

BEFORE THE POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

ENVIRONMENTAL PROTECTION AGENCY,)
)
 Complainant,)
)
 v.) PCB 70-34
)
GRANITE CITY STEEL COMPANY,)
)
 Respondent.)

S T I P U L A T I O N

Complainant, ENVIRONMENTAL PROTECTION AGENCY, and Respondent, GRANITE CITY STEEL COMPANY, a wholly-owned subsidiary of National Steel Corporation, stipulate to the following:

1) It is in the best interests of the parties to obtain a speedy determination of the obligations of Granite City Steel Company and immediate implementation of an effective air pollution control program. Granite City Steel Company therefore shall undertake the Air Pollution Control Program attached hereto as Exhibit A, as amplified by this Stipulation and the provisions of the Surety Bonds attached hereto as Exhibits 1-6, which Bonds shall be posted to assure compliance with the terms of this Stipulation.

2) Granite City Steel Company agrees to establish a scholarship fund for studies related to environmental quality through undergraduate and graduate college level disciplines, which scholarship fund is to be paid to the University of Illinois for the

ILLINOIS POLLUTION CONTROL BOARD
April 25, 1972

ENVIRONMENTAL PROTECTION AGENCY,)
)
 Complainant)
) #70-34
 v.)
)
GRANITE CITY STEEL COMPANY,)
)
 Respondent)

ORDER

On November 9, 1970, the Environmental Protection Agency filed a complaint against Granite City Steel Company, alleging that for several years Granite City Steel has caused or allowed emissions from its integrated steel facilities located near Granite City, Illinois to violate certain provisions of the Air Pollution Control Act, the Environmental Protection Act and the Rules and Regulations Governing the Control of Air Pollution. After extensive pre-trial discovery, Motions, Briefs and arguments, and following some thirty days of hearings during which time the Agency presented a portion of its case, the Agency and Granite City Steel Company entered into a Stipulation by which they propose to settle this case. The Stipulation was presented to the Board pursuant to Rule 333 of the Board's Procedural Rules.

After consideration of the Stipulation and Proposed Order presented by the parties, and after considering the evidence presented at the hearings held so far, the Board adopts as its Order the agreement and program stipulated to by the parties, including Exhibits A and 1-6, which is as follows:

establishment of the Environmental Studies Scholarship Fund to be administered by the President of the University of Illinois or his designee as follows:

- a) within seven days after the date of entry of an order of the Pollution Control Board approving this Stipulation, the sum of \$50,000;
- b) on or before January 2, 1973, the sum of \$50,000;
- c) on or before July 1, 1973, the sum of \$50,000.

3) Granite City Steel Company will, within thirty days of the entry of an Order of the Pollution Control Board approving this Stipulation, post six surety bonds guaranteeing faithful performance of the undertakings set forth in its proposed air pollution control program, as follows:

- a) Installation and operation of an AISI Coke Oven Charging Air Quality Control System on or before 30 months from the date of an Order of the Pollution Control Board approving this Stipulation in the bond amount of \$2,150,000, subject to reductions on specified occurrences, and further subject to partial substitution of Granite City Steel's personal bond in the amount of \$450,000 when reductions to \$950,000 on the outstanding bond amount have occurred, at which time \$500,000 shall be guaranteed by the then-remaining balance of the surety bond, and \$450,000 shall be guaranteed by the personal bond of Granite City Steel Company.

b) Installation and operation of a Quench Car Water Fogging System and preparation and operation of written operating and maintenance work rules and procedures relating to the said quench car water fogging system, as set forth in Exhibit A, on or before six months from the date of the entry of an Order of the Pollution Control Board approving this Stipulation, in the bond amount of \$60,000.

c) Installation and operation of a Quenching Station Baffle System on or before six months from the date of the entry of an Order of the Pollution Control Board approving this Stipulation, in the bond amount of \$130,000.

d) Installation and operation of a smokeless Excess Blast Furnace Gas Bleeder Burner Stack on or before December 31, 1971, in the bond amount of \$35,000.

e) Installation and operation of a Sinter Process Main Windbox Venturi Scrubber System on or before 19-1/2 months from the date of the entry of an Order of the Pollution Control Board approving this Stipulation so as to bring said stack to within applicable particulate regulations of the Pollution Control Board in the bond amount of \$1,200,000, subject to reduction on specified occurrences, provided that the device shall not be required to meet particulate regulations more stringent than the following process weight rate values:

Process Weight Rate Pounds Per Hour	Process Weight Rate Tons Per Hour	Allowable Emission Rate Pounds Per Hour
100	0.05	.66
200	0.10	.92
400	0.20	1.32
600	0.30	1.62
800	0.40	1.89
1,000	0.50	2.10
1,500	0.75	2.88
2,000	1.00	3.12
4,000	2.00	4.44
6,000	3.00	5.52
8,000	4.00	6.42
10,000	5.00	7.20
20,000	10.00	10.44
30,000	15.00	12.96
40,000	20.00	15.00
50,000	25.00	16.80
60,000	30.00	18.72
70,000	35.00	20.40
80,000	40.00	21.84
90,000	45.00	23.04
100,000	50.00	24.60
200,000	100.00	35.40

Process Weight Rate Pounds Per Hour	Process Weight Rate Tons Per Hour	Allowable Emission Rate Pounds Per Hour
300,000	150.00	44.40
400,000	200.00	51.60
500,000	250.00	58.20
600,000	300.00	63.60
700,000	350.00	69.60
800,000	400.00	74.40
900,000	450.00	79.20
1,000,000	500.00	84.00
Greater than 1,000,000	Greater than 500	84.00

Interpolated and extrapolated (up to process weight rate of 500 tons per hour) values of the data shall be accomplished by using the equation:

$$E = 2.54 (P)^{0.534} \times 1.2$$

wherein: E = allowable emission rate in pounds per hour;

and P = process weight rate in tons per hour.

In the alternative, if installation and preliminary operation of the Sinter Process Main Windbox Venturi Scrubber System indicates that the main windbox stack cannot be controlled by said device to the standards herein specified, Granite City Steel Company may elect to cease its sinter operation until same is controlled to the standards herein specified, and such

cessation, evidenced by notification by Granite City Steel Company to the Environmental Protection Agency within the 19-1/2 month period, shall discharge the obligation of the bond, provided that Granite City Steel Company is in compliance with the schedule for installation of equipment as specified on Exhibit A at the time of the election. Upon making such election, Granite City Steel Company agrees not to operate its sinter operation until same is controlled to the standards herein specified. The obligation of this bond is not and shall not be construed to be conditioned in whole or in part upon the installation and operation of said Main Windbox Venturi Scrubber System so as to comply with any applicable Ringelmann or opacity standard.

f) Installation and operation of a Sinter Breaker Process Baghouse Cleaner on or before 60 days from the latter of the following dates:

- 1) the date of the entry of an Order of the Pollution Control Board approving this Stipulation and Exhibits; or
- 2) the date the sinter process is next operated by Granite City Steel following entry of such an Order of the Pollution Control Board approving this Stipulation and Exhibits.

