

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 29, 2008

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2008 SEP 29 11 41 AM
CHIEF CLERK'S OFFICE

LaDonna Castanuela
Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Re: TCEQ DOCKET NUMBER 2005-0272-AIR

Dear Ms. Castanuela:

Enclosed you will find the original and eleven copies of the Executive Director's Response to Hearing Requests in the matter of Lone Star Steel Company, Permit No. 3342

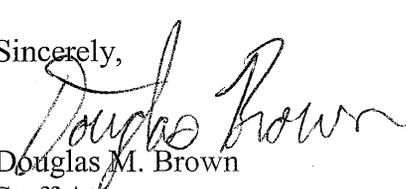
Attached to the Executive Director's Response to Hearing Requests you will find the original and eleven copies of the backup filing for this matter.

The attachments include the following documents:

Attachment A – Draft Permit
Attachment B – Compliance History
Attachment C – Tech Review Summary

If you have any questions about this matter, please call me at 239-2253.

Sincerely,


Douglas M. Brown
Staff Attorney
Environmental Law Division
TCEQ Office of Legal Services

Attachments

**TCEQ AIR QUALITY PERMIT NO. 3342
TCEQ DOCKET NO. 2005-0272-AIR**

APPLICATION BY	§	BEFORE THE
	§	
LONE STAR STEEL COMPANY	§	TEXAS COMMISSION ON
	§	
LONE STAR, MORRIS COUNTY, TEXAS	§	ENVIRONMENTAL QUALITY

2008 SEP 22 PM 4:13
CHIEF CLERK'S OFFICE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

The Executive Director (ED) of the Texas Commission on Environmental Quality (Commission or TCEQ) files this response (Response) to the requests for a contested case hearing submitted by persons listed herein. The Texas Clean Air Act (TCAA) § 382.056(n) requires the commission to consider hearing requests in accordance with the procedures provided in Texas Water Code § 5.556.¹ This statute is implemented through the rules in 30 Texas Administrative Code (TAC) Chapter 55, Subchapter F.

A current compliance history report, technical review summary, and draft permit prepared by the ED's staff have been filed with the TCEQ's Office of Chief Clerk for the Commission's consideration. In addition, the ED's Response to Public Comments (RTC), which was mailed by the chief clerk to all persons on the mailing list, is on file with the Chief Clerk for the Commission's consideration.

I. Application Request and Background Information

Lone Star Steel Company (Applicant), now U.S. Steel Tubular Products as of January 1, 2008, applied to the TCEQ for renewal of Air Quality Permit No. 3342 and PSD-TX-838. The renewal would authorize continued operation of their steel pipe manufacturing plant consisting of two Electric Arc Furnaces and a Specialty Tubing Facility. The plant is located at 6866 Highway 259 South in Lone Star, Morris County, Texas, 75668. The plant will emit the following air contaminants: carbon monoxide, nitrogen oxides, sulfur dioxide, organic compounds, particulate matter including particulate matter less than 10 microns in diameter, lead, sulfuric acid, nitric acid, sodium hydroxide, zinc nitrate, zinc phosphate, sodium nitrite, sodium stearate, and hazardous air pollutants including, but not limited to, antimony, arsenic, beryllium, cadmium, chromium, cobalt, manganese, mercury, nickel, and selenium. The renewed permit maximum allowable emissions rate table (MAERT) will list compounds that have historically been emitted, but were not listed on the permit at the time this renewal application was submitted. This renewal will not authorize any change in currently authorized operations or change in currently authorized pollutants. As of September 29, 2008, Applicant is not delinquent on any administrative penalty payments to the

¹ Statutes cited in this response may be viewed online at www.capitol.state.tx.us/statutes/statutes.html. Relevant statutes are found primarily in the Texas Health and Safety Code and the Texas Water Code. The rules in the Texas Administrative Code may be viewed online at www.sos.state.tx.us/tac/index.shtml, or follow the "Rules, Policy & Legislation" link on the TCEQ website at www.tceq.state.tx.us.

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

Page 2

TCEQ. The TCEQ Enforcement Database was searched and no enforcement activities were found that are inconsistent with the compliance history.

The application for renewal of this permit was originally received on November 10, 2003.² The application was declared administratively complete on December 11, 2003. The Notice of Receipt and Intent to Obtain (NORI) an Air Quality Permit Renewal was published on December 31, 2003; however due to an error, the NORI was again published on January 7, 2004. In response to public notice, one request for a hearing was received; however the request did not identify any specific concerns and stated simply that the requester wanted a contested hearing. Subsequent to the NORI, TCEQ staff determined the permit renewal could not be accomplished until the permit was amended, because NO_x and SO_x, which are typical electric arc furnace (EAF) emissions, were not reflected on the MAERT and the actual increase in CO emissions resulting from the reconnection of the hydro scrubber would necessitate Prevention of Significant Deterioration (PSD) review. Accordingly, a permit amendment was needed to address these issues. Significant delay in processing the application is attributable to, among other things: a) Applicant did not initially agree with staff's conclusion that an amendment was necessary which resulted in numerous meetings between Applicant and TCEQ; b) stack testing to establish emission rates was required; and c) Applicant's deliberation on how to address the potential PSD review. After the above technical and procedural issues were resolved, Applicant submitted an amendment application on June 9, 2006 and the NORI was published on July 5, 2006. No public comments were received in response to the NORI and the permit amendment was issued on May 31, 2007. Following the approval of the permit amendment, processing of the permit renewal application resumed; however, since the permit had been amended, Applicant was required to provide an amended public notice. In response to the amended notice, one contested case hearing request with comments was received on December 27, 2007.

The ED's RTC was mailed on September 16, 2008, to all interested persons, including those who asked to be placed on the mailing list for this application and those who submitted comment or requests for contested case hearing. The cover letter to the RTC provided information about filing a response to hearing requests.

² Since the inception of the permit time frame reduction (PTR) project in March 2002, the Office of Permitting, Remediation and Registration (OPRR) has significantly reduced its permitting backlogs and increased permit efficiencies. In 2002, the Air Permits Division (APD) had a backlog of 1150 permits; APD has decreased that backlog to less than 270 projects currently. This represents a 76% reduction over this time period. Part of PTR is to identify older projects (greater than 2 yrs) and place the needed resources to resolve the issues and to ultimately process the application. Prior to eliminating the division's backlog this was very difficult to do on a consistent basis. Since the reduction of the backlog, all of the projects that are greater than 2 years old are being processed. Currently there are approximately 60 projects within the division that are greater than 24 months old. Over that same time period this represents less than 1.0% of all applications completed by the division. Additionally, control measures have been put in place to identify problem projects early on in the review and to highlight them and focus on their completion well within the expected backlog timeframes for the APD.

The TCEQ received a timely hearing request during the public comment period from Donnie O. Turner.

II. Analysis

Applicant is seeking a renewal that would not result in an increase in allowable emissions and will not result in an emission of an air contaminant not previously emitted. Texas Health & Safety Code (THSC) § 382.056(g) states, "The commission may not seek further comment or hold a public hearing...in response to a request for a public hearing on an amendment, modification, or renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted."³ Therefore, the Commission should deny the hearing requests as a matter of law and approve the renewal of Applicant's Permit No. 3342.

Although this renewal application will not result in an increase in allowable emissions and will not result in an emission of an air contaminant not previously emitted, THSC § 382.056(o) states "Notwithstanding other provisions of this chapter, the commission may hold a hearing on a permit amendment, modification, or renewal if the commission determines that the application involves a facility for which the applicant's compliance history is in the lowest classification under Sections 5.753 and 5.754, Water Code, and rules adopted and procedures developed under those sections."⁴ The commission adopted 30 TAC, Chapter 60 to evaluate compliance history. The lowest classification under the Texas Water Code §§ 5.753 and 5.754 and 30 TAC § 60.2 is a "poor performer." Under 30 TAC § 60.3(a)(3)(B), the TCEQ may hold a hearing on an air permit renewal if the site is classified as a poor performer. The compliance history for the company and the site is reviewed for the five-year period prior to the date the permit application was received by the ED. The company and this site have a rating of 0.25 and 0.12 respectively, and have been classified as "average" and not "poor" performers according to 30 TAC Chapter 60. Therefore, a hearing should not be granted under THSC § 382.056(o) based on the compliance history of Applicant.

III. Conclusion

The renewal of this permit would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted. Under these circumstances, THSC § 382.056(g) directs the Commission to "not seek further comment or hold a public hearing." Because consideration of hearing requests on a "no increase" renewal application is governed by THSC § 382.056(g) and (o), this Response does not include an analysis of the individual hearing requests. Accordingly, the ED respectfully recommends the Commission deny the hearing request as

³ See also 30 TAC § 55.201(i)(3)(C) (Renewals of air applications that "would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted" are applications for which there is no right to a contested case hearing).

⁴ See also 30 TAC § 55.201(i)(3)(C) (stating the commission may hold a hearing if the application "involves a facility for which the applicant's compliance history contains violations which are unresolved and which constitute a recurring pattern of egregious conduct which demonstrates a consistent disregard for the regulatory process, including the failure to make a timely and substantial attempt to correct the violations").

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

Page 4

a matter of law and approve the renewal of Applicant's Permit No. 3342.

Respectfully submitted,

Texas Commission on Environmental Quality

Mark Vickery P.G.

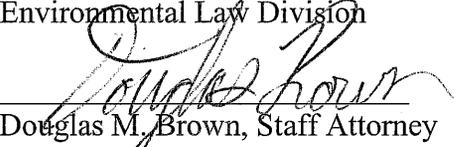
Executive Director

Stephanie Bergeron Perdue, Deputy Director

Office of Legal Services

Robert Martinez, Division Director

Environmental Law Division



Douglas M. Brown, Staff Attorney

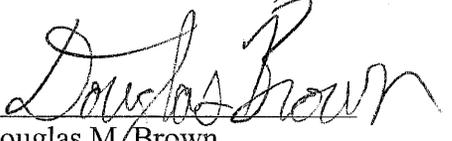
Environmental Law Division

Bar No. 24048366

Representing the Executive Director of the Texas
Commission on Environmental Quality

CERTIFICATE OF SERVICE

On the 29th day of September 2008, a true and correct copy of the foregoing instrument was served on all persons on the attached mailing list by the undersigned via deposit into the U.S. Mail, inter-agency mail, facsimile, or hand delivery.



Douglas M. Brown

TEXAS
COMMISSION
ON
ENVIRONMENTAL
QUALITY
2008 SEP 27 PM 4:14
CHIEF CLERKS OFFICE

MAILING LIST
LONE STAR STEEL COMPANY
DOCKET NO. 2005-0272-AIR; PERMIT NO. 3342

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REQUESTER:

Donnie O. Turner
P.O. Box 56159
Riverside, California 92517-1059

ATTACHMENT A

Draft Permit

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

EMISSION STANDARDS

1. This permit covers only those sources of emissions listed in the attached table, entitled "Emission Sources - Maximum Allowable Emission Rates," and those sources are limited to the emission limits and other conditions specified in that attached table.

FEDERAL APPLICABILITY

2. Operation, monitoring, recording, and testing of the facility shall comply with the U.S. Environmental Protection Agency (EPA) regulations on standards of performance for new stationary sources existing for steel plant electric arc furnaces in Title 40 Code of Federal Regulations (40 CFR) Part 60, Subparts A and AA.

FUEL SPECIFICATION

3. Fuel for the Tube Dryer, Ladle Preheat Stations No. 6 and 7, Annealing Furnaces Nos 1-3, and the Batch Furnace shall be pipeline quality natural gas. Use of any other fuel will require prior approval of the Executive Director of the Texas Commission on Environmental Quality (TCEQ). (05/07)

OPACITY/VISIBLE EMISSION LIMITATIONS

4. Opacity of emissions from the Electric Arc furnace (EAF) 7 scrubber stack, (Emission Point No. (EPN) G-1) and/or the EAF 6 and 7 Dust Collector Stack (EPN G-15) shall not exceed 3 percent when adjusted for uncombined water vapor and averaged over a six-minute period as determined by (EPA Test Method (TM) 9, except for those periods described in EPA document 40 CFR Part 60.
5. In accordance with EPA Test Method 9 or equivalent and except for those periods described in EPA document 40 CFR Part 60, opacity of emissions from the wet scrubber stacks, EPNs S-1, S-2, S-3, S-4, S-5, and S-6 shall not exceed 10 percent when adjusted for uncombined water vapor.
6. Opacity of fugitive emissions from the melt shop building shall not exceed 6 percent averaged over a six-minute period as determined by EPA TM 9 or equivalent. Shop opacity not to exceed 20 percent may occur during charging and tapping periods. (05/07)

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 2

7. There shall be no off-property visible emissions from the processing and handling of scrap metals as determined by EPA TM 22.

OPERATIONAL LIMITATION, WORK PRACTICES, AND PLANT DESIGN

8. EAF No. 7 shall exhaust through either a steam hydroscrubber system (EPN G-1) with a particulate outlet grain loading not greater than 0.0052 grain per dry standard cubic foot (gr/dscf) or through a fabric filter (EPN G-15) having a particulate outlet grain loading not greater than 0.0045 gr/dscf. **(05/07)**
9. EAF No. 6 shall exhaust through a fabric filter (EPN G-15) having a particulate outlet grain loading not greater than 0.0045 gr/dscf.
10. During such times as the fabric filter (EPN G-15) is being used as the emission control device on EAF No. 7, the idle furnace (EAF No. 6 or No. 7) can be charged with scrap while the other furnace is in operation. During the period when the operating furnace is being tapped, energy can be applied to the pre-charged furnace, provided both furnaces are being drafted to the fabric filter.
11. Sulfuric acid tanks Nos. 1, 2, 3, 4, and 5 and conversion coating tanks Nos. 1 and 2 in the specialty tubing operation shall exhaust through wet scrubbers that provide a minimum of 96 percent control of the acid mist emissions. **(05/07)**
12. The combined throughput of both EAF 6 and EAF 7 shall not exceed 120 tons per hour and 566,000 tons per year of steel. **(05/07)**
13. Burners for the tube dryer and ladle preheat stations 6 and 7 shall not exceed a 40MMBtu/Hr capacity each. **(05/07)**
14. The EAFs may operate with oxygen lancing and oxygen door burners. **(05/07)**
15. Used electric arc furnace fabric filter bags from the onsite EAF baghouse may be charged to the EAFs. **(5/08)**

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 3

16. There shall be a maximum of five pickling tanks containing sulfuric acid and a maximum of two conversion coating tanks containing zinc phosphate at the specialty tubing facility. The tanks shall be equipped with a vent hood which adequately captures fumes from the tanks during operations. The hoods shall vent to a vertical, three stage, wet scrubber with a single water scrubbing spray stage, single pack, and mist eliminator with continuous fresh water input of one gallon per minute. The scrubber shall be inspected and cleaned as necessary every three months and malfunctioning spray nozzles replaced. The hood design shall be a push-pull system designed according to American Conference of Governmental Industrial Hygienists's Industrial Ventilation Manual, 20th Edition, with a minimum of 32,000 actual cubic feet per minute (acfm) of air as specified in the application for Scrubbers S-2, S-3, S-4, and S-6, a minimum of 17,000 acfm for Scrubber S-1 and a minimum of 62,000 acfm for Scrubber S-5. Scrubber water shall have a minimum of 7 pH. **(05/07)**

17. The stacks from the water scrubbers shall vent vertically upward such that the exhaust gas is not deflected away from a vertical discharge by any device such as a rain cap. **(05/07)**

18. The PM removed by the emissions control equipment shall be managed in accordance with applicable hazardous waste regulations and shall be stored in closed containers while on site. Transfer of the collected PM from the baghouse collection bins to the storage bins shall be through an enclosed system. **(05/07)**

MATERIAL SUBSTITUTION

19. Materials other than those listed within the permit application may be used provided that all of the following criteria are satisfied: **(05/07)**
 - A. The new or replacement compound or product shall serve the same basic process function and the emissions shall be emitted from the same location as the replaced compound or product emissions.

