

B2116

MANILA

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection**

B211644831

FACILITY: DETROIT STEEL CO TRENTON		SRN / ID: B2116
LOCATION: 1491 W JEFFERSON AVE, TRENTON		DISTRICT: Detroit
CITY: TRENTON		COUNTY: WAYNE
CONTACT:		ACTIVITY DATE: 04/19/2018
STAFF: Stephen Weis	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MAJOR
SUBJECT: Compliance inspection of the Detroit Steel Company (DSC) Trenton Plant facility. The DSC facility is scheduled for inspection in FY 2018.		
RESOLVED COMPLAINTS:		

Location:

Detroit Steel Company
Trenton Plant (SRN B2116)
1491 West Jefferson Avenue
Trenton

Date of Activity:

Thursday, April 19, 2018

Personnel Present:

Steve Weis, DEQ-AQD Detroit Office
John Hochstein, Stephens Environmental LLC (environmental consultant to Crown Enterprises)

Purpose of Activity

A self-initiated inspection of the Detroit Steel Company's Trenton Plant facility (hereinafter "DSC") was conducted on Thursday, April 19, 2018. The DSC facility was on my list of sources targeted for an inspection during FY 2018. The purpose of this inspection was to determine compliance of operations at the DSC facility with applicable rules, regulations and standards as promulgated by Public Act 451 of 1994 (NREPA, Part 55 Air Pollution Control) and with applicable Federal standards. The facility is also subject to the terms and conditions of Renewable Operating Permit (ROP) MI-ROP-B2116-2015. Ownership of the property on which the facility is located was assumed by Wayne County in 2017, and the County's Land Bank is in the process of finalizing the sale of the property. The primary purpose of this site visit is to verify the operating status of the remaining process equipment that is covered by the ROP.

Facility Site Description

The DSC facility encompasses most of the former McLouth Steel Company property, which is located in the north part of the City of Trenton on the east side of Jefferson Avenue. The property extends along the west bank of the Detroit River's Trenton Channel for just over one mile across from Grosse Ile. The property covers 200 acres. During a site visit on July 14, 2016, DSC was still the owner of the property/facility, and at that time the DSC staff that I met with told me that there are approximately one million square feet of building space still standing on the property.

The DSC property is bounded by West Jefferson Avenue to the west; the Detroit River/Trenton Channel to the east; Edward C. Levy Company's Plant 4&5 facility to the south; and property owned by Riverview-Trenton Railroad Company to the north. Much of the area surrounding the DSC property consists of industrial and commercial properties. The west side of Jefferson between King and Sibley Roads consists of various commercial properties, which back up to a railroad right of way, which in turn backs up to the Sibley Quarry property, a parcel that stretches to the west all the way to Fort Street and is owned by DTE Energy. The Trenton Channel of the Detroit River is approximately ¼ mile wide, and the properties on Grosse Ile across the channel from the DSC site are residential. The closest residence is located over 500 yards (over ¼ mile) to the northwest of the acid pickling building at the facility in the North Trenton neighborhood, which is located south of Sibley Road west of the railroad right of way.

Facility Operations

McLouth operated an integrated steel mill on the property from 1954 until they sold the property in 1996. Per Wikipedia, an integrated steel mill is classified as a facility having all of the functions for primary steel production – iron making, steel making, steel casting, roughing rolling and product rolling. McLouth utilized blast furnaces, basic oxygen furnaces, electric arc furnaces, a hot strip rolling mill, soaking pits and pickle lines at the facility.

In the time since McLouth ceased operations at the site, all of the steel production-related operations on the property have been idle aside from the steel pickling operation. Some of the process equipment and building structures on the property that were part of McLouth's steel-making operations have been dismantled/demolished and permanently removed from the site. Most recently, according to the ROP application for the current ROP, the power house boilers, which were designated as boilers 1, 2, 3, 4, 5 and A, were dismantled in 2012.

DSC operated the steel coil pickling operation after taking over the facility. The current ROP, No. MI-ROP-B2116-2015, was issued to address the operation of the pickling operation, designated as EUPICKLING in the ROP. The Emission Unit description in the ROP describes the pickle line as follows:

"The Pickle Line includes the entry conveyor, the uncoiler, a welder, a looping pit, five acid tanks, one rinse tank, a dryer, an oil applicator, a recoiler and small gas fired boiler. This process is necessary to remove oxides from the steel and then oil it to prevent oxidation. The steel is dipped through a series of hydrochloric acid tanks, rinsed with water, dried, and oiled. The Pickle Line was temporarily shut down on June 20, 2003."