in the bond amount of \$65,000, so as to bring the said sinter
 breaker process to within the following process weight rate
 values:

Process Weight Rate Pounds Per Hour	Process Weight Rate Tons Per Hour	Allowable Emission Rate Pounds Per Hour
100	0.05	0.55
200	0.10	0.77
400	0.20	1.10
600	0.30	1.35
800	0.40	1.58
1,000	0.50	1.75
1,500	0.75	2.40
2,000	1.00	2.60
4,000	2.00	3.70
6,000	3.00	4.60
8,000	4.00	5.35
10,000	5.00	6.00
20,000	10.00	8.70
30,000	15.00	10.80
40,000	20.00	12.50
50,000	25.00	14.00
60,000	30.00	15.60
70,000	35.00	17.00
80,000	40.00	18.20

Process Weight Rate Pounds Per Hour	Process Weight Rate Tons Per Hour	Allowable Emission Rate Pounds Per Hour
90,000	45.00	19.20
100,000	50.00	20.50
200,000	100.00	29.50
300,000	150.00	37.00
400,000	200.00	43.00
500,000	250.00	48.50
600,000	300.00	53.00
700,000	350.00	58.00
800,000	400.00	62.00
900,000	450.00	66.00
1,000,000	500.00	70.00
Greater than 1,000,000	Greater than 500	70.00

Interpolated and extrapolated (up to process weight rates of 500 tons per hour) values of the data in Table 2.1 shall be determined by using the equation:

$$E = 2.54(P)^{0.534}$$

where: E = allowable emission rate in pounds per hour;

and P = process weight rate in tons per hour.

In the alternative, if installation and preliminary operation of the Sinter Breaker Process Baghouse Cleaner indicates that the breaker stack cannot be controlled by said device to

the standard herein specified, Granite City Steel Company may elect to cease its sinter operation until same is controlled to the standards herein specified, and such cessation, evidenced by notification by Granite City Steel Company to the Environmental Protection Agency within the 60 day period shall discharge the obligation of the bond, provided that Granite City Steel Company is in compliance with the schedule for installation of equipment shown on Exhibit A at the time of the election. Upon making such election, Granite City Steel Company agrees not to operate its sinter operation until same is controlled to the standards herein specified.

g) The form of the bonds shall be as set forth in Exhibits 1-6, which are attached hereto and incorporated herein by reference. The terms of Exhibits 1-6 express more particularly the agreement of the parties with respect to the above bonds. No forfeiture other than as set forth therein shall be declared, with respect to the matters therein comprehended. The Environmental Protection Agency and the Pollution Control Board may recover forfeitures only from the security accomplished by the posting of the aforesaid bonds.

4) For purposes of determining whether applicable particulate regulations of the Pollution Control Board have been complied with, as to installations referred to in Paragraphs 3(e) and 3(f), above, particulate emissions shall be determined by the procedures described in A.S.M.E. Power Test Code 27-1957, as revised; and these results

shall be submitted to the Environmental Protection Agency. Granite City Steel Company shall give the Environmental Protection Agency 72 hours' notice of its intent to conduct any tests pursuant to this Paragraph.

5) Granite City Steel Company will operate the AISI Coke Oven Air Quality Control System at the best attainable effectiveness using the best available technology and methods to attain same with the AISI Coke Oven Air Quality Control System within its basic design capability as fabricated and originally installed in accordance with the basic design drawings to reduce particulate emissions during the charging of fresh coal to the coke ovens on or before the end of 30 months from the date of an Order of the Pollution Control Board approving this Stipulation. To determine whether Granite City Steel Company has so operated the AISI Coke Oven Air Quality Control System, the Environmental Protection Agency may institute a proceeding before the Pollution Control Board. Granite City Steel Company shall then have the burden of proving that it is so operating the System within its basic design capability as fabricated and originally installed in accordance with the basic design drawings. If the Pollution Control Board shall determine that Granite City Steel Company has not operated the System as set forth in this Paragraph, then the Pollution Control Board may determine whether or not a penalty shall be assessed and, if so, the amount thereof.

6) At the end of twelve and twenty-four months from the date of an Order of the Pollution Control Board approving this Stipulation, the Environmental Protection Agency shall, in consultation with Granite City Steel Company, evaluate (1) the effectiveness of the Water Fogging System, and (2) the state of technology of control of emissions from pushing of coke from coke ovens. The evaluation shall include a specific determination of the reasonableness of any alternative method of control, if any, based on the state of technology, economic reasonableness, and the emissions to be controlled.

If at the end of either twelve month period, the Environmental Protection Agency shall determine that the Fogging System is not as effective a control of pushing the coke from coke ovens as an alternative system or systems, based on the state of technology, economic reasonableness, and the emissions to be controlled, then the Environmental Protection Agency shall inform Granite City Steel Company and shall report to the Pollution Control Board the system or alternative systems which it determines should be installed and suggest a reasonable time schedule for installation. Determinations and evaluations of the Environmental Protection Agency may be submitted to the Pollution Control Board by either party for review and appropriate orders at the end of twelve or twenty four months.

During said twelve month periods, the Environmental Protection Agency and Granite City Steel Company shall inform each other of improvements in the state of technology and may request discussions and

exchange of information related to said improvements in the state of technology.

7) The Environmental Protection Agency shall have authority to enter the property of Granite City Steel Company at all reasonable times for the purpose of inspecting and investigating to ascertain possible violations of the Environmental Protection Act or regulations hereunder, in accordance with constitutional limitations. In addition, the Environmental Protection Agency may enter the property of Granite City Steel at all reasonable times to inspect pollution control equipment installed under the program attached hereto as Exhibit A, and to examine the papers and documents of Granite City Steel Company pertaining to the implementation of this Stipulation and the program as further described in Exhibit A. Granite City Steel Company undertakes to honor all reasonable requests for inspection made by the Environmental Protection Agency pursuant to this Paragraph. In the event of dispute, the Pollution Control Board may enter appropriate orders permitting or denying inspection of the property and examination of papers and documents of Granite City Steel Company by the Environmental Protection Agency.

8) During the period of this agreement, Granite City Steel Company will maintain a continuous pollution control research and development program which shall have the continuing responsibility to evaluate the effectiveness of existing in-house pollution control equipment and methods, investigate new technology and processes in

the field, and program the installation of improved control equipment to attain higher emission standards as required by law. The individual responsible for this program will be identified to the Environmental Protection Agency not later than 30 days from the entry of an Order of the Pollution Control Board approving this Stipulation. Participation in joint research and study programs with other industrial firms and associations shall be considered as participation in a continuous research and development program, with respect to investigation of new technology and processes in the field. To the extent that details of proprietary information or details of trade secrets are not involved, as determined according to the law of Illinois, a summary of this research and development will be included in quarterly and annual reports to the Environmental Protection Agency throughout the life of this program.

