

Appendix J

2007 Consent Order and 2009 Revision to the Consent Order

**State of Illinois
(Plaintiff)**

v.

**United States Steel Corporation, Inc.
(Defendant)**

IN THE CIRCUIT COURT FOR THE THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

FILED

DEC 18 2007

CLERK OF CIRCUIT COURT FOR
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

PEOPLE OF THE STATE OF ILLINOIS,)
ex rel., LISA MADIGAN, Attorney General)
of the State of Illinois,)

Plaintiff,)

v.)

No. 05-CH-750

UNITED STATES STEEL)
CORPORATION, INC., a Delaware)
Corporation,)

Defendant.)

CONSENT ORDER

Plaintiff, PEOPLE OF THE STATE OF ILLINOIS, *ex. rel.* LISA MADIGAN, Attorney General of the State of Illinois, the Illinois Environmental Protection Agency ("Illinois EPA"), and Defendant, UNITED STATES STEEL CORPORATION (incorrectly identified as UNITED STATES STEEL CORPORATION, INC.), have agreed to the making of this Consent Order and submit it to this Court for approval.

I. INTRODUCTION

This stipulation of facts is made and agreed upon for purposes of settlement only and as a factual basis for the Court's entry of the Consent Order. None of the facts stipulated herein shall be introduced into evidence in any other proceeding regarding the violations of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/1, *et seq.* (2006), and the Illinois Pollution Control Board ("Board") Regulations, alleged in the Complaint, except as otherwise provided herein. It is the intent of the Plaintiff and Defendant to this Consent Order that it be a final judgment on the merits of this matter.

A. Parties

1. On September 14, 2005, a Complaint was filed on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA pursuant to Section 42(d) and (e) of the Act, 415 ILCS 5/42(d) and (e) (2006), against the Defendant. On November 27, 2006, the People moved to supplement the complaint with an additional count, Count VII, to the complaint. That motion was granted on December 7, 2006, and the First Supplemental Complaint was entered. On October 16, 2007, the Plaintiff and Defendant entered a stipulation in which the People requested permission to file a Second Supplemental Complaint to add Counts VIII and IX and Defendant did not object. On October 17, 2007, the request was granted and the Second Supplemental Complaint was entered.

2. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2006).

3. At all times relevant to the Complaint, Defendant United States Steel Corporation was and is a Delaware corporation that is authorized to transact business in the State of Illinois, and owned and operated integrated iron and steel mill located at 20th Street and State Street, Granite City, Madison County, Illinois ("steel mill"):

B. Allegations of Non-Compliance

As set forth in Plaintiff's Complaint, Plaintiff's First Supplemental Complaint, and Plaintiff's Second Supplemental Complaint, Plaintiff contends that the Defendant has violated the following provisions of the Act and Board Regulations:

Count I: Sections 9(a) and (b) of the Act, 415 ILCS 5/9(a), (b) (2006),
Sections 212.324(f), 212.207, and 212.309(a) of the Board's Air

Pollution Regulations, 35 Ill. Adm. Code 212.324(f), 212.207, 212.309(a) and operating permit 83050042.

- Count II: Sections 9(a) and (b) of the Act, 415 ILCS 5/9(a), (b) (2006), Section 212.443(c)(1)(A) of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 212.443(c)(1)(A), Standard Condition 7 and Special Conditions 1(a) & (b) of operating permit 88070071 and Special Condition 2(b) of operating permit 82060043.
- Count III: Sections 9(a) and (b) of the Act, 415 ILCS 5/9(a), (b), (2006), Sections 212.307 and 212.309(a) of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 212.307 and 212.309(a), and Standard Condition 7 of operating permit 72080034 and 72080036.
- Count IV: Sections 9(a), (b) and 9.1(d) of the Act, 415 ILCS 5/9(a), (b), 9.1(d) (2006), 40 CFR 63.304(b)(2)(iv), Sections 212.443(b)(1)(A) and 201.141 of the Board's Air Pollution Regulations, 35 Ill Adm. Code 212.443(b)(1)(A) and 201.141, Special Condition 5 of operating permit 80050010, and Special Condition 6 of operating permit 82060043.
- Count V: Sections 9(a) and (b) of the Act, 415 ILCS 5/9(a), (b), (2006), Section 201.141 of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 201.141, Special Condition 18 of revised operating permit 95010001.
- Count VI: Sections 9(a) and 9.1(d) of the Act, 415 ILCS 5/9(a), 9.1(d) (2006), Section 40 CFR 63.309(b)(2)(i)(B), and Sections 212.443(d)(2) and 201.141 of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 212.443(d)(2) and 201.141.
- Count VII: Section 9(a) of the Act, 415 ILCS 5/9(a) (2006).
- Count VIII: Sections 9(a) and 9(b) of the Act, 415 ILCS 5/9(a), (b) (2006), Section 212.446(c) of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 212.446(c), and Condition 8 of Defendant's Operating Permit #95010001.
- Count IX: Sections 9.1(d)(1), (d)(2) and 9(b) of the Act, 415 ILCS 5/9.1(d)(1), (d)(2), 9(b) (2006), Sections 165(a)(1) and 165(a)(4) of the Clean Air Act, 42 U.S.C.A. § 7475(a)(1), (a)(4) (2006), 40 CFR 52.21(j)(1) and (j)(3), and 40 CFR 52.21(r)(1), and Condition 22 of Defendant's Operating Permit #95010001.

