



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

Report Title: Clean Air Act Inspection of Coatesville Scrap Iron & Metal Co., Inc.
Inspection Date(s): 12/20/2021
Regulatory Program(s): The facility has not been issued any CAA Permits
Company Name: Coatesville Scrap Iron & Metal Co., Inc.
Facility Name: Coatesville Scrap Iron & Metal Co., Inc.
Facility Location: 1000 South First Ave
Coatesville, PA 19320
Latitude: 39.96887 **Longitude:** -75.81922
County/Parish: Chester
AFS Number: 110045499509
Permit Number: PA000510084
NAICS Code: 331410 **SIC:** 3339
Unique Project #: 3E22CA073A

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EPA Lead Inspector

Signature

Erin Willard

Date

1650 Arch Street (3ED21)
Philadelphia, PA 19103-2029

Supervisor

Signature

Kristen Hall

Date

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I. Introduction

The United States Environmental Protection Agency (EPA) conducted a Clean Air Act (CAA) inspection at Coatesville Scrap Iron & Metal Co., Inc. (“Coatesville Scrap” or “Facility”) to verify compliance with applicable State and Federal regulations. The Pennsylvania Department of Environmental Protection (PADEP) was notified of the inspection on December 6, 2021, via email. Coatesville Scrap was not notified prior to the inspection.

A. Summary of the Facility

Coatesville Scrap is located at 1000 South First Ave., Coatesville, PA 19320. Coatesville Scrap and its affiliates are owned by the Simon family and there are additional operations in Maryland, New Jersey, New York, Pennsylvania, and Virginia. The Facility conducts metal shredding and scrap metal recycling. The materials processed include scrap cars and trucks, aluminum, brass, and stainless steel. Automotive and industrial batteries containing lead are also recycled. Most of the raw materials are sourced from scrap auto dealers within a 100-mile radius of the Facility.

The Facility representative, Ken Simon, stated that shredding operations commenced at this location in 1985 and operational capacity is currently 8000 tons per month while operating five 8-hour production shifts per week. There are currently 22 employees, and employees are represented by the Steelworkers union. Typical shredder operation hours are 10:30pm to 7:00am, with the daylight hours being used for maintenance, cutting, and sorting raw materials.

The Facility has not been issued an air permit by the PADEP.

B. Inspection Opening Conference

At 10:45am on December 20, 2021, EPA inspectors arrived at the Facility for a CAA Inspection and commenced a brief opening conference. Ken Simon, Joe Scaramuzzino, and Patrick Hennessy from Coatesville Scrap Iron & Metal were present at the inspection. Also, James Layton from PADEP was present. EPA inspectors, Erin Willard and Stafford Stewart, presented their credentials and explained the purpose of the visit was to conduct a full compliance evaluation (FCE) to determine compliance with the Clean Air Act (CAA) and any applicable regulations. Additionally, EPA informed the Facility representatives, Ken Simon, Joe Scaramuzzino, and Patrick Hennessy of their right to claim any material obtained during the inspection as confidential business information (CBI). At that time, Coatesville Scrap Iron & Metal did not claim any photos or documentation obtained during the inspection as CBI.

Coatesville Scrap representatives, Ken Simon, Joe Scaramuzzino, and Patrick Hennessy provided a detailed overview of the shredding operations. The raw materials consist of scrap metals received via trucks from within 100-mile radius of the Facility. The Facility uses large cutting shears to cut the raw materials to a size that facilitates shredding. The raw materials are transferred by conveyor belt into the shredder and are processed in a hammermill type shredder

that was installed in 2012 and placed into operation in 2013. Water sprays are used to control fugitive dusts, and to cool the unit to prevent fires. The Facility representative, Ken Simon, stated that daily maintenance is performed on the shredder.

After exiting the shredder mill, the shredded scrap is conveyed to a magnetic drum and two streams are created, metallic and non-ferrous material called “fluff”. Ken Simon stated that since the Coatesville facility doesn’t have the required separation system, this first pass of material is compiled and trucked to its facility in York, PA, where non-ferrous metals can be efficiently removed from the fluff. The metallic stream is then transported to a cyclone for further separation of any ferrous and any residual non-ferrous material. The materials removed in the cyclone are treated as waste and sent to the local landfill and the shredded materials, or finished goods called “frag” are sold to customers via trucks.

While in the office, the Facility representatives, Ken Simon, and Joe Scaramuzzino were asked by EPA inspectors if there were any drainage racks for vehicles, they stated that there were none. EPA inspectors also asked Mr. Simon if there are any fire suppression/water cannon hoses on site. Mr. Simon stated that there is a fire suppression hose located by the shredder. He also stated that the Facility experienced a fire two years ago.