9) During the time specified in Exhibit A for completion of the program for each named facility, as set forth in Roman Numerals I-VI therein, no enforcement action pursuant to Sections 31(a) and (c) of the Environmental Protection Act shall be brought for particulate air contaminant emissions beyond the limitations of the Environmental Protection Act and Pollution Control Board Rules and Regulations

thereunder as applied to the facility, provided that a variance of the Pollution Control Board or extension thereof for the completion of the program for each such facility or a Bond in the form shown in Exhibits 1 through 6 attached hereto assuring the completion of the program for each such facility is then operative. It is expressly understood that particulate air contaminant emissions beyond the limitations of the Act and Pollution Control Board Rules and Regulations shall be permitted for the duration of the Program for each named facility as set forth in Exhibit A, subject to the terms and conditions of this paragraph 9 with respect to subparagraphs a) through f) below.

Nothing contained in this Stipulation shall be construed to exempt Granite City Steel Company from compliance with regulations in effect or to be adopted by the Pollution Control Board for the control of air pollution episodes.

Variations shall be granted to Granite City Steel Company for installation and operation of equipment as set forth in Exhibit A, effective on the date of the Pollution Control Board Order approving this Stipulation, as follows:

- a) Coke oven operation, including transporting coke to quench tower, 12 months, except charging or any operation of which charging is considered a part for purposes of regulation, subject to extension for an additional period of 12 months;

- b) Quenching operation, six months;
- c) Blast Furnace, to and including December 31,

1971;

d) Sinter breaker process stack, 60 days from the date of Order or date next operated after Order, whichever is later.

Granite City Steel Company shall be granted variances for installation and operation of equipment specified in subparagraphs e) and f), below, and outlined further in Exhibit A for a period of one year from the date of the Pollution Control Board Order approving this Stipulation and so long as all provisions set forth in this Paragraph are complied with:

e) Charging and any operation of which charging is considered a part for purposes of regulation, to be completed within 30 months from the date of the Order approving this Stipulation;

f) Sinter process main windbox and pug mill, to be completed within 19-1/2 months from the date of the Order approving this Stipulation.

Granite City Steel Company shall make application to the Pollution Control Board for desired extensions of variances. If Granite City Steel Company shows satisfactory progress to the Environmental Protection Agency as herein defined, extension of the variances, described in e) and f) immediately above, shall be recommended by the Environmental Protection Agency to the Pollution Control Board prior to

consideration by the Pollution Control Board. For purposes of extending variances, "satisfactory progress" as used in the Environmental Protection Act shall be substantial compliance with Exhibit A with respect to the installation of equipment as set forth in Sections I and IV B therein.

10) Upon approval of this Stipulation and Exhibits by the Pollution Control Board, the pending enforcement Complaint in this docket will be dismissed with prejudice for the period of time covered by said Complaint to the date of the Order of the Pollution Control Board approving this Stipulation and Exhibits.

11) The provisions of this Stipulation and the program set out in Exhibit C shall become operative and effective only upon the order of the Pollution Control Board of Illinois. A draft of Exhibit C substantially the form contemplated by the parties is attached hereto. If the Pollution Control Board does not enter such an order approving the Stipulation and program, then each of the parties hereto shall be discharged from any obligation created or intended to be undertaken. This Stipulation shall be inoperative and the admissions, statements, programs and positions set out may not be considered to be or be used as admissions by either party in further proceedings had by Complainant under the amended Complaint filed in this docket or in any other proceeding, administrative or civil, by Complainant, or any other person, private, contractor or governmental agency,

nor may it be considered a petition for variance on the part of Granite City Steel Company.

12) Failure of Granite City Steel Company to comply with any term of this Stipulation or of Exhibit A hereto shall not result in any forfeiture or penalty if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slow-down, lockout, or work stoppage or labor trouble of any kind whatsoever, failure of supply of materials, parts or equipment, or failure, delay, or refusal of any designer, fabricator, or supplier to design, fabricate, deliver, or install as agreed any equipment specified herein, provided such failure, delay or refusal is not due to the fault of Granite City Steel Company, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Company.

13) The time during which the Environmental Protection Agency is reviewing permit applications in excess of 45 days from the date such application is filed with the Environmental Protection Agency, or the time during which the Pollution Control Board is reviewing denial of any permit by the Environmental Protection Agency shall extend any respective time period set forth

in this Stipulation or Exhibits A and 1-6 attached hereto.

14) The time for Granite City Steel Company to complete its program and meet the conditions of this Stipulation shall run from the date of entry of an Order of the Pollution Control Board approving this Stipulation and Exhibit A and the bonds in the form shown on Exhibits 1 through 6 attached. This Stipulation shall be operative for 24 months thereafter; except that the provisions of this Stipulation and the bond as applied to the AISI Air Quality Control Charging System shall be operative for 30 months and except that each obligation of Granite City Steel Company under this Stipulation, Exhibit A, or the bonds, Exhibits 1 through 6, shall be discharged contemporaneously with any earlier completion date achieved by Granite City Steel Company.

If the variance for either the AISI Air Quality Control Charging System or the Sinter Plant Main Windbox Venturi Scrubber contemplated in paragraph 9 of this Stipulation for these installations is not extended by the Pollution Control Board for any reason or reasons other than or in addition to the sole reason that Granite City Steel Company has failed to make satisfactory progress as defined in paragraph 9, to allow Granite City Steel Company time to complete the program set forth in Exhibit A, then each and every remaining obligation of the parties to this Stipulation shall be discharged, except for those facilities for which a variance has been extended or for which there is an effective

bond. If any action whatsoever by any person or governmental authority prohibits the lawful continuation or completion of the installation of or use of the AISI Air Quality Control Charging System or the Sinter Plant Main Windbox Venturi Scrubber the obligations of Granite City Steel Company with regard to the AISI Air Quality Control Charging System or the Sinter Plant Main Windbox Venturi Scrubber under this Stipulation shall be discharged.

15) For purposes of assisting Respondent in securing reductions and releases of the obligations of the bonds in Exhibits 1-6, the Environmental Protection Agency shall promptly inspect or review portions of the Program reported by Respondent by certified letter directed to the Director of the Environmental Protection Agency, or his duly designated representative within the Environmental Protection Agency, to have been completed, and the Environmental Protection Agency shall within 30 days of receipt of said certified letter directed to the Agency report by certified letter signed by the Director of the Environmental Protection Agency that completion of a portion of the program in compliance with bond terms has been accomplished, or in the alternative that completion has not been accomplished, in which event specific and detailed reasons for that conclusion shall be stated.

16) The Pollution Control Board shall retain continuing and exclusive original jurisdiction over all matters arising out

of this Stipulation and Exhibits A and 1-6 attached hereto. Disputes under this Stipulation or Exhibit A hereto and proceedings to declare forfeitures under Exhibits 1-6 shall be governed by the provisions of the Environmental Protection Act relating to hearings and the Rules of the Board for contested hearings. Either party shall have the right to appeal from such decisions of the Pollution Control Board in which case the provisions of the Environmental Protection Act relating to appeals shall govern.

