



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
JACKSON DISTRICT OFFICE



C. HEIDI GREYER
DIRECTOR

March 20, 2018

CERTIFIED MAIL 7010 0290 0000 3734 2743
RETURN RECEIPT REQUESTED

Mr. Michael Connolly
TMS International
1155 Business Center Drive
Horsham, PA 19044-3454

SRN: B4306, Jackson County

Dear Mr. Connolly:

VIOLATION NOTICE

On January 24, 2018, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of TMS International's (Company) slag handling facility that is located on property owned by Gerdau Special Steel North America-Jackson Mill located at 3100 Brooklyn Road, Jackson, Michigan. The purpose of this inspection was to determine the Company's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules

During the inspection, AQD staff observed the following:

| Process Description | Rule/Permit Condition Violated | Comments |
|---|--------------------------------|--|
| 150,000 tons per year steel slag processing facility. | Rule 201 No permit to install. | Company previously submitted information in an attempt to show that the process is exempt from Rule 290 but emissions factor used were for stone crushing and they also didn't quantify potential air toxics emissions from heavy metals in the slag. There is also no fugitive dust plan for the operation and significant opacity was noted during the inspection resulting from excessive drop distance of fine material between conveyors and storage piles. |

During this inspection, it was noted that the Company had installed and commenced operation of an unpermitted process at this facility. AQD staff advised the Company on 01/24/2018 that this could be a violation of Act 451, Rule 201.

A program for compliance may include a completed PTI application(s) for the slag handling facility. An application form is available by request, or at the following website:

http://www.deq.state.mi.us/aps/nsr_information.shtml

Be advised that Rule 201 requires that a permit be obtained prior to installation, construction, operation, reconstruction, relocation, or alteration of any process or process equipment which may be a source of an air contaminant.

Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by April 10, 2018. The written response should include: the date the violation occurred; an explanation of the causes and duration of the violation; whether the violation is ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If the Company believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violation cited above and for the cooperation that was extended to me during my inspection of this Company. If you have any questions regarding the violation or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Mike Kovalchick
Senior Environmental Engineer
Air Quality Division
517-416-5025

cc/via e-mail: Ms. Mary Ann Dolehanty, DEQ
Mr. Craig Fitzner, DEQ
Mr. Chris Ethridge, DEQ
Mr. Thomas Hess, DEQ
Mr. Scott Miller, DEQ