 - B. The Effects Screening Level (ESL) for any new or replacement compound or product shall not be less than the ESL value for the current compound or product and the emission rate (ER) for the replacement compound or product shall not be greater than the ER for the current compound or product, except if the following condition is met:

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 4

where: there is a direct substitution of one chemical for another

$$(ER2)/(ESL2) \leq (ER1)/(ESL1)$$

OR

where: the replacement has different constituents

$$(ER2a) + (ER2b) + (ER2n) \leq (ER1a) + (ER1b) + (ER1n)$$

$$(ESL2a) (ESL2b) (ESL2n) (ESL1a) (ESL1b) (ESL1n)$$

where:

ER1 is the ER of the authorized compound/product (chemical).

ER2 is the ER of the replacement compound/product (chemical).

ESL1 is the ESL for the authorized compound/product (chemical shown on the Material Safety Data Sheet [MSDS]).

ESL2 is the ESL for the replacement compound/product (chemical shown on the MSDS).

The 30 minute ESL value for any new chemical emitted that is not represented in the permit application is limited to the use of the TCEQ-approved ESL for the individual chemical contained in the most recent TCEQ ESL list or as derived by the TCEQ Toxicology and Risk Assessment Section .

Emission calculations and records must be maintained as required in the Recordkeeping Requirement section of this permit to demonstrate compliance with this condition and Special Condition No. 1.

- C. This condition allows for changes in material chemical formulations and does not allow for any increase in total emissions from any emission point as specified in the maximum allowable emission rates table (MAERT).

INITIAL DETERMINATION OF COMPLIANCE

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 5

20. Stack sampling of Dust Collector Stack (EPN G-15) for PM emissions shall occur after initial start-up of the facilities and at such other times as may be required by the Executive Director of the TCEQ. Requests for additional time to perform sampling shall be submitted to the Regional Office. Additional time to comply with the applicable requirements of 40 CFR Part 60 requires EPA approval, and requests shall be submitted to the TCEQ Compliance Support Division in Austin.

Stack sampling of the Sulfuric Acid/Pickling and Conversion Coating Tank Wet Scrubbers (EPNs S1 through S6) will not be required of the holder of this permit provided that all the following conditions are met:

- A. Adequate documentation, including copies of past test results, demonstrated to the satisfaction of the TCEQ Executive Director that emissions will not exceed those represented in the maximum allowable emission rates table. (05/07)
 - B. The permitted wet scrubbers emissions shall not exceed 10 percent opacity as outlined in Special condition (SC) 5 of this permit. (05/07)
21. Stack sampling analysis for PM emitted from the hydroscrubber system EPN G-1 will not be required of the holder of this permit provided that adequate documentation, including copies of past test results, demonstrates to the satisfaction of the TCEQ Executive Director that this control system has been tested and shown to meet the 0.0052 gr/dscf allowable.

CONTINUOUS DETERMINATION OF COMPLIANCE

22. Upon being informed by the TCEQ Executive Director that the staff has documented visible emissions from these facilities exceeding opacity limitations as outlined in this permit, except for those periods described in NSPS, Subpart AA, the holder of this permit shall conduct stack sampling analyses or other tests to prove satisfactory equipment performance and demonstrate compliance with the outlet particulate grain loading specified in Special Condition Nos. 8 and 9 of this permit. Sampling must be conducted in accordance with appropriate procedures of the TCEQ Sampling Procedures Manual or in accordance with applicable EPA Code of Federal Regulations procedures. Any deviations from those procedures must be approved by the TCEQ Executive Director prior to sampling. (05/07)
23. If a condition of nuisance is confirmed by the TCEQ, the holder of this permit may be

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 6

required to perform stack sampling for PM and other testing as required to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere.

MONITORING

24. Continuous monitoring and recordkeeping of opacity shall be performed at the baghouse stack EPN G-15. The holder of this permit shall install, calibrate, and maintain a continuous opacity monitoring system (COMS) for monitoring opacity. The monitoring device shall be calibrated in accordance with the manufacturer's specifications and shall be calibrated at least annually. (05/07)
- A. The COMS shall meet the design and performance specifications, pass the field tests, and meet the installation requirements and the data analysis and reporting requirements specified in Performance Specification No. 1, 40 CFR Part 60, Appendix B.
 - B. The COMS shall be zeroed and spanned daily and corrective action taken when the 24-hour span drift exceeds two times the amounts specified in 40 CFR Part 60, Appendix B or as specified by the TCEQ if not specified in Appendix B.
 - C. The opacity monitor shall complete a minimum of one cycle of data recording for each successive ten-second period. Six-minute averages shall be computed from at least 36 data points over a six-minute period. Data recorded during periods of COMS breakdowns, repairs, calibration checks, and zero span adjustments shall not be included in the computed data averages.
25. Upon startup of Steam Hydroscrubber exhausting at EPN G-1, continuous monitoring of steam and off gas flows shall be conducted. Six months after startup, the permit holder shall submit to TCEQ a proposed steam to off-gas ratio to be used to demonstrate proper scrubber operation. Once the steam to off gas ratio has been established, the permit holder shall continue monitoring steam and off gas flows and maintain records of the steam to off gas ratio. (05/07)
- A. The holder of this permit shall install, calibrate, and maintain a device to monitor and record steam and off-gas flows in the hydro scrubber. The monitoring device shall be calibrated in accordance with the manufacturer's specifications and shall be calibrated at least annually and shall be accurate to within $\pm 1.0\%$ of instrument span.
 - B. After the initial monitoring period been completed and TCEQ has approved a steam to

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 7

off-gas ratio, records of steam and off-gas flows shall be maintained to provide the agreed upon steam to off-gas ratio. Flow readings will be recorded at least four times per hour. One-hour averages shall be computed from the data points recorded in that hour.

26. Opacity of the hydroscrubber exhaust, EPN G-1 shall be monitored by a certified observer for at least one six minute period once per day in accordance with 40 CFR Part 60 Appendix A, Test method 9 and 40 CFR§ 64.7 (c) except for those days that the hydro scrubber is not operated. If the observations cannot be conducted due to weather conditions, the date, time, and specific weather conditions shall be recorded. Opacity readings shall be recorded and maintained **(05/07)**
27. Records shall be maintained to reflect when EAF No. 7 is exhausting to EPN G-1 rather than EPN G-15. These records shall indicate the date and hours that the hydroscrubber is in operation. **(05/07)**
28. The holder of this permit may elect to collect monitoring data on a more frequent basis and average the data, consistent with the averaging times specified, for purposes of determining whether a deviation has occurred. However, the additional data points must be collected on a regular basis. In no event shall data be collected and used in particular instances in order to avoid reporting deviations. All monitoring data shall be collected in accordance with the requirements specified in 40 CFR § 64.7(c). **(05/07)**
29. The holder of this permit shall perform monthly inspections to verify proper operation of capture systems and ensure the emission capture system remains effective. If the results of the inspections indicate that a capture system is not operating properly, the permit holder shall promptly take necessary corrective actions. **(05/07)**
30. The fabric filter exhausting at EPN G-15 shall not have a bypass. **(05/07)**
31. The TCEQ Regional Office shall be notified as soon as possible after the discovery of any monitor malfunction, which is expected to result in more than 48 hours of lost data. Supplemental stack concentration measurements may be required at the discretion of the appropriate TCEQ Regional Director in case of extended monitor downtime. Necessary corrective action shall be taken if the downtime exceeds 5 percent of the (emissions source) operating hours in the quarter. Failure to complete any corrective action as directed by the TCEQ Regional Office may be deemed a violation of the permit. **(05/07)**

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 8

RECORDKEEPING REQUIREMENTS

32. The following records shall be kept, maintained on-site, and made available upon request to the Director of the TCEQ and/or his representatives and any local air pollution control agency having jurisdiction. Records shall be of sufficient detail to demonstrate compliance with authorized throughputs and operating parameters. These records shall be maintained on-site for a rolling 24-month period and include the following: **(05/07)**
- A. Records of the daily and annual EAF production, duration of start-up, shutdown, or malfunctions in the process resulting in a permit exceedance;
 - B. Malfunctions of any air pollution abatement device, and records of the inspection, maintenance, and repair of abatement equipment and capture systems.
 - C. Material substitution records required by Special Condition No. 19;
 - D. All monitoring data and support information as specified in 30 Texas Administrative Code (TAC)§122.144;
 - E. Detailed records of hazardous air pollutant (HAP) emissions to include supporting data shall be kept and maintained. Records shall be kept in sufficient detail to substantiate the reported emissions and a report shall be produced for the emission of HAPs (in tons per year) for the previous 12 consecutive months. The required records shall include examples of the method of data reduction including units, conversion factors, assumptions, and the basis of the assumptions, and
 - F. Records required by Special Condition Nos. 26 and 27.

Date _____

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 9

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Numbers 3342 and PSD-TX-838

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2) TPY*	Air Contaminant	Emission Rates	
			Name (3)	lb/hr
S-5	Sulfuric Tanks No. 1 and 2 Scrubber Stack	H ₂ SO ₄	0.17	0.77
S-2	Sulfuric Tanks No. 3 and 4 East Scrubber Stack	H ₂ SO ₄	0.09	0.38
S-3	Sulfuric Tanks No. 3 and 4 West Scrubber Stack	H ₂ SO ₄	0.09	0.38
S-1	Sulfuric Tank No. 5 Scrubber Stack	H ₂ SO ₄	0.07	0.29
S-6	Conversion Coating Tank No.1 Scrubber Stack	HNO ₃	0.02	0.08
		Zinc Phosphate	0.05	0.20
		Zinc Nitrate	0.03	0.06
S-4	Conversion Coating Tank No. 2 Scrubber Stack	HNO ₃	0.02	0.08
		Zinc Phosphate	0.05	0.20
		Zinc Nitrate	0.03	0.06
T-1	Sulfuric Acid Tank Fug (4)	H ₂ SO ₄	2.60	5.20
NGFUG	Annealing furnaces No. 1, 2, and 3; Batch Furnace; and Tube Dryer (4)	NO _x	2.88	12.59
		CO	2.42	10.58
		VOC	0.16	0.69
		PM/PM ₁₀	0.22	0.96
		SO ₂ 0.02	0.08	
CAUFUG	Caustic Cleaning Tank (4)	NaOH	0.45	1.94

Permit Numbers 3342 and PSD-TX-838

Page 2

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates</u>	
			<u>lb/hr</u>	<u>TPY</u>
NEUFUG	Neutralizer Tank (4)	NaNO ₂	0.17	0.75
LUBFUG	Lube Tank (4)	NaOCC ₁₇ H ₃₅	0.62	2.70
SP-1	Specialty Tube Marking (4)	VOC	3.48	6.96
G-1	EAF 7 Scrubber Stack (6)	PM/PM ₁₀	6.50	-
		CO	321.00	-
		NO _x	12.72	-
		SO ₂	14.40	-
		VOC	4.50	-
		Sb	0.0071	-
		As	0.0053	-
		Be	0.0009	-
		Cd	0.0008	-
		Cr	0.0042	-
		Co	0.0009	-
		Pb	0.0379	-
		Mn	0.1235	-
		Hg	0.0138	-
		Ni	0.0096	-
Se	0.0162	-		

Permit Numbers 3342 and PSD-TX-838

Page 3

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates</u>	
			<u>lb/hr</u>	<u>TPY</u>
G-15	EAF 6 and 7 Dust (6) Collector Stack	PM/PM ₁₀	6.29	-
		CO	321.00	-
		NO _x	12.72	-
		SO ₂	14.40	-
		VOC	4.50	-
		Sb	0.0071	-
		As	0.0053	-
		Be	0.0009	-
		Cd	0.0008	-
		Cr	0.0042	-
		Co	0.0009	-
		Pb	0.0379	-
		Mn	0.1235	-
		Hg	0.0138	-
		Ni	0.0096	-
Se	0.0162	-		
G1 and G-15	EAF 7 Scrubber Stack and EAF 6 and 7 Dust Collector Stack (5 and 6)	PM/PM ₁₀	-	46.72
		CO	-	1398.00
		NO _x	-	60.00
		SO ₂	-	67.90
		VOC	-	21.20
		Sb	-	0.031
		As	-	0.023
		Be	-	<0.004
		Cd	-	<0.004
		Cr	-	0.018
		Co	-	<0.004
		Pb	-	0.166
		Mn	-	0.541
		Hg	-	0.060

Permit Number
Page 4

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates</u>	
			<u>lb/hr</u>	<u>TPY</u>
		Ni -	0.042	
		Se -	0.071	
G-13	Furnace Building (4 and 6) Roofline Fugitives (EAF 6 and 7 and Ladle Preheat Stations)	PM/PM ₁₀	5.50	13.00
		CO	3.40	8.40
		Pb	0.2597	0.6125
		NO _x	4.00	10.00
		VOC 0.22	0.55	
		SO ₂ 0.02	0.06	
		Sb <0.0008	0.0019	
		As <0.0008	<0.0019	
		Be <0.0001	<0.0001Cd	0.0031
		0.0073		
		Cr 0.0799	0.1884	
		Co 0.0005	0.0012	
		Mn 2.652	6.2546	
		Hg <0.0001	<0.0001	
		Ni 0.0037	0.0087	
		Se <0.0001	0.0002	

Permit Numbers 3342 and PSD-TX-838

Page 5

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

- (1) Emission point identification - either specific equipment designation or emission point number from a plot plan.
 - (2) Specific point source names. For fugitive sources, use an area name or fugitive source name.
 - (3) VOC -volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
 - NO_x -total oxides of nitrogen
 - SO₂ -sulfur dioxide
 - PM -particulate matter, suspended in the atmosphere, including PM₁₀
 - PM₁₀ -particulate matter equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no particulate matter greater than 10 microns is emitted
-
- CO -carbon monoxide
 - H₂SO₄ -sulfuric acid
 - HNO₃ -nitric acid
 - NaNO₂ -sodium nitrite
 - NaOCC₁₇H₃₅ -sodium stearate
 - Sb -antimony
 - As -arsenic
 - Be -beryllium
 - Cd -cadmium
 - Cr -chromium
 - Co -cobalt
 - Pb -lead
 - Mn -manganese
 - Hg -mercury
 - Ni -nickel

Permit Numbers 3342 and PSD-TX-838

Page 6

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Se -selenium

NaOH -sodium hydroxide

- (4) Fugitive emissions are an estimate only.
- (5) Sum of annual emissions from both EPN G1 and G-15 shall not exceed the listed values.
- (6) The speciated metal emissions are included in the PM values.

