

Ms. Barbara Holley
881 N. Ward Road
Midlothian, Texas 76065-5019

Re: Notice of Proposed Permit and Executive Director's Response to Public Comment
Initial Issuance
Permit Number: O2110
Chaparral Steel Midlothian, L.P.
Chaparral Steel
Midlothian, Ellis County
Regulated Entity Number: RN100216472
Customer Reference Number: CN600128656

Dear Ms. Holley:

The Texas Commission on Environmental Quality (TCEQ) Executive Director's proposed final action is to submit a proposed federal operating permit (FOP) to the U.S. Environmental Protection Agency (EPA) for review. Prior to taking this action, all timely public comments have been considered and are addressed in the enclosed Executive Director's Response to Public Comment (RTC). The executive director's RTC also includes resulting modifications to the FOP, if applicable.

As of October 11, 2005 the proposed permit is subject to an EPA review for 45 days, ending on November 25, 2005.

If the EPA does not file an objection to the proposed FOP, or the objection is resolved, the TCEQ will issue the FOP. If you are affected by the decision of the executive director (even if you are the applicant) you may petition the EPA within 60 days of the expiration of the EPA's 45-day review period in accordance with Texas Clean Air Act § 382.0563, as codified in the Texas Health and Safety Code and the rules [Title 30 Texas Administrative Code Chapter 122(30 TAC Chapter 122)] adopted under that act. This paragraph explains the steps to submit a petition to the EPA for further consideration. The petition shall be based only on objections to the permit raised with reasonable specificity during the public comment period, unless you demonstrate that it was impracticable to raise such objections within the public comment period, or the grounds for such objections arose after the public comment period. The EPA may only object to the issuance of any proposed permit which is not in compliance with the applicable requirements or the requirements of 30 TAC Chapter 122. The 60-day public

Ms. Holley
Page 2

petition period begins on November 26, 2005 and ends on January 25, 2005. Public petitions should be submitted during the petition period to the TCEQ, the EPA, and the applicant at the following addresses:

Texas Commission on Environmental
Quality
Office of Permitting, Remediation, &
Registration
Air Permits Division
Technical Program Support Section,
MC-163
P. O. Box 13087
Austin, Texas 78711-3087

U.S. Environmental Protection Agency
(EPA)
Attn: Air Permit Section Chief
Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

U.S. Environmental Protection Agency
Administrator Mike O. Leavitt
Ariel Rios Building (AR 1101A)
1200 Pennsylvania Avenue, NW
Washington, DC 20460
Mr Timothy J. Bourcier
Vice President, Operations
Chaparral Steel Midlothian, L.P.
300 Ward Road
Midlothian, Texas 76065

Please reference the regulated entity number (RN), customer reference number (CN), and permit number noted in this document in all your future correspondence for the referenced facility or site. The RN replaces the former TCEQ account number for the facility (if portable) or site (if permanent). The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Thank you for your cooperation in this matter. If you have questions concerning the processing of this permit application, please contact Mr. Oscar F. Perez at (512) 239-6611.

Sincerely,

Ms. Holley
Page 3

Jesse E. Chacon, P.E., Manager
Operating Permits Section
Air Permits Division

JC/OP/bs

cc:

Enclosures: TCEQ Executive Director's Response to Public Comment
Proposed Permit

cc: Mr. Tony L. Walker, Air Section Manager, Region 4 - Fort Worth
Air Permit Section Chief, U.S. Environmental Protection Agency, Region 6-Dallas

Enclosure: Executive Director's Response to Public Comment

Project Number: 2396

bcc: Ms. Bridget Bohac, TCEQ Office of Public Assistance (MC-108), Austin
Ms. Deanna Avalos, Final Documents Team, TCEQ Office of the Chief Clerk,
(MC-105), Austin
John Minter, TCEQ Environmental Law Division (MC-173), Austin
File Copy

