

OHIO E.P.A.

JAN 28 2011

BEFORE THE

ENTERED DIRECTOR'S JOURNAL
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Staker Alloys, Inc.
1075 James Street
Springfield, Ohio 45501

: Director's Final Findings
: and Orders
:

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Staker Alloys, Inc. ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 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 the Respondent or of the facility (as hereinafter defined) shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

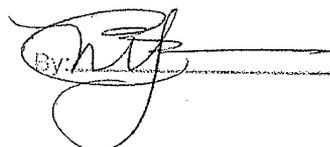
Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in OAC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates a secondary aluminum production facility located at 1075 James Street, Springfield, Ohio. This facility is identified by Ohio EPA facility ID number 0812100596. At this facility, Respondent operates a secondary aluminum sweat furnace that is controlled with an afterburner (identified by Ohio EPA as emissions unit P001) for the combustion of furan and dioxin emissions. The facility also has unpaved roadways (identified by Ohio EPA as emissions unit F001). The facility is classified as an area source for hazardous air pollutants. The aluminum sweat furnace is subject to the applicable requirements of the National Emission Standards for Hazardous Air Pollutants ("NESHAP") for Secondary Aluminum Production [40 CFR

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.

By:  Date: 1/28/2011

Part 63, Subpart RRR ("Subpart RRR") and the NESHAP General Provisions [40 CFR Part 63, "Subpart A"].

2. The emissions units identified in Finding 1 emit particulate matter ("PM"), and/or volatile organic compounds ("VOCs"), hazardous air pollutants ("HAPs"), which are defined as "air pollutants" or "air contaminants" in OAC Rule 3745-15-01(C). Additionally, these emissions units are "air contaminant sources" as defined in OAC Rules 3745-31-01(I) and 3745-15-01(C) and (X).

3. OAC Rule 3745-31-05(D) states, in part, that the Director of Ohio EPA may impose special terms and conditions in a permit-to-install ("PTI") as are appropriate or necessary to ensure compliance with applicable laws and to ensure adequate protection of the environment.

4. OAC Rule 3745-31-02(A)(1)(b) (formerly OAC Rule 3745-35-02) prohibits the installation or modification, and subsequent operation of any new source, not subject to the Title V program, without first obtaining a permit-to-install-and-operate ("PTIO") from the Director.

5. ORC § 3704.05(C) prohibits any person from violating any terms or conditions of any permit issued by the Director of Ohio EPA pursuant to OAC Chapter 3704. All PTIs and PTIOs are issued by the Director pursuant to OAC Chapter 3704.

6. ORC § 3704.05(G) prohibits any person from violating any order, rule or determination of the Director of Ohio EPA that is issued, adopted, or made under ORC Chapter 3704. All rules referenced in these Orders were adopted pursuant to ORC Chapter 3704.

Failure to comply with Subpart RRR alternative calibration and certification procedure for emissions unit P001:

7. On December 14, 2006, Ohio EPA issued PTI 08-04779 for the installation of emissions unit P001, which contained the applicable requirements of Subpart RRR. Specifically, the PTI required Respondent to comply with an approved Subpart RRR alternative calibration and certification procedure for the temperature monitoring requirement for the afterburner serving emissions unit P001. The alternative calibration and certification procedure was approved by USEPA on September 21, 2006 and requires Respondent to utilize a data logger, a dual thermocouple, and a digital readout. Each thermocouple was required to be mounted at the exit of the combustion zone of the afterburner, and one was required to be connected to the data logger and the other to the digital readout. Once per week Respondent is required to check that the data logger and the digital readout temperatures are in agreement. The requirements of the alternative calibration and certification procedure were required to be incorporated into the operation, maintenance and monitoring ("OM&M") plan that is required by Subpart RRR to be kept on site along with the required startup, shutdown and malfunction

("SSM") plan.

8. On November 14, 2007, the Regional Air Pollution Control Agency ("RAPCA"), a contractual representative of Ohio EPA for Clark County, conducted a site inspection to determine compliance with applicable air pollution control requirements. During the site inspection, Respondent was not properly operating a dual thermocouple in conjunction with the monitoring and recording system as required by the alternative calibration and certification procedure approved by USEPA, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C). Specifically, one thermocouple within the dual unit was not connected to the data logger, as required, so that temperature readings could be recorded, monitored and compared to the instantaneous temperature displayed on the digital readout connected to the second thermocouple within the dual unit. On July 7, 2008, RAPCA received documentation from Respondent demonstrating that, as of June 17, 2008, it began operating a data logger, enabling temperature readings taken by the data logger's thermocouple to be recorded and compared to temperature readings taken by the digital readout's thermocouple. This violation occurred from the startup of the sweat furnace (i.e., July 2007) and continued until Respondent began operating the data logger as required, on June 17, 2008.