C. Non-Admission of Violation

The Defendant represents that it has entered into this Consent Order for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Consent Order and complying with its terms, the Defendant does not affirmatively admit the allegations of violation within the Complaint and referenced above, and this Consent Order shall not be interpreted as including such admission.

D. Compliance Activities to Date

1. The Ladle Metallurgy Facility ("LMF")

a. Defendant developed and implemented mechanical and electrical inspection procedures to assure proper operation of the No. 1 baghouse. Defendant also modified the discharge chute of the No. 1 baghouse to maintain a positive connection between the chute and the plastic tote bag used to contain the captured baghouse dust. Also, Defendant modified the synthetic slag addition emission collection hood to improve capture efficiency.

2. The Coke Oven Pushing Operation

- a. Defendant revised and implemented its enhanced operating and maintenance plan for its coke oven pushing operations.
- b. Defendant completed the installation of the constant heat system for Coke Batteries A and B to provide more consistent heating of the batteries.
- c. Defendant completed the installation of the coke guide pyrometers for Coke Batteries A and B to evaluate the carbonization of the coke mass during the push.
- d. Defendant completed the installation of the direct spray primary cooler for the Coke Plant By-Products Facility to improve the coke oven gas quality to minimize fouling of the battery underfire systems.

e. Defendant completed the implementation of the data analysis system to predict the heat input for complete carbonization of the coke mass.

3. Blast Furnaces A and B

a. Defendant modified the iron spout baghouse fume collection hoods to minimize hood openings. Defendant has also completed repairs to iron spout baghouse dust handling screw conveyor system and fume collection ductwork.

4. The Coke Oven By-Products Plant

a. Defendant made appropriate repairs to all exhausters. Operating and maintenance procedures have been implemented to prevent recurrence.

5. The Slag Skimming Station Baghouse

a. Defendant installed a new multi-compartment baghouse to collect and control hot metal slag skimming emissions.

6. Coke Oven Doors

a. Defendant implemented NESHAP work practices in accordance with 40 CFR 63, Subpart L.

b. Defendant took steps to ensure an adequate supply of coke oven doors, including by entry into a relationship with a new local contractor to rebuild coke oven doors as necessary.

7. Air Pollution Violation

a. At the time of the coke oven gas release on February 28, 2006, Defendant maximized the consumption of coke oven gas and reduced coke oven operations to minimize the amount of coke oven gas released. The failed linkage to the flare stack butterfly valve was repaired, re-establishing flow of excess coke oven gas to the flare stack.

8. The Basic Oxygen Furnace

a. Defendant completed extensive repairs to the Basic Oxygen Furnace air pollution capture and control equipment and implemented an enhanced inspection and maintenance program for the Basic Oxygen Furnace.

b. Defendant has retained an engineering consultant to evaluate the significant sources of Basic Oxygen Furnace roof emissions and to identify options for additional emissions reductions.

9. The Blast Furnace Gas SO₂ Emissions

a. Defendant completed SO₂ modeling required for the application to revise the PSD Construction Permit.

II. APPLICABILITY

This Consent Order shall apply to and be binding upon the Plaintiff and the Defendant, and any officer, director, agent, or employee of the Defendant, as well as any successors or assigns of the Defendant. The Defendant waives as a defense to any enforcement action taken pursuant to this Consent Order the failure of any of its officers, directors, agents, employees or successors or assigns to take such actions as shall be required to comply with the provisions of this Consent Order. This Consent Order may be used against the Defendant in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board Regulations for all violations alleged in the Complaint in this matter, for purposes of Sections 39, 39.5, and 42 of the Act, 42 ILCS 5/39, 5/39.5, and 5/42 (2006).

The Defendant shall notify each contractor to be retained to perform work required in this Consent Order of each of the requirements of this Consent Order relevant to the activities to be performed by that contractor, including all relevant work schedules and reporting deadlines, and

shall provide a copy of this Consent Order to each contractor already retained no later than thirty (30) calendar days after the date of entry of this Consent Order. In addition, the Defendant shall provide copies of all schedules for implementation of the provisions of this Consent Order to the prime vendor(s) supplying the control technology systems and other equipment required by this Consent Order.

No change in ownership, corporate status or operator of the facility shall in any way alter the responsibilities of the Defendant under this Consent Order. In the event that the Defendant proposes to sell or transfer any real property or operations subject to this Consent Order, the Defendant shall notify the Plaintiff thirty (30) calendar days prior to the conveyance of title, ownership or other interest, including a leasehold interest in the facility or a portion thereof. Defendant shall make as a condition of any such sale or transfer, that the purchaser or successor provide to Defendant site access and all cooperation necessary for Defendant to perform to completion any compliance obligation(s) required by this Consent Order. The Defendant shall provide a copy of this Consent Order to any such successor in interest and the Defendant shall continue to be bound by and remain liable for performance of all obligations under this Consent Order. In appropriate circumstances, however, the Defendant and a proposed purchaser or operator of the facility, may jointly request, and the Plaintiff, in its discretion, may consider modification of this Consent Order to obligate the proposed purchaser or operator to carry out future requirements of this Consent Order in place of, or in addition to, the Defendant. This provision does not relieve the Defendant from compliance with any regulatory requirement regarding notice and transfer of applicable facility permits or permit applications.