Modifications Made from the Draft to the Proposed Permit

1. Term and Condition for 30 TAC Chapter 101, General Rules, added in accordance with the November 20, 2002 revision of 30 TAC Chapter 122.
2. Updated the General Terms and Conditions of the permit.
3. Language in terms and conditions for 30 TAC Chapter 111 changed. Observation requirements for opacity are now done on a quarterly basis, replacing annual observations; and, in order to comply with 30 TAC § 111.111(a)(1)(B), 30 TAC § 111.111(a)(7)(A), 30 TAC § 111.111(a)(8)(A) an observation of visible emissions shall be conducted at least once during each 3-month period.
4. Deleted the term that referenced the excess visible emissions limits during the cleaning of a firebox or the building of a new fire, soot blowing, equipment changes, ash removal, and rapping of precipitators. The language is contained in the terms and conditions that were updated in 30 TAC Chapter 111.111(a)(1)(B).
5. A monitoring term was added to Terms and Conditions that describes periodic monitoring requirements.
6. Deleted term that referenced qualified facilities meeting the criteria of 30 TAC Chapter 116 § 116.116(e).
7. A compliance term was added to Terms and Conditions that describes annual certification requirements. Required as a result from EPA negotiations for full-program approval.
8. Term and Condition for the Permit Shield was updated to incorporate the changes that have occurred since the last draft.
9. The language under the title "Permit Shield" was changed.
10. The language under the title "New Source Review References by Emission Unit" was changed. Also deleted references to the "Grandfathered" units since no grandfathered units exist in the permit.
11. Replaced TNRCC with TCEQ.
12. Replaced Account Number with Regulated Entity Number on permit face.
13. Deleted references to Prevention of Significant Deterioration in Unit Summary and Applicable Requirements Summary tables.
14. Added applicable requirements for units 04-EAF, 01-EAF, 54 and 55 per documentation submitted by the applicant.
15. Updated periodic monitoring requirements for the following sources: 01,05,09. Added periodic monitoring requirements for the following sources: 54, 55.
16. A Term and Condition was added to the permit to cover the requirements of Discrete Emissions Reduction Credits.
17. A Term and Condition was added to the permit to cover the requirements of Air Quality Standard Permits.
18. A Term and Condition was added to the permit to cover the requirements of Emission Credits and Discrete Emission Credits.

EXECUTIVE DIRECTOR'S RESPONSE TO PUBLIC COMMENT

The Texas Commission on Environmental Quality (TCEQ) Executive Director provides this Response to Public Comment and the executive director's preliminary decision on the Chaparral Steel Midlothian L.P., Federal Operating Permit (FOP) application. As required by Title 30 Texas Administrative Code § 122.345 (30 TAC § 122.345) the executive director prepares a notice of proposed final action, which includes a response to all timely comments. These comments are summarized in this response. The Office of Chief Clerk (OCC) timely received comment letters from the following persons: Cecil R. Booth, Becky Bornhorst, Sammie Buehner, Barbara Holley, Katy Hubener, Duff Hunt, Debra L. Markwardt, Sue Pope, Merle Roten, Irvin A. Uphoff. Additional comments were received at a notice and comment hearing from: Becky Bornhorst, Irvin Uphoff, Merle Roten, Katy Hubener or Blue Skies Alliance, Debra Markwardt, (all the above individuals are hereinafter referred to as 'commenters') and Dale Harman of Chaparral Steel Midlothian, L.P.

BACKGROUND

The Texas Operating Permit Program requires that owners and operators of sites subject to 30 TAC Chapter 122 obtain a FOP that contains all applicable requirements in order to facilitate compliance and improve enforcement. The FOP does not authorize construction or modifications to facilities, nor does the FOP authorize emission increases. In order to construct or modify a facility, the facility must have the appropriate new source review authorization. If the site is subject to 30 TAC Chapter 122, the owner or operator must submit a timely FOP application for the site, and ultimately must obtain the FOP in order to operate.

