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

APR 0 7 2015

Galdino Claro, CEO
Sims Metal Management Limited
16 West 22nd Street 10th Floor
New York, NY 10010

Re: Clean Air Act Reporting Requirement for Sims Metal Management Limited – New England Facilities

Dear Mr. Claro:

The United States Environmental Protection Agency ("EPA") is evaluating whether Sims Metal Management Limited ("Sims") is in compliance with the Clean Air Act ("CAA" or "Act") and requirements promulgated under the Act at its various facilities in the six New England states. These CAA requirements include; the National Emission Standards for Hazardous Air Pollutants found at 40 CFR Part 63; the Standards of Performance for New Stationary Sources found at 40 CFR Part 60; Stratospheric Ozone Protection Regulations found at 40 CFR Part 82, Subpart F; and federally enforceable state implementation plans.

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 (VOC), particulate matter (PM), and hazardous air pollutants (HAP) from the shredding and processing of scrap metal. As a result, Part I of this reporting requirement asks a number of questions related to the shredding and processing of scrap metal at Sims' New England facilities.

In addition, EPA is evaluating the handing of regulated refrigerants (ozone-depleting substances) at scrap metal yards. As a result, Part II of this reporting requirement asks a

number of questions about the handling of refrigerant from white goods and motor vehicles at Sims' New England facilities.

Reporting Requirement

Sims is required to provide all of the information outlined below within 60 days of the date Sims receives this letter. Provide a separate response to each numbered paragraph or subparagraph below. Where possible, provide responses in an electronic spreadsheet format (preferably Microsoft Excel).

1) Provide the following ownership information for Sims:
   a) Describe the ownership and business structure;
   b) Indicate the date and state of incorporation;
   c) List any partners or corporate officers;
   d) List any parent and subsidiary corporations;
   e) Provide the number of employees and SIC codes for the type of work conducted at each facility that Sims owns or operates in New England; and
   f) List the name, address, and a brief description of the operations conducted at each facility that Sims owns and/or operates in New England. Indicate if the facility has a metal shredder and if the facility accepts white goods (e.g. air conditioners/refrigerators). For each such facility, identify the business entity that directly owns and/or operates the facility.

PART I – For each facility owned or operated by Sims in New England that processes scrap metal:

2) Provide the following production and air pollutant emission information:
   a) The annual quantity of scrap metal received at the facility in 2012, 2013 and 2014;
   b) Annual emissions (in tons per year) from the facility of volatile organic compounds (VOCs) in 2012, 2013, and 2014;
   c) Annual emissions (in tons per year) from the facility of hazardous air pollutants (HAPs[1]) in 2012, 2013, and 2014;
   d) Annual emissions (in tons per year) from the facility of particulate matter (PM) in 2012, 2013, 2014; and
   e) The method used to calculate annual emissions, including any emission factors used and their basis. Provide copies of any air emission test reports.

3) Explain in detail how the facility drains or removes fluids (with the exception of refrigerant[2]) (e.g., oils, fuels, anti-freeze) from motor vehicles prior to shredding/crushing at the facility or prior to shipment elsewhere for processing. Specifically:
   a) Provide copies of any standard operating procedures, employee training materials, presentations, training schedules, etc.; and

[1] HAPs are defined in Section 112 of the CAA at 42 U.S.C. § 7412(b)
[2] Note that Sims' handing of refrigerants is addressed in Part II of this reporting requirement.

b) Provide all current contracts or written agreements with upstream suppliers (including the general public) regarding Sims acceptance of motor vehicles.

4) Provide a current list of all liquid storage capacity at the facility, both underground and aboveground (e.g., tanks, drums, transformers, oil-filled systems), and the type of liquid (e.g., oil, antifreeze, transmission fluid) stored in each container. Since 2010, indicate where liquids are shipped and provide any records of the amount and types of liquids shipped offsite.

5) If the facility has a metal shredder, provide the following information about each such shredder. Include any such equipment that has been taken out of service since 2010:
   a) The make, model, and dimensions of the shredder;
   b) The date the shredder was purchased;
   c) The date the shredder began operating;
   d) The date the shredder was removed from service (if applicable);
   e) The maximum conveyor speed and width;
   f) The maximum throughput capacity of the shredder (in pounds of scrap per hour); and
   g) The average annual throughput from 2010 to 2014.

6) If the facility uses a particulate/dust suppression system that uses water, provide:
   a) A detailed description of the system;
   b) A chart showing the amount of gallons per minute of water sprayed at each shredder motor amperage used by Sims; and
   c) The control efficiency achieved by the system and any test data used to determine the control efficiency.

7) If the facility has any stationary internal combustion engines (e.g., units that provide mechanical power to shredders/conveyors, units that provide primary electrical power, emergency generators), explain how each stationary internal combustion engine is used and provide the following details about each engine:
   a) The manufacturer and model number;
   b) The year of manufacture;
   c) The year of purchase;
   d) The year of installation;
   e) The ignition type (i.e., spark or compression);
   f) The type and quantity of fuels burned;
   g) The maximum capacity output (in horsepower and kilowatts); and
   h) The number of hours of operation in 2012, 2013 and 2014;

8) If the facility has any boilers, provide the following information about such boilers. Include any boilers that have been taken out of service since 2010:
   a) The name of the manufacturer, model number, and rated capacity of the boiler;
   b) The date the boiler was purchased;

c) The date the installation of the boiler was completed;
d) The date the boiler began operating;
e) The date the boiler was taken out of service (if applicable); and
f) The type and annual amount of fuel burned by the boiler from January 1, 2012 to December 31, 2014.