The MAERS (Michigan Air Emissions Reporting System) database that was submitted for the 2015 calendar year (which is the last MAERS report that was submitted for the facility) shows no throughput associated with the pickle line, and the box is checked to indicate that the EUPICKLING Emission Unit did not operate in 2015. A check of past MAERS reports via the MAERS Report History tab in the MAERS system shows that the equipment has not operated since at least 2009, which is as far back as the MAERS Report History function goes. I was told during my July 2016 site visit that the pickling operation had not operated for at least 12 years at that point. I was also told by DSC staff at that time that DSC does not plan to ever operate the pickling operation again, that they planned to scrap the equipment associated with the pickling operation, and rehabilitate the building and upgrade the floors to utilize the building space for storage.

At the time of the July 2016 site visit, DSC was operating the facility as an intermodal terminal for the storage and transfer of bulk materials. Materials are transferred to and from the facility property via ship, utilizing the docks along the Detroit River, and via trucks. The material was being stored inside of some of the buildings on the property. At the time of that site visit, steel, aluminum, salt and sugar were being stored on site. DSC staff told me that, going forward, the future plans for the facility were to continue to operate the intermodal terminal.

Transfer of Ownership of the Property

The property on which the DSC facility was located was foreclosed on by Wayne County in March of 2017. Shortly after that time, staff from DEQ-AQD's Emissions Reporting and Assessment (ERA) Unit were in contact with DSC staff regarding the payment of outstanding emissions fees. Attached to this report is an e-mail exchange between myself and Dennis McGeen of ERA regarding the fee situation at the facility, and a print out of an article from the April 10, 2017 edition of the Detroit Free Press that I sent to Dennis McGeen to inform him of the updated status of the facility/property. Based on the information in the article, on March 31, 2017, ownership of the property transferred to the Wayne County Treasurer's Office.

Related to the foreclosure and transfer of ownership of the property, a letter dated June 16, 2017 was sent from Mark Wilkinson, Vice-President of DSC, to the Wayne County Treasurer. The letter served to inform the Treasurer's Office of the environmental responsibilities associated with the properties; included among the list of environmental responsibilities was the facility's ROP, No. MI-ROP-B2116-2015. A copy of the June 16 correspondence that was sent to the Wayne County Treasurer's Office by DSC is attached to this report. To that point, Dennis McGeen had contact with one of the staff at DSC to try and resolve the outstanding fee issue. I forwarded a copy of the June 16 correspondence from DSC to Wayne County to Dennis via e-mail; a copy of the e-mail that I sent to Dennis is attached for reference.

During my site visit in July 2016, I recommended to DSC staff that they void their ROP since the process equipment that was addressed by the ROP (the permit specifically addresses and includes requirements for the steel pickling line, and includes references to other steel-making equipment) had been taken permanently out of operation. I explained to DSC staff that when the ROP is voided, then DSC would no longer be required to

complete and submit MAERS, and that DSC would no longer be subject to air emission fees. After my site visit, I followed up with a couple of e-mail messages in which I detailed the procedure for voiding the ROP, and I left a phone message with DSC staff as further follow-up. A copy of the two e-mails that I sent after my site visit are attached to this report. DSC did not respond to my e-mail and voice mail messages, and they did not initiate the process to void their ROP. In the spring of 2017, I tried to contact the person that Dennis McGeen had spoken with to get a status update regarding the facility, but I never heard back from her.

In an effort to resolve the AQD regulatory status of the facility, including the outstanding air emission fees, I attempted to contact the Wayne County Treasurer's Office. I utilized the Treasurer's Office's on-line inquiry tool, and I sent an inquiry to them on June 27, 2017. I received a response dated July 3, 2017. A copy of the July 3 e-mail, which includes my initial inquiry to the Treasurer's Office, is attached to this report. In addition, correspondence from DEQ-AQD dated July 1, 2017 was sent to the Wayne County Treasurer to notify him of DEQ-AQD's air quality fee program and its applicability to the now former DSC property. A copy of this correspondence is attached for reference.