Procedural Background

Chaparral Steel Midlothian, L.P. , hereby known as CSM, applied to the TCEQ for a FOP for a Blast Furnaces and Steel Mills plant located in Midlothian, Ellis County on July 26, 1999,. Following the technical review of the application, CSM was authorized to publish notification of the draft Title V permit and notice was published on May 16, 2002 in the *Dallas Morning News*. The agency received eight requests for a notice and comment hearing during the public comment period. A notice and comment hearing was held at the Midlothian City Hall, Midlothian, Texas on November 18, 2002. The public comment period ended on October 03, 2003.

Description of Site

Chaparral Steel Midlothian, L.P. has applied to the TCEQ for an FOP Initial Issuance that would authorize the applicant to operate the Chaparral Steel site. The facility is located at 300 Ward Rd., Midlothian, TX.

The steel mill manufactures structural steel and re-bar from scrap steel and additives. The scrap steel is introduced into a shredder and then to a separator which separates ferrous metal from non-ferrous metal and fluff. The ferrous scrap is melted in electric arc furnaces "A" (EUN 1) and "B" (EUN 04) in the melt shop. Alloying agents and fluxing

materials are added to the melt. The finished melted steel is tapped into ladles and then poured into four continuous casters that produce steel billets.

Each electric arc furnace is equipped with a direct shell evacuation system, which routes emissions during the melting and refining stages to baghouse "C" (EPN 07), and an overhead canopy system which routes emissions to baghouse "A" (EPN 01) and baghouse "B" (EPN 06). Air captured in the overhead canopies for furnaces "A" and "B" is commingled in a mixing chamber and then routed to baghouse "A" and "B". Fugitive emission that escape the overhead canopy system and are emitted out the melt shop roof are designed as EUN's FURNA-FUG and FURNB-FUG and EPN 04. Fugitive emissions associated with handling of dust captured in baghouse "A", "B", and "C" are designated as EUN 13 for baghouse dust railcar fugitives. Dust from baghouse "A", "B", and "C" is occasionally transferred from railcars to storage in the pelletizer silo. Emissions associated with the handling of dust at the pelletizer silo are designated as EUN 15A for the pelletizer silo baghouse and EUN 15B for railcar loading at the pelletizer silo.

The steel billets produced in the continuous casters are fed to the three rolling mills where the ingots are reheated in a natural-gas-fired reheat furnace to a temperature which makes the steel malleable. The billets are then shaped in the rolling mills into the desired products. The reheat furnace associated with the Large Section Mill is designated as EUN 09-FURN and EPN 09. The reheat furnace associated with the Medium Section Mill is designated as EUN 05 and EPN 05. The reheat furnace associated with the Bar Mill is designated as EUN 02A-FURN and EPN 02A.

COMMENTS RECEIVED AND TCEQ RESPONSES

COMMENT 1- Notification:

Commenters stated that current TCEQ rules/policies do not provide public notice as required by Part 70. TCEQ does not have a Title V mailing list. The TCEQ has mailing lists for (1) all notices (for all media) regarding a particular facility or (2) all notices (for all media) for all sources in a particular county. The problem with this type of list is that an individual receives an unmanageable amount of mail. The TCEQ should establish a mailing list so that persons may request notice of Title V permitting activities as is required by Part 70. TCEQ is now posting the public comment periods on its web site, but web access should not be viewed as a replacement for the required mailing lists required by Part 70. There are still many people who do not have access to the Internet.

Mr. Harmon of CSM stated that this permitting action is not the appropriate forum for addressing the TCEQ program's compliance with EPA requirements.

RESPONSE 1:

TCEQ rules and policies provide adequate public notice and, in certain cases, exceed those requirements for operating permits as required under federal the Title V

program requirements in 40 Code of Federal Regulations (CFR) Part 70. For example, public notice for operating permits under the Texas program requires a sign posting and a bilingual notice which is not required by Part 70. In accordance with Part 70, TCEQ has established a procedure for individuals to be placed on a mailing list, upon request. Persons on these mailing lists receive all notices of permitting actions either for a specific applicant name and permit number or within a requested county. The commission has implemented procedures to provide for posting on the agency's public website the date the public comment period begins for any permit action within 2 to 4 days of newspaper publication.