Failure to keep OM&M and SSM plans on site for inspection:

9. PTI 08-04779 requires Respondent to comply with Subpart RRR for emissions unit P001, including the requirement to keep an OM&M plan and a SSM plan on site for inspection.

10. During the inspection of the facility by RAPCA personnel on November 14, 2007, Respondent did not have the required OM&M and SSM plans on site for inspection for emissions unit P001. The failure to have the OM&M and SSM plans on site was a violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C).

Failure to operate a continuous temperature monitor and recorder, and record temperature deviations:

11. PTI 08-04779 requires Respondent to install, operate and maintain a continuous temperature monitor and recorder to measure and record the temperature of the afterburner's combustion zone and all 3-hour blocks of time when the average combustion temperature of the afterburner was less than 1,650 degrees Fahrenheit.

12. The November 14, 2007 site inspection revealed that Respondent was not operating a continuous temperature monitoring system, was not continuously recording the temperature of the afterburner's combustion zone and was not recording all 3-hour blocks of time when the average temperature of the afterburner was less than 1,650 degrees Fahrenheit, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C). (However, Respondent was recording an "instantaneous" afterburner temperature every 3 hours.) The violation occurred from July 2007 (the start of

operation of the furnace) to June 17, 2008 (the date Respondent started to continuously monitor and record the sweat furnace's combustion temperature).

Failure to keep records of daily inspections of emissions unit F001:

13. On September 26, 2006, Ohio EPA issued PTI 08-04786 for the installation of emissions unit F001. On March 22, 2007, Ohio EPA issued a permit to operate ("PTO") for emissions unit F001. The permits required Respondent to perform daily inspections of the roadways and to maintain the following records:

- the date and reason why a daily inspection was not performed;
- the date of an inspection where Respondent determined that a control measure needed to be implemented as well as the date the control measure was implemented; and
- the total number of days, on a calendar quarter basis, when a control measure was implemented and the number of days where the daily inspection was not conducted because snow, ice, or precipitation were sufficient to not require a control measure.

14. During the November 14, 2007, site inspection by RAPCA personnel, it was discovered that Respondent was not maintaining the required records associated with the daily inspections of the roadways as required by PTI 08-04786 and the corresponding PTO. Respondent's failure to maintain the records is a violation of the terms and conditions of PTI 08-04786 and the PTO, and ORC § 3704.05(C). The violations occurred from September 26, 2006 (the PTI issuance date) to February 12, 2008 (the date Respondent started to maintain the records).

Failure to timely submit a quarterly deviation report for the daily inspections of emissions unit F001:

15. PTI 08-04786 and the corresponding PTO require Respondent to submit quarterly deviation reports for the daily inspections of emissions unit F001 that identify each day that an inspection was not performed and each instance when a control measure, which was to be implemented as a result of an inspection, was not implemented. The reports for each quarter are due by April 30, July 31, October 31 and January 31 of each year for the previous calendar quarter.

16. Respondent failed to timely submit the quarterly deviation reports starting with the third quarter of 2006 for emissions unit F001, in violation of the terms and conditions of PTI 08-04786 and the PTO, and ORC § 3704.05(C). The violations began on October 31, 2006 (when the quarterly report was due) and continued until November 12, 2008 (when RAPCA received the delinquent quarterly deviation report from Respondent).

Failure to timely submit a quarterly deviation report for emissions unit P001 for deviations from the afterburner temperature restriction:

17. PTI 08-04779 requires Respondent to submit quarterly deviation reports that identify all periods of time when the average temperature of the afterburner, during any 3-hour block time period, was not maintained at or above 1,650 degrees Fahrenheit. The reports for each quarter are due by January 31, April 30, July 31, and October 31 of each year for the previous calendar quarter.

18. Respondent failed to timely submit the quarterly deviation reports starting with the fourth quarter of 2006 for emissions unit P001, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C). The violations began on January 31, 2007 (when the fourth quarter 2006 report was due) and continued until November 12, 2008 (when RAPCA received the delinquent quarterly deviation report from Respondent).

Failure to timely submit quarterly summary reports for emissions unit P001 identifying the downtimes for the afterburner and temperature monitoring equipment:

19. PTI 08-04779 requires the submittal of quarterly summary reports showing the afterburner and/or temperature monitoring equipment downtimes associated with the operation of the sweat furnace. The permits require the quarterly reports to be submitted by January 31, April 30, July 31 and October 31 of each year for the previous calendar quarter. The deviation reports are required to be submitted even if no deviation occurred.

20. Respondent did not timely submit the quarterly summary reports for the third and fourth quarters of 2007 and the first and second quarters of 2008 showing emissions unit P001's afterburner and/or temperature monitoring equipment downtimes as required by PTI 08-04779, in violation of ORC § 3704.05(C). The first report was due by October 31, 2007. On November 12, 2008, RAPCA received all past due summary reports.