Dated_

ATTACHMENT B
Compliance History

Compliance History

Customer/Respondent/Owner-Operator: CN603079716 Lone Star Steel Company, L.P. Classification: AVERAGE Rating: 0.25
 Regulated Entity: RN102955135 TEXAS OPERATIONS DIVISION Classification: AVERAGE Site Rating: 0.12

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	MS00081
	AIR OPERATING PERMITS	PERMIT	1444
	WASTEWATER	PERMIT	WQ0000348000
	WASTEWATER	PERMIT	TPDES0000027
	WASTEWATER	PERMIT	TX0000027
	WASTEWATER	PERMIT	TX0088528000
	WASTEWATER	PERMIT	WQ0004059000
	WASTEWATER	PERMIT	TX0088528
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1720002
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	42143
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD007323397
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30093
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50155
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	MS00081
	AIR NEW SOURCE PERMITS	PERMIT	3342
	AIR NEW SOURCE PERMITS	PERMIT	8837
	AIR NEW SOURCE PERMITS	AFS NUM	4834300001
	AIR NEW SOURCE PERMITS	PERMIT	49456
	AIR NEW SOURCE PERMITS	PERMIT	70820
	AIR NEW SOURCE PERMITS	REGISTRATION	75128
	AIR NEW SOURCE PERMITS	REGISTRATION	54247
	WASTEWATER LICENSING	LICENSE	WQ0000348000
	WATER LICENSING	LICENSE	1720002
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	ID NUMBER	PCO30093
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	30093
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30093

Location: 6866 US HIGHWAY 259 S, LONE STAR, TX, 75668 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: September 29, 2008

Agency Decision Requiring Compliance History: Permit - Issuance, renewal, amendment, modification, denial, suspension, or revocation of a permit.

Compliance Period: November 30, 2003 to September 29, 2008

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Phone:

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	12/05/2003	(256629)
N/A		
2	12/22/2003	(317668)
3	12/22/2003	(293415)
4	01/22/2004	(317669)
5	01/22/2004	(293416)
6	02/23/2004	(293397)
7	02/23/2004	(317659)
8	03/22/2004	(293400)
9	03/22/2004	(317660)
10	04/22/2004	(361503)
11	04/22/2004	(293401)
12	05/24/2004	(361504)
13	05/24/2004	(293403)
14	06/21/2004	(361505)
15	06/21/2004	(293405)
16	07/16/2004	(281952)
17	07/22/2004	(361507)
18	07/22/2004	(293407)
19	08/16/2004	(288663)
20	08/23/2004	(351206)
21	08/23/2004	(361508)
22	09/13/2004	(361509)
23	09/20/2004	(351207)
24	10/20/2004	(361510)
25	10/27/2004	(351208)
26	11/22/2004	(387199)
27	11/23/2004	(351209)
28	12/20/2004	(387200)
29	12/21/2004	(351210)
30	01/18/2005	(387201)
31	01/18/2005	(381431)
32	02/21/2005	(430419)
33	02/22/2005	(381429)
34	03/17/2005	(350021)
35	03/21/2005	(387198)
36	03/21/2005	(381430)
37	04/21/2005	(430420)
38	04/22/2005	(419205)
39	05/23/2005	(430421)
40	05/23/2005	(419206)
41	06/06/2005	(393924)
42	06/20/2005	(419207)
43	06/21/2005	(430422)
44	07/15/2005	(378577)
45	07/22/2005	(430423)
46	07/22/2005	(440429)
47	08/22/2005	(445601)
48	08/22/2005	(440430)
49	08/26/2005	(407381)
50	09/19/2005	(440431)
51	09/22/2005	(445602)
52	10/12/2005	(433807)
53	10/12/2005	(433896)
54	10/21/2005	(440432)
55	11/21/2005	(467692)
56	12/19/2005	(467693)
57	01/24/2006	(452082)
58	01/25/2006	(467694)

59	02/22/2006	(467691)
60	03/21/2006	(497729)
61	03/23/2006	(459158)
62	04/21/2006	(497730)
63	05/22/2006	(497731)
64	06/22/2006	(497732)
65	06/26/2006	(484061)
66	07/11/2006	(466421)
67	07/21/2006	(519786)
68	08/01/2006	(489096)
69	08/22/2006	(519787)
70	09/25/2006	(519788)
71	10/23/2006	(544002)
72	11/20/2006	(544003)
73	12/18/2006	(544004)
74	01/24/2007	(544005)
75	02/23/2007	(574487)
76	03/15/2007	(543168)
77	03/22/2007	(574488)
78	04/13/2007	(556816)
79	04/24/2007	(574489)
80	05/02/2007	(541966)
81	05/08/2007	(558615)
82	05/24/2007	(574490)
83	06/22/2007	(574491)
84	07/23/2007	(574492)
85	07/23/2007	(607466)
86	08/22/2007	(607465)
87	08/30/2007	(573101)
88	09/24/2007	(593847)
89	09/24/2007	(607467)
90	10/23/2007	(619226)
91	10/25/2007	(598870)
92	11/19/2007	(619227)
93	12/18/2007	(619228)
94	01/22/2008	(671730)
95	02/25/2008	(671728)
96	03/21/2008	(671729)
97	04/21/2008	(689645)
98	05/12/2008	(655936)
99	05/21/2008	(689646)
100	05/22/2008	(670998)
101	06/20/2008	(689647)
102	08/26/2008	(700273)
103	09/04/2008	(687446)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	04/30/2004	(293403)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	11/30/2005	(467693)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	03/17/2006	(459158)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(e) 5C THC Chapter 382, SubChapter D 382.085(b)			
Description:	Failure to notify the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office of a reportable excess opacity event within 24 hours after discovery of			

the event.

On August 22, 2005 at 1115 hrs, an excess opacity event was discovered at Lone Star Steel. A report for

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(8)(A)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to prevent unauthorized emissions during an excess opacity event. Since

Lone Star Steel failed to properly report the excess opacity event, the affirmative defense could not be met pursuant to 30 TAC §101.222(d)(1).

Date 11/30/2006 (544004)

Self Report? YES Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date 01/31/2007 (574487)

Self Report? YES Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date 03/13/2007 (543168)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP O-01444 STC (2)F

Description: Lone Star Steel did not meet the requirements of '101.201 the event notification was over 72 hours late. The event occurred at 1600 hrs on November 16, 2006 and was not reported to the Agency until 1224 hrs on November 20, 2006.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: PA 49456 SC 3
OP O-01444 STC 1A
OP O-01444 STC 8A

Description: Failure to prevent unauthorized emissions during an excess opacity event.

Date 05/31/2007 (574491)

Self Report? YES Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date 10/25/2007 (598870)

Self Report? YES Classification Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP FOP O-01444 ST&C, NSR NO. 8
PA NSR Permit No.3342 S.C. 6

Description: Failure to control opacity emissions below 6% from the melt shop building.

Date 08/26/2008 (700273)

Self Report? YES Classification Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: OP S.T.C. 1(A)
OP S.T.C. 3(B)(1)

Description: Failure to conduct quarterly visible emissions reading as required by Special Terms and Conditions 1(A) and 3(B)(1) of Federal Operating Permit No. O-01444.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: OP S.T.C. 1(A)
OP S.T.C. 3(C)(1)

Description: Failure to conduct quarterly visible emissions reading as required by Special Terms

Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PERMIT S.C. No. 10(D)
OP S.T.C. No. 8
Description: Failure to maintain all equipment in good working order as required by New Source Review (NSR) Permit No. 70820 Special Condition No. 10 (D)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA S.C. No. 11
OP S.T.C. No. 8
Description: Failure to maintain a minimum of 96 percent control of the acid mist emissions as required by New Source Review (NSR) Permit No. 3342 and PSD-TX-838, Special Condition No. 11.

Self Report? YES Classification Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA S.C. No. 15
OP S.T.C. No. 8
Description: Failure to maintain a minimum pH of 7 as required by New Source Review (NSR) Permit No. 3342 and PSD-TX-838, Special Condition No. 15.

Date 09/10/2008 (687446)

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to properly maintain the intruder-resistant fences at the ground storage tank and the high level storage tank.

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(3)
Description: Failure to provide an overflow pipe gravity-hinged and weighted cover on the ground storage tank with a good mechanical seal and a gap of no more than 1/16 inch.

F. Environmental audits.

Notice of Intent Date: ##### (263208)

Disclosure Date: 06/04/2004

Viol. Classification: Moderate

Citation: 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.190

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.192

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.193(f)

Description: Underground piping used to transport pickle liquor fails to meet criteria exception for ancillary equipment because it cannot be inspected daily. Currently the pickle liquor is not classified as hazardous waste because it is being used for wastewater treatment chemicals.

Notice of Intent Date: ##### (348026)

Disclosure Date: 06/17/2005

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt PERMIT SC 9D

Description: recordkeeping for the daily inspections of the water spray curtain and the paint particulate filters had not commenced

Viol. Classification: Minor

Citation: 40 CFR Chapter 279, SubChapter I, PT 279, SubPT C 279.22(c)(1)

30 TAC Chapter 324, SubChapter A 324.1

Description: five portable used oil tanks did not have clearly visible markings or labels identifying their contents

Notice of Intent Date: ##### (440148)

No DOV Associated

Notice of Intent Date: ##### (464685)

No DOV Associated

Notice of Intent Date: ##### (535571)

Disclosure Date: 05/21/2007

Viol. Classification: Major

Citation: 30 TAC Chapter 334, SubChapter F 334.124(a)(1)

30 TAC Chapter 334, SubChapter A 334.3(a)(9)

30 TAC Chapter 334, SubChapter C 334.47

30 TAC Chapter 334, SubChapter A 334.7

Description: Failure to register a 200g varnish dip tank constructed of steel and housed within a subgrade concrete vault which meets the definition of underground PST.

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

Compliance History

Customer/Respondent/Owner-Operator: CN603079716 Lone Star Steel Company, L.P. Classification: AVERAGE Rating: 0.25
 Regulated Entity: RN102955135 TEXAS OPERATIONS DIVISION Classification: AVERAGE Site Rating: 0.12

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	MS00081
	AIR OPERATING PERMITS	PERMIT	1444
	WASTEWATER	PERMIT	WQ0000348000
	WASTEWATER	PERMIT	TPDES0000027
	WASTEWATER	PERMIT	TX0000027
	WASTEWATER	PERMIT	TX0088528000
	WASTEWATER	PERMIT	WQ0004059000
	WASTEWATER	PERMIT	TX0088528
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1720002
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	42143
	STORMWATER	PERMIT	TXR05W942
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD007323397
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30093
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50155
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	MS00081
	AIR NEW SOURCE PERMITS	PERMIT	3342
	AIR NEW SOURCE PERMITS	PERMIT	8837
	AIR NEW SOURCE PERMITS	AFS NUM	4834300001
	AIR NEW SOURCE PERMITS	PERMIT	49456
	AIR NEW SOURCE PERMITS	PERMIT	70820
	AIR NEW SOURCE PERMITS	REGISTRATION	75128
	AIR NEW SOURCE PERMITS	REGISTRATION	54247
	WASTEWATER LICENSING	LICENSE	WQ0000348000
	WATER LICENSING	LICENSE	1720002
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	ID NUMBER	PCO30093
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	30093
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30093

Location: 6866 US HIGHWAY 259 S, LONE STAR, TX, 75668 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: September 29, 2008

Agency Decision Requiring Compliance History: Permit - Issuance, renewal, amendment, modification, denial, suspension, or revocation of a permit.

Compliance Period: November 30, 1998 to November 30, 2003

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Phone:

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	03/01/1999	(293398)
N/A		
2	03/26/1999	(293399)
3	04/26/1999	(293402)
4	05/26/1999	(293404)
5	06/28/1999	(293406)
6	07/27/1999	(293408)
7	08/26/1999	(293410)
8	09/27/1999	(293412)
9	10/21/1999	(IE000836900300)
10	10/25/1999	(153150)
11	11/22/1999	(153154)
12	12/09/1999	(108725)
13	12/15/1999	(246445)
14	12/22/1999	(153158)
15	12/27/1999	(210905)
16	01/26/2000	(210909)
17	01/26/2000	(153162)
18	02/25/2000	(210870)
19	03/20/2000	(153116)
20	03/22/2000	(153120)
21	03/22/2000	(153124)
22	03/22/2000	(210877)
23	04/19/2000	(153125)
24	04/20/2000	(210878)
25	05/22/2000	(210881)
26	05/23/2000	(153129)
27	06/08/2000	(108726)
28	06/22/2000	(153133)
29	06/22/2000	(210884)
30	07/24/2000	(153137)
31	07/24/2000	(210887)
32	08/21/2000	(153141)
33	08/21/2000	(210890)
34	09/22/2000	(210893)
35	09/25/2000	(153144)
36	10/20/2000	(153147)
37	10/23/2000	(210896)
38	10/27/2000	(246444)
39	11/20/2000	(153151)
40	11/21/2000	(210899)
41	12/18/2000	(210902)
42	12/18/2000	(153155)
43	01/22/2001	(210906)
44	01/22/2001	(153159)
45	02/06/2001	(246443)
46	02/23/2001	(153117)
47	02/23/2001	(210871)
48	03/22/2001	(210874)
49	03/23/2001	(130957)
50	03/23/2001	(153121)
51	03/23/2001	(134291)
52	03/28/2001	(38850)
53	04/23/2001	(153126)
54	04/23/2001	(210879)
55	04/27/2001	(39010)
56	05/22/2001	(210882)
57	05/23/2001	(153130)

58	06/22/2001	(153134)
59	06/25/2001	(210885)
60	07/23/2001	(153138)
61	07/24/2001	(210888)
62	08/22/2001	(153142)
63	08/22/2001	(210891)
64	09/24/2001	(153145)
65	09/24/2001	(210894)
66	11/01/2001	(210897)
67	11/01/2001	(153148)
68	11/19/2001	(210900)
69	11/19/2001	(153152)
70	12/17/2001	(210903)
71	12/17/2001	(153156)
72	01/22/2002	(210907)
73	01/22/2002	(153160)
74	02/22/2002	(153118)
75	02/22/2002	(210872)
76	03/07/2002	(108727)
77	03/07/2002	(108728)
78	03/20/2002	(153122)
79	03/20/2002	(210875)
80	04/22/2002	(153127)
81	04/22/2002	(317661)
82	05/07/2002	(108729)
83	05/20/2002	(153131)
84	05/20/2002	(210883)
85	06/17/2002	(210886)
86	06/18/2002	(153135)
87	06/28/2002	(108730)
88	06/28/2002	(108731)
89	07/22/2002	(153139)
90	07/23/2002	(210889)
91	08/19/2002	(153143)
92	08/19/2002	(210892)
93	08/21/2002	(8357)
94	08/22/2002	(8237)
95	08/22/2002	(7426)
96	09/20/2002	(210895)
97	09/20/2002	(153146)
98	10/21/2002	(210898)
99	10/21/2002	(153149)
100	11/20/2002	(210901)
101	11/21/2002	(153153)
102	12/30/2002	(210904)
103	12/30/2002	(153157)
104	01/16/2003	(153161)
105	01/17/2003	(210908)
106	02/20/2003	(153119)
107	02/20/2003	(210873)
108	03/19/2003	(153123)
109	03/19/2003	(210876)
110	04/10/2003	(28586)
111	04/18/2003	(210880)
112	04/22/2003	(153128)
113	05/22/2003	(153132)
114	05/22/2003	(317662)
115	06/16/2003	(153136)
116	06/16/2003	(317663)
117	07/18/2003	(361506)
118	07/21/2003	(153140)
119	08/22/2003	(317664)
120	08/22/2003	(293409)
121	08/29/2003	(153019)