COMMENT 2 - Statement of Basis:

Commenters stated that a statement of basis was not provided for the draft permit and therefore is defective because the TCEQ failed to include an adequate "statement of basis" that explains the "legal and factual basis for the draft permit conditions." Part 70 requires a statement of basis be made available for every Title V permit. A statement of basis specific to the CSM draft permit should be added and the comment period should be reopened.

Mr. Harmon commented that TCEQ's rationale for issuing the permit are interspersed through the draft permit and constitute a statement of rationale equivalent to a statement of basis. Further, this permitting action is not the appropriate forum for addressing the TCEQ program's compliance with EPA requirements.

RESPONSE 2:

Under 40 CFR §70.7(a)(5), the permitting authority must provide a statement that sets forth the legal and factual basis for the draft permit conditions and this statement shall be sent to EPA and anyone who requests it. Subsequent to the end of the comment period on the CSM operating permit, state operating permit rules (30 TAC §122.201) were amended to add this requirement to the Texas operating permit program. A statement of basis has been made available for this permit and is being provided to EPA. The Executive Director does not agree with the commenter that the comment period should be reopened. Part 70 does not require that the statement of basis be provided at any particular time during the permit review period, but only that it be available to anyone who requests it. Because the hearing requesters request a statement be available, a copy will be provided to them. The Executive Director will provide EPA with a statement of basis so that they may review it during the EPA 45-day review period. The hearing requesters and the general public can, after reviewing the statement of basis, petition EPA to object to the permit. In addition, the hearing requesters detailed and thorough comments on this draft permit do not indicate that prior receipt of a statement of basis would improve the adequacy or effectiveness of the comments they provided. Nor is there evidence that lack of a statement at the beginning of the comment period dampened public participation. As explained in Comment 10 below, the comment period was extended to October 3, 2003. Therefore, for these reasons, a reopening of the comment period is not necessary for this permit.

COMMENT 3 - Illegal Use if Incorporation by Reference:

Commenters stated the use of incorporation by reference in CSM draft operating permit violates the requirements of Title V and Part 70 and renders the permit practically unenforceable. The underlying permits and their conditions are referenced only by permit number. The terms and conditions are not included. The complete application for these permits must be located and reviewed as well in order to understand them. One of the main purposes of Title V is to incorporate all federally applicable requirements into one coherent permit that could be relied upon by industry, agency enforcement personnel and citizens. The CSM permit fails to meet these goals by extensive use of incorporation by reference. The permit should be denied and rewritten to specify all emission limits and eliminate all incorporation by reference.

Mr. Harmon stated that this permitting action is not the appropriate forum for addressing the TCEQ program's compliance with EPA requirements.

RESPONSE 3:

The Executive Director does not agree that incorporation by reference is improper or makes the permit unenforceable. The inclusion of minor New Source Review (NSR) permit requirements in Title V permits through incorporation by reference was approved by EPA when granting Texas' operating permits program full approval in 2001. (See the Volume 66 of the Federal Register page 63324.) In recently decided litigation challenging EPA's full approval of the Texas program, EPA stated in its brief to the U.S. Fifth Circuit Court of Appeals, "[n]othing in the statute or regulations prohibits incorporation of applicable requirements by reference." The Court agreed that incorporation by reference is permissible stating "The Title V and Part 70 provisions specify what Title V permits "shall include" but do not state how the items must be included. [To read the Court's full opinion denying petitions to review EPA's full approval, go to the "opinions page" on <http://www.ca5.uscourts.gov/> and docket no. 02-60069, Public Citizen, Inc. et al v. USEPA, filed August 15, 2003.] The executive director does not agree that the draft permit is unenforceable. EPA has stated that minor NSR terms and conditions incorporated by reference are fully enforceable. Applicants are required to demonstrate compliance with all terms and conditions codified in the permit including requirements of NSR permits. Further, the Executive Director does not agree, and Title V program regulations do not require, that applications for underlying NSR permits be made available with the draft operating permit during the public comment period. These applications are readily available from the TCEQ upon request.

