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By email to airaction@epa.gov

Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

**Application and Request for Presidential Exemption for Smith
Industries Facilities in Maryland**

I. Introduction

Smith Industries (Smith), by counsel, makes this application and request pursuant to a Clean Air Act Section 112 Presidential Exemption Information posting made by the United States Environmental Protection Agency (EPA).¹

Smith seeks a Presidential Exemption under section 112(i)(4) of the Clean Air Act, to exempt stationary sources of alleged air pollution from compliance with any standard or limitation under section 112 for up to two years if the technology to implement the standard is not available and it is in the national security interests of the United States to do so and for an extension of up to two additional years under renewal. The sources meet the requirements as there is currently no available standard from which the potential to emit can be reasonably ascertained for certain recycling operations like those utilized by Smith.

The exemption is appropriate and necessary because (1) technology to implement the required VOC reduction standards is currently not available for the specific operations of JSS and Recovermat, (2) the recycling industry, including the operations of JSS and Recovermat, plays a critical role in the national security interests of the United States, (3) Economic Security, Environmental Benefit, and Defense Readiness goals are advanced, and (4) this request fits within the framework of EPA Administrator Lee Zeldin's "Powering the Great American Comeback" Initiative.

¹ Available at <https://www.epa.gov/stationary-sources-air-pollution/clean-air-act-section-112-presidential-exemption-information> (last visited March 31, 2025).

The recycling industry supports thousands of jobs and contributes significantly to the economy. By providing a reliable source of raw materials, JSS and Recovermat help stabilize market prices and reduce the economic impact of supply chain disruptions.

II. Executive Summary

Smith Industries (Smith) is a Prince George's County-based recycling enterprise that uses proprietary separation systems to repurpose scrap that would otherwise enter landfills. Through its evolving technologies, many of which are patented, Smith transforms scrap into usable metals and other materials.

Joseph Smith and Sons (JSS) and Recovermat, subsidiaries of Smith Industries, are pivotal players in the U.S. recycling industry, using advanced proprietary technologies to repurpose scrap metal that would otherwise burden landfills. These facilities, located in Capitol Heights and Baltimore, Maryland, respectively, are essential to the national supply chain, providing critical raw materials for various industries, including defense, infrastructure, and manufacturing. The recycling operations of JSS and Recovermat significantly reduce the need for mining, conserve natural resources, and lower energy consumption, thereby contributing to environmental sustainability and economic stability.

The request for a Presidential Exemption from VOC emissions standards is driven by the unique operational conditions and advanced control technologies employed by these facilities. The emission factors currently used by the EPA are based on outdated and non-representative data, leading to an overestimation of potential emissions. JSS and Recovermat use state-of-the-art separation technology and a high volume of water to flood their shredders, significantly reducing VOC emissions. Even so, the technology to meet the required VOC reduction standards is not yet available for their specific operations.

Granting this exemption is crucial for national security and defense readiness. The recycling industry supports thousands of jobs and contributes significantly to the economy, stabilizing market prices and reducing the impact of supply chain disruptions. The availability of recycled metals is vital for the defense industry, which relies on these materials for the production of military equipment and infrastructure. Ensuring a steady supply of recycled metals enhances the nation's economic security and resilience, supporting the readiness and capability of the U.S. armed forces.

In 2021 alone, Smith Industries recovered more than 1.6 billion pounds of metals, eliminating the need for 3.4 million tons of ores and saving energy equivalent to the annual usage of approximately 471,000 U.S. households. This efficiency also prevented nearly 1.9 million tons of carbon dioxide emissions, equivalent to the CO₂ emitted by 366,265 passenger cars over a one-year period. The environmental benefits of these operations are substantial, contributing to the overall sustainability goals of the United States.

III. Alignment with the Great American Comeback Initiative

Granting the Presidential Exemption to JSS and Recovermat aligns with the five pillars of the EPA's "Powering the Great American Comeback" initiative.²

Pillar 1: Clean Air, Land, and Water for Every American - By allowing JSS and Recovermat to continue their operations, the exemption supports the reduction of landfill waste and the conservation of natural resources, contributing to cleaner air, land, and water.

Pillar 2: Restore American Energy Dominance - The energy savings from recycling metals, valued at \$410 million in 2021, reduce the nation's reliance on energy sources, supporting energy independence and dominance.

Pillar 3: Permitting Reform, Cooperative Federalism, and Cross-Agency Partnership - Streamlining the permitting process for these facilities encourages investment in the U.S. recycling industry, fostering economic growth and job creation.

Pillar 4: Make the United States the Artificial Intelligence Capital of the World - The advanced proprietary technologies used by JSS and Recovermat exemplify American innovation, positioning the U.S. as a leader in cutting-edge recycling technologies.

Pillar 5: Protecting and Bringing Back American Auto Jobs - The steady supply of recycled metals supports the domestic auto industry, reducing costs and enhancing competitiveness, thereby protecting and revitalizing American auto jobs.

