



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Craig W. Butler, Director

July 25, 2017

CERTIFIED MAIL

Renee S. Filiatraut
AK Steel Corporation
1801 Crawford Street
Middletown, Ohio 45043

Re: Final Findings and Orders for air pollution
violations

Dear Renee S. Filiatraut:

Transmitted herewith are the Final Findings and Orders ("Orders") of the Director of Ohio EPA concerning the above-referenced matter.

Please note that the effective date of the Orders is the date that the Orders were entered into the Ohio EPA Director's journal, which is the date that is stamped on the first page of the Orders.

Sincerely,



James Kavalec, Manager
Compliance/Enforcement Section
Division of Air Pollution Control

cc: James Lee, PIC
Kara Philibin, DAPC
Lee Tullis, DAPC
Don Vanterpool, Legal
John Paulian, DAPC
Brad Miller, SWOAQA
Kerri Castlen, SWOAQA

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

AK Steel Corporation
Middletown Works
1801 Crawford Street
Middletown, Ohio 45043

:
:
:
:

**Director's Final Findings
and Orders**

I certify this to be a true and accurate copy of the
official documents as filed in the records of the Ohio
Environmental Protection Agency.

PREAMBLE

It is agreed by the parties hereto as follows:

By: Donna Lassiter Date: 7-25-17

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to AK Steel Corporation ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03, 3704.05 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of the facility (as hereinafter defined) shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates an integrated iron and steel manufacturing facility located at 1801 Crawford Street, in Middletown, Ohio (Butler County). At the facility, Respondent manufactures carbon-based steel strip. This facility is a Title V source and it is identified by Ohio EPA facility ID1409010006.

2. The Title V permit for this facility (P0096473) was effective as a Final permit on January 3, 2005, and expired on January 3, 2010. The Title V renewal application was

submitted timely on July 7, 2009, and pursuant to OAC rule 3745-77-08(E)(1), all provisions and authorizations of the expired permit will remain in effect until the Director's final action on the pending renewal application.

3. Emissions unit ("EU") P023 (Continuous Steel Pickling Line) at the facility is the subject of these Orders and is subject to Ohio EPA rules and regulations.

4. ORC § 3704.05(C) prohibits any person who is a holder of a permit issued by the Director of Ohio EPA pursuant to ORC § 3704.03 from violating any of its terms and conditions.

5. ORC § 3704.05(J)(2), in part, prohibits any person from violating any applicable requirement of a Title V permit.

6. The National Emissions Standards for Hazardous Air Pollutants for Steel Pickling – HCl Process Facilities and Hydrochloric Acid Regeneration Plants (40 CFR Part 63, Subpart CCC) are incorporated as applicable requirements in the Title V permit for EU P023.

7. 40 CFR Part 63, Subpart CCC requires, in part, the owner or operator of an affected facility to limit HCl concentration to not more than 18 parts per million by volume ("ppmv") in any gases discharged into the atmosphere from the affected pickling line.

8. Southwest Ohio Air Quality Agency ("SWOAQA") acts as a contractual agent of Ohio EPA for the Division of Air Pollution Control in Butler County.

9. On October 21, 2016, Respondent conducted a compliance performance test for the concentration of HCl in the gas discharged from the stack of the scrubber controlling EU P023. The results received on November 17, 2016, showed that HCl concentration in the discharged gas was 65.04 ppmv compared to the allowable 18 ppmv, in violation of 40 CFR Part 63, Subpart CCC, the terms and conditions of Respondent's Title V permit P0096473, ORC § 3704.05 (C) and ORC § 3704.05(J)(2).

10. On November 21, 2016, Respondent requested SWOAQA to approve a re-test for HCl emissions from EU P023 since Respondent believed that the October 21, 2016 was not reflective of the performance of EU P023 scrubber and the high HCl results are due to lab error. SWOAQA approved Respondent's request.

11. On November 23, 2016, Respondent conducted a re-test for the concentration of HCl in the gas discharged from the stack of the scrubber controlling EU P023. The results received on December 21, 2016, showed that HCl concentration in the discharged gas was 69.35 ppmv compared to the allowable 18 ppmv, in violation of 40 CFR Part 63, Subpart CCC, the terms and conditions of Respondent's Title V permit

P0096473, ORC § 3704.05 (C) and ORC § 3704.05(J)(2).

12. On December 22, 2016, SWOAQA sent a notice of violation ("NOV") letter to Respondent for exceeding HCl limit for EU P023 and requested Respondent submit a plan and schedule for achieving compliance.

13. On December 27, 2016, SWOAQA received Respondent's response to the NOV. It was stated that Respondent hired a scrubber consultant to assist in evaluating the operation of the scrubber. It was determined that exceedances in HCl emission occurred because of media fatigue in the demister pad assembly. Respondent's compliance plan included installing new demister pad assembly then conduct a third compliance test.

14. On January 5, 2017, Respondent conducted a third compliance test for the concentration of HCl in the gas discharged from the stack of the scrubber controlling EU P023. The results received on February 1, 2017, showed that HCl concentration in the discharged gas was 46.49 ppmv compared to the allowable 18 ppmv, in violation of 40 CFR Part 63, Subpart CCC, the terms and conditions of Respondent's Title V permit P0096473, ORC § 3704.05 (C) and ORC § 3704.05(J)(2).

15. On January 18, 2017, Respondent informed SWOAQA that an inspection of the scrubber was done on January 11, 2017 and it was discovered that the seams on the new demister pad had come apart and the sprayers in tank 4 were misaligned. Respondent stated that both issues has been corrected and requested SWOAQA to approve a re-test for HCl emissions from EU P023. SWOAQA approved Respondent's request to retest.

16. On January 19, 2017, Respondent conducted a fourth compliance test for the concentration of HCl in the gas discharged from the stack of the scrubber controlling EU P023. The results received on January 26, 2016 showed compliance with of 40 CFR Part 63, Subpart CCC and the terms and conditions of Respondent's Title V permit P0096473.

17. On February 7, 2016, SWOAQA sent a NOV letter to Respondent for exceeding HCl limit for EU P023 on January 5, 2017.

18. On February 28, 2017, SWOAQA received Respondent's response to the NOV. Respondent listed the corrective actions it took to address the violation.

19. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall pay the amount of forty-one thousand one hundred dollars (\$41,100) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for forty-one thousand one hundred dollars (\$41,100). The official check shall be submitted to Carol Butler, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the official checks required by Section V of these Orders.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, operations by Respondent.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Southwest Ohio Air Quality Agency
250 William Howard Taft Road
Cincinnati, Ohio 45219
Attn: Brad Miller

and to:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Jim Kavalec, Manager
Compliance and Enforcement Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in

such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

ORDERED AND AGREED:

Ohio Environmental Protection Agency



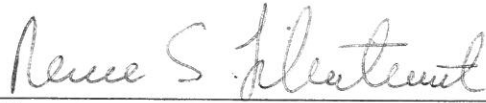
Craig W. Butler
Director

7/23/17

Date

AGREED:

AK Steel Corporation



Signature

7-6-17

Date

Renee S. Filiatrault

Printed or Typed Name

V.P. Litigation, Labor & External Affairs

Title