122 09/22/2003 (293411)
 123 09/25/2003 (317665)
 124 10/20/2003 (317666)
 125 10/20/2003 (293413)
 126 11/07/2003 (28581)
 127 11/21/2003 (317667)
 128 11/21/2003 (293414)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	10/31/1999	(153154)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/15/1999	(246445)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE			
Date	12/31/1999	(210909)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/31/1999	(153162)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2000	(210870)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	04/30/2000	(210881)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	05/31/2000	(210884)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	07/31/2000	(210890)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	10/27/2000	(246444)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE			
Date	12/31/2000	(210906)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2001	(210871)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			

Date 02/06/2001 (246443)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Date 02/28/2001 (153121)
Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
Date 12/31/2001 (153160)
Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter
Date 02/26/2002 (108728)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: OP PP7
Description: SCRUBBER PH

F. Environmental audits.

Notice of Intent Date: ##### (32660)
No DOV Associated

Notice of Intent Date: ##### (32674)
Disclosure Date: 09/28/2001

Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter E 106.144(1)

Description: Failure to transport exhaust air through a fabric filter as required on the standard exemption/permit.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter E 106.144(4)

Description: Failure to register a sand storage silo, Form PI-7, or obtain written site approval from the agency prior to construction.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)

Description: Failure to include oil contaminated wastes on Annual Waste Summaries for 1998, 1999, and year 2000.
Notice of Intent Date: ##### (32675)
Disclosure Date: 09/28/2001
Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter E 106.144(1)

Description: Failure to transport exhaust air through a fabric filter as required in the standard exemption permit.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter E 106.144(4)

Description: Failure to register a sand storage silo, Form PI-7 or obtain written site approval from the agency prior to construction.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)

Description: Failure to include oil contaminated wastes on Annual Waste Summaries for 1998, 1999, and year 2000.
Notice of Intent Date: ##### (29820)
No DOV Associated
Notice of Intent Date: ##### (33068)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

ATTACHMENT C

Technical Review Summary

Permit Renewal Technical Review Analysis

Company:	U.S. Steel Tubular Products, Inc. , previously Lone Star Steel Company. LP*	Permit No.: 3342 and PSD-TX-838
City:	Lone Star	Project No.: 102214
County:	Morris	Account No.: MS-0008-I
Project Type:	RNEW	Regulated Entity No.: RN102955135
Project Reviewer:	Mr. Dois Webb	Customer Reference No.: CN603079716
Facility Name:	Electric Arc Furnaces & Specialty Tubing Facility	

* Lone Star Steel underwent a name change effective January 1, 2008

AUTHORIZATION CHECKLIST SECTION: (If YES to questions in this section, then ED signature required.)

Will a new policy/precedent be established? NO
 Is a state or local official opposed to the permit? NO
 If yes, please provide name and title of official: NA
 Is waste or tire derived fuel involved? NO
 Are waste management facilities involved? NO
 Will action on this application be posted on the Executive Director's agenda? YES
 Have any changes to the application or subsequent proposals been required to increase protection of public health and the environment during the review? NO

PROJECT OVERVIEW SECTION: If answer to last question above was yes, describe in detail the required changes.

This permit renewal was received on 11-10-03 and as will be explained, it encountered significant delay in processing. Specifically, a number of unusual technical and procedural issues arose, as well as public opposition, that resulted in a protracted period of time for resolution.

Since the inception of the permit time frame reduction (PTR) project in March 2002, Office of Permitting, Remediation and Registration (OPRR) has significantly reduced its permitting backlogs and increased permit efficiencies. In 2002, the Air Permits Division (APD) had a backlog of 1150 permits; APD has decreased that backlog to less than 270 projects currently. This represents a 76% reduction over this time period. Part of PTR is to identify older projects (greater than 2 yrs) and place the needed resources to resolve the issues and to ultimately process the application. Prior to eliminating the division's backlog this was very difficult to do on a consistent basis. Since the reduction of the backlog, all of the projects that are greater than 2 years old are being processed. Currently there are approximately 60 projects within the division that are greater than 24 months old. Over that same time period this represents less than 1.0% of all applications completed by the division. Additionally, control measures have been put in place to identify problem projects early on in the review and to highlight them and focus on their completion well within the expected backlog timeframes for the Air Permits Division.

This application began as a simple renewal and request to include authorization to reconnect one of two electric arc furnaces(EAF) to a "hydro scrubber" to which it had previously been exhausted. With this re-connection, the company would again be able to operate its two EAFs simultaneously. While the re-connection would not result in an increase in permit allowable emissions, actual emissions would increase and the actual increase in CO would trigger a PSD review.

Application review also revealed that several pollutants such as NOx, VOC, and SOx emitted by the EAFs were not reflected on the MAERT. The foregoing discoveries resulted in extended and repeated discussion between the applicant and TCEQ management, the requirement for stack testing to verify emission rates, and the submission of a permit amendment, all of which caused delay in the renewal review.

Permit Renewal Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

Ultimately on 5-31-07, a permit amendment which addressed and corrected the foregoing noted deficiencies with the renewal application was approved. In summary, the permit could not be renewed without being amended and the amendment process was complex, lengthy, and controversial.

The foregoing mentioned amendment required public notice, thus the public was made aware the permit was being changed. While the amendment PN noted the plant operation would not change and the purpose of the amendment was to add historically emitted compounds to the MRT, it did not include specific wording noting the renewed permit would not be identical to the one originally submitted for renewal. **In fact, the plant throughput authorized by the renewed permit will be 84,000 TPY less than that authorized at the time the renewal application was submitted and the changes in allowable emissions to be authorized by the renewal versus the permit at the time the renewal application was submitted follows:**

PM/PM10	- 7.89 TPY	CO	- 4437.82 TPY	NO _x	+ 62.16 TPY
VOC	+28.89 TPY	SO ₂	+68.00 TPY	H ₂ SO ₄	+5.20 TPY
HNO ₃	-1.82 TPY	Pb	- 0.41 TPY		

The reflected increases in emissions which were approved by the 5-31-07 amendment generally stem from updated emission factors/new information and not changes in the operation. Had NO_x, VOC, and SO_x been on the original permit, then this renewal would reflect a decrease in their emissions as well. As already noted, the reflected increases in NO_x, VOC, SO₂, and H₂SO₄ have already been authorized by the amendment issued 5-31-07, thus this renewal will not authorize any increases in emissions, but only continued operation as now authorized.

REVIEW SUMMARY SECTION:

With the approval of the permit amendment on 5-31-07, the permit renewal was simplified, i.e. the renewed permit will effectively be the re-issue of the amended permit. There will be one new condition added to the permit at the applicant's request. This added condition will reflect a representation made by alteration in 1996. The purpose for adding the condition is to preclude future misunderstanding regarding the authorization to burn used fabric filter bags in the cupola furnace.

Other than the one added condition, the renewal permit conditions and MAERT will be unchanged from the current conditions and MAERT dated 5-31-07.

Since this permit renewal application was received, public notice has been conducted four times. Specifically, renewal PN was conducted on 12-31-03, but due to a placement error by the newspaper, re-posting was done on 1-7-04. In response to the original renewal PN, one response was received. PN was also conducted on 7-5-06 in conjunction with the permit amendment and there was no public response. Additionally, an updated renewal PN was conducted on 12-12-07 to ensure the public was informed the renewed permit would not look the same as the permit in effect when the renewal application was submitted.

The one citizen response received following the 12-31-03 PN requested a hearing and to be placed on the mailing list. The response however provided no explanation for requesting a hearing and included no other comments, thus the requirement for preparing a RTC was not triggered. Accordingly, the protestant's name was added to the Interested Party Mailing List and ADR attempted to resolve the hearing request. ADR ultimately closed the file due to an impasse in negotiations.

In response to the PN conducted 12-7-07, one hearing request was received from the same citizen that submitted the original hearing request. Since this hearing request included comments, preparation of a RTC was required.

The hearing requestor lives in California, but owns property a few miles from the Lone Star plant. As reported by Lone Star Steel and addressed in his hearing request letter, his concerns are primarily waste issues rather than air matters.

In conclusion, this renewal will authorize continued operation of the foundry as authorized by the May 31, 2007 permit amendment

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

and as already noted, plant throughput and allowable emission rates for PM, PM10, and CO as reflected on the permit at the time of the renewal submission have decreased.

Given the foregoing, this application is a "No Increase" renewal and there are no known air quality issues regarding this permit application.

COMPLIANCE HISTORY SECTION:

In accordance with 30 TAC Chapter 60, a compliance history report was reviewed on: 2-13-07

The compliance period was from 11-11-98 to 11-10-03

Was the application received after September 1, 2002? YES

If yes, what was the site rating & classification? High/0.0 Company rating & classification? Average/0.44

If no, provide a description of the compliance history.

If site was Poor, what action(s) occurred as a result? (i.e. changes to permit, reduced renewal period, etc.) NO

If the rating is 40<RATING<45, what was the outcome, if any, based on the findings in the formal report? NA

Is the permit recommended to be denied on the basis of compliance history or rating? NO

Has the permit changed on the basis of the compliance history or rating? NO

30 TAC CHAPTER 116 RULES:

§116.315(b) Date of expiration of permit 2-1-04

§116.310 Date written notice of review was mailed 6-30-03

§116.310 Date application for Renewal (PI-1R) rec'd 11-10-03

§116.311(a)(1) Do dockside vessel emissions associated with the facility comply with all regulations? NA

§116.311(a)(2) Is the facility being operated in accordance with all requirements, conditions, and representations specified in the current permit and do the emissions from the facility comply with all TCEQ air quality rules and regulations, and with the intent of the Texas Clean Air Act? YES

§116.311(a)(3) Compliance with applicable NSPS? YES
Subparts A & AA

§116.311(a)(4) Compliance with applicable NESHAPS? NA
Subparts &

§116.311(a)(5) Compliance with applicable NESHAPS for source categories? NA

§116.311(a)(6) Compliance with applicable hazardous air pollutant requirements in 30 TAC §§ 116.180 - 116.183? YES

§116.311(b)(1) Is additional information regarding emissions from the facility and their impacts on the surrounding area required? NO

§116.311(b)(2) Were additional controls/permit conditions necessary to avoid a condition of air pollution or to ensure compliance with applicable federal or state rules? NO

If yes, explain:

§116.311© Compliance History: Is the facility in substantial compliance with the TCAA and the terms of the current permit? YES

§116.314(a) The facility meets all permit renewal requirements? YES

§116.313(a) Permit Renewal Fee: \$ 10,000.00 Paid? YES

PUBLIC NOTICE INFORMATION SECTION:

§39.403 Public notification required? YES

If no give reason:

Date application received: November 10, 2003 Date Administrative Complete: 12-11-03

Small Business source? NO

§39.418 Date 1st Public Notice /Admin Complete/Legislators letters mailed: 12-11-03

§39.603 Pollutants: NOx, CO, VOC, SOx, Pb, H₂SO₄, nitric acid, NaOH, zinc nitrate, zinc phosphate, sodium nitrite, sodium stearate, manganese, PM, and PM10

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

Date Published in Newspaper: 12-31-03 , 1/7/04 , and 12-12-07 in The Bee (See Note)
Date Affidavits/Copies received: 1-22-04 and 12-20-07
Bilingual notice required? NO, bilingual program not required by local school district.

NOTE: PN conducted on 12-31-03 was re-posted on 1-7-04 to correct a placement error by the newspaper. The wording in both postings were the same. As previously noted, the updated PN conducted 12-12-07 was accomplished to ensure the public was informed the renewed permit would not look the same as the permit in effect when the renewal application was submitted.

§39.604 Certification of Sign Posting / Application availability Yes/2-4-04 and 1-14-08
Public Comments Received? YES, two letters from same citizen
Notice and Comment Hearing requested? YES
Hearing held? TBD
Was/were the request(s) withdrawn? NO
Replies to Comments sent to OCC: YES

§39.419 2nd Public Notification required? NO
If no, give reason: Not required for a permit renewal.

§39.420 Consideration of Comments: NA
RTC, Technical Review & Draft Permit Conditions sent to OCC: YES
Request for Reconsideration Received? TBD
Final action? ISSUE Letters enclosed? YES

REQUEST FOR COMMENTS SECTION:

Region:	5	Reviewed by:	Charles Murray
City:	NA	Reviewed by:	
County:	NA	Reviewed by:	
TARA:	NA	Reviewed by:	
Compliance:	X	Reviewed by:	D. Webb
Legal:	X	Reviewed by:	Doug Brown

CHAPTER 113 RULES SECTION:

§113.100 Compliance with applicable MACT standards expected? NA
Subparts &

PROCESS DESCRIPTION SECTION:

The EAF operation involves the charging of scrap steel into the two EAFs and the transfer of the molten steel from the EAFs into ladles that transfer the molten steel to a casting operation authorized by a separate permit, i.e this permit does not authorize the casting operation.

The specialty tubing operation receives already formed steel tubes and then processes them thru a variety of steps. The initial steps are surface conditioning that involve processing the tubes thru a series of tanks containing sulfuric acid, caustic, zinc phosphate, sodium stearate, sodium nitrite, and/or oil. Following the surface treatment, the tubes are heat treated, sometimes painted, and then stenciled/marked. After completion of the foregoing steps, the process is complete and the tubes are ready for shipment.

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

SOURCES AND CONTROLS SECTION:

Emission sources include the handling of scrap steel, two electric arc furnaces, ladles, 5 sulfuric acid tanks, two zinc phosphate tanks, caustic tanks, neutralizer tank, 3 annealing furnaces, a batch furnace, tube dryer burners, and a tube marking/painting operation. One EAF exhausts thru a hydro scrubber or fabric filter and the other EAF exhausts thru a fabric filter. The tube dryer, ladle preheat stations, annealing furnaces, and batch furnace all use natural gas for fuel.

The maximum outlet grain loading for the EAF hydro scrubber and fabric filter are 0.0052 and 0.0045 gr/dscf respectively. Furthermore, the allowable emission rate for NOx and CO for the EAFs are based on 0.212 lbs NOx/ton and 4.94 lbs CO/ton steel melted.

The acid tanks and the zinc phosphate tanks exhaust to scrubbers with a 96 % removal efficiency.

The annealing furnace burners, batch furnace, tube dryer burners, and ladle heaters all use natural gas for fuel which is BACT.

Controls employed by the facilities that previously operated by standard exemption or permit by rule meet current BACT

In conclusion, considering the age of the facilities and the impact of their emissions on the surrounding area, these facilities meet current BACT requirements.

MISCELLANEOUS SECTION:

Is applicant in agreement with special conditions? YES, Email dated 6-7-07
Company representative? Leah Cooper

Permit Reviewer	Date	Team Leader/Section Manager/Backup	Date
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Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 29, 2008

TEXAS
COMMISSION ON
ENVIRONMENTAL
QUALITY
2008 SEP 29 PM 4:14
CHIEF CLERKS OFFICE

LaDonna Castanuela
Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Re: TCEQ DOCKET NUMBER 2005-0272-AIR

Dear Ms. Castanuela:

Enclosed you will find the original and eleven copies of the Executive Director's Response to Hearing Requests in the matter of Lone Star Steel Company, Permit No. 3342

Attached to the Executive Director's Response to Hearing Requests you will find the original and eleven copies of the backup filing for this matter.