On July 26, 2017, I was contacted by Jacob Ghannam, an attorney with the Wayne County Treasurer's Office. Jacob and I set up a meeting to held at DEQ-AQD Detroit Office on August 1, 2017. Per Jacob's request, I sent him an e-mail that summarized the information that I wanted to discuss at the meeting. A copy of the message is attached for reference. The meeting on August 1 was attended by myself, Mina McLemore and Jeff Korniski if DEQ-AQD, Jacob Ghannam, Melanie Kersey and Soumaya Harb of the Wayne County Treasurer's Office, and Daniel Rosenbaum of the Wayne County Land Bank. During the meeting, the Wayne County staff provided DEQ-AQD with updates about the status of the property. DEQ-AQD was told that Mark Wilkinson of DSC is being allowed on site to scrap what remains on site of the pickling line. The County was working on a purchasing agreement with a potential buyer, and EPA staff was scheduled to visit the site on August 10, 2017 to assess the site and to evaluate an ongoing PCB clean-up.

We discussed the letter that Mark Wilkinson sent to notify the County of the various environmental responsibilities and permits associated with the facility and property. We provided Wayne County staff with the status of the property from AQD's perspective; there is an active ROP for the facility, it is considered a potential major source of air pollution, and the facility is subject to DEQ-AQD's air quality fee program. We advised that Wayne County, and/or the next owner of the property, could notify DEQ-AQD that the pickling line and other steel-related process equipment will no longer be operated, and request that the ROP be voided. I also put forth that I would like to visit the facility to assess the condition/operating status of the equipment associated with the pickling line. As a follow-up to the discussion at the meeting, I sent Jacob an e-mail the provided him with contact information for the DEQ Southeast Michigan District multi-media coordinator, the DEQ-AQD Asbestos Program unit staff, as well as information regarding the site-specific SIP fugitive dust plan Consent Order for the facility, including a copy of the Order (SIP No. 23-1993). A copy of the e-mail message and the attached SIP Order are attached to this report. The representatives from the County told us that they hoped to close on the sale of the property on September 15. They told us that they would discuss the property's status regarding air quality regulations with the new owner, and work to arrange a meeting or site visit with us.

On October 25, 2017, Dennis McGeen provided me with some information from the October 16, 2017 DEQ Senior Management Team (SMT) meeting at which the facility was discussed. It was discussed that Crown Enterprises had paid back taxes, and that Wayne County was planning to transfer the property to Crown by the end of the year. A copy of Dennis' e-mail is attached.

At the end of 2017, DEQ-AQD had not yet been contacted by anyone associated with the former DSC property regarding ownership status, nor to address matters related to the ROP and fee. DEQ-AQD's ERA Unit sent correspondence to the Wayne County Treasurer's Office dated January 12, 2018 informing them that the 2018 Annual Air Quality Fee had been assessed to the former Detroit Steel Company facility at 1491 West Jefferson Avenue. The letter provided my name and contact information for any questions regarding the matter addressed by the letter. On January 22, 2018, I was copied on an e-mail message from Roy Freij, Wayne County Deputy Treasurer to Bali Kumar, Executive Director of the Wayne County Land Bank (WCLB) requesting that WCLB contact me to address this matter. The e-mail message, which includes a copy of the letter and draft fee invoice that was sent to the Treasurer by DEQ-AQD, is attached to this report. By this time, the WCLB had taken ownership of the former DSC property. As a result of this correspondence, I had a phone conversation with Daniel Rosenbaum of WCLB on February 1, 2018. I sent him a follow-up e-mail message later that day through which I summarized the air quality requirements that are applicable to the facility. A copy of the e-mail message is attached to this report. I reiterated that "...if there is no intention to operate the acid pickling operation going forward, either by Wayne County or the future owner of the property, then Wayne County and/or the future

owner of the property should request that the ROP be voided”, and I provided specific directions as to how to submit such a request to DEQ-AQD.

Correspondence dated February 5, 2018 was sent to Wilhemina McLemore, DEQ-AQD Detroit District Supervisor from Bali Kumar of the WCLB. Per this correspondence, a copy of which is attached to this report, WCLB stated that the pickling line is no longer operational, that the former DSC property emits no air pollution, and that WCLB and the pending purchaser of the property at the time that the letter was written, Crown Enterprises, have no need for the ROP. It was also stated that WCLB would prepare of Right of Entry for me to visit the site. In response to this correspondence, DEQ-AQD determined that the facility/property are no longer subject to the air quality fee program. Correspondence dated March 1, 2018 was sent to the WCLB informing them of DEQ-AQD's determination regarding the fee status of the facility, and notifying them that the air quality fee invoice has been canceled and that no payment is required. A copy of the March 1 correspondence is attached to this report.