COMMENT 4 - Emission Limitations and Standards, Monitoring and Testing, and Record Keeping and Reporting:

Commenters stated that the draft permit goes to great length to describe the requirements for compliance with 30 TAC Chapter 111, Visible Emissions. Although the condition of visible emissions/opacity monitoring and testing are addressed, the only periodic monitoring requirement for annual compliance are as stipulated in 30 TAC 122.146. This monitoring is totally inadequate because it will not detect noncompliance that occurs when the facility is not operating under "normal conditions". This fact is

strongly substantiated by almost daily reports from residents of visible emissions from the facility which generally occur late at night when TCEQ representatives are not available. The permit does not address the numerous locations fugitive emissions are released and in most part are uncontrolled and not monitored. The permit should require continuous opacity monitors be installed. Real-time monitoring for toxic releases and criteria pollutants should be required. CSM's toxic release inventory shows releases of zinc, mercury and lead among others into the air, water and land. Many of these are fugitive emissions. Chaparral's emissions inventory shows it ranks 12th out of 103 facilities in mercury emissions. Particulate matter monitors should be placed on the perimeter as part of this permit.

Mr. Harmon commented that fugitive emissions incorporated into the draft permit and covered under the New Source Performance Standards (NSPS) requirements in Subpart AA and Chapter 111 of state rules. Visible fugitive emissions from the melt shop are subject to daily observations and annual monitoring is appropriate because it is in addition to existing monitoring requirements.

RESPONSE 4:

The executive director has determined that the monitoring proposed by this draft permit demonstrates compliance to the applicable state and federal requirements. The executive director believes that, consistent with 40 CFR Part 70, CSM draft permit includes: 1) monitoring sufficient to yield reliable data from the relevant time period that is representative of compliance with the permit and 2) monitoring sufficient to assure compliance with the terms and conditions of the permit. However, the executive director agrees that a once per year observation for visual emission is not sufficient and has changed the observation requirement to at least once during each 3-month period for observations required for 30 TAC Chapter 111 compliance. Three units will require opacity monitoring once per week and two other units will require monthly periodic monitoring, as described in the Periodic Monitoring summary tables in the draft permit. As stated by Mr. Harmon of CSM, there are also monitoring requirements for opacity and PM emissions associated with the federal new source performance standard (NSPS) for electric arc furnaces. These requirements are listed in the Applicable Requirements Summary table.

COMMENT 5 - The Draft Permit May Not Include Insignificant Emission Units:

Commenters stated the draft permit and the application do not list insignificant emission units. Part 70 allows the administrator to approve as part of a state operating permit a list of insignificant activities and emission levels which need not be included in a Title V permit application. Monitoring and reporting must be added as necessary to assure compliance with these requirements.

Mr. Harmon stated draft permit complies all applicable program requirements regarding inclusion of emissions and monitoring.

RESPONSE 5:

The commission does not require the applicant to provide a list of insignificant activities in either the application or the permit due to the flexibility provision in 40 CFR § 70.5(c) to tailor the level of information required in the application to be commensurate with the need to determine applicable requirements. This inherent flexibility encompasses the idea that certain activities (i.e., emissions units and activities without specific applicable requirements) can be omitted from the application.