Failure to daily collect and record the downtimes of the afterburner serving emissions unit P001 and/or its temperature monitoring equipment:

21. PTI 08-04779 requires Respondent to collect and record, each day emissions unit P001 operated, the downtimes of the afterburner and/or temperature monitoring equipment.

22. Respondent was not collecting and recording the periods when emissions unit P001's afterburner and/or temperature monitoring equipment were not operating, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C). This

ongoing violation began from the start of operation of emissions unit P001 (i.e., on or around July 2007) and continued until Respondent started to collect and record the downtimes (i.e., September 23, 2008).

Failure to timely submit Subpart RRR semi-annual summary report for emissions unit P001:

23. PTI 08-04779 requires, among other things, Respondent to comply with Subpart RRR. Subpart RRR requires Respondent to submit semi-annual excess emissions/summary reports according to the requirements of 40 CFR 63.10(e)(3). The reports are required to be submitted within 60 days of each 6-month period.

24. Respondent failed to submit the semi-annual summary report required by Subpart RRR for the first half of 2009 that was due by August 31, 2009, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C). The report was received by RAPCA on November 16, 2009.

Failure to timely submit Notification of Compliance Status Report for Subpart A and Subpart RRR for emissions unit P001:

25. PTI 08-04779 requires that Respondent comply with the requirements of Subpart A and Subpart RRR. Subpart A and Subpart RRR require Respondent to submit a Notification of Compliance Status Report ninety days after the startup of emissions unit P001.

26. The Notification of Compliance Status Report was not submitted until January 12, 2008. Therefore, Respondent failed to timely submit such report, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C).

Failure to timely submit a written certification for emissions unit P001 certifying construction pursuant to PTI and construction application:

27. PTI 08-04779 required Respondent to submit a written certification, prior to the start of operation, that emissions unit P001 was constructed in accordance with the requirements of the PTI and the corresponding application.

28. On or around July 2007, Respondent started to operate emissions unit P001. Respondent did not submit the required construction certification until September 12, 2008, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C).

Failure to maintain emissions unit P001's afterburner's average temperature at or above the specified operating temperature:

29. Respondent is required by PTI 08-04779 and the alternative calibration and certification procedure to maintain an average combustion temperature, for any 3-hour block of time when the emissions unit P001 is operating, at or above 1650 degrees Fahrenheit.

30. Respondent's third and fourth quarter deviation reports for 2009 showed seven deviations of this temperature limitation. Respondent failed to comply with the specified temperature limitation, in violation of the terms and conditions of PTI 08-04779 and ORC § 3704.05(C).

Failure to apply for and obtain a PTIO for emissions unit P001:

31. PTI 08-04779 allowed Respondent to operate emissions unit P001 for a period up to one year from the date the unit commenced operation without obtaining a permit to install and operate ("PTIO"). In or around July 2007, Respondent started to operate emissions unit P001; therefore, Respondent was required to apply for and obtain a PTIO by July 2008.

32. Respondent did not submit a PTIO application to RAPCA until January 12, 2009. Respondent failed to comply with permitting requirements, in violation of the terms and conditions of PTI 08-04779, OAC Rule 3745-31-02(A)(1)(b), and ORC § 3704.05(C) and (G). Ohio EPA issued a PTIO to Respondent for emissions unit P001 on February 24, 2009.

33. On February 8, 2008, RAPCA issued to Respondent a Notice of Violation regarding emissions units P001 and F001.

34. 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 the 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 thirty-five thousand dollars (\$35,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within fourteen (14) 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 twenty-eight thousand dollars (\$28,000). The official check shall be submitted to Brenda Case, or her successor, together with a letter

identifying Respondent, to:

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

2. In lieu of paying the remaining seven thousand dollars (\$7,000) of the civil penalty, Respondent shall, within fourteen (14) days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of \$7,000 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD0). Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for \$7,000. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent and Fund 5CD0, to the above-stated address.

3. A copy of each of the above checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

4. Should Respondent fail to fund the SEP within the required time frame set forth in Order 2, Respondent shall immediately pay to Ohio EPA \$7,000 of the civil penalty in accordance with the procedures in Order 1.

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, the operation of Respondent's facility.

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

Except as otherwise provided in these Orders, all documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Regional Air Pollution Control Agency
Montgomery County Health Department
117 South Main
Dayton, Ohio 44422-1280
Attention: John Paul

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Thomas Kalman, Manager, 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 the 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

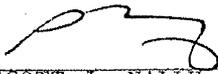
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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



SCOTT J. NALLY
DIRECTOR

1/26/11
Date

AGREED:

Staker Alloys, Inc.



Signature

1/12/11
Date

KENNETH I. COHEN
Printed or Typed Name

PRESIDENT
Title