On April 4, 2018, I received an e-mail from Colin Roach of the WCLB, which was the first in a series of electronic communications involved in arranging my visit to the facility. Included with one of the e-mail messages was a document titled “Right of Entry for Inspection” through which the WCLB granted a right of entry for me to visit the former DSC property. The Right of Entry document was signed by Bali Kumar on April 4, and the document stated that the right of entry was valid through April 30, 2018. A copy of the Right of Entry document and the April e-mail exchanges are attached to this report. It was agreed that I would visit the site on Thursday, April 19. I would be accompanied on the site visit by John Hochstein of Stephens Environmental LLC, who is an environmental consultant for Crown Enterprises.

The most recent information regarding the ownership of the property that I came across is a May 31, 2018 article in the Detroit Free Press, a copy of which is attached to this report. According to the article, Crown has been working on an agreement with EPA regarding the environmental cleanup of the site, and a tentative agreement has been reached. Due to the ongoing discussions between Crown and EPA, the actual closing of the sale of the property and transfer of the title from Wayne County to Crown has been delayed from December 2017, to March 1, 2018, to June 1, and now extended to October 1.

Inspection Narrative

I arrived at the facility at around 10:30am. I parked in the lot adjacent to the office building that was used by the former DSC on the east side of West Jefferson, just north of King Road. I met and spoke with two site security staff who were expecting me. They checked my driver's license and told me that they did not need the Right of Entry form that was sent to me by the WCLB. After being cleared to enter the property, I was met by John Hochstein, who directed me to follow him with my vehicle onto the facility property. John and I drove around and along one the large buildings remaining on the site; it is the building that runs along West Jefferson, and it is currently affixed with a roof sign that reads “Trenton Plant”. As we passed the building, I observed that some of the east-facing bay doors were open, and I could see piles of sugar being stored on the floor inside of the building. The building that housed the acid pickling operation is situated just past the northeast corner of the large building.

We parked in front of the former pickling building and walked inside. The building is empty, and it is open to the elements due to missing windows and voids in portions of the walls and the roof. I could see old signs with information about the acid pickling operation and some old boxes/totes with labels reading “HCl”, but the related equipment has all been removed from the building. Referencing the Emission Unit description of the pickling line from the ROP, I did not see an entry conveyor, the uncoiler, a welder, a looping pit, five acid tanks, one rinse tank, a dryer, an oil applicator, a recoiler nor a small gas fired boiler. As we walked around inside of the building, I observed old floor pits filled with water, what looked like inoperable electrical transformers, and various debris and scrap strewn on the floor. All of the utilities in the building looked to be inoperable, as none of the remaining transformers, pipes and conduit appeared to be connected to anything. I took some pictures of the inside and outside of the pickling building, which I have attached to this report for reference. John confirmed that the building currently has no utility hook-ups, and to his knowledge, there have been no utilities connected and available to the pickling building for some time.

John told me that Crown plans to demolish the pickling building, as well as other building structures on the property that are in a similar dilapidated state. I mentioned the asbestos survey and notification requirements to John. He replied that he is aware of the requirements, and that any demolition work will be coordinated and performed in compliance with the asbestos regulations. We discussed the cold cleaners that are included in the

ROP, and John said that the buildings in which that equipment is said to be located are empty. He does not know of any cold cleaners operating on the property. John told me that Crown plans to continue utilizing portions of the facility as an intermodal terminal, in which bulk materials, like the sugar that I observed in one of the buildings while driving to the pickling building, are brought on-site and stored prior to being shipped to a customer, or the next location in the transport chain. We discussed the on-site roadways. John told me that the roads are maintained by the entity that transports material from the dock area along the river to the building in which the material is stored. John said that, to his knowledge, the condition of the roadway is assessed for dustiness, and dust suppressant, mainly in the form of water, is applied as needed. At the time of our visit, the roadway was moist from a recent watering. The moisture on the unpaved road surface can be seen in some of the pictures that I took at the facility.

I left the facility at 11:25am.

Permits/Orders/Other

The DSC facility in Trenton was subject to the terms and conditions of Renewable Operating Permit (ROP) No. MI-ROP-B2116-2015, which became effective on July 2, 2015. The ROP addresses the operation of the Pickle Line (EUPICKLINGLINE) and two cold cleaners (FGCOLDCLEANERS), one identified as being located in the hot mill area, and the other identified as being located in a machine shop. During my site visit in July of 2016, DSC staff told me that none of this equipment has operated in some time, and there were no plans to operate it in the future.

