



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
& ENVIRONMENTAL CONTROL
DIVISION OF AIR & WASTE MANAGEMENT
715 GRANTHAM LANE
NEW CASTLE, DELAWARE 19720

EMERGENCY PREVENTION
& RESPONSE BRANCH

TELEPHONE: (302) 323-4542
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November 30, 2007

Claymont Steel
4001 Philadelphia Pike
Claymont, Delaware 19703

Certified # 7004 2510 0003 3646 6519
RETURN RECEIPT REQUESTED
& VIA FACSIMILE

ATTENTION: Jeff Bradley
Chief Executive Officer

Dear Mr. Bradley:

The Department has reviewed Claymont Steel's November 13, 2007 submittal of the proposed Fugitive Dust Control Implementation Plan. This plan was required by Condition 8 of the Notice of Conciliation and Secretary's Order No. 2006-A-0048. This condition states: "Within 60 days of the Department determining the appropriate option, Claymont Steel shall submit a plan for implementation of the appropriate option, including an expedited implementation schedule, for Department Approval." The Department notified Claymont Steel of its determination of appropriate options in a letter dated September 13, 2007.

The proposed plan however, lacks details or specificity. In general the implementation plan fails to exhibit good project management in that it does not provide enough detail to address progress tracking, milestones, critical steps to achieve such milestones, or relationships between the control measures and the resulting delays in implementation of the approved measures. Specific comments related to our concerns are as follows:

General Overview of the Implementation Plan

- An approvable implementation plan must detail any and all critical steps for all tasks identified in Figure 1: Implementation Schedule to include built in progress tracking/monitoring for each phase/step under each task so that Air Quality Management (AQM) may assess progress for each task.
- An approvable implementation plan must include a minimum of monthly updates/submittals on the progress of each stage of the source reduction categories to achieve reductions. Claymont Steel shall submit the monthly updates on the progress of each stage no later than the 1st day of each calendar month. Two (2) copies of the monthly updates shall be sent to each address as specified below, with the originals to our Dover Office:

ATTENTION: Ali Mirzakhali, P.E.
Air Quality Management Section
Division of Air & Waste Management
156 South State Street
Dover, DE 19901

ATTENTION: Bradley A. Klotz
Air Quality Management Section
Division of Air & Waste Management
715 Grantham Lane
New Castle, DE 19720

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- The implementation schedule does not address timelines for submittal of air permit applications for those control measures which may require permitting activities (e.g. baghouse construction/operation for carbon and lime transfer, modifications to the meltshop control system, enclosure of the slag cooling system, etc.) Permitting and zoning approval must be built into an approvable implementation plan for any foreseeable activities requiring permits.

Meltshop

- AQM considers the proposed implementation (11.9 months) timeframe associated with the changes in the Scrap Bay from rail to truck as excessively lengthy. Claymont Steel must submit an implementation plan which includes an expedited timeline for implementation.
- AQM considers the proposed installation period (10.65 month) for the carbon and lime transfer baghouse as excessively lengthy. Claymont Steel must submit an implementation plan which includes an expedited timeline for implementation.

Slag Quenching

- AQM does not approve the proposed schedule for implementing improved systems for the slag quenching operations. Improved slag quenching stations and enclosure(s) should be engineered and implemented much earlier than November 2008.

Roadways

- AQM finds the lack of progress toward installing the truck wheel wash station troubling and questions why Claymont Steel requires approximately two (2) months to implement a stage that is categorized under "immediate implementation". Please provide clarification.
- AQM considers the lack of progress in enforcing speed limits on traffic within the facility unacceptable and not in line with the spirit of this order and questions why implementation would require two (2) weeks. Implementation should be immediate with the installation of a sign and operator training/notification.

Scrap Yard

- The timeline for implementation of a tree-lined berm should be implemented as soon as the spring planting season begins and not delayed until the fall of 2008.

Slag Yard

- In the past, Claymont Steel has committed to minimizing slag inventory, however, the slag yard contains slag piles which continue to appear to be at an all-time high. Measures for reducing inventory and monitoring production and reduction of the slag inventory must be included in an approvable implementation plan. Please submit monitoring and recordkeeping plans or plans to measure/track progress in reducing slag inventory located at the facility.

Ambient Air Monitoring Program

- AQM is disappointed and dismayed that further progress has not been achieved in establishing the ambient air monitoring program which was discussed in great detail and agreed upon at our meeting held on July 25, 2007. Air Quality Management Staff, contacted Earth Tech and Claymont Steel on numerous occasions to request the status of the ambient air monitoring program. It was indicated that landowner agreements were in progress and monitoring equipment was on order. Based on the time of the submittal of the Implementation Plan and the tasks mentioned therein, landowner agreements have not been obtained, and the monitoring equipment have not been ordered. AQM finds the continued delay in progress of the above mentioned steps associated with the installation

Jeff Bradley

Claymont Steel Fugitive Dust Implementation Plan, dated November 13, 2007

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of the ambient air monitors unacceptable and the statements describing the efforts prevaricating.

AQM considers Claymont Steel's need to obtain board approval an internal matter which should not interfere with the committed and required dates in the plan. As you are well aware the problem caused by facility operations resulting in dust emissions impacting the nearby communities have been and continue to be a high priority for the Department which we hope is shared by Claymont Steel. Accordingly, AQM is providing Claymont Steel an opportunity to address the deficiencies identified in this letter by submitting a revised implementation plan by no later than December 14, 2007. Should Claymont Steel fail to submit a revised plan on time or fail to submit a plan that the Department finds acceptable, the Department will set the schedule for implementation at its own discretion. According to Condition 9 of the Order: "*Claymont Steel shall implement the plan according to the schedule set by the Department.*"

Should you have any questions, please feel free to contact me or Bradley Klotz of my staff at (302)323-4542.

Sincerely,



Paul E. Foster, P.E.
Program Manager
Engineering & Compliance Branch

BAK:bak
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pc: William Allen, Earth Tech (*via facsimile*)
Stephen Kim, Earth Tech (*via facsimile*)
James D. Werner, Director
Ali Mirzakhali, P.E., Program Administrator
Everett DeWhitt, PhD, Program Manager
Bradley A. Klotz