Mr. Simon was also asked by EPA inspectors if there was a procedure for handling mercury (Hg) switches associated with scrap vehicles. Mr. Simon stated that if any Hg switches were found they are removed and disposed of properly, he also stated that there is a separate building for battery storage, but it is not currently in use as it is associated with the nonferrous processing area that is currently closed.

The opening conference concluded at 11:25 am.

II. Site Activity/Process Description

Coatesville Scrap is a scrap metal recycling company that was established in 1946. Coatesville Scrap installed a hammermill type shredder in 1985. The Facility currently uses a hammermill type shredder that was installed in 2012 and placed into operation in 2013; this unit has a 4000 hp electric motor and contains a larger shred box than the previous shredder. The Facility representative, Mr. Simon, stated that the current shred capacity is rated at 60 to 70 tons per hour (tph).

Coatsville Scrap receives feedstock from within a 100-mile radius of their location, the raw materials for the operations consist mostly of vehicles from auto pick and pull “junk yards” (95%), and consist of car parts and whole automobiles. White goods (defunct appliances) are also processed, as are light iron, steel, and other metals. Raw materials arrive at the facility via truck. The Facility uses large cutting shears attached to heavy equipment to cut the raw materials to a size that facilitates shredding. The Facility does not conduct torch cutting on site. After cutting, the raw materials are transferred by conveyor belt into the shredder. The hours of operations for shredding scrap are set to comply with the off-peak electrical power requirement

hours of the local electrical company, as a cost savings strategy. Water sprays are injected into the shredder mill base to control fugitive dusts, and to cool the unit to prevent fires. The water system is based on the amperage draw of the motor; however, the water spray can also be controlled at the operator's discretion. Software that controls the system also records the volume of water usage per hour. Daily maintenance is performed on the shredder.

Once the material exits the shredder mill, the shredded scrap is conveyed to a magnetic drum which is utilized to create two streams, metallic and non-ferrous material called "fluff". Because the Coatesville facility doesn't have a sophisticated separation system, this first pass of material is compiled and trucked to its facility in York, PA, where non-ferrous metals can be efficiently removed from the fluff.

Separation occurs as the ferrous metal adheres to a rotating drum and then dropped onto another conveyor, while the non-ferrous material falls by gravity into a pile. The metallic stream is then transported to a cyclone for further separation of any ferrous and any residual non-ferrous material. The air cyclone removes rags, plastics and other fabrics from the stream. The materials removed in the cyclone are treated as waste and sent to the local landfill, at a rate of approximately 300 tons per month.

The shredded materials, or finished goods called "frag" are sold to customers via trucks. Mr. Simon indicated that the nonferrous portion of the Facility, which includes battery recycling, is currently closed due to staffing issues unrelated to COVID.

The Facility operates two small fuel oil fired boilers for heating two shop buildings at the site. The rating information on these boilers was not immediately available and would be provided by the Facility in response to an EPA information request which would be sent on December 21, 2021, after the inspection. Each unit combusts waste oil generated at the Facility by activities such as oil changes on heavy equipment and wasted hydraulic oil. The waste oil is supplemented with #2 heating oil if the stored used oil volume is not enough to maintain operation of the units

III. Observations

EPA inspectors were led on a walkthrough of the Facility at 11:30am by Ken Simon, and Patrick Hennessy of Coatesville Scrap Iron & Metal, James Layton of PADEP was also present for the walkthrough. EPA inspectors noted photos would be taken during the Facility walkthrough (Attachment 2). All photos taken during the inspection were taken by Stafford Stewart. A photo was taken of the general site layout prior to the beginning of the Facility walkthrough, from the second-floor meeting room across the street.

The Facility tour began with an inspection of the area referred to as the "scrap pile", which contained unprocessed metallic materials. The Facility representatives, Mr. Simon, and Mr. Hennessy stated that there is no shredding of these items, and that they are cut by the shears to customer specification and sold "as is". The inspection team then inspected the area containing the raw materials that comprise the shredder feed. A large pile of mixed scrap was visible

adjacent to the shredder. EPA inspectors asked Mr. Simon and Mr. Hennessy if refrigerants in automobile air conditioners are removed prior to processing automobiles, they stated that this issue is not considered. EPA observed heavy equipment moving scrap and staging materials for the night shift. In this area, the raw materials are fed by conveyor belt to the shredder box.

The next area inspected was the propane tank segregation and storage area. This was followed by a tour of the shredder box area. The shredder was not operating during the inspection, so the inspection team was able to climb onto the platform immediately adjacent to shredder box and view the internal parts of the shredder, including the rotors and hammers. The Facility representative, Joe Scaramuzzino, explained that the raw materials conveyed to the shredder box are processed (pulverized) by the rotating hammers, resulting in a finished material roughly the size of a fist. A rotating drum electromagnet then separates the shredded scrap into ferrous and nonferrous material streams.