III. JUDGMENT ORDER

This Court has jurisdiction of the subject matter herein and of the Plaintiff and Defendant consenting hereto and, having considered the stipulated facts and being advised in the premises, finds the following relief appropriate:

IT IS HEREBY ORDER, ADJUDGED AND DECREED:

A. Penalty

The Defendant shall pay a civil penalty of Three-Hundred Thousand Dollars (\$300,000.00) within thirty (30) days of the date of entry of this Consent Order in a manner prescribed below.

B. Stipulated Penalties, Interest and Default

1. If the Defendant fails to complete any activity or fails to comply with any response or reporting requirement by the date specified in this Consent Order, the Defendant shall provide notice to the Plaintiff of each failure to comply with this Consent Order and shall pay stipulated penalties in the amount of \$500.00 per day per violation until such time that compliance is achieved. The Plaintiff shall make a demand for stipulated penalties upon the Defendant for its noncompliance with this Consent Order. However, failure by the Plaintiff to make this demand shall not relieve the Defendant of the obligation to pay stipulated penalties. All stipulated penalties shall be payable within thirty (30) calendar days of the date of Plaintiff's demand for stipulated penalties upon the Defendant for its noncompliance with any provision of this Consent Order.

2. If the Defendant fails to make any payment required by this Consent Order on or before the date upon which the payment is due, the Defendant shall be in default and the remaining unpaid balance of the penalty plus any accrued interest, shall be due and owing

immediately. In the event of default, the Plaintiff shall be entitled to reasonable costs of collection, including reasonable attorney's fees.

3. Pursuant to Section 42(g) of the Act, interest shall accrue on any penalty amount owed by the Defendant not paid within the time prescribed herein. Interest on unpaid penalties shall begin to accrue from the date such are due and continue to accrue to the date full payment is received. Where partial payment is made on any penalty amount that is due, such partial payment shall be first applied to any interest on unpaid penalties then owing.

C. Payment Procedures

All payments required by this Consent Order shall be made by certified check or money order payable to the Illinois EPA for deposit into the Environmental Protection Trust Fund ("EPTF"). Payments shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency
Fiscal Services
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

The name, case number and the Defendant's federal tax identification number shall appear on the face of the certified check or money order. A copy of the certified check or money order and any transmittal letter shall be sent to:

Environmental Bureau
Illinois Attorney General's Office
500 South Second Street
Springfield, IL 62706

D. Future Compliance

1. General Compliance

a. The Attorney General, her employees and representatives, shall have the right of entry into and upon the Defendant's facility that is the subject of this Consent Order, at all reasonable times for the purposes of conducting inspections and evaluating compliance status. In conducting such inspections, the Attorney General, her employees and representatives, may take photographs, samples, and collect information, as they deem necessary, and shall comply with all of the Defendant's safety requirements for all personnel entering the Defendant's facility.

b. This Consent Order in no way affects the responsibilities of the Defendant to comply with any other federal, state or local laws or regulations, including but not limited to the Act and the Board Regulations.

c. The Defendant shall cease and desist from future violations of the Act and state and federal regulations that were the subject matter of the complaint, except that, for those violations covered by compliance schedules set forth in III.D.2, 3, and 4, implementation of the cease and desist requirement shall be consistent with the compliance schedule.

2. Compliance Schedule for the Uncaptured Emissions from the Coke Oven Pushing Operation

a. Coke Oven Pushing Opacity Reading Methodology and Limitations

i. Opacity reading methodology and limitations for uncaptured emissions from the coke oven pushing operation

The following methods shall be utilized to conduct opacity readings of uncaptured particulate matter emissions from pushing operations at Coke Oven Battery A and B during the initial and additional compliance demonstrations.

Opacity readings shall be taken by a qualified observer located in a position where the oven being pushed, the coke receiving car, and the path to the quench tower are visible. The opacity shall be read as the emissions rise and clear the top of the coke battery gas mains. The opacity readings shall be taken in accordance with the procedures set forth in 40 CFR 60, Appendix A, Method 9. Opacity readings shall be taken at 15-second intervals, beginning from the time the coke falls into the receiving car or is first visible as it emerges from the coke guide, whichever is first.

The qualified observer shall record opacity readings of pushing emissions originating at the receiving car and associated equipment and the coke oven, including the standpipe on the coke side of the oven being pushed. The qualified observer referenced shall be certified pursuant to 40 CFR 60, Appendix A, Method 9. The data reduction of Section 2.5 of 40 CFR 60, Appendix A, Method 9 shall not be used.

ii. Battery specific methodology and limitations

For Coke Oven Battery A, the readings shall begin as referenced above and continue until the receiving car enters the quench tower or quenching device. The emissions of uncaptured particulate matter from pushing operations shall not exceed an average of 20 percent opacity for four (4) consecutive pushes considering the highest average of six (6) consecutive readings in each push. For a push with a duration of less than 90-seconds, the actual number of 15-second readings will be averaged.

