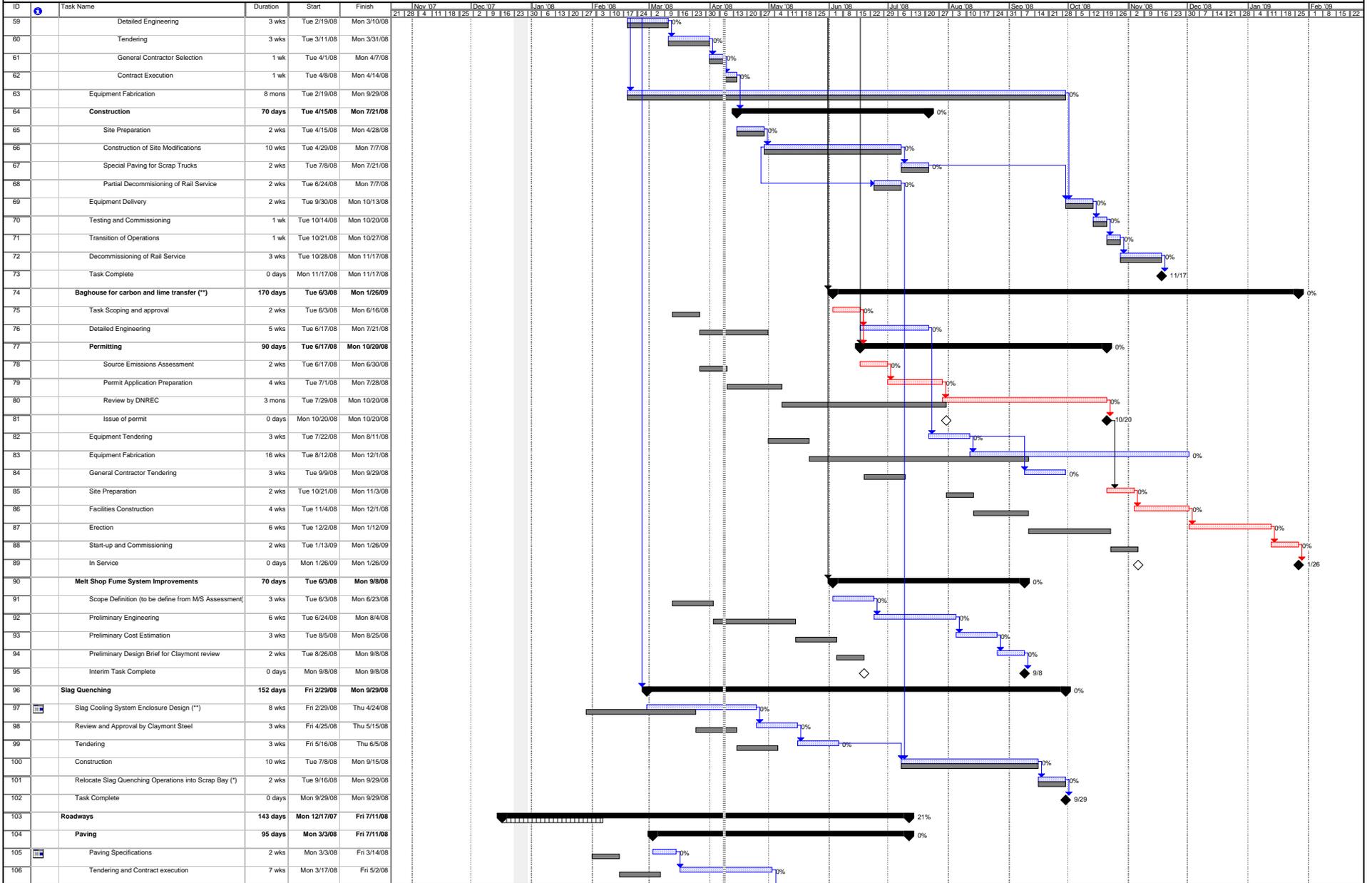
Earth Tech Inc.
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Critical		Critical Progress		Split		Baseline		Baseline Milestone		Summary Progress		Project Summary		External Milestone	
Critical Split		Task		Task Progress		Baseline Split		Milestone		Summary		External Tasks		Milestone	

Notes:
(*) - Subject to approval of "Rubber Tire" project by Claymont Steel
(**) - Subject to outcome of melt Shop Fume System Assessment
ET PN: 98250

