



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

MAY 26 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Russell Becker
Program Manager
Environmental Engineering & Affairs
Severstal Sparrows Point
1430 Sparrows Point Blvd
Sparrows Point, MD 21219

Subject: Consent Decree, Civil Action Numbers JFM-97-558 and JFM-97-559
Severstal Response to EPA March 2, 2010 Conditional Approval Letter on the
Coke Oven Prototype systems Plan

Dear Mr. Becker:

Pursuant to Section XIII, SUBMISSION REQUIRING EPA AND/OR MDE APPROVAL of the above-referenced Consent Decree (CD), the United States Environmental Protection Agency (EPA) and the Maryland Department of the Environment (MDE), disapprove Severstal's April 2, 2010 submission of the revised Work Plan ("Coke Oven Area Interim Measures Pilot test Results and Prototype systems Plan"). EPA's and MDE's disapproval is based in part on Severstal's refusal, in its Interim Measures (IM) Work Plan, to provide for a groundwater pumping system to address the extremely high levels of hydrocarbon product that are present in the Coke Oven Area (COA), notwithstanding EPA's and MDE's direction to Severstal that it do so.

In its February 19, 2009 letter to Severstal EPA noted that in certain areas of the COA groundwater benzene levels exceed 100,000 times the applicable Maximum Contaminant Level (MCL), and that naphthalene levels exceeded the applicable MCL by 1,000 times. Thus EPA stated that "a more aggressive recovery method for the product is necessary to prevent further degradation of the area pending implementation of a final remedy at the Facility," and that the system proposed by Severstal must include at a minimum "groundwater pumping, vapor extraction, vacuum and or thermal enhancement to optimize the recovery rate."

While EPA has tried to work with Severstal on those portions of its proposals for which there is common ground, Severstal has repeatedly resisted EPA's directions (in letters dated June 17 and August 24, 2009 and March 2, 2010) to propose a comprehensive IM strategy that will

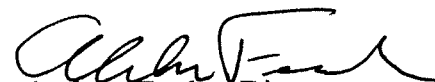
include groundwater pumping, not just air sparging and soil vapor extraction in a few locations, to aggressively reduce the product source and migration of highly contaminated groundwater to the bay water.

In its March 2, 2010, letter EPA identified several fundamental inadequacies with several aspects of Severstal's proposal, and set forth a number of specific measures and changes that Severstal was required to make. On April 2, 2010, Severstal submitted a revised Work Plan that again failed to meet the requirements set forth in EPA's March 2, 2010 letter, including, among other things, the need to install dual phase extraction (i.e. groundwater pumping as well as soil vapor extraction) systems at three locations and to provide an accelerated schedule to implement the portion of the prototype cells 2 and 3 as approved and required by EPA in the letter.

In accordance with paragraph 6 of Section XIII of the Consent Decree, within fifteen (15) calendar days of the receipt of this letter Severstal must submit a revised Work Plan in accordance with each and every requirement detailed in EPA's March 2, 2010 letter. This resubmission must fulfill EPA's requirement that it install dual phase extraction systems (combination of groundwater and soil vapor extraction), and it must include an accelerated schedule to implement the portion of the prototype cells as previously approved by EPA in the March 2, 2010 letter. Failure to do so may subject Severstal to the accrual and payment of stipulated penalties pursuant to the terms of the Consent Decree of between \$1,000 and \$7,000 per day of violation, depending on the circumstances, in addition to all other enforcement options reserved by the United States and the State in the Consent Decree.

If you have technical questions regarding this matter, please call Andrew Fan at (215) 814-3426. For legal questions, please have your attorney contact Susan Hodges, Senior Assistant Regional Counsel, at (215) 814-2643 or Charles B. Howland, Senior Assistant Regional Counsel, at (215) 814-2645.

Sincerely,


Abraham Ferdas, Director
Land and Chemicals Division

cc (~~w~~/encl.): Barbara Brown, MDE