For Coke Oven Battery B, the readings shall begin as referenced above and end with the sixth reading. The emissions of uncaptured particulate matter shall not exceed 20 percent opacity based on the average of the six (6) consecutive readings.

b. Compliance Demonstration

i. Within forty-five (45) days of entry of this Consent Order, Defendant shall demonstrate that the uncaptured emissions from the coke oven pushing operation comply with the 20% opacity limitations consistent with the procedures in Section III.D.2.a. The Defendant's visible emissions readings shall occur over a period of three (3) consecutive days, if possible given the meteorological conditions, but regardless of the conditions, the three (3) days of readings must occur over a period no longer than five (5) days. During this period, Defendant shall read a minimum of twenty (20) pushes per day, with readings from at least eight (8) pushes per each battery per day.

ii. Within 15 days of entry of this order, or January 3, 2008, whichever is later, Defendant shall submit a protocol(s) to the Illinois EPA for review and comment, which protocol shall address the opacity testing required under Section III.D.2.b.i and Section III.D.2.c.i. The test protocol shall describe the specific procedures for testing and include at a minimum:

- (a) The test date.
- (b) A requirement for final confirmation to the Illinois EPA Field Operations Section and the Compliance Assurance and Source Monitoring Section of the test date and time of the test at least five (5) days prior to the test date.
- (c) The identification of individual(s)/entity conducting the test.
- (d) The specific conditions under which testing will be performed.
- (e) The test methodology, consistent with Section III.D.2.a.
- (f) The format and content of the final test report.

iii. Within 30 days of the conclusion of the compliance demonstration required by Section III.D.2.b.i, Defendant shall prepare a final report of its compliance demonstration and submit the report to the Illinois EPA. That report shall include, but not be limited to:

- (a) A descriptive and table summary of results.
- (b) General information including but not limited to the name, location and identification of the emission source(s) tested, date(s) of testing, names of personnel and entities performing the tests, and Illinois EPA observers, if any.
- (c) A detailed description of test conditions.
- (d) Data and calculations, including copies of all raw data sheets with all recorded observations regardless of whether used to determine compliance.
- (e) The test methods, consistent with Section III.D.2.a.

c. Additional Compliance Demonstration

i. By March 31, 2008, for both Batteries, using the protocol(s) approved per paragraph D.2.b.ii., above, Defendant shall demonstrate that the uncaptured emissions from coke oven pushing operation comply with the 20% opacity limitations consistent with the procedures in Section III.D.2.a. To this end, Defendant shall perform opacity testing on each oven and further shall observe at least four (4) pushes on each battery per day.

ii. Within 30 days of the conclusion of this additional compliance demonstration, Defendant shall prepare a report of its additional compliance demonstration and submit the report to the Agency. That report shall include, but not be limited to:

- (a) A descriptive and table summary of results.
- (b) General information including but not limited to the name, location and identification of the emission source(s) tested,

date(s) of testing, names of personnel and entities performing the tests, and Illinois EPA observers, if any.

- (c) Detailed description of test conditions.
- (d) Data and calculations, including copies of all raw data sheets with all recorded observations regardless of whether used to determine compliance.
- (e) The test methods, consistent with Section III.D.2.a.

iii. In the event that during the additional compliance demonstration, Defendant observes an exceedance of the opacity limitations applicable to uncaptured emissions from the Coke Oven Pushing operation, Defendant shall: (A) provide notification of such exceedance by electronic mail or facsimile to the Illinois EPA Bureau of Air Field Inspector assigned to the U. S. Steel Granite City Works, and to the Illinois EPA Bureau of Air Field Operations Section Manager at the Collinsville Regional Office, within five days of such observation; and (B) submit a certified written report regarding such exceedance to Illinois EPA within fifteen days of such observation. Such written report shall address, to the extent known, the cause of the exceedance, any steps taken to mitigate the exceedance and any steps taken or to be taken by Defendant to prevent such exceedance from reoccurring.

d. Within 30 days of entry of this order, Defendant shall submit a copy of the MACT Operations and Maintenance Plan for the coke ovens, as required by 40 CFR Part 63, Subpart CCCCC, and as enhanced in accordance with Defendant's written responses to comments that have been tendered to Defendant by the Illinois EPA, including but not limited to comments regarding the quench box, pushing control system spare diesel engines, timeframe for implementing repairs, and procedures for identifying green ends, to the Illinois EPA contacts referenced in Section III.H. of this order.

e. Continuing Compliance for Uncaptured Emissions from Coke Oven Pushing Operation.

i. In the event uncaptured pushing emissions at an oven in Battery A or Battery B exceed the 20% opacity limit pursuant to the procedures in Section III.D.2.a, Defendant shall determine the cause of the exceedance and shall implement necessary measures, including any corrective actions and/or preventative measures. Defendant shall prepare and maintain a record of any such event.

ii. Defendant shall adhere to the most current enhanced MACT Operations and Maintenance Plan for the coke ovens, as required by 40 CFR Part 63, Subpart CCCCC, and as revised in accordance with paragraph III.D.2.d. above, which plan prescribes operations and maintenance procedures as well as monitoring. Such plan shall be reviewed at least quarterly and amended by the Defendant, as necessary, within 30 days after the end of each quarter, so that the plan is current and sufficient to assure compliance with 40 CFR Part 63, Subpart CCCCC, 35 Ill. Adm. Code 212.443(c)(1)(A) and (B), and the consent decree with appendix entered in *United States of America v. National Steel Corporation*, civil action no. 81-3009.

iii. Defendant shall read at least four (4) consecutive pushes per day at Battery A and one (1) push per day at Battery B in accordance with the procedures in Section III.D.2.a.