IV. Emissions Standards or Limitations Subject to the Request

Joseph Smith and Sons (JSS) and Recovermat are seeking a Presidential Exemption from the emissions standards and limitations related to volatile organic compounds (VOCs) as outlined in the Clean Air Act (CAA) and the Maryland State Implementation Plan (SIP), specifically COMAR 26.11.06.06(B)(1)(a). These regulations require the reduction of VOC emissions by 85% or more for facilities discharging VOCs in excess of 200 pounds per day.

The U.S. Environmental Protection Agency ("EPA"), Region 3 has issued Notices of Violation and Opportunity to Confer ("NOVOC") to Smith Industries, Inc. regarding its metal scrap shredding facility located at 2001 Kenilworth Avenue, Capitol Heights, MD 20743 and Recovermat, 2202 Halethorpe Farms Road, Baltimore, MD 21227. The EPA has issued these NOVOC under Section 113(a) of the Clean Air Act ("CAA" or "Act"), 42 U.S.C. § 7413(a).

² EPA Administrator Lee Zeldin Announces EPA's "Powering the Great American Comeback" Initiative February 4, 2025.

V. Facilities and/or Affected Sources

The facilities subject to this request are the metal shredder facilities operated by Joseph Smith and Sons located in Capitol Heights, Maryland, and Recovermat. These facilities are involved in the recycling of end-of-life vehicles, loose metals, and other metallic construction debris.

1. **JOSEPH SMITH & SONS** - 2001 Kenilworth Avenue, Capitol Heights, MD 20743; and
2. **RECOVERMAT** - 2202 Halethorpe Farms Road, Baltimore, MD 21227.

VI. Length of Compliance Period Being Requested

We request a compliance period extension of four years to allow for the development and implementation of reasonable reduction standards for water-based technologies and feasible VOC control technologies.

VII. Justification for the Request

Technology Availability

The technology to implement the required VOC reduction standards is currently not available for the specific operations of JSS and Recovermat. The emission factors used by the EPA are based on outdated and non-representative data that do not accurately reflect the unique operating conditions and control technologies employed by these facilities. JSS and Recovermat use state-of-the-art separation technology and a high volume of water to flood their shredders, significantly reducing VOC emissions. In any event, the EPA's emission factors do not account for these specific conditions, leading to an overestimation of potential emissions.

National Security Interests

The recycling industry, including the operations of JSS and Recovermat, plays a critical role in the national security interests of the United States. The recycling of metals contributes to the domestic supply of raw materials essential for various industries, including defense, infrastructure, and manufacturing. By ensuring a steady supply of recycled metals, these facilities help reduce the reliance on imports, thereby enhancing the nation's economic security and resilience.

**VIII. Economic Security, Environmental Benefit, and Defense
Readiness**

Economic Security

The recycling industry supports thousands of jobs and contributes significantly to the economy. By providing a reliable source of raw materials, JSS and Recovermat help stabilize market prices and reduce the economic impact of supply chain disruptions.

Smith Industries (Smith) is a massive Prince George's County-based recycling enterprise that uses proprietary separation systems to repurpose scrap that would otherwise enter landfills. Through its evolving technologies, many of which are patented, Smith transforms scrap into usable metals and other materials.

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Environmental Benefit

Recycling metals reduces the need for mining and the associated environmental degradation. It also conserves natural resources and reduces energy consumption, contributing to the overall sustainability goals of the United States.

Smith Industries' facilities purchase, process, and recycle ferrous and non-ferrous metals using traditional scrap metal methods and proprietary state-of-the-

art separation systems to transform raw scrap into clean and mill ready product. In 2021, Smith Industries recovered more than 1.6 billion pounds of metals.

Ex. 4 CBI

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Ex. 4 CBI

This generates perhaps the most striking environmental benefits of recycling metals: eliminating the need for mining to extract the ores and other materials that are required if metal is produced using primary production methods. Based on estimates of the volume of mined ores and other materials needed to produce metals, Smith Industries' metal recovery in 2021 eliminated the need for 3.4 million tons of ores.

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This is equivalent to the annual energy usage of approximately 471,000 U.S. households.

The efficiency of Smith Industries' metal recovery eliminates the need for nearly 1.9 million tons of carbon dioxide emissions due to the reduced need for mining, the equivalent of the CO2 emitted by 366,265 passenger cars over a one-year period. Smith Industries' efficiency also reduces the volume of metal that ends up in a landfill.

Ex. 4 CBI

Defense Readiness

The availability of recycled metals is crucial for the defense industry, which relies on these materials to produce military equipment and infrastructure. Ensuring a steady supply of recycled metals supports the readiness and capability of the U.S. armed forces.

IX. Conclusion

Granting a Presidential Exemption to Joseph Smith and Sons and Recovermat will allow these facilities to continue their essential operations while working towards the development of feasible VOC control technologies. The exemption will support the national security interests of the United States by ensuring a stable supply of recycled metals, contributing to economic security, environmental sustainability, and defense readiness. We respectfully request your consideration of this exemption to allow these facilities to continue their vital contributions to the nation.

Thank you for your kind consideration of this request. Additional information including back up documentation and support are available by contacting me at (804) 887-0778 (mobile) or dmullen@whitefordlaw.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dale G. Mullen". The signature is fluid and cursive, with a large initial "D" and "M".

Dale G. Mullen
Partner