UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION I
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MASSACHUSETTS 02109-3912

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

URGENT LEGAL MATTER
REQUIRES PROMPT RESPONSE

OCT 11 2016

John Sartori, General Manager
SMM New England Corporation
234 Universal Drive
North Haven, CT 06473

Re: Clean Air Act Testing Order for SMM New England Corporation in Johnston, RI

Dear Mr. Sartori:

The United States Environmental Protection Agency ("EPA") is evaluating whether SMM New England Corporation ("SMM") is in compliance with the Clean Air Act ("CAA" or "Act") and requirements promulgated under the Act at its facility in Johnston, Rhode Island. These CAA requirements include the Rhode Island federally enforceable state implementation plan.

Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1), gives EPA the authority to require any person who owns or operates any emission source to establish and maintain records, make reports, sample emissions, and provide such other information as may reasonably be required to enable EPA to determine whether such person is in compliance with the Act and its implementing regulations.

EPA is evaluating emissions of volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPs) from the shredding and processing of scrap metal. Such emissions may trigger permitting and other CAA requirements. As a result, EPA is ordering SMM to test emissions from its Johnston, Rhode Island facility. This Testing Order replaces and supersedes an earlier testing order issued to Sims Metal Management Limited on April 7, 2015.

Specifically, SMM shall test the emissions from its shredding operations according to the procedures/methods described below.

SMM shall develop an <u>emissions testing protocol</u> for testing of VOCs, HAPs, and PM emissions from shredding operations in Johnston, Rhode Island. The emissions testing protocol shall include the following provisions:

1) Monitor emissions while the shredder is operated at its maximum shredding throughput rate of approximately 350 gross tons per hour, for two operating scenarios, as described below. Provide for sufficient stockpiles of "light iron" (scrap white goods and other scrap metal material, excluding motor vehicles) and of motor vehicles to be available at the facility's maximum shredding throughput rate. Specifically:
   a) The facility will shred a mix of 25% light iron and 75% motor vehicles during one set of three one-hour runs; and
   b) The facility will shred a mix of 50% light iron and 50% motor vehicles during a second set of three one-hour runs.

2) Maintain an enclosure around the discharge of the under mill oscillator. Specifically:
   a) Provide a diagram with dimensions of the facility's structures and relevant equipment;
   b) Maintain the enclosure consisting of a hood or any other structures necessary to capture emissions. Include the location of the enclosure with dimensions on the diagram;
   c) Maintain a negative pressure environment within the enclosure during the test period;
   d) Demonstrate that the change in pressure between the inside and outside of the enclosure, as measured while the shredder and under mill oscillator are not operating, is greater than 0.007 inches water column. Monitor appropriate parameters to indicate that such pressure change is maintained during the test period; and
   e) Demonstrate that the face velocity into the enclosure is at least 200 feet per minute, as measured while the shredder and under mill oscillator are not operating. Monitor appropriate parameters to indicate that such face velocity is maintained during the test period.

3) As to process operating parameters during testing:
   a) Establish and verify the speed of the conveyor that carries scrap metal to the hammer mill (note: this is interruptible);
   b) Record the tonnage of light iron and motor vehicles, respectively, shredded per run; and
   c) Record the flow rate to the water suppression system and amperage setting.

4) Use of the following test methods (see 40 CFR Part 60, Appendix A) to evaluate the potential-to-emit (PTE) from the operation in question.
   a) Methods 1-4 and Method 25A and/or other EPA approved methods to measure total gaseous organic compounds as VOC. Methane and ethane concentrations shall be determined using Method 18 and subtracted from the total hydrocarbon concentration measured following Method 25A to determine VOC concentrations;
   b) Method TO-15 and Method 18 or Method 320 to measure HAPs;
   c) Methods 1-4 and Method 5 to measure filterable particulate matter; and
   d) Methods 1-4 and Method 29 to measure metals.

5) Describe the facility's standard procedures for inspecting light iron and motor vehicles, and specify that such standard procedures will be performed prior to testing.

SMM shall prepare an emissions testing protocol as described above, submit it to EPA for review and approval, and conduct emissions testing according to the EPA approved protocol, according to the following schedule:

6) Within 7 days of the date SMM receives this letter, contact EPA's Bill Osbahr, at (617) 918-8389, to schedule a conference. At this conference, EPA will review with SMM the testing procedures, monitoring procedures, and testing methods described above and discuss the development of an emissions testing protocol.

7) Within 30 days of the date of the conference described in paragraph 6 above, prepare and mail to EPA for review a draft emissions testing protocol that incorporates the procedures/methods described above, as well as a proposed timeline or schedule for the completion of pre-test preparations and measures (such as obtaining any necessary state and local permits, and providing confirmation of the enclosure as described above).

8) Within 14 days of receiving EPA comments on the draft protocol, revise and resubmit the emissions testing protocol in accordance with EPA's comments or required changes. EPA shall approve, approve with conditions, or disapprove the revised emissions testing protocol in writing.

9) Within 14 days of the date EPA approves the emissions testing protocol, hold a pre-test meeting or call with EPA, and schedule the testing date in accordance with the approved protocol schedule.

10) In preparation for the test:
    a) Collect sufficient light iron for processing;
    b) Collect sufficient motor vehicles for processing that include, to the extent practicable, engine blocks, front ends, drive trains, gas tanks, steering columns, brake lines, cylinders etc., that are fully intact; and
    c) Perform standard inspection procedures.

11) Conduct the test as scheduled.

12) Within 45 days of completing the test, submit a complete test report to EPA.

Note that Attachment A to this Testing Order provides lists of required elements for pre-test protocols and test reports.

Be aware that if SMM does not provide the information required in this letter in a timely manner, EPA may order it to comply and may assess monetary penalties under Section 113 of the Clean

Air Act. Federal law also establishes criminal penalties for providing false information to EPA. This letter is not subject to Office of Management and Budget review pursuant to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

You may assert a business confidentiality claim covering part or all of the information requested, in the manner described by 40 CFR § 2.203(b). Information covered by such a claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in 40 CFR Part 2, Subpart B. Note that certain categories of information, such as emission data, are not properly the subject of such a claim. If no such claim accompanies the information when EPA receives it, EPA may make the information available to the public without further notice to you.

Provide the above-required information to:

Susan Studlien
US EPA Region 1
Mail Code OES04-2
5 Post Office Square Suite 100
Boston, Massachusetts, 02109-3912
Attn: Abdi Mohamoud

If you have any questions regarding this Testing Order, please contact Abdi Mohamoud at (617) 918-1858, or have your attorney call Tom Olivier at (617) 918-1737.

Sincerely,

Susan Studlien

Susan Studlien, Director
Office of Environmental Stewardship

By electronic cc: Scott Jacobs, SMM New England Corporation
Earl Phillips, Esq., Robinson and Cole
Ted Burns, RIDEM
Chris John, RIDEM