17) Upon execution of this Stipulation on behalf of Granite City Steel Company and by the Director of the Environmental Protection Agency, the agreement shall be submitted by Granite City Steel Company to the Executive Committee of National Steel Corporation. The effectiveness of this agreement is contingent upon the following, and shall not be submitted to the Pollution Control Board before the following shall have occurred:

a) Granite City Steel Company has evidenced the corporate authority of its executive officers to enter into this Stipulation for the corporation.

b) The Executive Committee of National Steel Corporation shall have acknowledged Granite City Steel Company's authority to

enter into this Stipulation and the Executive Committee's concurrence in it.

ENVIRONMENTAL PROTECTION AGENCY

GRANITE CITY STEEL COMPANY

BY: _____
William Blaser
Director

BY: _____
Donald F. Cairns
Vice President

DATED: _____

DATED: _____

Granite City Steel Company
Air Pollution Control Program

I. Coke Ovens

Granite City Steel Company agrees to take the following steps to control emissions from coke ovens:

A. Charging

Granite City Steel Company agrees to modify its coke plant and install an AISI coke oven charging air quality control system.

A contract has been placed for this system and engineering for modifications and installations on the Granite City Steel batteries has already begun. The Granite City Steel system will be designed to contain potential particulate emissions from charging fresh coal to a coke oven within the by-product coke plant system insofar as the present state of technology permits.

The preliminary schedule for this work is more particularly detailed in the bar chart schedule appended hereto.

B. Self-Sealing Doors

To improve its maintenance program for its alloy steel, knife-edge, self-sealing coke oven doors, Granite City Steel Company as part of this program:

1. Will appoint one operating supervisor per operating turn, to have the responsibility for the continuing door maintenance program which has been established;
2. Will maintain a door repair station which has been established for prompt and efficient repair of coke oven doors and seals;

3. Will purchase twelve additional spare doors, in addition to the twelve doors previously kept as spares, to facilitate prompt replacement of damaged doors;
4. Will maintain spare alloy steel door seals which have been purchased and place them in stock for repair of door seals;
5. Will maintain refractories for lining or relining doors which have been purchased and placed in stock for door repairs.

C. PUSHING EMISSION CONTROL

Granite City Steel Company will install on its quench car a water fogging system for the reduction of pushing emissions within six months from the date of an Order of the Pollution Control Board approving this program.

Granite City Steel reserves the right to remove the system if it creates damage to Granite City Steel's equipment or a danger to workmen and to seek release from the Environmental Protection Agency and the Pollution Control Board from the obligation to maintain and use the system.

D. OPERATIONS

Granite City Steel Company will promptly prepare in writing and put into effect a complete and detailed set of air pollution control operating and maintenance work rules to establish an efficient air pollution control operation of the coke ovens.

One operating supervisor per shift shall be assigned the responsibility for preparation of an upset and breakdown report (if any upset or breakdown occurs) together with full implementation and compliance with the operating and maintenance work rule pro-

cedures and such reports will be made to the Illinois Environmental Protection Agency on a quarterly basis, the content of which shall be governed by applicable statutes and regulations.

Each month, the upset and breakdown reports will be analyzed in a staff meeting for the purpose of determining if the established operating and maintenance work rules and procedures are being complied with and whether modification of the said procedures is necessary to achieve a diminution of upset and breakdown occurrences. Affirmative steps will be taken to implement corrective action indicated to be necessary as a result of this analysis.

II. QUENCHING STATION

Granite City Steel Company will install a system of baffles on its quenching station as shown in engineering drawings appended to a permit application submitted by Granite City Steel to the Environmental Protection Agency on September 9, 1971. Installation will be made within six months of the date of an Order of the Pollution Control Board approving this Program.

III. BLAST FURNACE

A. EXCESS BLAST FURNACE GAS BLEEDER BURNER STACK

Granite City Steel Company will install an excess blast furnace gas bleeder burner stack as shown on permit application drawings. Granite City Steel received a permit dated July 16, 1971, from the Environmental Protection Agency for this installation. Installation will be made in 1971.

B. OPERATIONS

Granite City Steel Company will promptly prepare in writing and put into effect a complete and detailed set of air pollution control operating and maintenance work rules to establish an efficient air pollution control operation of the blast furnaces.

responsibility for preparation of an upset and breakdown report (if any upset or breakdown occurs) together with full implementation and compliance with the operating and maintenance work rules procedures and such reports will be made to the Illinois Environmental Protection Agency on a quarterly basis, the content of which shall be governed by applicable statutes and regulations.

Each month, the upset and breakdown reports will be analyzed in a staff meeting for the purpose of determining if the established operating and maintenance work rules and procedures are being complied with and whether modification of the said procedures is necessary to achieve a diminution of upset and breakdown occurrences. Affirmative steps will be taken to implement corrective action indicated to be necessary as a result of this analysis.

IV. SINTER PLANT

A. SINTER BREAKER PROCESS

A permit dated January 5, 1971, has been issued by the Environmental Protection Agency for the installation of a high efficiency baghouse cleaner for the sinter breaker process which is currently being installed. Installation will be completed within 60 days after the date of an Order of the Pollution Control Board approving this program, or 60 days after startup of the sinter plant, whichever event occurs later.

B. SINTER PROCESS - MAIN WINDBOX

Granite City Steel Company will install a high-energy, high-efficiency venturi scrubber system for cleaning emissions from the main windbox and the exhaust from the pug mill, which is part of the sinter process.

The estimated time required to complete the engineering, design, fabrication, erection, installation, and prove-out of this equipment is 19 1/2 months from the date of an Order of the Pollution Control Board approving this program.

The preliminary schedule for this work is more particularly detailed in the bar chart schedule appended hereto.

C. OPERATIONS

Granite City Steel Company will prepare in writing and put into effect a complete and detailed set of air pollution control operating and maintenance work rules to establish an efficient air pollution control operation of the sinter plant.

One operating supervisor per shift shall be assigned the responsibility for preparation of an upset and breakdown report (if any upset or breakdown occurs) together with full implementation and compliance with the operating and maintenance work rules procedures and such reports will be made to the Illinois Environmental Protection Agency on a quarterly basis, the content of which shall be governed by applicable statutes and regulations.

Each month the upset and breakdown reports will be analyzed in a staff meeting for the purpose of determining if the established operating and maintenance work rules and procedures are being complied with and whether modification of the said procedures is necessary to achieve a diminution of upset and breakdown occurrences. Affirmative steps will be taken to implement corrective action indicated to be necessary as a result of this analysis.

V. BASIC OXYGEN FURNACE, BLOOMING MILL, AND HOT STRIP MILL

A. OPERATIONS

Granite City Steel Company will promptly prepare in writing and put into effect a complete and detailed set of air pollution control operating and maintenance work rules to establish an ef-

efficient air pollution control operation of the basic oxygen furnace, blooming mill, and hot strip mill.

One operating supervisor per shift shall be assigned the responsibility for preparation of an upset and breakdown report (if any upset or breakdown occurs) together with full implementation and compliance with the operating and maintenance work rule procedures and such report will be made to the Illinois Environmental Protection Agency on a quarterly basis, the content of which shall be governed by applicable statutes and regulations.