The attachments include the following documents:

Attachment A – Draft Permit
Attachment B – Compliance History
Attachment C – Tech Review Summary

If you have any questions about this matter, please call me at 239-2253.

Sincerely,


Douglas M. Brown
Staff Attorney
Environmental Law Division
TCEQ Office of Legal Services

Attachments

TCEQ AIR QUALITY PERMIT NO. 3342
TCEQ DOCKET NO. 2005-0272-AIR

2008 SEP 29 PM 4:14
CHIEF CLERK'S OFFICE

TEXAS
COMMISSION ON
ENVIRONMENTAL
QUALITY

APPLICATION BY § BEFORE THE
LONE STAR STEEL COMPANY § TEXAS COMMISSION ON
LONE STAR, MORRIS COUNTY, TEXAS § ENVIRONMENTAL QUALITY

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

The Executive Director (ED) of the Texas Commission on Environmental Quality (Commission or TCEQ) files this response (Response) to the requests for a contested case hearing submitted by persons listed herein. The Texas Clean Air Act (TCAA) § 382.056(n) requires the commission to consider hearing requests in accordance with the procedures provided in Texas Water Code § 5.556.¹ This statute is implemented through the rules in 30 Texas Administrative Code (TAC) Chapter 55, Subchapter F.

A current compliance history report, technical review summary, and draft permit prepared by the ED's staff have been filed with the TCEQ's Office of Chief Clerk for the Commission's consideration. In addition, the ED's Response to Public Comments (RTC), which was mailed by the chief clerk to all persons on the mailing list, is on file with the Chief Clerk for the Commission's consideration.

I. Application Request and Background Information

Lone Star Steel Company (Applicant), now U.S. Steel Tubular Products as of January 1, 2008, applied to the TCEQ for renewal of Air Quality Permit No. 3342 and PSD-TX-838. The renewal would authorize continued operation of their steel pipe manufacturing plant consisting of two Electric Arc Furnaces and a Specialty Tubing Facility. The plant is located at 6866 Highway 259 South in Lone Star, Morris County, Texas, 75668. The plant will emit the following air contaminants: carbon monoxide, nitrogen oxides, sulfur dioxide, organic compounds, particulate matter including particulate matter less than 10 microns in diameter, lead, sulfuric acid, nitric acid, sodium hydroxide, zinc nitrate, zinc phosphate, sodium nitrite, sodium stearate, and hazardous air pollutants including, but not limited to, antimony, arsenic, beryllium, cadmium, chromium, cobalt, manganese, mercury, nickel, and selenium. The renewed permit maximum allowable emissions rate table (MAERT) will list compounds that have historically been emitted, but were not listed on the permit at the time this renewal application was submitted. This renewal will not authorize any change in currently authorized operations or change in currently authorized pollutants. As of September 29, 2008, Applicant is not delinquent on any administrative penalty payments to the

¹ Statutes cited in this response may be viewed online at www.capitol.state.tx.us/statutes/statutes.html. Relevant statutes are found primarily in the Texas Health and Safety Code and the Texas Water Code. The rules in the Texas Administrative Code may be viewed online at www.sos.state.tx.us/tac/index.shtml, or follow the "Rules, Policy & Legislation" link on the TCEQ website at www.tceq.state.tx.us.

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

Page 2

TCEQ. The TCEQ Enforcement Database was searched and no enforcement activities were found that are inconsistent with the compliance history.

The application for renewal of this permit was originally received on November 10, 2003.² The application was declared administratively complete on December 11, 2003. The Notice of Receipt and Intent to Obtain (NORI) an Air Quality Permit Renewal was published on December 31, 2003; however due to an error, the NORI was again published on January 7, 2004. In response to public notice, one request for a hearing was received; however the request did not identify any specific concerns and stated simply that the requester wanted a contested hearing. Subsequent to the NORI, TCEQ staff determined the permit renewal could not be accomplished until the permit was amended, because NO_x and SO_x, which are typical electric arc furnace (EAF) emissions, were not reflected on the MAERT and the actual increase in CO emissions resulting from the reconnection of the hydro scrubber would necessitate Prevention of Significant Deterioration (PSD) review. Accordingly, a permit amendment was needed to address these issues. Significant delay in processing the application is attributable to, among other things: a) Applicant did not initially agree with staff's conclusion that an amendment was necessary which resulted in numerous meetings between Applicant and TCEQ; b) stack testing to establish emission rates was required; and c) Applicant's deliberation on how to address the potential PSD review. After the above technical and procedural issues were resolved, Applicant submitted an amendment application on June 9, 2006 and the NORI was published on July 5, 2006. No public comments were received in response to the NORI and the permit amendment was issued on May 31, 2007. Following the approval of the permit amendment, processing of the permit renewal application resumed; however, since the permit had been amended, Applicant was required to provide an amended public notice. In response to the amended notice, one contested case hearing request with comments was received on December 27, 2007.

The ED's RTC was mailed on September 16, 2008, to all interested persons, including those who asked to be placed on the mailing list for this application and those who submitted comment or requests for contested case hearing. The cover letter to the RTC provided information about filing a response to hearing requests.

² Since the inception of the permit time frame reduction (PTR) project in March 2002, the Office of Permitting, Remediation and Registration (OPRR) has significantly reduced its permitting backlogs and increased permit efficiencies. In 2002, the Air Permits Division (APD) had a backlog of 1150 permits; APD has decreased that backlog to less than 270 projects currently. This represents a 76% reduction over this time period. Part of PTR is to identify older projects (greater than 2 yrs) and place the needed resources to resolve the issues and to ultimately process the application. Prior to eliminating the division's backlog this was very difficult to do on a consistent basis. Since the reduction of the backlog, all of the projects that are greater than 2 years old are being processed. Currently there are approximately 60 projects within the division that are greater than 24 months old. Over that same time period this represents less than 1.0% of all applications completed by the division. Additionally, control measures have been put in place to identify problem projects early on in the review and to highlight them and focus on their completion well within the expected backlog timeframes for the APD.

The TCEQ received a timely hearing request during the public comment period from Donnie O. Turner.

II. Analysis

Applicant is seeking a renewal that would not result in an increase in allowable emissions and will not result in an emission of an air contaminant not previously emitted. Texas Health & Safety Code (THSC) § 382.056(g) states, "The commission may not seek further comment or hold a public hearing...in response to a request for a public hearing on an amendment, modification, or renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted."³ Therefore, the Commission should deny the hearing requests as a matter of law and approve the renewal of Applicant's Permit No. 3342.

Although this renewal application will not result in an increase in allowable emissions and will not result in an emission of an air contaminant not previously emitted, THSC § 382.056(o) states "Notwithstanding other provisions of this chapter, the commission may hold a hearing on a permit amendment, modification, or renewal if the commission determines that the application involves a facility for which the applicant's compliance history is in the lowest classification under Sections 5.753 and 5.754, Water Code, and rules adopted and procedures developed under those sections."⁴ The commission adopted 30 TAC, Chapter 60 to evaluate compliance history. The lowest classification under the Texas Water Code §§ 5.753 and 5.754 and 30 TAC § 60.2 is a "poor performer." Under 30 TAC § 60.3(a)(3)(B), the TCEQ may hold a hearing on an air permit renewal if the site is classified as a poor performer. The compliance history for the company and the site is reviewed for the five-year period prior to the date the permit application was received by the ED. The company and this site have a rating of 0.25 and 0.12 respectively, and have been classified as "average" and not "poor" performers according to 30 TAC Chapter 60. Therefore, a hearing should not be granted under THSC § 382.056(o) based on the compliance history of Applicant.

III. Conclusion

The renewal of this permit would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted. Under these circumstances, THSC § 382.056(g) directs the Commission to "not seek further comment or hold a public hearing." Because consideration of hearing requests on a "no increase" renewal application is governed by THSC § 382.056(g) and (o), this Response does not include an analysis of the individual hearing requests. Accordingly, the ED respectfully recommends the Commission deny the hearing request as

³ See also 30 TAC § 55.201(i)(3)(C) (Renewals of air applications that "would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted" are applications for which there is no right to a contested case hearing).

⁴ See also 30 TAC § 55.201(i)(3)(C) (stating the commission may hold a hearing if the application "involves a facility for which the applicant's compliance history contains violations which are unresolved and which constitute a recurring pattern of egregious conduct which demonstrates a consistent disregard for the regulatory process, including the failure to make a timely and substantial attempt to correct the violations").

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

Page 4

a matter of law and approve the renewal of Applicant's Permit No. 3342.

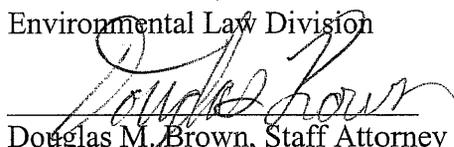
Respectfully submitted,

Texas Commission on Environmental Quality

Mark Vickery P.G.
Executive Director

Stephanie Bergeron Perdue, Deputy Director
Office of Legal Services

Robert Martinez, Division Director
Environmental Law Division



Douglas M. Brown, Staff Attorney
Environmental Law Division
Bar No. 24048366

Representing the Executive Director of the Texas
Commission on Environmental Quality

CERTIFICATE OF SERVICE

On the 29th day of September 2008, a true and correct copy of the foregoing instrument was served on all persons on the attached mailing list by the undersigned via deposit into the U.S. Mail, inter-agency mail, facsimile, or hand delivery.



Douglas M. Brown

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2008 SEP 29 PM 4:14
CHIEF CLERK'S OFFICE

MAILING LIST
LONE STAR STEEL COMPANY
DOCKET NO. 2005-0272-AIR; PERMIT NO. 3342

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REQUESTER:

Donnie O. Turner
P.O. Box 56159
Riverside, California 92517-1059

ATTACHMENT A

Draft Permit

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

EMISSION STANDARDS

1. This permit covers only those sources of emissions listed in the attached table, entitled "Emission Sources - Maximum Allowable Emission Rates," and those sources are limited to the emission limits and other conditions specified in that attached table.

FEDERAL APPLICABILITY

2. Operation, monitoring, recording, and testing of the facility shall comply with the U.S. Environmental Protection Agency (EPA) regulations on standards of performance for new stationary sources existing for steel plant electric arc furnaces in Title 40 Code of Federal Regulations (40 CFR) Part 60, Subparts A and AA.

FUEL SPECIFICATION

3. Fuel for the Tube Dryer, Ladle Preheat Stations No. 6 and 7, Annealing Furnaces Nos 1-3, and the Batch Furnace shall be pipeline quality natural gas. Use of any other fuel will require prior approval of the Executive Director of the Texas Commission on Environmental Quality (TCEQ). (05/07)

OPACITY/VISIBLE EMISSION LIMITATIONS

4. Opacity of emissions from the Electric Arc furnace (EAF) 7 scrubber stack, (Emission Point No. (EPN) G-1) and/or the EAF 6 and 7 Dust Collector Stack (EPN G-15) shall not exceed 3 percent when adjusted for uncombined water vapor and averaged over a six-minute period as determined by (EPA Test Method (TM) 9, except for those periods described in EPA document 40 CFR Part 60.
5. In accordance with EPA Test Method 9 or equivalent and except for those periods described in EPA document 40 CFR Part 60, opacity of emissions from the wet scrubber stacks, EPNs S-1, S-2, S-3, S-4, S-5, and S-6 shall not exceed 10 percent when adjusted for uncombined water vapor.
6. Opacity of fugitive emissions from the melt shop building shall not exceed 6 percent averaged over a six-minute period as determined by EPA TM 9 or equivalent. Shop opacity not to exceed 20 percent may occur during charging and tapping periods. (05/07)

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 2

7. There shall be no off-property visible emissions from the processing and handling of scrap metals as determined by EPA TM 22.

OPERATIONAL LIMITATION, WORK PRACTICES, AND PLANT DESIGN

8. EAF No. 7 shall exhaust through either a steam hydroscrubber system (EPN G-1) with a particulate outlet grain loading not greater than 0.0052 grain per dry standard cubic foot (gr/dscf) or through a fabric filter (EPN G-15) having a particulate outlet grain loading not greater than 0.0045 gr/dscf. (05/07)
9. EAF No. 6 shall exhaust through a fabric filter (EPN G-15) having a particulate outlet grain loading not greater than 0.0045 gr/dscf.
10. During such times as the fabric filter (EPN G-15) is being used as the emission control device on EAF No. 7, the idle furnace (EAF No. 6 or No. 7) can be charged with scrap while the other furnace is in operation. During the period when the operating furnace is being tapped, energy can be applied to the pre-charged furnace, provided both furnaces are being drafted to the fabric filter.
11. Sulfuric acid tanks Nos. 1, 2, 3, 4, and 5 and conversion coating tanks Nos. 1 and 2 in the specialty tubing operation shall exhaust through wet scrubbers that provide a minimum of 96 percent control of the acid mist emissions. (05/07)
12. The combined throughput of both EAF 6 and EAF 7 shall not exceed 120 tons per hour and 566,000 tons per year of steel. (05/07)
13. Burners for the tube dryer and ladle preheat stations 6 and 7 shall not exceed a 40MMBtu/Hr capacity each. (05/07)
14. The EAFs may operate with oxygen lancing and oxygen door burners. (05/07)
15. Used electric arc furnace fabric filter bags from the onsite EAF baghouse may be charged to the EAFs. (5/08)

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 3

16. There shall be a maximum of five pickling tanks containing sulfuric acid and a maximum of two conversion coating tanks containing zinc phosphate at the specialty tubing facility. The tanks shall be equipped with a vent hood which adequately captures fumes from the tanks during operations. The hoods shall vent to a vertical, three stage, wet scrubber with a single water scrubbing spray stage, single pack, and mist eliminator with continuous fresh water input of one gallon per minute. The scrubber shall be inspected and cleaned as necessary every three months and malfunctioning spray nozzles replaced. The hood design shall be a push-pull system designed according to American Conference of Governmental Industrial Hygienists's Industrial Ventilation Manual, 20th Edition, with a minimum of 32,000 actual cubic feet per minute (acfm) of air as specified in the application for Scrubbers S-2, S-3, S-4, and S-6, a minimum of 17,000 acfm for Scrubber S-1 and a minimum of 62,000 acfm for Scrubber S-5. Scrubber water shall have a minimum of 7 pH. **(05/07)**

17. The stacks from the water scrubbers shall vent vertically upward such that the exhaust gas is not deflected away from a vertical discharge by any device such as a rain cap. **(05/07)**

18. The PM removed by the emissions control equipment shall be managed in accordance with applicable hazardous waste regulations and shall be stored in closed containers while on site. Transfer of the collected PM from the baghouse collection bins to the storage bins shall be through an enclosed system. **(05/07)**

MATERIAL SUBSTITUTION

19. Materials other than those listed within the permit application may be used provided that all of the following criteria are satisfied: **(05/07)**
 - A. The new or replacement compound or product shall serve the same basic process function and the emissions shall be emitted from the same location as the replaced compound or product emissions.

