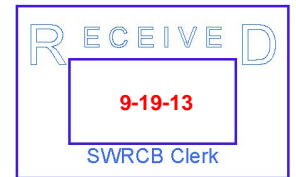


September 19, 2013

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



(Submitted via email: commentletters@waterboards.ca.gov)

Subject: Schnitzer Steel Industries, Inc. Comments on the
July 19th, 2013 Draft Industrial General Permit

Dear Ms. Townsend:

Schnitzer Steel Industries, Inc. ("Schnitzer") is submitting this comment letter on the above-referenced Draft Industrial General Permit (IGP). In its comments below, Schnitzer presents specific issues of concern regarding the current draft IGP.

Schnitzer is a leading metals recycler within the state of California. Schnitzer is currently engaged in recycling operations at five California facilities, all of which are covered under the current IGP. Schnitzer's California operations result in the recycling of hundreds of thousands of tons of scrap metal each year. Schnitzer's recycling activities provide significant benefits to the citizens of California as scrap metal is prevented from being disposed in landfills or illegal dump sites, and is recycled for beneficial use in alternative products. Scrap metal recycling provides additional environmental benefits due to substantially reduced raw material and energy requirements when compared to producing steel products from iron ore. Schnitzer's scrap metal recycling activities reduce waste disposal, raw material mining, and greenhouse gas emissions associated with both mining and steel production processes. Schnitzer is concerned that application of the current draft IGP, without additional revision, could impede not only our ability to provide basic metal recycling activities, but also diminish our ability to reduce raw material use and greenhouse gas emissions.

The IGP is an important permit for Schnitzer because we operate five facilities which are authorized to discharge stormwater under the terms of this document. They consist of four scrap metal recycling facilities and a scrap metal shredding and export facility with a deep water port. Schnitzer's ownership of these permitted facilities has given us the opportunity to experience the State Water Resources Control Board's (SWRCB) general stormwater permits first hand. The comments below are based on our substantial experience with implementation of SWRCB's current stormwater permit dating back more than fifteen years.

In many cases the terms and conditions of the draft permit have been improved from earlier versions and the current IGP. Schnitzer appreciates the SWRCB's efforts to improve the IGP, fair consideration of previous comments made during the public process, and hard work to address the issues identified. However, we believe additional refinements are necessary to develop an appropriate final permit which balances environmental protection with reasonable resource allocation considerations. Schnitzer has a few specific concerns related to draft IGP components which will likely cause unreasonable regulatory burdens, difficult technical challenges, and prohibitive compliance costs.

Proposed minimum BMP's for material storage and material handling:

There are several minimum BMP's listed in the permit that would be very impractical for Schnitzer Steel to implement on several levels (See Table 1). Full containment of material storage areas and material handling activities seems to be implied by the current draft of the general permit. Schnitzer Steel operates several facilities in California that range in size from 5 acres to over 25 acres. The full containment of material storage and material handling as contemplated in the draft IGP would be logistically impossible and financially prohibitive to implement. Schnitzer's operations involve moving and storing thousands of tons of material around our facilities on a daily basis. Of necessity, stockpiles of incoming scrap metal, process aggregates and processed scrap metal are stored outdoors where they can be moved by very

large heavy industrial equipment (e.g., cranes, grapples, mine trucks, etc.). To implement full containment of all material handling and storage operations would require significant construction to accommodate our operations. Given the extremely large volumes of material that are processed on a daily basis, it is infeasible to store these materials in individual covered containers or bins from the standpoint of logistics. Not only would we need thousands of these containers and the space to store and maneuver them, but the process of continually having to load, cover, uncover and unload these containers would be extremely disruptive for operations. Requirements to cover materials during storage and movement around our facilities are also unduly burdensome. Scrap metal recycling activities simply can't be conducted in a fully contained manner. In short, conducting our recycling operations in a fully contained manner would severely impact the efficiency of our operations. In addition, the cost of such large buildings (literally covering multiple acres) and new fully-contained bins for material handling would be prohibitively expensive and provide relatively little environmental benefit to water quality.