Each month the upset and breakdown reports will be analyzed in a staff meeting for the purpose of determining if the established operating and maintenance procedures are being complied with and whether modification of the said procedures is necessary to achieve a diminution of upset and breakdown occurrences. Affirmative steps will be taken to implement corrective action indicated to be necessary as a result of this analysis.

VI. PROGRESS, UPSET AND BREAKDOWN AND RESEARCH AND DEVELOPMENT REPORTS

The Company will submit quarterly and annual progress reports to the Environmental Protection Agency concerning (a) the status of this program, (b) upsets and breakdowns, if any, and (c) research and development, as delineated below. However, there will be no duplication of information submitted on form reports required by statutes or regulations.

VII. RESEARCH AND DEVELOPMENT

During the term of this Program, Granite City Steel Company will maintain a continuous pollution control research and development program which shall have the continuing responsibility to evaluate the effectiveness of existing in-house pollution control equipment and methods, investigate and develop new technology and processes in the

field, and program the installation of improved control equipment to attain higher emission standards as required by law. The individual responsible for this program will be identified to the Environmental Protection Agency within thirty days of the entry of an Order of the Pollution Control Board approving this program. Participation in joint research and development programs with other industrial firms and associations shall be considered as participation in a continuous research and development program with respect to investigation and development of new technology and processes in the field.

To the extent that details of proprietary information or details of trade secrets are not involved, as determined by the law of Illinois a summary of this research and development will be included in the quarterly and annual reports to the Environmental Protection Agency throughout the life of this program.

VIII. STEAM GENERATING FACILITIES

Granite City Steel Company will promptly prepare in writing and put into effect a complete and detailed set of air pollution control operating and maintenance work rules to establish an efficient air pollution control operation of the steam generating facilities of the Company.

One operating supervisor per shift shall be assigned the responsibility for preparation of an upset and breakdown report (if any upset or breakdown occurs) together with full implementation and compliance with the operating and maintenance work rules procedure, and such report will be made to the Illinois Environmental Protection Agency on a quarterly basis, the content of which shall be governed by applicable statutes and regulations.

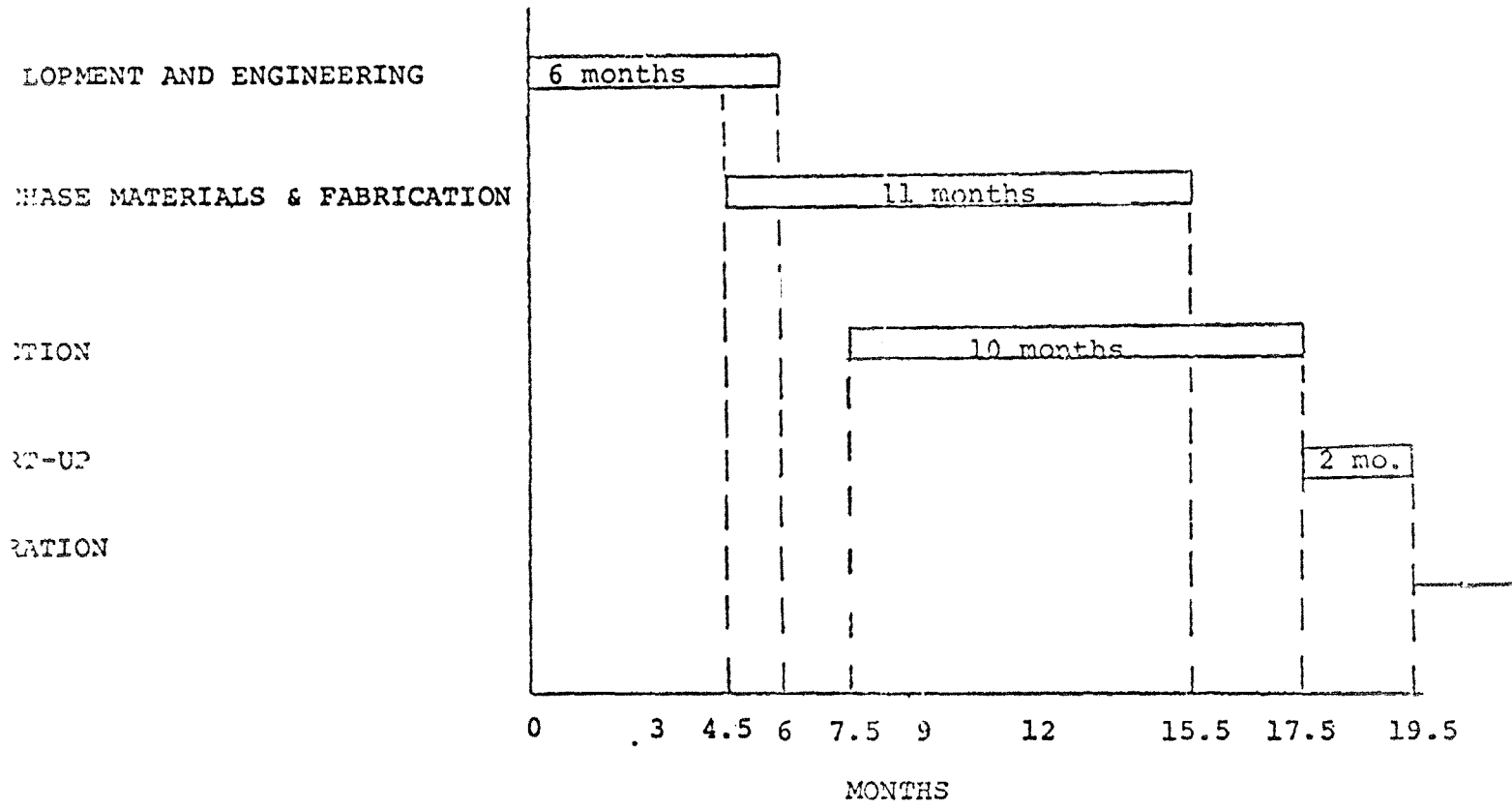
Each month the upset and breakdown reports will be analyzed in a staff meeting for the purpose of determining if the established operat

ting and maintenance procedures are being complied with and whether modifications of the said procedures is necessary to achieve a diminution of upset and breakdown occurrences. Affirmative steps will be taken to implement corrective action indicated to be necessary as a result of this analysis.