3. Compliance Schedule for the Basic Oxygen Furnace

a. Within 30 days of entry of this order, Defendant shall submit a copy of the enhanced inspection and maintenance program for the Basic Oxygen Furnace to the Illinois EPA.

b. By January 31, 2008, Defendant shall complete an engineering study regarding an evaluation of the significant sources of Basic Oxygen Furnace shop roof emissions, including an evaluation of the sufficiency of: current operating practices and parameters and current air pollution capture and control equipment. The engineering study also shall identify options for additional reductions in emissions from the roof of the Basic Oxygen Furnace shop.

c. By February 29, 2008, Defendant shall submit the results of the engineering study to Plaintiff for its review.

d. By March 31, 2008, Defendant shall submit a compliance schedule detailing the recommendations that will be implemented and the schedule for such implementation. Any recommendations from the engineering study that the Defendant proposes to not implement must be accompanied by a detailed justification as to why. Defendant shall be required to implement such recommendations or other measures necessary to assure compliance. The compliance schedule shall also include the other measures necessary to assure compliance with the Act and state and federal regulations including but not limited to operating practices, maintenance practices and monitoring that will be implemented, and the schedule for such implementation.

e. By June 30, 2008, Defendant shall have implemented the compliance schedule as described above.

f. By July 31, 2008, Defendant shall demonstrate compliance with the requirements of Section 212.446(c) of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 212.446(c), with compliance based upon the compliance determination methodology specified herein at III.D.3.g. In the interim, Defendant shall continue its implementation of the enhanced inspection and maintenance program for the Basic Oxygen Furnace shop.

g. The compliance demonstration shall consist of Method 9 opacity readings from openings in the building housing the Basic Oxygen Furnace shop. Such readings must be conducted for three (3) one-hour periods per day, two (2) days per week for four (4) weeks beginning July 1, 2008, and ending July 31, 2008. Compliance shall be determined in accordance with 40 CFR Appendix A, Method 9 except that compliance shall be determined by averaging any 12 consecutive observations taken at 15 second intervals.

h. By June 1, 2008, Defendant shall submit a protocol(s) to the Illinois EPA for review and comment that shall address the opacity testing required under Section III.D.3.f above. The test protocol shall describe the specific procedures for testing and include at a minimum:

(i) The identification of individual(s)/entity conducting the test.

(ii) The specific conditions under which testing will be performed including but not limited to the manner of operation of the Basic Oxygen Furnace.

(iii) The test methodology, consistent with Section III.D.3.g.

(iv) The format and content of the final test report.

i. By March 31, 2008, Defendant shall submit to Plaintiff a request for modification, pursuant to Section III.F.2 of this Consent Order, to modify the compliance deadline of July 31, 2008, consistent with Section III.D.3.d and for the purposes of Section III.D.3.f.

j. Defendant shall submit a quarterly progress report to the Plaintiff for the first quarter of 2008, by May 1, 2008. Each quarter thereafter, Defendant shall submit a

quarterly report, until such time as the compliance plan as been fully implemented and the source has returned to compliance, within 30 days of the end of the quarter.

4. Compliance Schedule for the Blast Furnace Gas SO2 Emissions

a. On or before January 31, 2008, Defendant shall prepare and submit to the Illinois EPA a complete and accurate application, including required SO2 modeling, to revise the PSD Construction Permit for the Production Increase, issued by the Illinois EPA on July 23, 1996 (Application No. 95010001), as necessary to reflect the corrected emission factor for the Blast Furnace Gas SO2 emissions.

b. In the interim, Defendant shall use the correct emission factor for the Blast Furnace Gas SO2 emissions in calculating, recording, and reporting SO2 emissions and for any other purposes under the Act.

c. Defendant shall work with the Illinois EPA, including providing additional information to the Illinois EPA, when requested, and shall obtain a revised PSD Construction Permit to resolve the Blast Furnace Gas SO2 Emissions issue.

d. Defendant shall submit a quarterly progress report to the Plaintiff for the first quarter of 2008, by May 1, 2008. Each quarter thereafter, Defendant shall submit a quarterly report, until such time as the compliance plan as been fully implemented and the source has returned to compliance, within 30 days of the end of the quarter.

5. Defendant shall continue to implement on an ongoing basis the steps it has already taken to achieve compliance, as set forth in Section I.D., Compliance Activities to Date, above, as well as to comply with any and all operations and maintenance plans or procedures that apply to the facilities and operations discussed in Section I.D., Compliance Activities to Date, above.

E. *Force Majeure*

1. *Force majeure* is an event arising solely beyond the control of the Defendant, which prevents the timely performance of any of the requirements of this Consent Order and shall include, but is not limited to, events such as floods, fires, tornadoes, other natural disasters, and labor disputes and unavailability of necessary equipment beyond the reasonable control of the Defendant. An increase in costs associated with implementing any requirement of this Consent Order shall not, by itself, excuse the Defendant for a failure to comply with such a requirement.

2. When a *force majeure* event occurs which causes or may cause a delay in the performance of any of the requirements of this Consent Order, the Defendant shall orally notify the Plaintiff within forty-eight (48) hours of the occurrence. Written notice shall be given to the Plaintiff as soon as practicable, but no later than ten (10) calendar days after the claimed occurrence. This section shall be of no effect as to the particular event involved if the Defendant fails to comply with these notice requirements.