 - B. The Effects Screening Level (ESL) for any new or replacement compound or product shall not be less than the ESL value for the current compound or product and the emission rate (ER) for the replacement compound or product shall not be greater than the ER for the current compound or product, except if the following condition is met:

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 4

where: there is a direct substitution of one chemical for another

$$(ER2)/(ESL2) \leq (ER1)/(ESL1)$$

OR

where: the replacement has different constituents

$$(ER2a) + (ER2b) + (ER2n) \leq (ER1a) + (ER1b) + (ER1n)$$

$$(ESL2a) (ESL2b) (ESL2n) \leq (ESL1a) (ESL1b) (ESL1n)$$

where:

ER1 is the ER of the authorized compound/product (chemical).

ER2 is the ER of the replacement compound/product (chemical).

ESL1 is the ESL for the authorized compound/product (chemical shown on the Material Safety Data Sheet [MSDS]).

ESL2 is the ESL for the replacement compound/product (chemical shown on the MSDS).

The 30 minute ESL value for any new chemical emitted that is not represented in the permit application is limited to the use of the TCEQ-approved ESL for the individual chemical contained in the most recent TCEQ ESL list or as derived by the TCEQ Toxicology and Risk Assessment Section.

Emission calculations and records must be maintained as required in the Recordkeeping Requirement section of this permit to demonstrate compliance with this condition and Special Condition No. 1.

- C. This condition allows for changes in material chemical formulations and does not allow for any increase in total emissions from any emission point as specified in the maximum allowable emission rates table (MAERT).

INITIAL DETERMINATION OF COMPLIANCE

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 5

20. Stack sampling of Dust Collector Stack (EPN G-15) for PM emissions shall occur after initial start-up of the facilities and at such other times as may be required by the Executive Director of the TCEQ. Requests for additional time to perform sampling shall be submitted to the Regional Office. Additional time to comply with the applicable requirements of 40 CFR Part 60 requires EPA approval, and requests shall be submitted to the TCEQ Compliance Support Division in Austin.

Stack sampling of the Sulfuric Acid/Pickling and Conversion Coating Tank Wet Scrubbers (EPNs S1 through S6) will not be required of the holder of this permit provided that all the following conditions are met:

- A. Adequate documentation, including copies of past test results, demonstrated to the satisfaction of the TCEQ Executive Director that emissions will not exceed those represented in the maximum allowable emission rates table. **(05/07)**
 - B. The permitted wet scrubbers emissions shall not exceed 10 percent opacity as outlined in Special condition (SC) 5 of this permit. **(05/07)**
21. Stack sampling analysis for PM emitted from the hydroscrubber system EPN G-1 will not be required of the holder of this permit provided that adequate documentation, including copies of past test results, demonstrates to the satisfaction of the TCEQ Executive Director that this control system has been tested and shown to meet the 0.0052 gr/dscf allowable.

CONTINUOUS DETERMINATION OF COMPLIANCE

22. Upon being informed by the TCEQ Executive Director that the staff has documented visible emissions from these facilities exceeding opacity limitations as outlined in this permit, except for those periods described in NSPS, Subpart AA, the holder of this permit shall conduct stack sampling analyses or other tests to prove satisfactory equipment performance and demonstrate compliance with the outlet particulate grain loading specified in Special Condition Nos. 8 and 9 of this permit. Sampling must be conducted in accordance with appropriate procedures of the TCEQ Sampling Procedures Manual or in accordance with applicable EPA Code of Federal Regulations procedures. Any deviations from those procedures must be approved by the TCEQ Executive Director prior to sampling. **(05/07)**
23. If a condition of nuisance is confirmed by the TCEQ, the holder of this permit may be

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 6

required to perform stack sampling for PM and other testing as required to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere.

MONITORING

24. Continuous monitoring and recordkeeping of opacity shall be performed at the baghouse stack EPN G-15. The holder of this permit shall install, calibrate, and maintain a continuous opacity monitoring system (COMS) for monitoring opacity. The monitoring device shall be calibrated in accordance with the manufacturer's specifications and shall be calibrated at least annually. (05/07)
- A. The COMS shall meet the design and performance specifications, pass the field tests, and meet the installation requirements and the data analysis and reporting requirements specified in Performance Specification No. 1, 40 CFR Part 60, Appendix B.
 - B. The COMS shall be zeroed and spanned daily and corrective action taken when the 24-hour span drift exceeds two times the amounts specified in 40 CFR Part 60, Appendix B or as specified by the TCEQ if not specified in Appendix B.
 - C. The opacity monitor shall complete a minimum of one cycle of data recording for each successive ten-second period. Six-minute averages shall be computed from at least 36 data points over a six-minute period. Data recorded during periods of COMS breakdowns, repairs, calibration checks, and zero span adjustments shall not be included in the computed data averages.
25. Upon startup of Steam Hydroscrubber exhausting at EPN G-1, continuous monitoring of steam and off gas flows shall be conducted. Six months after startup, the permit holder shall submit to TCEQ a proposed steam to off-gas ratio to be used to demonstrate proper scrubber operation. Once the steam to off gas ratio has been established, the permit holder shall continue monitoring steam and off gas flows and maintain records of the steam to off gas ratio. (05/07)
- A. The holder of this permit shall install, calibrate, and maintain a device to monitor and record steam and off-gas flows in the hydro scrubber. The monitoring device shall be calibrated in accordance with the manufacturer's specifications and shall be calibrated at least annually and shall be accurate to within $\pm 1.0\%$ of instrument span.
 - B. After the initial monitoring period been completed and TCEQ has approved a steam to

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 7

off-gas ratio, records of steam and off-gas flows shall be maintained to provide the agreed upon steam to off-gas ratio. Flow readings will be recorded at least four times per hour. One-hour averages shall be computed from the data points recorded in that hour.

26. Opacity of the hydroscrubber exhaust, EPN G-1 shall be monitored by a certified observer for at least one six minute period once per day in accordance with 40 CFR Part 60 Appendix A, Test method 9 and 40 CFR§ 64.7 (c) except for those days that the hydro scrubber is not operated. If the observations cannot be conducted due to weather conditions, the date, time, and specific weather conditions shall be recorded. Opacity readings shall be recorded and maintained **(05/07)**
27. Records shall be maintained to reflect when EAF No. 7 is exhausting to EPN G-1 rather than EPN G-15. These records shall indicate the date and hours that the hydroscrubber is in operation. **(05/07)**
28. The holder of this permit may elect to collect monitoring data on a more frequent basis and average the data, consistent with the averaging times specified, for purposes of determining whether a deviation has occurred. However, the additional data points must be collected on a regular basis. In no event shall data be collected and used in particular instances in order to avoid reporting deviations. All monitoring data shall be collected in accordance with the requirements specified in 40 CFR § 64.7(c). **(05/07)**
29. The holder of this permit shall perform monthly inspections to verify proper operation of capture systems and ensure the emission capture system remains effective. If the results of the inspections indicate that a capture system is not operating properly, the permit holder shall promptly take necessary corrective actions. **(05/07)**
30. The fabric filter exhausting at EPN G-15 shall not have a bypass. **(05/07)**
31. The TCEQ Regional Office shall be notified as soon as possible after the discovery of any monitor malfunction, which is expected to result in more than 48 hours of lost data. Supplemental stack concentration measurements may be required at the discretion of the appropriate TCEQ Regional Director in case of extended monitor downtime. Necessary corrective action shall be taken if the downtime exceeds 5 percent of the (emissions source) operating hours in the quarter. Failure to complete any corrective action as directed by the TCEQ Regional Office may be deemed a violation of the permit. **(05/07)**

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 8

RECORDKEEPING REQUIREMENTS

32. The following records shall be kept, maintained on-site, and made available upon request to the Director of the TCEQ and/or his representatives and any local air pollution control agency having jurisdiction. Records shall be of sufficient detail to demonstrate compliance with authorized throughputs and operating parameters. These records shall be maintained on-site for a rolling 24-month period and include the following: **(05/07)**
- A. Records of the daily and annual EAF production, duration of start-up, shutdown, or malfunctions in the process resulting in a permit exceedance;
 - B. Malfunctions of any air pollution abatement device, and records of the inspection, maintenance, and repair of abatement equipment and capture systems.
 - C. Material substitution records required by Special Condition No. 19;
 - D. All monitoring data and support information as specified in 30 Texas Administrative Code (TAC) §122.144;
 - E. Detailed records of hazardous air pollutant (HAP) emissions to include supporting data shall be kept and maintained. Records shall be kept in sufficient detail to substantiate the reported emissions and a report shall be produced for the emission of HAPs (in tons per year) for the previous 12 consecutive months. The required records shall include examples of the method of data reduction including units, conversion factors, assumptions, and the basis of the assumptions, and
 - F. Records required by Special Condition Nos. 26 and 27.

Date _____

SPECIAL CONDITIONS

Permit Numbers 3342 and PSD-TX-838

Page 9

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Numbers 3342 and PSD-TX-838

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2) TPY*	Air Contaminant	Emission Rates	
			Name (3)	lb/hr
S-5	Sulfuric Tanks No. 1 and 2 Scrubber Stack	H ₂ SO ₄	0.17	0.77
S-2	Sulfuric Tanks No. 3 and 4 East Scrubber Stack	H ₂ SO ₄	0.09	0.38
S-3	Sulfuric Tanks No. 3 and 4 West Scrubber Stack	H ₂ SO ₄	0.09	0.38
S-1	Sulfuric Tank No. 5 Scrubber Stack	H ₂ SO ₄	0.07	0.29
S-6	Conversion Coating Tank No.1 Scrubber Stack	HNO ₃	0.02	0.08
		Zinc Phosphate	0.05	0.20
		Zinc Nitrate	0.03	0.06
S-4	Conversion Coating Tank No. 2 Scrubber Stack	HNO ₃	0.02	0.08
		Zinc Phosphate	0.05	0.20
		Zinc Nitrate	0.03	0.06
T-1	Sulfuric Acid Tank Fug (4)	H ₂ SO ₄	2.60	5.20
NGFUG	Annealing furnaces No. 1, 2, and 3; Batch Furnace; and Tube Dryer (4)	NO _x	2.88	12.59
		CO	2.42	10.58
		VOC	0.16	0.69
		PM/PM ₁₀	0.22	0.96
		SO ₂ 0.02	0.08	
CAUFUG	Caustic Cleaning Tank (4)	NaOH	0.45	1.94

Permit Numbers 3342 and PSD-TX-838

Page 2

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates</u>	
			<u>lb/hr</u>	<u>TPY</u>
NEUFUG	Neutralizer Tank (4)	NaNO ₂	0.17	0.75
LUBFUG	Lube Tank (4)	NaOCC ₁₇ H ₃₅	0.62	2.70
SP-1	Specialty Tube Marking (4)	VOC	3.48	6.96
G-1	EAF 7 Scrubber Stack (6)	PM/PM ₁₀	6.50	-
		CO	321.00	-
		NO _x	12.72	-
		SO ₂	14.40	-
		VOC	4.50	-
		Sb	0.0071	-
		As	0.0053	-
		Be	0.0009	-
		Cd	0.0008	-
		Cr	0.0042	-
		Co	0.0009	-
		Pb	0.0379	-
		Mn	0.1235	-
		Hg	0.0138	-
		Ni	0.0096	-
Se	0.0162	-		

Permit Numbers 3342 and PSD-TX-838

Page 3

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

<u>Emission Point No. (1)</u>	<u>Source Name (2)</u>	<u>Air Contaminant Name (3)</u>	<u>Emission Rates</u>	
			<u>lb/hr</u>	<u>TPY</u>
G-15	EAF 6 and 7 Dust (6) Collector Stack	PM/PM ₁₀	6.29	-
		CO	321.00	-
		NO _x	12.72	-
		SO ₂	14.40	-
		VOC	4.50	-
		Sb	0.0071	-
		As	0.0053	-
		Be	0.0009	-
		Cd	0.0008	-
		Cr	0.0042	-
		Co	0.0009	-
		Pb	0.0379	-
		Mn	0.1235	-
		Hg	0.0138	-
		Ni	0.0096	-
Se	0.0162	-		
G1 and G-15	EAF 7 Scrubber Stack and EAF 6 and 7 Dust Collector Stack (5 and 6)	PM/PM ₁₀	-	46.72
		CO	-	1398.00
		NO _x	-	60.00
		SO ₂	-	67.90
		VOC	-	21.20
		Sb	-	0.031
		As	-	0.023
		Be	-	<0.004
		Cd	-	<0.004
		Cr	-	0.018
		Co	-	<0.004
		Pb	-	0.166
		Mn	-	0.541
		Hg	-	0.060

Permit Number
Page 4

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates	
			lb/hr	TPY
		Ni -	0.042	
		Se -	0.071	
G-13	Furnace Building (4 and 6) Roofline Fugitives (EAF 6 and 7 and Ladle Preheat Stations)	PM/PM ₁₀	5.50	13.00
		CO	3.40	8.40
		Pb	0.2597	0.6125
		NO _x	4.00	10.00
		VOC 0.22	0.55	
		SO ₂ 0.02	0.06	
		Sb <0.0008	0.0019	
		As <0.0008	<0.0019	
		Be <0.0001	<0.0001Cd	0.0031
		0.0073		
		Cr 0.0799	0.1884	
		Co 0.0005	0.0012	
		Mn 2.652	6.2546	
		Hg <0.0001	<0.0001	
		Ni 0.0037	0.0087	
		Se <0.0001	0.0002	

Permit Numbers 3342 and PSD-TX-838

Page 5

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

- (1) Emission point identification - either specific equipment designation or emission point number from a plot plan.
 - (2) Specific point source names. For fugitive sources, use an area name or fugitive source name.
 - (3) VOC -volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
 - NO_x -total oxides of nitrogen
 - SO₂ -sulfur dioxide
 - PM -particulate matter, suspended in the atmosphere, including PM₁₀
 - PM₁₀ -particulate matter equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no particulate matter greater than 10 microns is emitted
-
- CO -carbon monoxide
 - H₂SO₄ -sulfuric acid
 - HNO₃ -nitric acid
 - NaNO₂ -sodium nitrite
 - NaOOCC₁₇H₃₅ -sodium stearate
 - Sb -antimony
 - As -arsenic
 - Be -beryllium
 - Cd -cadmium
 - Cr -chromium
 - Co -cobalt
 - Pb -lead
 - Mn -manganese
 - Hg -mercury
 - Ni -nickel

Permit Numbers 3342 and PSD-TX-838

Page 6

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Se -selenium

NaOH -sodium hydroxide

- (4) Fugitive emissions are an estimate only.
- (5) Sum of annual emissions from both EPN G1 and G-15 shall not exceed the listed values.
- (6) The speciated metal emissions are included in the PM values.