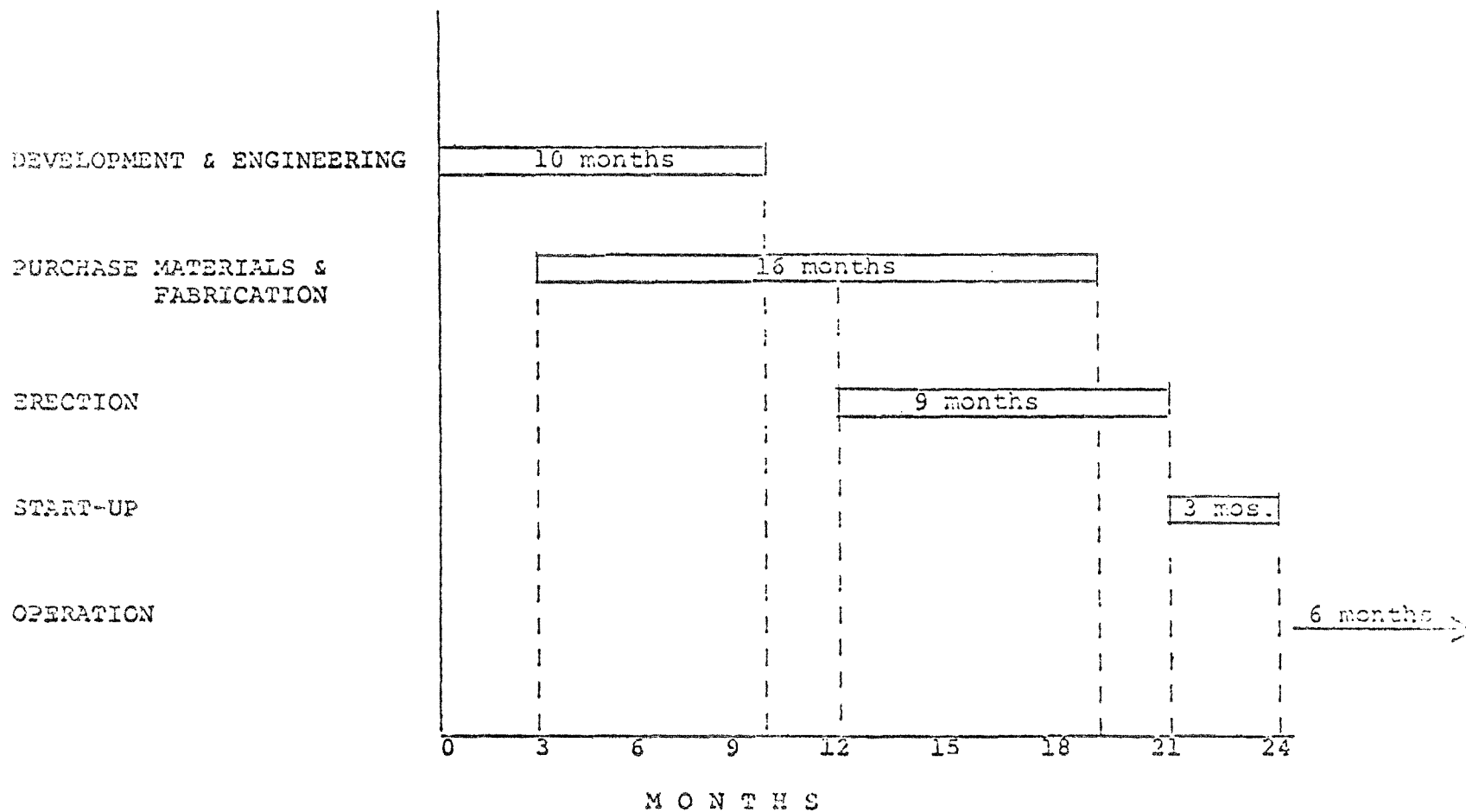
APPENDIX A

RECAPITULATION OF EXPENDITURES

<u>ITEM</u>	<u>TOTAL COST</u>	<u>AMOUNT EXPENDED TO DATE</u>	<u>AMOUNT REMAINING TO BE SPENT ON TOTAL ESTIMATED COST</u>
AISI Coal Charging System	\$2,250,000	\$100,000	\$2,150,000
Coke Oven Doors, etc.	90,000	60,000	30,000
Pushing Emission Control	60,000	---	60,000
Quenching Station	130,000	---	130,000
Bleeder Burner Stack	110,000	75,000	35,000
Sinter Breaker Baghouse	150,000	85,000	65,000
Sinter Plant Windbox	<u>1,300,000</u>	<u>100,000</u>	<u>1,200,000</u>
TOTALS	\$4,090,000	\$420,000	\$3,670,000



SCHEDULE FOR SINTER PLANT MAIN WINDBOX



SCHEDULE FOR AISI AIR QUALITY CONTROL CHARGING SYSTEM

AISI COKE OVEN CHARGING AIR QUALITY CONTROL SYSTEM

KNOW ALL MEN BY THESE PRESENTS, That we, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th and State Streets, Granite City, Illinois, herein called the Principal, and _____, herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of TWO MILLION ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,150,000.00) to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents.

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and applicable rules and regulations from a coke oven plant owned by said Principal and located in Ramoeki Township, Madison County, Illinois which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a penal surety bond in the amount of TWO MILLION ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,150,000) which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install and operate a certain

AISI Coke Oven Charging Air Quality Control System, as specified in said Order, all to be accomplished by no later than thirty (30) months from the date of the entry of said Order;

NOW, if said Principal, its successors and assigns, shall install and have in operation the said AISI Coke Oven Charging Air Quality Control System on said coke oven plant on or before

for removal of the particulate air contaminants emitted from the process of charging coal to said coke ovens, then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED THAT the said Principal may prior to 30 months reduce the face amount of this obligation by increments in the following manner:

<u>OCCURRENCE OF EVENTS</u>	<u>AMOUNT OF BOND REDUCTION</u>
Completion of all detailed drawings necessary to begin fabrication and submission of same to the Environmental Protection Agency	\$300,000
Actual fabrication of AISI larry car and delivery to Granite City Steel plant site as shown by affidavit of the said Principal	900,000
Erection of AISI larry car, as designed, on coke oven batteries, as shown by affidavit of the said Principal	850,000
Electrical and mechanical start-up of AISI larry car, as designed to operate	100,000

PROVIDED FURTHER that the Principal may, at any time after the principal amount of this bond has been properly reduced to NINE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$950,000), furnish to the Environmental Protection Agency a personal bond in the amount of

FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$450,000), to assure compliance with the remaining conditions of this bond, as set forth above, in lieu of this obligation, whereupon FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$450,000) of the remaining obligation under this surety bond shall be void.

PROVIDED FURTHER, that if any time during the term of this bond and prior to the date set forth in the condition of this bond a variance set forth in the Order referred to above has terminated for any reason or reasons other than or in addition to the sole reason that Granite City Steel Company has failed to make satisfactory progress as defined in paragraph 9 of the Stipulation and the Order of the Pollution Control Board or such variance has not been extended for any such other or additional reason or reasons, then this obligation shall be immediately void; if any action whatsoever, beyond the exclusive control of Granite City Steel Company, by any person or governmental authority prohibits the lawful continuation or completion of the installation of or use of the AISI Air Quality Control System, this obligation shall be void at the election of Granite City Steel Company.

PROVIDED FURTHER THAT failure of the Principal to comply with any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control,

strike, slowdown, lockout, or work stoppage or labor trouble of any kind whatsoever, failure of supply of materials, parts or equipment or failure, delay or refusal of any designer, fabricator, or supplier to design, fabricate, deliver, or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due in whole or in part to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Principal.