3. Within ten (10) calendar days of receipt of any written *force majeure* notice, the Plaintiff shall respond in writing regarding the Defendant's claim of a delay or impediment to performance. If the Plaintiff agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Defendant and that the Defendant could not have prevented the delay by the exercise of due diligence, the Plaintiff and Defendant shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay, by a period equivalent to the delay actually caused by such circumstances. Such stipulation may be filed as a modification to this Consent Order. The Defendant shall not be liable for stipulated penalties for the period of any such stipulated extension.

4. If the Plaintiff does not accept the Defendant's claim of a *force majeure* event, the Defendant must file a petition with the Court within twenty (20) calendar days of receipt of the Plaintiff's determination in order to contest the imposition of stipulated penalties. The Plaintiff shall have twenty (20) calendar days to file its response to said petition. The burden of proof of establishing that a *force majeure* event prevented the timely performance shall be upon the Defendant. If this Court determines that the delay or impediment to performance has been or will be caused by circumstances solely beyond the control of the Defendant and that the Defendant could not have prevented the delay by the exercise of due diligence, the Defendant shall be excused as to that event (including any imposition of stipulated penalties), for all requirements affected by the delay, for a period of time equivalent to the delay or such other period as may be determined by this Court.

F. Enforcement and Modification of Consent Order

1. This Consent Order is a binding and enforceable order of this Court. Except as set forth in Section III.J below, this Court shall retain jurisdiction of this matter and shall consider any motion by Plaintiff or Defendant, for the purposes of interpreting and enforcing the terms and conditions of this Consent Order.

2. The Plaintiff and the Defendant may, by mutual written consent, extend any compliance dates or modify the terms of this Consent Order without leave of this Court. A request for any modification shall be made in writing and submitted to the designated representatives. Any such request shall be made by separate document, and shall not be submitted within any other report or submittal required by this Consent Order. Any such agreed modification shall be in writing and signed by authorized representatives of the Plaintiff and the Defendant, for filing and incorporation by reference into this Consent Order.

G. Dispute Resolution

1. Except as provided herein, the Plaintiff and Defendant may seek to informally resolve disputes arising under this Consent Order, including but not limited to the Illinois EPA's decision regarding appropriate or necessary response activity, approval or denial of any report, plan or remediation objective, or the Plaintiff's rejection of a request for modification or termination of the Consent Order. The Plaintiff reserves the right to seek enforcement by the Court where the Defendant has failed to satisfy any compliance deadline within this Consent Order. The following are also not subject to the dispute resolution procedures provided by this section: a claim of *force majeure*, a failure to make any required payment and any circumstances posing a substantial danger to the environment or to the public health or welfare of persons.

2. The dispute resolution procedure must be invoked by a party through a written notice describing the nature of the dispute and the party's position with regard to such dispute. The other party shall acknowledge receipt of the notice and schedule a meeting to discuss the dispute informally not later than fourteen (14) calendar days from the receipt of such notice. These informal negotiations shall be concluded within thirty (30) calendar days from the date of the first meeting between the Plaintiff and Defendant, unless the Plaintiff and Defendant agree, in writing, to shorten or extend this period. The invocation of dispute resolution, in and of itself, shall not excuse compliance with any requirement, obligation or deadline contained herein, and stipulated penalties may be assessed for failure or noncompliance during the period of dispute resolution. As part of the resolution of any dispute, the Plaintiff and Defendant, by agreement or by order of this Court, may extend or modify the schedule for completion of work under this Consent Order to account for the delay in the work that occurred as a result of dispute resolution.

3. In the event that the Plaintiff and Defendant are unable to reach agreement during the informal negotiation period, the Plaintiff shall provide the Defendant with a written summary of its position regarding the dispute. The position advanced by the Plaintiff shall be considered binding unless, within twenty (20) calendar days of the Defendant's receipt of the written summary of the Plaintiff's position, the Defendant files a petition with this Court seeking judicial resolution of the dispute. The Plaintiff shall respond to the petition by filing the administrative record of the dispute and any argument responsive to the petition within twenty (20) calendar days of service of the Defendant's petition. The administrative record of the dispute shall include the written notice of the dispute, any responsive submittals, the Plaintiff's written summary of its position, the Defendant's petition before the court and the Plaintiff's response to the petition. The Plaintiff's position shall be affirmed unless, based upon the administrative record, it is against the manifest weight of the evidence.

H. Notice and Submittals

Except for payments, the submittal of any notice, reports or other documents required under this Consent Order, shall be delivered to the following designated representatives:

As to the Plaintiff

Kristen Laughridge Gale
Assistant Attorney General
Environmental Bureau
500 South Second Street
Springfield, IL 62706

Chris Pressnall
Division of Legal Counsel
Illinois EPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

Ray Pilapil
Bureau of Air
Section Manager, Compliance Assurance and Source Monitoring
Illinois EPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

Jeff Benbenek
Bureau of Air
Illinois EPA
2009 Mall Street
Collinsville, IL 62234

As to the Defendant

David Smiga
United States Steel Corporation
600 Grant Street, Room 1500
Pittsburgh, PA 15219

David W. Hacker
United States Steel Corporation
600 Grant Street, Room 1500
Pittsburgh, PA 15219

Larry Siebenberger
United States Steel Corporation, Granite City Works
1951 State Street
Granite City, Illinois 62040

