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Tishie Woodwell
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Via Email and Regular Mail

July 21, 2017

Robert A. Kaplan
Acting Regional Administrator, Region 5
U.S. Environmental Protection Agency
77 West Jackson Boulevard, Mail Code: R-19J
Chicago, IL 60604-3507

Re: U. S. EPA Regional Haze Federal Implementation Plan for Taconite

Dear Acting Regional Administrator Kaplan:

In 2013, U. S. EPA (EPA) promulgated a Federal Implementation Plan (FIP) for taconite facilities based upon limited data that it acquired from United States Steel Corporation's (U. S. Steel) Minntac facility which was the first in the industry to implement nitrogen oxide (NO_x) reduction technology. However, after further investigation and evaluation of data provided by U. S. Steel and other taconite facilities regarding differences in furnaces and other relevant factors, EPA acknowledged that its approach of setting uniform standards in the industry was not feasible. This was the basis for EPA's promulgation of a revised FIP in April 2016. However, while in the revised FIP EPA reconsidered regional haze requirements for the other taconite facilities in the United States, it did not take the same approach or reconsider the limits for U. S. Steel's facilities in Minnesota. Because EPA rejected U. S. Steel's comments and request to apply the case-by-case approach for U. S. Steel's facilities as it did for other facilities in the industry, U. S. Steel was forced to file a petition for administrative review and a petition for judicial review.

Since those filings, U. S. Steel has provided EPA with additional data and information – and continues to provide such information – that supports a determination that the limits applicable to U. S. Steel in the FIP are not appropriate. Through this process of exchanging information and associated negotiation discussions, U. S. Steel firmly believed that EPA would recognize the inequities and revise the FIP for U. S. Steel's facilities consistent with the case-by-case approach utilized in assessing the other taconite facilities. While EPA and U. S. Steel have been working together on establishing case-by-case limits for U. S. Steel, more recently, EPA has advised U. S. Steel that it does not wish to continue that dialogue, rejected U. S. Steel's request to mediate, and instead elected to proceed with litigation to defend its application of the inequitable, uniform standards set forth in the 2013 FIP to U. S. Steel. It is in the spirit of the longstanding and continued collaboration with EPA that I am respectfully requesting that EPA reconsider its decision to reject U. S. Steel's request to mediate the issue so that an equitable resolution can be reached.

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Despite unfavorable market conditions and unfairly traded imports, U. S. Steel remains one of the largest American integrated steel producers. We manufacture a wide range of value-added steel sheet and tubular products for the automotive, appliance, container, industrial machinery, construction, and oil and gas industries. The competitive production of taconite is critical to the vitality of U. S. Steel's operations, as steel-making starts at U. S. Steel's taconite facilities in Northern Minnesota; Minntac and Keetac. Although a steel company, U. S. Steel is the largest domestic producer of taconite pellets.

U. S. Steel also leads in the iron ore industry in developing Low NO_x technology that reduces regional haze. We have demonstrated our commitment to improving the air quality by already installing this Low NO_x burner technology on four of our six indurating furnace lines.

Although the FIP was litigated by the entire taconite industry (U. S. Steel, Cliffs Natural Resources and ArcelorMittal), only U. S. Steel remains without a settlement and revised rule. Notwithstanding EPA's denial of U. S. Steel's request to mediate, we strongly believe that an equitable agreement is within reach, and that with the assistance of a structured approach such as mediation, reasonable and fair resolution can be reached.

Despite EPA's rejection of the proposed mediation, we remain optimistic that a resolution can be reached and have illustrated our commitment to that end by our agreement to collect the additional temperature data, requested by the EPA pursuant to a Clean Air Act Section 114 Request. We agree with EPA that the information collected may be beneficial in determining the feasibility of additional control technology. We anticipate that this new information will be available within the next thirty days, though it is our goal to provide it to EPA sooner, if available. We believe that this data, along with a review of additional data from the application of Low NO_x burners at Minntac operating lines would contribute towards productive mediation.

In addition, it is important to identify a feasible solution for Keetac and Minntac that adheres to the Clean Air Act Best Available Retrofit Technology (BART) requirements. We strongly believe that the current FIP's application as it applies to U. S. Steel operations does not meet the Clean Air Act goal of improved visibility. In fact, while we will readily acknowledge that it was not EPA's intent, the FIP as currently applied to U. S. Steel's operations, could actually result in contributing negatively to regional haze. In addition, the revised April 2016 FIP places U. S. Steel in a significant competitive disadvantage. This is especially troubling since the foundation of the FIP is based upon technology developed by U. S. Steel.

We firmly believe mediation is an appropriate forum to further address this issue and are confident that mediation would result in a reasonable and fair FIP revision that is consistent with the Clean Air Act. Therefore, on behalf of U. S. Steel, I respectfully request the EPA reconsider its earlier decision and agree to engage in mediation to facilitate a reasonable resolution of the application of the FIP to U. S. Steel's Keetac and Minntac operations. Additionally, we believe that a stay in the application of the 2013 FIP NO_x limits for U. S. Steel is appropriate under the circumstances and would facilitate a successful mediation. The current FIP will impact U. S. Steel's operations at Minntac's Line 6 beginning in August 2017. Line 6 already has controls installed, is operating under an annual NO_x limit from the facility Title V permit and is also currently subject to SO₂ limits from the 2013 FIP. A stay would not negatively impact the environment, nor would it result in a competitive advantage for U. S. Steel, as the

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earliest compliance date applicable to other taconite facilities is not until late 2018, with the remaining taconite facility compliance dates extending into 2019 and beyond.

If you have any questions, or would like to schedule a meeting to discuss this matter please contact Chrissy Bartovich at (218) 749-7364 or clbartovich@uss.com; or me at (412) 433-5916 or twoodwell@uss.com. We look forward to your response and a swift resolution of the matter.

Sincerely,



Tishie Woodwell
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Cc: David Fotouhi, Deputy General Counsel, EPA
Douglas Aburano (EPA Region V)
Chrissy Bartovich (USS)
Todd Young (USS)
Dave Hacker (USS)