Certification by the Environmental Protection Agency to the Principal, in the form required by the Pollution Control Board's Order, or affidavit of the Principal as provided above shall constitute sufficient proof to the Surety that the events necessary to reduce certain portions of this obligation or to discharge the obligation, as hereinabove provided, have in fact occurred.

Proceedings to declare forfeitures under this bond shall be instituted before the Pollution Control Board within 30 days after

upon prior written notice to Principal and Surety by registered or certified mail to the addresses listed below; otherwise this obligation shall be void. Pollution Control Board Rules

for contested hearings and the provisions of the Environmental Protection Act relating to hearing and appeals shall govern such proceedings.

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th and State Streets
Granite City, Illinois

Attention: Mr. Donald F. Cairns
Vice President

Notice to the Surety shall be to:

QUENCH CAR WATER FOGGING SYSTEM

KNOW ALL MEN BY THESE PRESENTS, That we, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th and State Streets, Granite City, Illinois, herein called the Principal, and _____, herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00), to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents.

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Stipulation and Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and applicable rules and regulations from a coke oven plant and quench car owned by said Principal and located in Nameeki Township, Madison County, Illinois, which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a penal surety bond in the amount of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install a certain Quench Car Water Fogging System, as specified in said Order, to be accomplished by no later

and six (6) months from the date of the entry of said Order;

NOW, if said Principal, its successors and assigns, shall install and have in operation the said Quench Car Water Fogging System on said coke oven plant quench car and prepare and put into effect written pollution control operating and maintenance work rules relating to the said Quench Car Water Fogging System, as specified in said order, on or before _____ then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that if the Environmental Protection Agency at any time hereafter shall certify, as provided in the Order of the Pollution Control Board, or if the Pollution Control Board shall enter an Order to the effect that Granite City Steel is released from its obligation to maintain and use the water fogging system, this obligation shall be null and void.

PROVIDED FURTHER, that failure of the Principal to comply with any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slowdown, lockout, or work stoppage or labor trouble of any kind whatsoever, failure, delay, or refusal of any designer, fabricator, or supplier to design, fabricate, deliver, or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Principal.

Certification by the Environmental Protection Agency to the said Principal, in the form required by the Order of the Pollution Control Board, shall constitute sufficient proof to the Surety that the events necessary to discharge this obligation have in fact occurred.

Proceedings to declare forfeitures under this bond shall be instituted before the Pollution Control Board within 30 days after upon prior written notice to Principal and Surety by certified mail to the addresses listed below; otherwise this obligation shall be void. The Procedural Rules of the Pollution Control Board for contested hearings and the provisions of the Environmental Protection Act relating to hearings and appeals shall govern such proceedings.

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th and State Streets
Granite City, Illinois

Attention: Mr. Donald F. Cairns
Vice President

Notice to the Surety shall be to:

QUENCHING STATION SYSTEM OF BAFFLES

KNOW ALL MEN BY THESE PRESENTS, That we, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th & State Streets, Granite City, Illinois, herein called the Principal, and

herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of ONE HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (\$130,000.00) to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents.

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and applicable rules and regulations from a quenching station owned by said Principal and located in Nameoki Township, Madison County, Illinois, which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a penal surety bond in the amount of ONE HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (\$130,000.00) which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install a certain Quenching Station

system of Baffles, as specified in said Order, to be accomplished by no later than six (6) months from the date of the entry of said Order.

NOW, if said Principal, its successors and assigns, shall install and have in operation the said Quenching Station System of Baffles on said quenching station on or before _____ so as to operate as designed to remove particulate air contaminants emitted from the process of quenching coke, then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED that failure of the Principal to comply with any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slowdown, lockout, or work stoppage or labor trouble of any kind whatsoever, failure of supply of materials, parts, or equipment, or failure, delay, or refusal of any designer, fabricator, or supplier to design, fabricate, deliver, or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Principal.

Certification by the Environmental Protection Agency to the said Principal, in the form required by the Order of the Pollution Control Board shall constitute sufficient proof to the Surety that the events necessary to discharge this obligation have in fact occurred.

Proceedings to declare forfeitures under this bond shall be

instituted before the Pollution Control Board within 30 days after
upon prior written notice to Principal and
surety by certified mail to the addresses listed below; otherwise
this obligation shall be void. The Procedural Rules of the Pollu-
tion Control Board for contested hearings and the provisions of
the Environmental Protection Agency relating to hearings and ap-
peals shall govern such proceedings:

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th & State Streets
Granite City, Illinois

Attention: Mr. Donald F. Cairns
Vice President

Notice to the Surety shall be to:

SURETY BOND

EXCESS BLAST FURNACE GAS BLEEDER BURNER STACK

KNOW ALL MEN BY THESE PRESENTS, That we, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th & State Streets, Granite City, Illinois, herein called the Principal, and , herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of THIRTY-FIVE THOUSAND AND NO/100 DOLLARS (\$35,000) to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Stipulation and Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and applicable rules and regulations from two blast furnaces owned by said Principal and located in Nameoki Township, Madison County, Illinois, which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a penal surety bond in the amount of THIRTY-FIVE THOUSAND AND NO/100 DOLLARS (\$35,000), which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install and operate a certain smoke-

less Excess Blast Furnace Gas Bleeder Burner Stack, as specified in said Order, all to be accomplished no later than December 31, 1971;

NOW, if said Principal, its successors and assigns, shall install and have in operation the said smokeless Excess Blast Furnace Gas Bleeder Burner Stack on said blast furnaces on or before December 31, 1971, then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED THAT failure of the Principal to comply with any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slowdown, lock-out, or work stoppage or labor trouble of any kind whatsoever, failure of supply of materials, parts, or equipment, or failure, delay, or refusal of any designer, fabricator or supplier to design, fabricate, deliver or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due in whole or in part to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Principal.

Certification by the Environmental Protection Agency to the Principal, in the form required by the Board's Order, shall constitute sufficient proof to the Surety that the events necessary to discharge this obligation have in fact occurred.

Proceedings to declare forfeitures under this bond shall be instituted before the Pollution Control Board within 30 days after upon prior written notice to Principal and Surety by registered or certified mail to the addresses listed below; other-

wise this obligation shall be void. The Procedural Rules of the Pollution Control Board for Contested hearings and the provisions of the Environmental Protection Act relating to hearings and appeals shall govern such proceedings.