Dated_

ATTACHMENT B
Compliance History

Compliance History

Customer/Respondent/Owner-Operator: CN603079716 Lone Star Steel Company, L.P. Classification: AVERAGE Rating: 0.25
 Regulated Entity: RN102955135 TEXAS OPERATIONS DIVISION Classification: AVERAGE Site Rating: 0.12

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	MS00081
	AIR OPERATING PERMITS	PERMIT	1444
	WASTEWATER	PERMIT	WQ0000348000
	WASTEWATER	PERMIT	TPDES0000027
	WASTEWATER	PERMIT	TX0000027
	WASTEWATER	PERMIT	TX0088528000
	WASTEWATER	PERMIT	WQ0004059000
	WASTEWATER	PERMIT	TX0088528
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1720002
	PETROLEUM STORAGE TANK	REGISTRATION	42143
	REGISTRATION		
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD007323397
	GENERATION		
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION #	30093
	GENERATION	(SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50155
	STORAGE		
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	MS00081
	AIR NEW SOURCE PERMITS	PERMIT	3342
	AIR NEW SOURCE PERMITS	PERMIT	8837
	AIR NEW SOURCE PERMITS	AFS NUM	4834300001
	AIR NEW SOURCE PERMITS	PERMIT	49456
	AIR NEW SOURCE PERMITS	PERMIT	70820
	AIR NEW SOURCE PERMITS	REGISTRATION	75128
	AIR NEW SOURCE PERMITS	REGISTRATION	54247
	WASTEWATER LICENSING	LICENSE	WQ0000348000
	WATER LICENSING	LICENSE	1720002
	INDUSTRIAL AND HAZARDOUS WASTE	ID NUMBER	PCO30093
	POST CLOSURE		
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	30093
	POST CLOSURE		
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION #	30093
		(SWR)	

Location: 6866 US HIGHWAY 259 S, LONE STAR, TX, 75668 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: September 29, 2008

Agency Decision Requiring Compliance History: Permit - Issuance, renewal, amendment, modification, denial, suspension, or revocation of a permit.

Compliance Period: November 30, 2003 to September 29, 2008

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Phone:

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 12/05/2003 (256629)

N/A

2 12/22/2003 (317668)

3 12/22/2003 (293415)

4 01/22/2004 (317669)

5 01/22/2004 (293416)

6 02/23/2004 (293397)

7 02/23/2004 (317659)

8 03/22/2004 (293400)

9 03/22/2004 (317660)

10 04/22/2004 (361503)

11 04/22/2004 (293401)

12 05/24/2004 (361504)

13 05/24/2004 (293403)

14 06/21/2004 (361505)

15 06/21/2004 (293405)

16 07/16/2004 (281952)

17 07/22/2004 (361507)

18 07/22/2004 (293407)

19 08/16/2004 (288663)

20 08/23/2004 (351206)

21 08/23/2004 (361508)

22 09/13/2004 (361509)

23 09/20/2004 (351207)

24 10/20/2004 (361510)

25 10/27/2004 (351208)

26 11/22/2004 (387199)

27 11/23/2004 (351209)

28 12/20/2004 (387200)

29 12/21/2004 (351210)

30 01/18/2005 (387201)

31 01/18/2005 (381431)

32 02/21/2005 (430419)

33 02/22/2005 (381429)

34 03/17/2005 (350021)

35 03/21/2005 (387198)

36 03/21/2005 (381430)

37 04/21/2005 (430420)

38 04/22/2005 (419205)

39 05/23/2005 (430421)

40 05/23/2005 (419206)

41 06/06/2005 (393924)

42 06/20/2005 (419207)

43 06/21/2005 (430422)

44 07/15/2005 (378577)

45 07/22/2005 (430423)

46 07/22/2005 (440429)

47 08/22/2005 (445601)

48 08/22/2005 (440430)

49 08/26/2005 (407381)

50 09/19/2005 (440431)

51 09/22/2005 (445602)

52 10/12/2005 (433807)

53 10/12/2005 (433896)

54 10/21/2005 (440432)

55 11/21/2005 (467692)

56 12/19/2005 (467693)

57 01/24/2006 (452082)

58 01/25/2006 (467694)

59	02/22/2006	(467691)
60	03/21/2006	(497729)
61	03/23/2006	(459158)
62	04/21/2006	(497730)
63	05/22/2006	(497731)
64	06/22/2006	(497732)
65	06/26/2006	(484061)
66	07/11/2006	(466421)
67	07/21/2006	(519786)
68	08/01/2006	(489096)
69	08/22/2006	(519787)
70	09/25/2006	(519788)
71	10/23/2006	(544002)
72	11/20/2006	(544003)
73	12/18/2006	(544004)
74	01/24/2007	(544005)
75	02/23/2007	(574487)
76	03/15/2007	(543168)
77	03/22/2007	(574488)
78	04/13/2007	(556816)
79	04/24/2007	(574489)
80	05/02/2007	(541966)
81	05/08/2007	(558615)
82	05/24/2007	(574490)
83	06/22/2007	(574491)
84	07/23/2007	(574492)
85	07/23/2007	(607466)
86	08/22/2007	(607465)
87	08/30/2007	(573101)
88	09/24/2007	(593847)
89	09/24/2007	(607467)
90	10/23/2007	(619226)
91	10/25/2007	(598870)
92	11/19/2007	(619227)
93	12/18/2007	(619228)
94	01/22/2008	(671730)
95	02/25/2008	(671728)
96	03/21/2008	(671729)
97	04/21/2008	(689645)
98	05/12/2008	(655936)
99	05/21/2008	(689646)
100	05/22/2008	(670998)
101	06/20/2008	(689647)
102	08/26/2008	(700273)
103	09/04/2008	(687446)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	04/30/2004	(293403)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	11/30/2005	(467693)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	03/17/2006	(459158)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(e) 5C THC Chapter 382, SubChapter D 382.085(b)			
Description:	Failure to notify the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office of a reportable excess opacity event within 24 hours after discovery of			

the event.

On August 22, 2005 at 1115 hrs, an excess opacity event was discovered at Lone Star Steel. A report for

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(8)(A) 5C THC Chapter 382, SubChapter D 382.085(b)		
Description:	Failure to prevent unauthorized emissions during an excess opacity event. Since Lone Star Steel failed to properly report the excess opacity event, the affirmative defense could not be met pursuant to 30 TAC §101.222(d)(1).		
Date	11/30/2006	(544004)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/31/2007	(574487)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	03/13/2007	(543168)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B) 30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	OP O-01444 STC (2)F		
Description:	Lone Star Steel did not meet the requirements of '101.201 the event notification was over 72 hours late. The event occurred at 1600 hrs on November 16, 2006 and was not reported to the Agency until 1224 hrs on November 20, 2006.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PA 49456 SC 3 OP O-01444 STC 1A OP O-01444 STC 8A		
Description:	Failure to prevent unauthorized emissions during an excess opacity event.		
Date	05/31/2007	(574491)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	10/25/2007	(598870)	
Self Report?	YES	Classification	Minor
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	OP FOP O-01444 ST&C, NSR NO. 8 PA NSR Permit No.3342 S.C. 6		
Description:	Failure to control opacity emissions below 6% from the melt shop building.		
Date	08/26/2008	(700273)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b)		
Rqmt Prov:	OP S.T.C. 1(A) OP S.T.C. 3(B)(1)		
Description:	Failure to conduct quarterly visible emissions reading as required by Special Terms and Conditions 1(A) and 3(B)(1) of Federal Operating Permit No. O-01444.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b)		
Rqmt Prov:	OP S.T.C. 1(A) OP S.T.C. 3(C)(1)		
Description:	Failure to conduct quarterly visible emissions reading as required by Special Terms		

Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PERMIT S.C. No. 10(D)
OP S.T.C. No. 8
Description: Failure to maintain all equipment in good working order as required by New Source Review (NSR) Permit No. 70820 Special Condition No. 10 (D)
Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA S.C. No. 11
OP S.T.C. No. 8
Description: Failure to maintain a minimum of 96 percent control of the acid mist emissions as required by New Source Review (NSR) Permit No. 3342 and PSD-TX-838, Special Condition No. 11.

Self Report? YES Classification Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA S.C. No. 15
OP S.T.C. No. 8
Description: Failure to maintain a minimum pH of 7 as required by New Source Review (NSR) Permit No. 3342 and PSD-TX-838, Special Condition No. 15.

Date 09/10/2008 (687446)

Self Report? NO Classification Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to properly maintain the intruder-resistant fences at the ground storage tank and the high level storage tank.

Self Report? NO Classification Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(3)
Description: Failure to provide an overflow pipe gravity-hinged and weighted cover on the ground storage tank with a good mechanical seal and a gap of no more than 1/16 inch.

F. Environmental audits.

Notice of Intent Date: ##### (263208)

Disclosure Date: 06/04/2004

Viol. Classification: Moderate

Citation: 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.190

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.192

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.193(f)

Description: Underground piping used to transport pickle liquor fails to meet criteria exception for ancillary equipment because it cannot be inspected daily. Currently the pickle liquor is not classified as hazardous waste because it is being used for wastewater treatment chemicals.

Notice of Intent Date: ##### (348026)

Disclosure Date: 06/17/2005

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt PERMIT SC 9D

Description: recordkeeping for the daily inspections of the water spray curtain and the paint particulate filters had not commenced

Viol. Classification: Minor

Citation: 40 CFR Chapter 279, SubChapter I, PT 279, SubPT C 279.22(c)(1)

30 TAC Chapter 324, SubChapter A 324.1

Description: five portable used oil tanks did not have clearly visible markings or labels identifying their contents

Notice of Intent Date: ##### (440148)

No DOV Associated

Notice of Intent Date: ##### (464685)

No DOV Associated

Notice of Intent Date: ##### (535571)

Disclosure Date: 05/21/2007

Viol. Classification: Major

Citation: 30 TAC Chapter 334, SubChapter F 334.124(a)(1)

30 TAC Chapter 334, SubChapter A 334.3(a)(9)

30 TAC Chapter 334, SubChapter C 334.47

30 TAC Chapter 334, SubChapter A 334.7

Description: Failure to register a 200g varnish dip tank constructed of steel and housed within a subgrade concrete vault which meets the definition of underground PST.

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

Compliance History

Customer/Respondent/Owner-Operator: CN603079716 Lone Star Steel Company, L.P. Classification: AVERAGE Rating: 0.25
 Regulated Entity: RN102955135 TEXAS OPERATIONS DIVISION Classification: AVERAGE Site Rating: 0.12

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	MS00081
	AIR OPERATING PERMITS	PERMIT	1444
	WASTEWATER	PERMIT	WQ0000348000
	WASTEWATER	PERMIT	TPDES0000027
	WASTEWATER	PERMIT	TX0000027
	WASTEWATER	PERMIT	TX0088528000
	WASTEWATER	PERMIT	WQ0004059000
	WASTEWATER	PERMIT	TX0088528
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1720002
	PETROLEUM STORAGE TANK	REGISTRATION	42143
	REGISTRATION		
	STORMWATER	PERMIT	TXR05W942
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD007323397
	GENERATION		
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION #	30093
	GENERATION	(SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50155
	STORAGE		
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	MS00081
	AIR NEW SOURCE PERMITS	PERMIT	3342
	AIR NEW SOURCE PERMITS	PERMIT	8837
	AIR NEW SOURCE PERMITS	AFS NUM	4834300001
	AIR NEW SOURCE PERMITS	PERMIT	49456
	AIR NEW SOURCE PERMITS	PERMIT	70820
	AIR NEW SOURCE PERMITS	REGISTRATION	75128
	AIR NEW SOURCE PERMITS	REGISTRATION	54247
	WASTEWATER LICENSING	LICENSE	WQ0000348000
	WATER LICENSING	LICENSE	1720002
	INDUSTRIAL AND HAZARDOUS WASTE	ID NUMBER	PCO30093
	POST CLOSURE		
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	30093
	POST CLOSURE		
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION #	30093
		(SWR)	

Location: 6866 US HIGHWAY 259 S, LONE STAR, TX, 75668 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: September 29, 2008

Agency Decision Requiring Compliance History: Permit - Issuance, renewal, amendment, modification, denial, suspension, or revocation of a permit.

Compliance Period: November 30, 1998 to November 30, 2003

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Phone:

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	03/01/1999	(293398)
N/A		
2	03/26/1999	(293399)
3	04/26/1999	(293402)
4	05/26/1999	(293404)
5	06/28/1999	(293406)
6	07/27/1999	(293408)
7	08/26/1999	(293410)
8	09/27/1999	(293412)
9	10/21/1999	(IE000836900300)
10	10/25/1999	(153150)
11	11/22/1999	(153154)
12	12/09/1999	(108725)
13	12/15/1999	(246445)
14	12/22/1999	(153158)
15	12/27/1999	(210905)
16	01/26/2000	(210909)
17	01/26/2000	(153162)
18	02/25/2000	(210870)
19	03/20/2000	(153116)
20	03/22/2000	(153120)
21	03/22/2000	(153124)
22	03/22/2000	(210877)
23	04/19/2000	(153125)
24	04/20/2000	(210878)
25	05/22/2000	(210881)
26	05/23/2000	(153129)
27	06/08/2000	(108726)
28	06/22/2000	(153133)
29	06/22/2000	(210884)
30	07/24/2000	(153137)
31	07/24/2000	(210887)
32	08/21/2000	(153141)
33	08/21/2000	(210890)
34	09/22/2000	(210893)
35	09/25/2000	(153144)
36	10/20/2000	(153147)
37	10/23/2000	(210896)
38	10/27/2000	(246444)
39	11/20/2000	(153151)
40	11/21/2000	(210899)
41	12/18/2000	(210902)
42	12/18/2000	(153155)
43	01/22/2001	(210906)
44	01/22/2001	(153159)
45	02/06/2001	(246443)
46	02/23/2001	(153117)
47	02/23/2001	(210871)
48	03/22/2001	(210874)
49	03/23/2001	(130957)
50	03/23/2001	(153121)
51	03/23/2001	(134291)
52	03/28/2001	(38850)
53	04/23/2001	(153126)
54	04/23/2001	(210879)
55	04/27/2001	(39010)
56	05/22/2001	(210882)
57	05/23/2001	(153130)

58	06/22/2001	(153134)
59	06/25/2001	(210885)
60	07/23/2001	(153138)
61	07/24/2001	(210888)
62	08/22/2001	(153142)
63	08/22/2001	(210891)
64	09/24/2001	(153145)
65	09/24/2001	(210894)
66	11/01/2001	(210897)
67	11/01/2001	(153148)
68	11/19/2001	(210900)
69	11/19/2001	(153152)
70	12/17/2001	(210903)
71	12/17/2001	(153156)
72	01/22/2002	(210907)
73	01/22/2002	(153160)
74	02/22/2002	(153118)
75	02/22/2002	(210872)
76	03/07/2002	(108727)
77	03/07/2002	(108728)
78	03/20/2002	(153122)
79	03/20/2002	(210875)
80	04/22/2002	(153127)
81	04/22/2002	(317661)
82	05/07/2002	(108729)
83	05/20/2002	(153131)
84	05/20/2002	(210883)
85	06/17/2002	(210886)
86	06/18/2002	(153135)
87	06/28/2002	(108730)
88	06/28/2002	(108731)
89	07/22/2002	(153139)
90	07/23/2002	(210889)
91	08/19/2002	(153143)
92	08/19/2002	(210892)
93	08/21/2002	(8357)
94	08/22/2002	(8237)
95	08/22/2002	(7426)
96	09/20/2002	(210895)
97	09/20/2002	(153146)
98	10/21/2002	(210898)
99	10/21/2002	(153149)
100	11/20/2002	(210901)
101	11/21/2002	(153153)
102	12/30/2002	(210904)
103	12/30/2002	(153157)
104	01/16/2003	(153161)
105	01/17/2003	(210908)
106	02/20/2003	(153119)
107	02/20/2003	(210873)
108	03/19/2003	(153123)
109	03/19/2003	(210876)
110	04/10/2003	(28586)
111	04/18/2003	(210880)
112	04/22/2003	(153128)
113	05/22/2003	(153132)
114	05/22/2003	(317662)
115	06/16/2003	(153136)
116	06/16/2003	(317663)
117	07/18/2003	(361506)
118	07/21/2003	(153140)
119	08/22/2003	(317664)
120	08/22/2003	(293409)
121	08/29/2003	(153019)