9) If the facility has a secondary aluminum smelting furnace (i.e., a "sweat furnace"), indicate whether the sweat furnace has an afterburner, and provide copies of any test reports.

10) If the facility owns "roll off" metal storage containers ("bins"), provide a list of all bins (including bins stored at off-site locations).

11) Regarding the resurfacing, painting, or cleaning of vehicles, barrels, roll-off bins, metal parts, scrap metal storage boxes, shipping containers, etc. provide:
a) A list of the make, model, and capacity (in gallons per hour) of any spray guns;
b) The date of acquisition of each spray gun;
c) The date each spray gun was removed from service (if applicable);
d) A list of the types of coatings used in the past two years, including the volatile organic compound (VOC) and hazardous air pollutant (HAP) content of each coating (in pounds per gallon);
e) A list of all coatings used in the past 12 months containing any of the following HAPs: chromium (Cr); lead (Pb); manganese (Mn); nickel (Ni); or cadmium (Cd); and
f) For any solvent-based degreasing units or parts washers used to clean metal parts, provide:
i) The make, model, capacity (in gallons) of each unit; and
ii) The material safety data sheet (MSDS) for the solvent used in each unit.

12) Provide a list of all capital expenditures greater than $100,000, other than for on-road motor vehicles, from January 1, 2010 to the present. This list should contain:
a) The type of equipment, including the name of the manufacturer, model number, size of the equipment, production rate, and any other operational specifications of the equipment;
b) A brief description of each project;
c) The date the equipment was purchased;
d) The date the installation of the equipment was completed; and
e) The date the equipment began operating at the facility.

13) Provide copies of all correspondence Sims (or any of its predecessors) has had with state and federal environmental agencies regarding air emissions at New England facilities, including copies of:
a) All permits issued;
b) All permit applications; and

c) Any requests for permit modifications.

PART II – For <u>each</u> facility owned or operated by Sims in New England that processes appliances or motor vehicles containing <u>refrigerant</u>:

In accordance with Section 608 of the CAA, 42 U.S.C. § 7671g, EPA promulgated regulations at 40 CFR Part 82, Subpart F, applicable to recycling and emissions reductions of ozone-depleting substances. The purpose of the regulations is to reduce emissions of class I and class II refrigerants to the lowest achievable level during the service, maintenance, repair, and disposal of appliances (see 40 CFR §82.150(a)).

Under 40 CFR §82.156(f), persons (including but not limited to scrap metal recyclers and landfill operators) who take the final step in the disposal process of a small appliance, room air conditioning unit, motor vehicle air conditioner (MVAC), or MVAC-like appliance are required to either:

- Recover any remaining refrigerant from the appliance in accordance with specific procedures described in 40 CFR §82.156(g) or (h); or

- Verify that the refrigerant has been evacuated from the appliance or shipment of appliances previously. Such verifications must include a signed statement from the person from whom the appliance or shipment of appliances is obtained that all refrigerant that had not leaked previously has been recovered from the appliances or shipment of appliances. This statement must include the name and address of the person who recovered the refrigerant and the date the refrigerant was recovered, or a contract[3] providing that refrigerant will be removed prior to delivery (see 40 CFR §82.156(f)(2)). Any signed statements must be maintained on-site for a minimum of three years (see 40 CFR §§82.166(i) and (m)).

14) Explain in detail how the facility processes white goods designed to contain refrigerant (e.g., air conditioners, refrigerators) prior to shredding/crushing at the facility or prior to shipment elsewhere for processing. Specifically:
    a) Provide copies of any standard operating procedures, employee training materials, presentations, training schedules, etc.;
    b) Provide copies of all refrigerant technician certifications and all refrigerant recovery equipment registrations;
    c) Describe the process of evacuating refrigerant from white goods including where the evacuated refrigerant is stored; and

[3] Note that it may be appropriate for a scrap metal processing facility to enter into contracts with scrap metal dealers if it maintains a long-standing business relationship with the dealers. However, written agreements with day peddlers of scrap metal, must include the name and address of the person who recovered the refrigerant and the date the refrigerant was recovered. (See page 46 of Federal Register / Vol. 58, No. 92 / Friday, May 14, 1993).

d) If refrigerant is removed prior to arrival of the white goods at the scrap yard, provide copies of all signed verification statements from January 2014 through December 2014.
e) Provide a list of all scrap metal dealers with which Sims maintains long-standing business relationships (see footnote 3).

15) Explain in detail how the facility processes motor vehicles designed to contain refrigerant prior to shredding/crushing at the facility or prior to shipment elsewhere for processing. Specifically:
   a) Provide copies of any standard operating procedures, employee training materials, presentations, training schedules, etc.;
   b) Provide copies of all refrigerant technician certifications and all refrigerant recovery equipment registrations;
   c) Describe the process of evacuating refrigerant from motor vehicles including where the evacuated refrigerant is stored; and
   d) If refrigerant is removed prior to arrival of the motor vehicles at the scrap yard, provide copies of all signed verification statements from January 2014 through December 2014.

16) Since 2010, indicate where recovered refrigerant is shipped and provide any records/receipts of the amount of recovered refrigerant shipped offsite.

Be aware that if Sims does not provide the information required in this Reporting Requirement 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 Reporting Requirement, 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

cc: Scott Jacobs, Sims Metal Management Limited
Ted Burns, RIDEM
Chris John, RIDEM
Bob Girard, CT DEP
Giles Steele-Perkins, MassDEP, CERO