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th and State Streets
Granite City, Illinois

Attention: Mr. Donald F. Cairns
Vice President

Notice to the Surety shall be to:

SINTER BREAKER PROCESS BAGHOUSE CLEANER

KNOW ALL MEN BY THESE PRESENTS, that We, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th & State Streets, Granite City, Illinois, herein called the Principal, and _____, herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of Sixty-Five Thousand and no/100 Dollars (\$65,000.00) to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and applicable rules and regulations from a sinter breaker process owned by said Principal and located in Nameoki Township, Madison County, Illinois, which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a surety bond in the amount of Sixty-Five Thousand No/100 Dollars (\$65,000.00) which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install and operate a certain High Ef-

High Efficiency Baghouse Cleaner for the Sinter Breaker Process, as specified in said Order, all to be accomplished by no later than sixty (60) days from the later of the following dates:

- (1) from the date of the entry of said Order, or
- (2) from the date said sinter breaker process is next operated by said Principal after the date of the entry of said Order;

NOW, if said Principal, its successors and assigns, shall install and have in operation the said High Efficiency Baghouse Cleaner for the sinter breaker process on or before the later of the following dates:

- (1) _____ or
- (2) 60 days from the date said sinter breaker process is next operated by said Principal after the date of the entry of the Order of the Pollution Control Board

so as to bring the said sinter breaker process to within the standards specified in the Order of the Pollution Control Board, or if the Principal shall cease its sinter plant operation within the above time limitations in accordance with the said Order of the Pollution Control Board and shall so advise the Environmental Protection Agency of said cessation, then in either event this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED THAT, failure of the Principal to comply with any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government of priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slowdown, lockout, or

supply of materials, parts, or equipment, or failure, delay, or refusal of any designer, fabricator, or supplier to design, fabricate, deliver or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the principal.

Certification by the Environmental Protection Agency to the said Principal, in the form required by the Order of the Pollution Control Board, shall constitute sufficient proof to the Surety that the events necessary to discharge this obligation have in fact occurred.

Proceedings to declare forfeitures under this bond shall be instituted before the Pollution Control Board within 30 days after
upon prior written notice to Principal and
Surety by certified mail to the addresses listed below; otherwise this obligation shall be void. The Procedural Rules of the Pollution Control Board for contested hearings and the provisions of the Environmental Protection Act relating to hearings and appeals shall govern such proceedings.

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th and State Streets
Granite City, Illinois

Attention: Mr. Ronald P. Cairns
Vice President

Notice to the Surety shall be to:

SURETY BOND

SINTER PROCESS MAIN WINDBOX VENTING EXHAUSTER SYSTEM

KNOW ALL MEN BY THESE PRESENTS, That we, Granite City Steel Company, a Corporation organized under the laws of the State of Delaware, having its principal place of business at 20th & State Streets, Granite City, Illinois, herein called the Principal, and _____, herein called the Surety, are hereby held and firmly bound unto the Environmental Protection Agency of the State of Illinois, in the penal sum of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000.00) to be paid to the said Environmental Protection Agency, or its successors, for which payment well and truly to be made we do bind ourselves, our successors and assigns, firmly by these presents.

The condition of this obligation is such that:

WHEREAS, an Order has heretofore been entered in the cause entitled Environmental Protection Agency v. Granite City Steel Company, PCB 70-34, by the Illinois Pollution Control Board approving a Program for installation and operation of facilities and granting said Principal a variance to emit particulate air contaminants beyond the limitations prescribed in the Illinois Environmental Protection Act and by applicable rules and regulations from the sinter process main windbox owned by said Principal and located in Nameoki Township, Madison County, Illinois, which Order is by reference incorporated herein; and

WHEREAS, said Order was conditioned, among other things, upon the posting by said Principal of a surety bond in the amount of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000.00) which amount shall be forfeited to the State of Illinois in the event that the said Principal shall fail to install and operate a certain Sinter

Process Main Windbox Venturi Scrubber System, as specified in said Order, all to be accomplished by no later than 19 1/2 months from the date of the entry of said Order;

NOW, if said Principal, its successors and assigns, shall install and have in operation the said Sinter Process Main Windbox Venturi Scrubber System on said sinter plant on or before so as to bring said stack to within standards specified in the Order of the Pollution Control Board, or if the Principal shall cease its sinter plant operation within the above time limitation in accordance with the said Order of the Pollution Control Board and shall so advise the Environmental Protection Agency of said cessation, then in either event this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED that the standards referred to above shall not include Ringelmann or opacity regulations.

PROVIDED FURTHER, that said Principal may, prior to 19 1/2 months from the date of the Order of the Pollution Control Board reduce the face amount of this obligation by increments in the following manner:

<u>OCCURRENCE OF EVENTS</u>	<u>AMOUNT OF BOND REDUCTION</u>
Completion of all detailed drawings necessary to begin fabrication and submission of same to the Environmental Protection Agency	\$ 200,000
Delivery of Venturi Scrubber System equipment to Granite City Steel Company plant site as shown by affidavit of the said Principal	400,000
Erection of Venturi Scrubber System Tributary to the Sinter Plant Main Windbox as shown by affidavit of Principal	500,000
Submission of Stack Test data to Environmental Protection Agency showing compliance as provided above	0,000

PROVIDED FURTHER, that if any time during the term of this bond and prior to the date set forth in the condition of this bond a variance set forth in the Order referred to above has terminated for any reason or reasons other than or in addition to the sole reason that Granite City Steel Company has failed to make satisfactory progress as defined in paragraph 9 of the Stipulation and the Order of the Pollution Control Board or such variance has not been extended for any such other or additional reason or reasons, then this obligation shall be immediately void; if any action whatsoever, beyond the exclusive control of Granite City Steel Company, by any person or governmental authority prohibits the lawful continuation or completion of the installation of or use of the Sinter Plant Main Windbox Venturi Scrubber, this obligation shall be void at the election of Granite City Steel Company.

any term of this bond shall not result in any forfeiture if occasioned by Act of God or the public enemy, accidental fire or explosion, flood, war, riot, sabotage, accident, government priority or other action by any state or federal governmental authority or local governmental authority other than relating to pollution control, strike, slowdown, lockout, or work stoppage or labor trouble of any kind whatsoever, failure of supply of materials, parts, or equipment, or failure, delay, or refusal of any designer, fabricator, or supplier to design, fabricate, deliver, or install as agreed any equipment specified herein, provided such failure, delay, or refusal is not due to fault of the Principal, or if occasioned by any other circumstance, whether of like character or different character from those enumerated above, which circumstance is beyond the reasonable control of the Principal.

Certification by the Environmental Protection Agency to the said Principal, in the form required by the Board's Order, shall constitute sufficient proof to the Surety that the events necessary to reduce certain portions of this obligation or to discharge this obligation have in fact occurred.

Proceedings to declare forfeitures under this bond shall be instituted before the Pollution Control Board within 30 days after
upon prior written notice to Principal
and Surety by certified mail to the addresses listed below; otherwise this obligation shall be void. The Procedural Rules of the Pollution Control Board for contested hearings and the provisions of the Environmental Protection Act relating to hearings and appeals shall govern such proceedings.

Notice to the Agency shall be to:

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois

Attention: _____

Notice to the Principal shall be to:

Granite City Steel Company
20th & State Streets
Granite City, Illinois

Attention: Mr. Donald F. Cairns
Vice President

Notice to the Surety shall be to:

IT IS SO ORDERED.

I, Christan Moffett, Clerk of the Illinois Pollution Control Board, certify that the above Order was entered on this 25th Day of April, 1972, by a vote of 5 to 0.

Christan Moffett