COMMENT 6 - The Draft Permit Does Not Include All Part 70 Applicable Requirements:

Commenters stated that the draft permit does not assure compliance with all 40 CFR Part 70 applicable requirements. 40 CFR Part 70 requires that operating permits incorporate all applicable requirements, which include any standard or requirement in an applicable State Implementation Plan (SIP). The CSM permit does not appear to incorporate any SIP requirements other than Chapter 111 requirements. For example, 30 Texas Administrative Code § 101.01 through § 101.30 are included in the Texas SIP. Yet the operating permit does not incorporate these requirements. The operating permit should be denied until all applicable requirements, including any standards or requirements in the current SIP, are incorporated.

Mr. Harmon commented that the draft permit contains all applicable requirements and is consistent with all Title V permits issued by TCEQ.

RESPONSE 6:

EPA issued Texas a Notice of Deficiency (NOD) on the approved Title V program on January 7, 2002. One of the deficiencies was Texas' definition of "applicable requirement." Responding to the NOD, Texas revised its rules in November 2002 and submitted them to EPA for approval. Effective December 11, 2002, the TCEQ amended the Chapter 122 definition of applicable requirement to include the following sections of Chapter 101: §101.1, definitions to define terms used in other applicable requirements, §101.3, relating to circumvention; §§101.201, 101.211, 101.221, 101.222 and 101.223, relating to emissions events and maintenance, startup and shutdown reporting requirements; §101.8 and §101.9, relating to sampling and sampling ports, and §101.10, relating to emission inventory requirements. These sections become applicable requirements to all operating permits, including the CSM permit. EPA approved these changes in March of this year (please see the March 30, 2005 Federal Register, page 16134).

COMMENT 7 - Permit Shield:

Commenters argue the CSM draft permit includes ten individual permit shields. Since there is no Statement of Basis, there is no explanation of the justification for these shields.

Mr. Harmon commented that the draft permit complies with all applicable requirements regarding permit shields.

RESPONSE 7:

The EPA has approved the Texas Title V program and the use of permit shields in Texas FOPs. The primary goal of the operating permit program is to codify applicable requirements thereby providing a mechanism, via a permit, to assure compliance with all applicable rules and regulations. The Executive Director uses the information submitted in the application to determine applicability. Any unit found to have negative applicability will not be included in the operating permit (unless the applicant requests a permit shield) because they are not subject to any applicable requirements. The permit shield contains only units which have been determined to have negative applicability and does not affect the applicable requirements elsewhere in the permit. Also, a written determination is included in the permit shield to explain the specified unit's negative applicability. Units in the Permit Shield or the Preconstruction Authorization Tables will not be exempted from any applicable requirements.

COMMENT 8 - Permit Shield for Grandfathered Facilities:

The permit includes shields on four entries that purport to "grandfather" these facilities. Negative applicability determinations regarding NSR and NSPS applicability should not be included in operating permits. Inclusion of such conditions may create exemptions from applicable requirements rather than ensuring enforcement of those requirements. This is a clear violation of EPA regulation 40 CFR § 70.6(f), Permit Shield, and the intent of Title V to enforce the Clean Air Act.

RESPONSE 8:

All grandfathered units in Texas are now required to obtain an authorization under 30 TAC Chapters 106 or 116. References to these units as 'grandfathered' has been removed from the permit since no such units now exist at this site. The Executive Director disagrees with the comment that CSM's permit shield is illegal since grandfathered units were historically exempt only from the requirement to obtain a preconstruction permit, not from operating permit requirements. Grandfathered units are not exempt from the emission rates and other restrictions on emissions of air contaminants contained in the commission's rules and state implementation plans. Furthermore, the permit shield is a limited shield for the specific potentially applicable requirements listed in the permit shield table.

COMMENT 9 - Compliance History:

The Commenters stated the application for the draft permit includes four Notices of Violation. Title V requires that each permit issued be "sufficient to assure compliance". Since CSM has made modifications that should have triggered PSD review, the facility cannot assure compliance with the Clean Air Act until it receives the required PSD permits and installs appropriate control technologies. CSM permit must include a compliance schedule as required by Part 70.

