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OmniSource

"The Best in Metals Recycling"

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December 27, 2017

MDEQ – Jackson District Office
Attn: Mike Kovalchick – Air Quality Division
301 East Louis Glick Highway
Jackson, Michigan 49201-1556
kovalchickm@michigan.gov

Re: Response to Violation Notices
OmniSource – Jackson, MI (SRN:B2281)
OmniSource – Adrian, MI (SRN:N5474)

Mr. Kovalchick,

OmniSource (Omni) received two separate Violation Notices (VN) from the Michigan Department of Environmental Quality (MDEQ) dated September 18, 2017 referencing inspections at the Omni facilities located at 711 Lewis Street in Jackson, Michigan and 815 Treat Street in Adrian, Michigan. It is our understanding that these VN's were issued as a result of self-initiated inspections conducted by the MDEQ on August 3, 2017 (Jackson) and August 10, 2017 (Adrian).

In an effort to adequately respond to the VN's and to evaluate if others in our industry have implemented control technology for torch cutting operations, Omni requested information through a Freedom of Information Act (FOIA) request that was submitted in October 2017 and requested a meeting with the MDEQ to discuss the VN's, along with information obtained through the FOIA request. Omni is very appreciative of the MDEQ's willingness to meet and discuss the VN's with us at the MDEQ Jackson District Office on November 14, 2017. During that meeting, we discussed the changes to the torch cutting exemption rule that went into effect on December 20, 2016, how this change impacts our business in the State of Michigan, the MDEQ Jackson District's efforts to consistently regulate and enforce the rule change, and what technology MDEQ may be aware of that is available and/or utilized by others to ensure compliance with the recent torch cutting rule change. During our conversation, the MDEQ acknowledged Omni's past and current efforts to maintain or exceed compliance requirements through industry-leading best management practices, engineering and installing a "pilot" emission control enclosure in Bay City, MI, employing good housekeeping practices, and maintaining good relations with neighboring and regulatory communities. Nonetheless, the MDEQ indicated that additional improvements would be necessary in order to ensure compliance with the recent torch cutting rule change. This said, Omni has evaluated and considered the following as potential strategies to address the alleged violations observed at our Jackson and Adrian facilities:

- Cease all torch cutting operations in Jackson and Adrian and move all torch cutting material to alternate Omni locations equipped with adequate controls in-state or out-of-state
- Work with suppliers to identify/implement a process to allow for downsizing of material at the point of generation
- Elevate the torch cutting practices, elevate material off of the ground, conduct emissions testing, and consider permitting the process
- Design & build a structure equipped with emission control technology that will allow for compliance with the opacity standards



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In order to maintain compliance and ensure that the recycling needs of our suppliers is not compromised in the immediate term, Omni will implement a combination of the strategies identified above.

Ceasing all torch cutting operations in Jackson and Adrian is not a viable option, as the recyclability of over-sized scrap metal from nearby suppliers is dependent upon it being adequately downsized. In order to sustain these recycling opportunities and ensure that business will not be lost to competition in other regions, Omni must have the ability to offer practical recycling solutions to its suppliers. Most scrap metal suppliers do not have the capability (or desire) to process the scrap metal generated at their facilities; however, Omni will attempt to identify suppliers of over-sized material and work with them in an effort to consider additional processing (down-sizing) opportunities at their location prior to delivery to Omni. In those cases where down-sizing at the point of generation is not an option, Omni will attempt to move the material to alternate locations outside of Michigan and/or to locations that are adequately equipped to comply with the regulations within the state.

As previously mentioned, Omni does have experience with designing and building structures to control torch cutting emissions; however, these structures require significant capital investment. Omni is working internally and with an outside consultant to evaluate similar, yet alternate cost efficient control devices for Jackson & Adrian. Omni is striving to have an appropriate design identified by April 1, 2018. Furthermore, Omni will work diligently to seek approval for the funds necessary to begin construction by June 1, 2018. OmniSource will continue to evaluate each facility for best management practices to control torching emissions and will dedicate the necessary resources to design and construct structural controls when and where warranted, based on individual facility characteristics and economic conditions. OmniSource has been and will continue to operate the limited torch cutting operation using a combination of several Industry Best Management Practices, such as, selective cutting, source control, operational controls, and employee training.

OmniSource is committed to operating its business in an environmentally responsible manner that protects human health, natural resources, and the environment. We go beyond compliance with the law to integrate sound environmental practices into our daily decisions and activities. We have in the past, met all of our environmental commitments and we will continue to pursue a course of responsible environmental stewardship, while complying with local, state, and federal environmental laws and regulations.

If you have any questions or require additional information, please let me know.

Sincerely,

David Centeno
Environmental Manager
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