**Claymont Steel
Implementation Plan
Dust Control Projects**

Update # 3
April 1, 2008



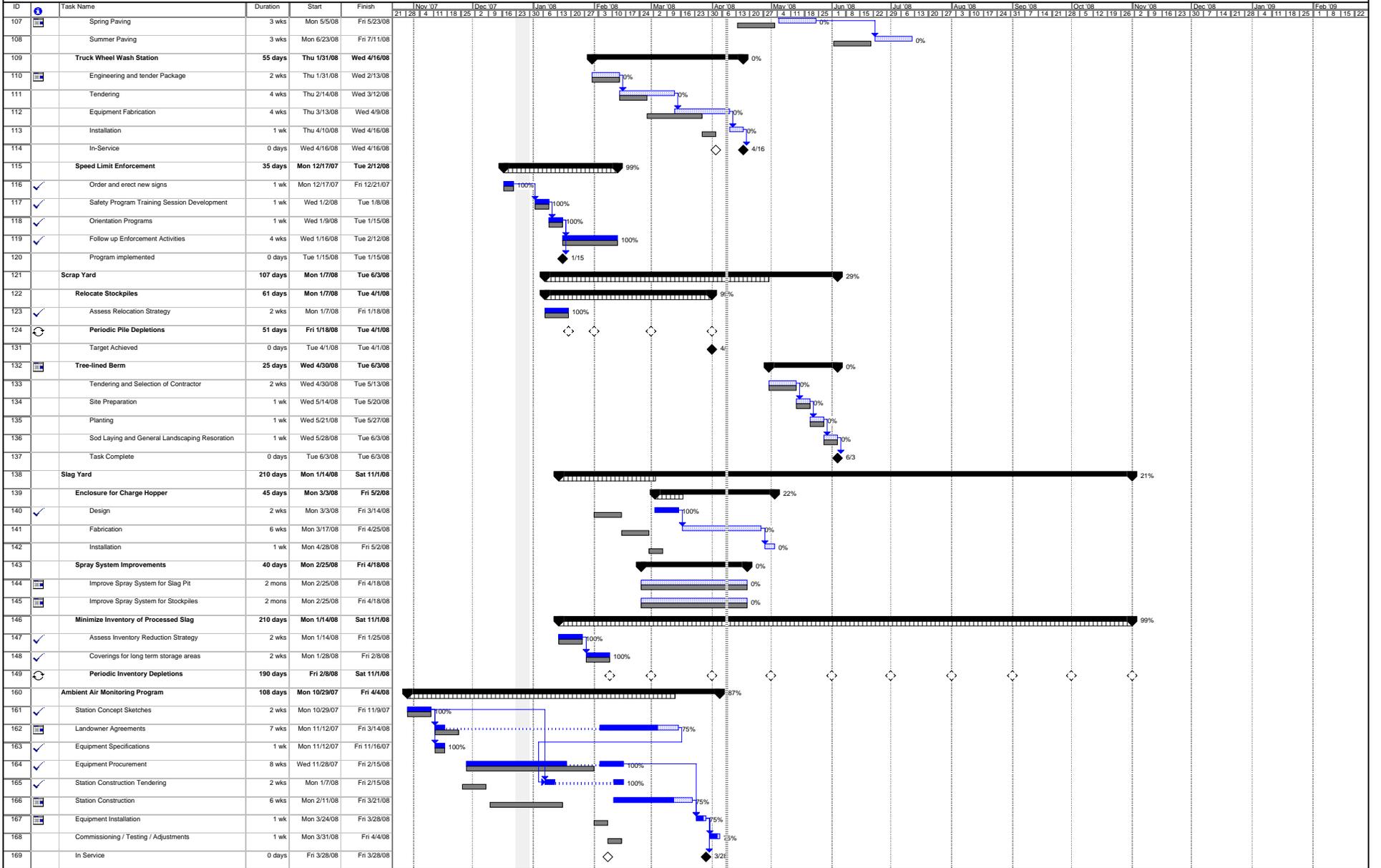
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Critical		Critical Progress		Split		Baseline		Baseline Milestone		Summary Progress		Project Summary		External Milestone	
Critical Split		Task		Task Progress		Baseline Split		Milestone		Summary		External Tasks		Milestone	

Notes:
(*) - Subject to approval of "Rubber Tire" project by Claymont Steel
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**Claymont Steel
Implementation Plan
Dust Control Projects**

Update # 3
April 1, 2008



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Notes:
 (*) - Subject to approval of "Rubber Tire" project by Claymont Steel
 (*) - Subject to outcome of melt Shop Furnace System Assessment
 ET PN: 98250

APPENDIX B

Outside Sales Summary

March 2008