Mr. Harmon stated that CSM believes it is currently in compliance with all federal and state requirements applicable to air emissions and does not have any outstanding

or pending violations regarding requirements covered by this draft permit.

RESPONSE 9:

Permit 8097/PSD-TX-138M5 was renewed on June 09, 2000. No pending NOV's or other actions necessitated the inclusion of a compliance plan for the permitted area. Based on the compliance history, there are no indications of chronic excessive emissions events at the site; nor are there any apparent patterns of major violations or recurring egregious compliance issues in any of the media for the site or for the company. A review of the available information indicates that the applicant is in compliance with all applicable requirements for the Chaparral Steel Mill, O-02110.

COMMENT 10 - Extension of Comment Period/New Notice and Comment Hearing:

Several commenters claim that they did not receive a mailed notice of the hearing, as indicated in letters they received from the TCEQ Office of Public Assistance. In addition, notice of the hearing should have been published in a local paper with circulation in the immediate area, such as Cedar Hill, Waxahachie, or Midlothian. A new hearing with adequate notice by mail and newspaper is required, and the comment period should be extended to allow proper public participation in this permitting process.

RESPONSE 10:

State rules on public notice for notice and comment hearings do not require mailed notice. Notice of the hearing was published in a paper of general circulation in Midlothian, namely, the Dallas Morning News. This was done on October 17, 2002, more than 30 days prior to the hearing, as required by state rules. The Executive Director believes that significant input was provided by several individuals and groups at the notice and comment hearing held on November 18, 2002. However, in order to provide additional time to provide comments, the comment period was extended until October 3, 2003 and notice of this extension was mailed to all commenters and the mailing list for this permit.

COMMENT 11 - Nonattainment designation for Ellis County:

The state was notably negligent in declaring Ellis County nonattainment under the one-hour standard and the county is in violation of the eight-hour standard. Any rules made should help get better monitoring and a better permit in order to help meet the two standards.

RESPONSE 11:

Ellis County's status under the National Ambient Air Quality Standard for ozone is not directly relevant to a decision on this application. However, rules that are approved under the state implementation plan applicable to this site will be listed as applicable requirements under the operating permit.

COMMENT 12 - Health Effects Review of Operating Permit:

It is the responsibility of TCEQ in reviewing these permits to consider the health and welfare of the citizens. The dust emissions from the plant and roads is affecting

neighbors living in close proximity to the plant. Livestock and household pets have also been impacted. Use and enjoyment of property is also not being protected or addressed in this permit. Nuisance odors are experienced on many nights coming from the plant and outdoor activities must be restricted. All construction should be completed before the operating permit is issued in order to look at everything going on at the plant and whether the modeling and monitoring was adequate.

RESPONSE 12:

As stated previously, the federal operating permit is primarily and compliance tool, providing a compilation of all state and federal air control requirements applicable to the permit site. These requirements, particularly the state permit requirements, are written to be protective of public health and welfare. However, the operating permit does not add substantial new requirements or change emission limits. A health effects review of emissions is not a required part of the review of this application. Health impacts review and modeling are typically part of the state permitting process. Any comments or concerns regarding the health effects of emissions authorized under a state air quality permit should be submitted during the public comment period associated with those individual permitting actions.

COMMENT 13 - Cumulative Effects:

There appears to be no consideration given to the cumulative effects of emissions and permits authorized from CSM and neighboring facilities in reviewing this operating permit. CSM is changing its state NSR permits in order to increase allowable emission rates. Persons contesting one permit cannot bring into evidence in hearing the increase in emission rates for other permits at the plant.

RESPONSE 13:

The federal operating permit is primarily and compliance tool, providing a compilation of all state and federal air control requirements applicable to the permit site. Because the operating permit does not add substantial new requirements or change emission limits, cumulative effects of emissions are not addressed during application review.

Respectfully submitted,

Jesse E. Chacon, P.E., Manager
Operating Permits Section
Air Permits Division