I. Release from Liability

In consideration of the Defendant's payment of a \$300,000.00 penalty and upon completion of all activities required under Section III.D.2.a-d, 3, and 4. of this Consent Order,

the Plaintiff releases, waives and discharges the Defendant from any further liability or penalties for violations of the Act and state and federal regulations that were the subject matter of the Complaints herein. The release set forth above does not extend to any matters other than those expressly specified in the Plaintiff's Complaint filed on September 15, 2005, Plaintiff's First Supplemental Complaint filed on December 7, 2006, and Plaintiff's Second Supplemental Complaint filed on October 17, 2007. The Plaintiff reserves, and this Consent Order is without prejudice to, all rights of the State of Illinois against the Defendant with respect to all other matters, including but not limited to, the following:

- a. criminal liability;
- b. liability for future violations;
- c. liability for natural resources damage arising out of the alleged violations; and
- d. the Defendant's failure to satisfy the requirements of this Consent Order.

Nothing in this Consent Order is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois or the Illinois EPA may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315 (2006), other than the Defendant.

J. Termination

1. The Defendant may request that this Consent Order terminate no sooner than twelve (12) months after the Defendant has completed all actions required of the Defendant under Sections III.D.2.a-d, 3, and 4 of this Consent Order, provided that the Defendant has been in continuous compliance with the terms of the Consent Order for the twelve (12) months preceding the request; or after a Title V CAAPP permit is issued by the Illinois EPA to the Defendant, whichever date is later. Any such request must be made by notice to the Plaintiff and

include a statement that the Defendant has completed all actions required by Sections III.D.2.a-d, 3, and 4 of this Consent Order and has been in continuous compliance with the terms of the Consent Order for the twelve (12) months preceding the request and the following certification by a responsible corporate official of the Defendant:

I certify under penalty of law that this statement was prepared under my direction or supervision, and that the information submitted in or accompanying this statement of final compliance is to the best of my knowledge true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and or imprisonment for knowing violations.

2. The Plaintiff shall notify the Defendant of its decision on the request within forty-five (45) calendar days of the Plaintiff's receipt of the request. If the Plaintiff agrees to terminate this Consent Order, the Plaintiff and the Defendant shall jointly file a notice with the Court that the Consent Order is terminated. If the Plaintiff does not agree to terminate this Consent Order, the Plaintiff shall provide the Defendant written notification stating the reasons why this Consent Order should not be terminated and the Defendant may then invoke the Dispute Resolution provisions. The Consent Order shall remain in effect pending resolution of any dispute between the Plaintiff and Defendant or the Court concerning whether the Defendant has completed its obligations under this Consent Order and is in compliance with the terms of the Consent Order. The provisions of Section III.I. shall survive and shall not be subject to and are not affected by the termination of any other provision of this Consent Order.

K. Execution and Entry of Consent Order

This Order shall become effective only when executed by the Plaintiff, the Defendant, and the Court. This Order may be executed by the Plaintiff, the Defendant, and the Court in one or more counterparts, all of which taken together, shall constitute one and the same instrument.

The undersigned representatives for the Plaintiff and the Defendant certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Consent Order and to legally bind them to it.

WHEREFORE, the Plaintiff and the Defendant, by their representatives, enter into this Consent Order and submit it to this Court that it may be approved and entered.

PEOPLE OF THE STATE OF ILLINOIS, *ex rel.*, LISA MADIGAN, Attorney General of the
State of Illinois, v. UNITED STATES STEEL CORPORATION, INC., No. 05-CH-750
(CIRCUIT COURT, MADISON COUNTY, ILLINOIS)

CONSENT ORDER

FOR THE PLAINTIFF:

PEOPLE OF THE STATE OF ILLINOIS
ex rel. LISA MADIGAN,
Attorney General of the
State of Illinois

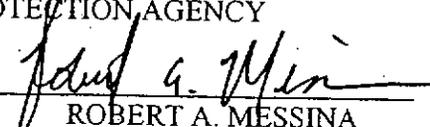
MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: 

THOMAS E. DAVIS, Chief
Environmental Bureau
Assistant Attorney General

DATE: 12/17/07

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

BY: 

ROBERT A. MESSINA
Chief Legal Counsel

DATE: 12/17/07

PEOPLE OF THE STATE OF ILLINOIS, *ex rel.*, LISA MADIGAN, Attorney General of the
State of Illinois, v. UNITED STATES STEEL CORPORATION, INC., No. 05-CH-750
(CIRCUIT COURT, MADISON COUNTY, ILLINOIS)

CONSENT ORDER

FOR THE DEFENDANT:

UNITED STATES STEEL CORPORATION

BY: 

JAMES B. GARRAUX

General Counsel and Senior Vice President - Labor Relations & Environmental Affairs

DATE: 12-18-2007

BY: 

DAVID W. HACKER

Attorney - Environmental

DATE: 12-18-2007

PEOPLE OF THE STATE OF ILLINOIS, *ex rel.*, LISA MADIGAN, Attorney General of the
State of Illinois, v. UNITED STATES STEEL CORPORATION, INC., No. 05-CH-750
(CIRCUIT COURT, MADISON COUNTY, ILLINOIS)

CONSENT ORDER

ENTERED:

JUDGE

A handwritten signature in cursive script, appearing to read "Alandry", is written over a horizontal line.

DATE:

A handwritten date "18 Dec 2007" is written over a horizontal line.