As described previously in this report, the facility and its associated property have changed hands over the course of the past year. The Wayne County Treasurer's Office foreclosed on the property in March of 2017, and on March 31, 2017, ownership of the property transferred to the Wayne County Treasurer's Office. According to the February 5, 2018 correspondence from the WCLB to DEQ-AQD that was referenced earlier in this report, "... the Wayne County Treasurer conveyed the Property to the County of Wayne on October 6, 2017, which then conveyed the Property to the Land Bank, a separate legal entity from both the Treasurer and County, on October 6, 2017." The plan is for ownership of the property to be transferred to Crown Enterprises, perhaps on October 1, 2018.

The WCLB requested that the ROP be voided in their February 5, 2018 correspondence to Mina McLemore. Based on the information and observations from my April 19 visit to the site, it has been confirmed that the process equipment/emission units that were included in the ROP are no longer in operation, and that they appear to have been rendered permanently inoperable. I have drafted correspondence to void the ROP, which is addressed to Bali Kumar of the WCLB.

The DSC facility was also subject to a site-specific fugitive dust management plan. The Source-Wide Conditions section of DSC's ROP cites one of Michigan's fugitive dust regulations (Section 5524 of Act 451) as an applicable requirement, as well as **Consent Order SIP No. 23-1993**. The Consent Order is part of the State of Michigan's State Implementation Plan (SIP); this part of the SIP was submitted by the State of Michigan as part of the attainment demonstration for PM-10. The Michigan Department of Natural Resources submitted the PM-10 SIP to EPA on June 11, 1993, and, after a couple of revisions, the nonattainment area PM SIP for Wayne County, Michigan was approved and became effective on February 16, 1995. One element of the SIP was the requirement that facilities with designated standard industrial classifications that are located in the area designated in Table 36 of Michigan Administrative Rule 371 "... develop and implement an approved fugitive dust control operating program and to have the program embodied in a legally enforceable order..." (this quote was taken from the preamble to the Consent Order). Many of the larger facilities in the portion of Wayne County designated in Table 36 were issued Orders as part of the SIP.

The Consent Order referred to as SIP No. 23-1993 was issued to McLouth Steel Company. A copy of Consent Order Sip No. 23-1993 is attached to this report for reference. Paragraph 15 of the Consent Order describes how the compliance responsibilities of the Order transfer to another entity in the event that McLouth sells or transfers the Trenton Plant to that entity. Thus, when DSC purchased the McLouth facility, they also assumed responsibility for complying with the requirements of Consent Order SIP No. 23-1993. Although current operations at the DSC facility do not have the same standard industrial classification (SIC) that McLouth Steel did, the SIC that seems most appropriate for the current operations at the facility - General Warehousing and Storage, SIC group 4225 - also appears to have been subject to the requirement to obtain a fugitive dust-related/SIP-based Consent Order.

However, at the time that the Consent Order was written, it was done to address the portion of Wayne County that was designated as non-attainment for PM-10. The Consent Order was written for this facility specifically due

to the steel-making operations that were occurring at that time. The specific fugitive dust management provisions put forth in Exhibits A and B of the Consent Order are specific to the operations at the former McLouth Steel Company facility. It is stated on page 12 of the Order that the information in the plan is taken from the Fugitive Dust Control Plan prepared for McLouth Steel, dated August, 1990. With the steel-making equipment associated with McLouth Steel no longer in operation and having been rendered inoperable, the provisions of the Consent Order no longer appear to be applicable to the facility going forward. The activities associated with the intermodal terminal (the storage and transfer of bulk materials on the property, the use of paved and unpaved roadways) are subject to Michigan fugitive dust regulations, and the facility will be regulated accordingly. I will work with DEQ-AQD's State Implementation Plan (SIP) Unit staff to void Consent Order SIP No. 23-1993.

Compliance Determination

The now former DSC facility has changed ownership. The Wayne County Land Bank is currently the owner of the property, and ownership of the property is scheduled to be transferred to Crown Enterprises on October 1, 2018. During my site visit on April 19, 2018, I was able to confirm that the process equipment/emission units that were included in DSC's Renewable Operating Permit, ROP No. MI-ROP-B2116-2015, are no longer in operation and appear to have been rendered permanently inoperable. As a result, the ROP will be voided, and the site-specific fugitive dust SIP Consent Order that was issued to McLouth Steel Company, and assumed by DSC, will be voided, as well.

NAME ATeal Weber DATE 6/20/18 SUPERVISOR JK