122 09/22/2003 (293411)
 123 09/25/2003 (317665)
 124 10/20/2003 (317666)
 125 10/20/2003 (293413)
 126 11/07/2003 (28581)
 127 11/21/2003 (317667)
 128 11/21/2003 (293414)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	10/31/1999	(153154)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/15/1999	(246445)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE			
Date	12/31/1999	(210909)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/31/1999	(153162)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2000	(210870)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	04/30/2000	(210881)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	05/31/2000	(210884)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	07/31/2000	(210890)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	10/27/2000	(246444)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE			
Date	12/31/2000	(210906)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2001	(210871)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			

Date 02/06/2001 (246443)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Date 02/28/2001 (153121)
Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
Date 12/31/2001 (153160)
Self Report? YES Classification Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter
Date 02/26/2002 (108728)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: OP PP7
Description: SCRUBBER PH

F. Environmental audits.

Notice of Intent Date: ##### (32660)
No DOV Associated

Notice of Intent Date: ##### (32674)
Disclosure Date: 09/28/2001

Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter E 106.144(1)

Description: Failure to transport exhaust air through a fabric filter as required on the standard exemption/permit.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter E 106.144(4)

Description: Failure to register a sand storage silo, Form PI-7, or obtain written site approval from the agency prior to construction.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)

Description: Failure to include oil contaminated wastes on Annual Waste Summaries for 1998, 1999, and year 2000.
Notice of Intent Date: ##### (32675)
Disclosure Date: 09/28/2001
Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter E 106.144(1)

Description: Failure to transport exhaust air through a fabric filter as required in the standard exemption permit.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter E 106.144(4)

Description: Failure to register a sand storage silo, Form PI-7 or obtain written site approval from the agency prior to construction.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)

Description: Failure to include oil contaminated wastes on Annual Waste Summaries for 1998, 1999, and year 2000.
Notice of Intent Date: ##### (29820)
No DOV Associated
Notice of Intent Date: ##### (33068)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

ATTACHMENT C

Technical Review Summary

Permit Renewal Technical Review Analysis

Company:	U.S. Steel Tubular Products, Inc. , previously Lone Star Steel Company. LP*	Permit No.:	3342 and PSD-TX-838
City:	Lone Star	Project No.:	102214
County:	Morris	Account No.:	MS-0008-I
Project Type:	RNEW	Regulated Entity No.:	RN102955135
Project Reviewer:	Mr. Dois Webb	Customer Reference No.:	CN603079716
Facility Name:	Electric Arc Furnaces & Specialty Tubing Facility		

* Lone Star Steel underwent a name change effective January 1, 2008

AUTHORIZATION CHECKLIST SECTION: (If YES to questions in this section, then ED signature required.)

Will a new policy/precedent be established? NO
 Is a state or local official opposed to the permit? NO
 If yes, please provide name and title of official: NA
 Is waste or tire derived fuel involved? NO
 Are waste management facilities involved? NO
 Will action on this application be posted on the Executive Director's agenda? YES
 Have any changes to the application or subsequent proposals been required to increase protection of public health and the environment during the review? NO

PROJECT OVERVIEW SECTION: If answer to last question above was yes, describe in detail the required changes.

This permit renewal was received on 11-10-03 and as will be explained, it encountered significant delay in processing. Specifically, a number of unusual technical and procedural issues arose, as well as public opposition, that resulted in a protracted period of time for resolution.

Since the inception of the permit time frame reduction (PTR) project in March 2002, Office of Permitting, Remediation and Registration (OPRR) has significantly reduced its permitting backlogs and increased permit efficiencies. In 2002, the Air Permits Division (APD) had a backlog of 1150 permits; APD has decreased that backlog to less than 270 projects currently. This represents a 76% reduction over this time period. Part of PTR is to identify older projects (greater than 2 yrs) and place the needed resources to resolve the issues and to ultimately process the application. Prior to eliminating the division's backlog this was very difficult to do on a consistent basis. Since the reduction of the backlog, all of the projects that are greater than 2 years old are being processed. Currently there are approximately 60 projects within the division that are greater than 24 months old. Over that same time period this represents less than 1.0% of all applications completed by the division. Additionally, control measures have been put in place to identify problem projects early on in the review and to highlight them and focus on their completion well within the expected backlog timeframes for the Air Permits Division.

This application began as a simple renewal and request to include authorization to reconnect one of two electric arc furnaces(EAF) to a "hydro scrubber" to which it had previously been exhausted. With this re-connection, the company would again be able to operate its two EAFs simultaneously. While the re-connection would not result in an increase in permit allowable emissions, actual emissions would increase and the actual increase in CO would trigger a PSD review.

Application review also revealed that several pollutants such as NOx, VOC, and SOx emitted by the EAFs were not reflected on the MAERT. The foregoing discoveries resulted in extended and repeated discussion between the applicant and TCEQ management, the requirement for stack testing to verify emission rates, and the submission of a permit amendment, all of which caused delay in the renewal review.

Permit Renewal Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

Ultimately on 5-31-07, a permit amendment which addressed and corrected the foregoing noted deficiencies with the renewal application was approved. In summary, the permit could not be renewed without being amended and the amendment process was complex, lengthy, and controversial.

The foregoing mentioned amendment required public notice, thus the public was made aware the permit was being changed. While the amendment PN noted the plant operation would not change and the purpose of the amendment was to add historically emitted compounds to the MRT, it did not include specific wording noting the renewed permit would not be identical to the one originally submitted for renewal. **In fact, the plant throughput authorized by the renewed permit will be 84,000 TPY less than that authorized at the time the renewal application was submitted and the changes in allowable emissions to be authorized by the renewal versus the permit at the time the renewal application was submitted follows:**

PM/PM10	- 7.89 TPY	CO	- 4437.82 TPY	NOx	+ 62.16 TPY
VOC	+28.89 TPY	SO2	+68.00 TPY	H ₂ SO ₄	+5.20 TPY
HNO ₃	-1.82 TPY	Pb	- 0.41 TPY		

The reflected increases in emissions which were approved by the 5-31-07 amendment generally stem from updated emission factors/new information and not changes in the operation. Had NOx, VOC, and SOx been on the original permit, then this renewal would reflect a decrease in their emissions as well. As already noted, the reflected increases in NOx, VOC, SO₂, and H₂SO₄ have already been authorized by the amendment issued 5-31-07, thus this renewal will not authorize any increases in emissions, but only continued operation as now authorized.

REVIEW SUMMARY SECTION:

With the approval of the permit amendment on 5-31-07, the permit renewal was simplified, i.e. the renewed permit will effectively be the re-issue of the amended permit. There will be one new condition added to the permit at the applicant's request. This added condition will reflect a representation made by alteration in 1996. The purpose for adding the condition is to preclude future misunderstanding regarding the authorization to burn used fabric filter bags in the cupola furnace.

Other than the one added condition, the renewal permit conditions and MAERT will be unchanged from the current conditions and MAERT dated 5-31-07.

Since this permit renewal application was received, public notice has been conducted four times. Specifically, renewal PN was conducted on 12-31-03, but due to a placement error by the newspaper, re-posting was done on 1-7-04. In response to the original renewal PN, one response was received. PN was also conducted on 7-5-06 in conjunction with the permit amendment and there was no public response. Additionally, an updated renewal PN was conducted on 12-12-07 to ensure the public was informed the renewed permit would not look the same as the permit in effect when the renewal application was submitted.

The one citizen response received following the 12-31-03 PN requested a hearing and to be placed on the mailing list. The response however provided no explanation for requesting a hearing and included no other comments, thus the requirement for preparing a RTC was not triggered. Accordingly, the protestant's name was added to the Interested Party Mailing List and ADR attempted to resolve the hearing request. ADR ultimately closed the file due to an impasse in negotiations.

In response to the PN conducted 12-7-07, one hearing request was received from the same citizen that submitted the original hearing request. Since this hearing request included comments, preparation of a RTC was required.

The hearing requestor lives in California, but owns property a few miles from the Lone Star plant. As reported by Lone Star Steel and addressed in his hearing request letter, his concerns are primarily waste issues rather than air matters.

In conclusion, this renewal will authorize continued operation of the foundry as authorized by the May 31, 2007 permit amendment

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

and as already noted, plant throughput and allowable emission rates for PM, PM10, and CO as reflected on the permit at the time of the renewal submission have decreased.

Given the foregoing, this application is a "No Increase" renewal and there are no known air quality issues regarding this permit application.

COMPLIANCE HISTORY SECTION:

In accordance with 30 TAC Chapter 60, a compliance history report was reviewed on: 2-13-07
The compliance period was from 11-11-98 to 11-10-03
Was the application received after September 1, 2002? YES
If yes, what was the site rating & classification? High/0.0 Company rating & classification? Average/0.44
If no, provide a description of the compliance history.
If site was Poor, what action(s) occurred as a result? (i.e. changes to permit, reduced renewal period, etc.) NO
If the rating is 40<RATING<45, what was the outcome, if any, based on the findings in the formal report? NA
Is the permit recommended to be denied on the basis of compliance history or rating? NO
Has the permit changed on the basis of the compliance history or rating? NO

30 TAC CHAPTER 116 RULES:

§116.315(b) Date of expiration of permit 2-1-04
§116.310 Date written notice of review was mailed 6-30-03
§116.310 Date application for Renewal (PI-1R) rec'd 11-10-03
§116.311(a)(1) Do dockside vessel emissions associated with the facility comply with all regulations? NA
§116.311(a)(2) Is the facility being operated in accordance with all requirements, conditions, and representations specified in the current permit and do the emissions from the facility comply with all TCEQ air quality rules and regulations, and with the intent of the Texas Clean Air Act? YES
§116.311(a)(3) Compliance with applicable NSPS? YES
Subparts A & AA
§116.311(a)(4) Compliance with applicable NESHAPS? NA
Subparts &
§116.311(a)(5) Compliance with applicable NESHAPS for source categories? NA
§116.311(a)(6) Compliance with applicable hazardous air pollutant requirements in 30 TAC §§ 116.180 - 116.183? YES
§116.311(b)(1) Is additional information regarding emissions from the facility and their impacts on the surrounding area required? NO
§116.311(b)(2) Were additional controls/permit conditions necessary to avoid a condition of air pollution or to ensure compliance with applicable federal or state rules? NO
If yes, explain:
§116.311© Compliance History: Is the facility in substantial compliance with the TCAA and the terms of the current permit? YES
§116.314(a) The facility meets all permit renewal requirements? YES
§116.313(a) Permit Renewal Fee: \$ 10,000.00 Paid? YES

PUBLIC NOTICE INFORMATION SECTION:

§39.403 Public notification required? YES
If no give reason:
Date application received: November 10, 2003 Date Administrative Complete: 12-11-03
Small Business source? NO
§39.418 Date 1st Public Notice /Admin Complete/Legislators letters mailed: 12-11-03
§39.603 Pollutants: NOx, CO, VOC, SOx, Pb, H₂SO₄, nitric acid, NaOH, zinc nitrate, zinc phosphate, sodium nitrite, sodium stearate, manganese, PM, and PM10

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

Date Published in Newspaper: 12-31-03 , 1/7/04 , and 12-12-07 in The Bee (See Note)
Date Affidavits/Copies received: 1-22-04 and 12-20-07
Bilingual notice required? NO, bilingual program not required by local school district.

NOTE: PN conducted on 12-31-03 was re-posted on 1-7-04 to correct a placement error by the newspaper. The wording in both postings were the same. As previously noted, the updated PN conducted 12-12-07 was accomplished to ensure the public was informed the renewed permit would not look the same as the permit in effect when the renewal application was submitted.

§39.604 Certification of Sign Posting / Application availability Yes/2-4-04 and 1-14-08
Public Comments Received? YES, two letters from same citizen
Notice and Comment Hearing requested? YES
Hearing held? TBD
Was/were the request(s) withdrawn? NO
Replies to Comments sent to OCC: YES

§39.419 2nd Public Notification required? NO
If no, give reason: Not required for a permit renewal.

§39.420 Consideration of Comments: NA
RTC, Technical Review & Draft Permit Conditions sent to OCC: YES
Request for Reconsideration Received? TBD
Final action? ISSUE Letters enclosed? YES

REQUEST FOR COMMENTS SECTION:

Region:	5	Reviewed by:	Charles Murray
City:	NA	Reviewed by:	
County:	NA	Reviewed by:	
TARA:	NA	Reviewed by:	
Compliance:	X	Reviewed by:	D. Webb
Legal:	X	Reviewed by:	Doug Brown

CHAPTER 113 RULES SECTION:

§113.100 Compliance with applicable MACT standards expected? NA
Subparts &

PROCESS DESCRIPTION SECTION:

The EAF operation involves the charging of scrap steel into the two EAFs and the transfer of the molten steel from the EAFs into ladles that transfer the molten steel to a casting operation authorized by a separate permit, i.e this permit does not authorize the casting operation.

The specialty tubing operation receives already formed steel tubes and then processes them thru a variety of steps. The initial steps are surface conditioning that involve processing the tubes thru a series of tanks containing sulfuric acid, caustic, zinc phosphate, sodium stearate, sodium nitrite, and/or oil. Following the surface treatment, the tubes are heat treated, sometimes painted, and then stenciled/marked. After completion of the foregoing steps, the process is complete and the tubes are ready for shipment.

Permit Renewal
Technical Review Analysis

Permit No. 3342 and PSD-TX-838

Regulated Entity No. RN102955135

SOURCES AND CONTROLS SECTION:

Emission sources include the handling of scrap steel, two electric arc furnaces, ladles, 5 sulfuric acid tanks, two zinc phosphate tanks, caustic tanks, neutralizer tank, 3 annealing furnaces, a batch furnace, tube dryer burners, and a tube marking/painting operation. One EAF exhausts thru a hydro scrubber or fabric filter and the other EAF exhausts thru a fabric filter. The tube dryer, ladle preheat stations, annealing furnaces, and batch furnace all use natural gas for fuel.

The maximum outlet grain loading for the EAF hydro scrubber and fabric filter are 0.0052 and 0.0045 gr/dscf respectively. Furthermore, the allowable emission rate for NOx and CO for the EAFs are based on 0.212 lbs NOx/ton and 4.94 lbs CO/ton steel melted.

The acid tanks and the zinc phosphate tanks exhaust to scrubbers with a 96 % removal efficiency.

The annealing furnace burners, batch furnace, tube dryer burners, and ladle heaters all use natural gas for fuel which is BACT.

Controls employed by the facilities that previously operated by standard exemption or permit by rule meet current BACT

In conclusion, considering the age of the facilities and the impact of their emissions on the surrounding area, these facilities meet current BACT requirements.

MISCELLANEOUS SECTION:

Is applicant in agreement with special conditions? YES, Email dated 6-7-07
Company representative? Leah Cooper

Permit Reviewer	Date	Team Leader/Section Manager/Backup	Date
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