Schnitzer Steel currently employs numerous best management practices (BMPs) at all of our facilities to minimize discharge of pollutants offsite. These BMPs include several forms of dust suppression; operational, structural and treatment storm water BMPs which include minimization of storm water exposure to pollutants, on-site retention of storm water, and operation of active storm water treatment systems. By requiring full containment of industrial materials, this draft permit will place unrealistic financial and logistical burdens on Schnitzer Steel and the metal recycling industry as a whole. Schnitzer Steel believes that the current permit which allows regulated facilities to develop their own site/industry specific BMPs promotes efficient, cost effective reductions of pollutants in storm water by allowing BMPs to be specifically tailored to facility-specific and industry characteristics. Schnitzer believes substituting broadly applied prescriptive minimum BMPs for the facility/industry specific approach allowed in the current IGP would cause unnecessary operational and financial burdens on industry while achieving very minimal additional environmental benefit.

We believe that most portions of the new draft permit are reasonable and will provide increased protection to California's water resources. However, we also believe that several of the minimum BMPs are overly burdensome and costly, and that industry and the public would be better served by continuing the practices prescribed within the current IGP which allows individual industries and facilities to establish appropriate BMPs tailored to industry/facility characteristics to comply with the IGP.

Thank you for the opportunity to provide comments on the subject draft IGP. We appreciate your consideration of our comments on this draft permit.

Sincerely,



Chris Orsolini
Regional Environmental Manager
orsolini@schn.com

Schnitzer Steel Industries, Inc.
1101 Embarcadero West
Oakland, CA 94607

Table 1 Minimum BMP's

Document Page	Section	Permit Language	Suggested Revision	Comments
30	X:H.1.b.vi	"Cover all stored industrial materials that can be readily mobilized by contact with storm water."	"Minimize exposure of stored industrial materials that can be readily mobilized by contact with storm water."	The permit as currently written seems to imply that a facility with a general industrial permit must prevent all storm water contact with industrial material . This is large departure from the existing permit that emphasizes minimization of exposure of storm water to pollutants. Schnitzer Steel operates large, outdoor facilities in California. The smallest is over 5 acres and the largest exceeds 25 acres in size. It is not practical for us to cover all industrial materials. This would involve multiple, extremely cost prohibitive buildings with extremely tall heights to accommodate thousands of tons of scrap metal. Schnitzer Steel employs many best management practices to minimize pollutants in storm water such as treatment of storm water prior to discharge and containment of storm water onsite.
30	X:H.1.b.vii	"Contain all stored non-solid industrial materials (e.g., liquid, powder, etc.) that can be transported or dispersed via wind or contact with storm water."	"Store all non-solid industrial materials (e.g. liquid, powder, etc.) in a manner that minimizes dispersion from wind"	The permit as currently written seems to imply that a facility with a general industrial permit must prevent all storm water contact and wind contact with industrial material . This is large departure from the existing permit that emphasizes minimization of exposure of storm water to pollutants. Schnitzer Steel operates large, outdoor facilities in California. The smallest is over 5 acres and the largest exceeds 25 acres in size. It is not practical for us to cover all industrial materials to minimize wind or storm water mobilization. This would involve multiple, extremely cost prohibitive buildings with extremely tall heights to accommodate thousands of tons of scrap metal. Schnitzer Steel employees BMP's to minimize wind dispersion of industrial materials through use of dust control mist turbines, regular use of a water truck sprayer, and regular sweeping of paved surfaces throughout our facility. Additionally, Schnitzer Steel employs many best management practices to minimize pollutants in storm water such as treatment of storm water prior to discharge and containment of storm water onsite and beneficial reuse of storm water for dust control.

31	X.H.1.e.ii	" Contain non-solid industrial materials or wastes that can be dispersed via wind erosion or contact with storm water during handling "	" Minimize the dispersion of non-solid industrial materials or wastes via wind or storm water during handling. "	<p>The draft permit, as currently written seems to imply that all material handling must be fully contained a facility with industrial permit coverage. Schnitzer Steel operates several large, outdoor facilities in California. The smallest is over 5 acres and the largest exceeds 25 acres in size. It is not practical for us to cover all industrial materials. This would involve multiple, extremely cost prohibitive buildings with extremely tall heights to accommodate thousands of tons of scrap metal and other material being handled. The sheer volume of material being handled on a daily basis makes full containment of material handling activities logistically and financially infeasible on a practical level. However, Schnitzer Steel employs BMP's to minimize wind dispersion of industrial materials through use of dust control mist turbines, regular use of a water truck sprayer, and regular sweeping of paved surfaces throughout our facility. Additionally, Schnitzer Steel maintains minimum moisture content in material that can be mobilized by the wind to minimize dispersion.</p>
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