

**BEFORE THE ENVIRONMENTAL PROTECTION BOARD
CITY OF JACKSONVILLE**

CITY OF JACKSONVILLE)
ENVIRONMENTAL AND)
COMPLIANCE DEPARTMENT,)
ENVIRONMENTAL QUALITY DIVISION,)

Petitioner,)

vs.)

Gerdau Ameristeel Corp.,)

Respondent.)

Cease & Desist Citation AP-07-24

Alleged Failure to Conduct

Initial Performance Compliance Testing

CONSENT ORDER WITH COMPLIANCE PLAN

This Consent Order with Compliance Plan is made and entered into between the City of Jacksonville, Environmental and Compliance Department (E&CD) and Gerdau Ameristeel Corp. ("Respondent").

1. E&CD, through its Environmental Quality Division (EQD), enforces Chapters 360 and 362, City of Jacksonville Ordinance Code and Jacksonville Environmental Protection Board Rule 2.

2. The Respondent is located at 16770 Rebar Road, Baldwin, Florida 32234. The Respondent owns and operates an Electric Arc Furnace at Jacksonville Steel Mill.

3. On December 4, 2007, E&CD issued Citation AP-07-24 to the Respondent for failure to conduct an initial performance compliance test on a new electric arc furnace at Jacksonville Steel Mill.

4. The Respondent and E&CD have met in an effort to resolve their disputes as to compliance issues and any alleged violations of City of Jacksonville ordinances and rules. The parties have agreed to enter into this Consent Order with Compliance Plan in order to expeditiously address compliance issues without litigation and its attendant costs, delays, and risks.

Having reached a resolution of this matter without any admission of liability or wrongdoing by the Respondent, the parties agree, and it is

ORDERED:

5. The Respondent shall operate the electric arc furnace at Jacksonville Steel Mill in accordance with all local, state, and federal rules and regulations.

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6. The Respondent shall comply with the following schedule:
 - a. By no later than February 29, 2008, Respondent shall conduct a compliance test on the 65 MVA Beaumont Transformer and submit the compliance test report to EQD within 45 days of completion of the test.
 - b. By no later than September 1, 2008, Respondent shall complete the installation and start up the 91 MVA Perth Amboy Transformer at Jacksonville Steel Mill. Respondent shall submit notice of the installation and start up of the 91 MVA Perth Amboy Transformer to EQD within 15 business days of installation and start up of the transformer.
 - c. Respondent shall have a 60 day shakedown period to run the 91 MVA Perth Amboy Transformer. The 60 day shakedown period shall begin on the start up date of the transformer.
 - d. Respondent shall conduct the required compliance test on the 91 MVA Perth Amboy Transformer no later than 15 days after the 60 day shakedown period. A notice of the compliance test on the 91 MVA Perth Amboy Transformer shall be submitted to EQD 15 days prior to the start of the test. The required compliance test report on the 91 MVA Perth Amboy Transformer shall be submitted to EQD within 45 days of the completion of the test.

7. Pursuant to Section 360.306, Ordinance Code, if the Respondent fails to meet any of the deadlines specified in paragraph 6 above, then the Director of E&CD may impose a civil fine of up to \$500 for each occurrence of noncompliance with this Consent Order with Compliance Plan. Each day of non-compliance shall constitute a separate offense. The civil fine shall be due within seven days of written notification to the Respondent. The check shall be made payable to the City of Jacksonville Environmental Protection Trust Fund and mailed to E&CD, 117 W. Duval Street, Suite 225, Jacksonville, FL 32202 to the attention Dana L. Brown.

8. No civil penalty is required in this case as Respondent has demonstrated that the failure to timely test the new electric arc furnace was due to a bona fide malfunction which rendered the transformer that powered the electric arc furnace inoperable.

9. This Consent Order with Compliance Plan fully resolves all issues raised in E&CD's Cease and Desist Citation AP-07-24 regarding the matters addressed herein. E&CD reserves the right to take appropriate enforcement action against Respondent for any future violation of the Ordinance Code or rules. Respondent reserves its right to contest any such enforcement action in accordance with applicable law.

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10. Notwithstanding paragraph 7 above, a violation of the terms of this Consent Order may subject the Respondent to judicial imposition of civil penalties of up to \$10,000 per violation per day.

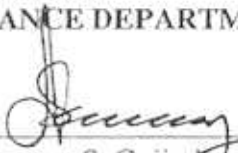
11. In consideration of the complete and timely performance by the Respondent of the obligations agreed to in this Consent Order with Compliance Plan, E&CD waives any right to seek judicial imposition of additional penalties. The Respondent waives its right to an administrative hearing pursuant to Section 120.57(1), Florida Statutes, regarding the terms of this Consent Order with Compliance Plan.

12. The provisions of this Consent Order with Compliance Plan shall apply to and be binding upon the parties, their officers, directors, agents, servants, employees, successors, and assigns and all persons, firms and corporations acting under, through or for them and upon those persons, firms, and corporations in active concert or participation with them.

13. Entry of this Consent Order with Compliance Plan does not relieve the Respondent of the need to comply with applicable federal, state or local laws, regulations or ordinances.

CITY OF JACKSONVILLE
ENVIRONMENTAL AND COMPLIANCE DEPARTMENT

02.07.08
Date


Ebenezer S. Gujjaraipudi, P.E., Director

Gerdau Ameristeel US Inc.

02/06/08
Date


Carlos Zanoelo, VP/General Manager

ORDER

I hereby certify that the foregoing document was adopted by order of the Environmental Protection Board of the City of Jacksonville this 11th day of February, 2008.


Michael F. Templeton, Chairman
Environmental Protection Board



February 12, 2008

James P. Wold, CHMM
Gerdau AmeriSteel Corp.
P.O. Box 518
Baldwin, Florida 32234

**RE: Cease and Desist Citation AP-07-24
Gerdau AmeriSteel Corp. – New Electric Arc Furnace
DEP Permit No. 0310157-008-AC/PSD-FL-349A
Failure to conduct initial performance compliance tests
Jacksonville Environmental Protection Board (JEPB) Order Adopting Consent Order**

Dear Mr. Wold:

Enclosed is a fully executed copy of the Consent Order and JEPB Order for settlement of the above-referenced Citation enforcement case. The effective date of the Consent Order is February 11, 2008. Please carefully note the deadlines in paragraph 6 on page 2 of the Consent Order with Compliance Plan.

Any questions regarding the Consent Order or the above-specified schedule should be directed to me at (904) 630-4900.

Very truly yours,

A handwritten signature in black ink, reading "Dana L. Brown".

Dana L. Brown
Environmental Enforcement Administrator

DLB:thk

Enclosure

c: Rick Banks, DEP
Steve Pace, EQD
Tracey L. Arpen, Jr., OGC
EQD Enforcement File

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