2

05-CH-750

IN THE CIRCUIT COURT FOR THE THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

PEOPLE OF THE STATE OF ILLINOIS)
ex rel. LISA MADIGAN, Attorney General of)
the State of Illinois,)

Plaintiff,)

v.)

UNITED STATES STEEL CORPORATION,)

Defendant.)

No. 05-CH-750

FILED
DEC 23 2009
CLERK OF CIRCUIT COURT #18
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

AGREED MODIFICATION OF CONSENT ORDER

Plaintiff, PEOPLE OF THE STATE OF ILLINOIS, *ex rel.* LISA MADIGAN, Attorney General of the State of Illinois, the Illinois Environmental Protection Agency ("Illinois EPA"), and Defendant, UNITED STATES STEEL CORPORATION, ("Parties to the Consent Order") have agreed to the Modification of this Consent Order and submit it to this Court for approval.

1. The Consent Order entered in this action on December 18, 2007 expressly provides that the Parties to the Consent Order may, by mutual written consent, extend any compliance dates or modify the terms of this Consent Order without leave of this Court.
2. Pursuant to a request by the Defendant to modify the compliance schedule for the Blast Oxygen Furnace and to extend the compliance demonstration deadline in the Consent Order, the Parties to the Consent Order have fully discussed the issues and the Plaintiff

has approved the terms and conditions of the compliance schedule dated September 10, 2009 and attached hereto.

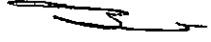
3. This agreed motion seeks to incorporate the compliance schedule dated September 10, 2009 as a modification of the Consent Order.
4. Nothing in the Modification shall alter the rights or obligations of the Parties to the Consent Order, except as specifically provided above.

WHEREFORE, the Parties to the Consent Order by mutual written consent pray that this Court modify the Consent Order by incorporating the compliance schedule dated September 10, 2009.

FOR THE PLAINTIFF:

PEOPLE OF THE STATE OF ILLINOIS
ex rel. LISA MADIGAN,
Attorney General of the
State of Illinois

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: 
THOMAS DAVIS, Chief
Environmental Bureau

DATE: 12/18/09

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

DOUGLAS P. SCOTT, Director
Illinois Environmental Protection Agency

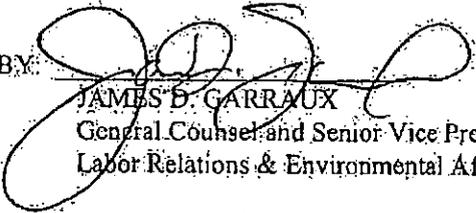
BY: 
JOHN J. KIM
Chief Legal Counsel

DATE: 12/16/09

FOR THE DEFENDANT:

UNITED STATES STEEL CORPORATION

BY:

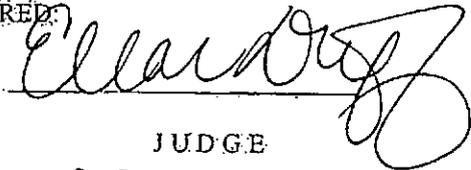


JAMES D. GARRAUX
General Counsel and Senior Vice President
Labor Relations & Environmental Affairs

DATE:

11/19/09

ENTERED:



JUDGE

DATE:

23 Dec 2009

**United States Steel Corporation
Granite City Works
BOP Compliance Schedule
September 10, 2009**

To maintain continuous compliance at the Granite City Works BOP, U.S. Steel has implemented a compliance plan.

Description	Milestone Date	Status
1. Retain engineering consultant(s) to evaluate the significant sources of BOP roof emissions and identify options for emission reductions.	Complete	Complete
2. Complete the engineering study.	Complete	Complete
3. Submit summary of results of the engineering study to Plaintiff for review.	February 29, 2008	Complete
4. Revise Compliance Plan based upon the results and analysis of the engineering study. Upon completion, GCW will continue following the implemented BOF Capture System Inspection and Maintenance Program to identify predictive preventive repairs.	March 31, 2008	Complete
5. Complete repair and replacement of Hood/ESP duct work. Replace #1 Elbow Replace #2 Elbow Upon completion, GCW will continue following the implemented BOF Capture System Inspection and Maintenance Program to identify predictive/preventive repairs.	September 30, 2009 October 17, 2008 August 30, 2009	On-going Complete Complete
6. Repair in-kind ESP Scope of Work to be completed on ESP		

<p>#1-3 (total of 6 sections)</p> <ul style="list-style-type: none"> - Take section off line, and clean and prepare for rebuild - Remove all wires and collector plates. - Inspect/Repair/Replace 4 sided box and entry/exit plenums. - Replace internals in-kind, including wires and collector plates. - Inspect/Repair/Replace top equipment including rappers and supports. - Contract expert erector to provide technical support for repairs. <p>(a) Complete repairs in-kind #1 ESP Section A.</p> <p>(b) Complete repairs in-kind to 3 additional ESP sections (total of 4)</p> <p>(c) Complete repairs in-kind to 2 remaining ESP sections (total of 6)</p>	<p>December 31, 2008</p> <p>September 30, 2010</p> <p>January 15, 2011</p>	<p>Complete</p>
<p>7. Re-submit compliance demonstration protocol per Consent Order</p>	<p>November 30, 2010</p>	
<p>8. Perform Compliance Testing per Order</p>	<p>February 1-28, 2011</p>	
<p>9. Certify Compliance</p>	<p>March 31, 2011</p>	