The Facility representative, Ken Simon, stated that the large wholly ferrous fragments (frag) of the processed scrap that was observed during the site tour is separated by magnet. It is fairly homogenous and is stockpiled on site for sale to steel processors. Mr. Simon also stated that Coatesville Scrap tries to sell as much of this material to Cleveland Cliffs as possible. The Cleveland Cliffs facility is immediately adjacent to the Facility. Frag not purchased by Cleveland Cliffs is sold to other customers. Smaller pieces of frag that are not flipped off the belt by the first set of magnets are separated and sent to the shredding facility located in York, PA; this facility is also owned by Mr. Simon and his family. The Coatesville location does not have the more thorough separation systems, such as the eddy current system, that the York facility operates. Plastics and fabrics (“fluff”) are removed from the processed material by a cyclone system and have no further beneficial reuse and are landfilled.

The tour concluded with an inspection of the waste oil boilers in the two workshops. The used oil is stored in two double walled tanks, one tank is dedicated to each waste oil boiler. The boilers were not operating at the time of the inspection. No parts washers were observed onsite, the Facility representative, Ken Simon, stated that there are no longer any parts washer.

The walkthrough concluded at 12:24pm.

IV. Records Review

The records review commenced immediately after the plant walkthrough at 12:28pm. EPA inspectors requested to review records identified in items “1” to “5” below, but they were not immediately available. The Facility representative, Mr. Ken Simon, stated that the records would be sent via email by December 29, 2021. An e-mail request was sent by EPA to the Facility (Attachment 1) on December 21, 2021, the following information shown below was requested, and the Facility provided responses to all items except for Item 3, via email on December 28, 2021:

1. Monthly scrap shred records in short tons from January 1, 2018, to present. Wherever possible, please include a breakdown of the % shred type, specifically the breakdown of autos to other type (white good, light iron, etc.).
2. Annual hours of operation of the shredder for 2018 to present. If possible, provide this on a monthly basis.
3. Periods the shredder was down or operated at a lower than usual feed rate for extended time periods.
4. General information on the water injection system, including a schematic or drawing of the system, and the maximum capacity (gallons).
5. Information on the waste oil burners, including the size in MMBtu/hour, and the gallons of fuel they can combust per hour.

During the record review, EPA inquired as to the typical operating hours of the shredder, and whether five shifts at night is the typical operating schedule. The Facility representative, Ken Simon, stated that this was the case except for any disruptions caused by COVID. EPA requested that the Facility provide any information on any time frames that disrupted operations. EPA also asked about the raw material feed rates, and whether they were typically the same. The Facility representative, Ken Simon, answered in the affirmative and stated that they are operating at 70% capacity. EPA followed up by inquiring if the Facility had ever conducted any performance testing of any type at the site. Ken Simon indicated that no testing had ever been performed. With respect to the two waste oil boilers, EPA inspectors inquired about the age and size of the boilers. Ken Simon stated that they are about 10 years old. Information on the sizes (MMBtu/hr) was not immediately available and will be sent with the other information requested. EPA inspectors also requested periods of operation of the boilers. Ken Simon stated that they are run for comfort heat only during “cold” weather.

V. Closing Conference

After the records review, EPA inspectors, Joe Simon and Patrick Hennessy of Coatesville Scrap Iron & Metal and James Layton of PADEP held a brief closing conference to ask additional questions and discuss observations. EPA inspectors noted that the investigation is ongoing, and any areas of concern identified in the inspection report do not necessarily reflect a violation or deviation, rather, they are areas that will require further investigation. EPA also noted that they would issue an inspection report within 60 days, with a copy sent to the State. Simultaneously, EPA will perform a detailed review of records and may have additional questions. The inspection concluded at 12:45 pm.

The following have been identified as *potential* issues during the inspection. They are issues that require either further investigation by EPA or additional information or explanation by the Facility.

- EPA R3 will review the data requested during the inspection, as a means of developing an annual emissions value for the site for particulate matter (PM), volatile organic compounds (VOCs), sulfur dioxide (SO₂), and nitrogen oxides (NO_x)
- Information for the waste oil burners will be evaluated for potential applicability of 40 CFR Part 63 Subpart JJJJJ : National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers Area Sources

VI. List of Attachments

Attachment 1: Email correspondence sent on December 21, 2021, to Ken Simon and Patrick Hennessy of records requested to review

Attachment 2: Photo Log: Photos RIMG0093 - RMG0098