



August 30, 2013

The Honorable Scott Nally
Director, Ohio EPA
50 W. Town Street
Columbus, Ohio 43215

Re: Ohio Steel Council Follow-up on Slag Discussion with Ohio EPA

Dear Director Nally:

On behalf of the Ohio Steel Council (OSC) and our 14 member companies located throughout the state, we thank you and your staff for taking time to meet with us on August 12 to discuss the importance of slag.

Per our meeting, the Ohio EPA is proposing a "Beneficial Use of Industrial Byproducts in Ohio" regulation, which as proposed, would include steel and blast furnace slag. However, the Ohio Environment Statute excludes iron and steel slag from solid waste regulations. Specifically, Chapter 3734.01 states "solid wastes means such unwanted residual solid or semisolid material as results from industrial, commercial, agricultural and community operations, excluding ... slag and other substances that are not harmful or inimical to public health." With this in mind, we believe this long-standing recognition of iron and steel slag as products should remain, and respectfully request that iron and steel slag products be exempt from any proposed "Beneficial Use of Industrial Byproducts" regulation.

Our request for an exemption for iron and steel slag is based on science. By way of background, iron and steel slags are commodities whose production and consumption have been tracked as far back as the late 1930s by the US Geological Survey (USGS). Iron and steel slags have been predominantly used in the construction and cement industries as raw material aggregates, and, within the state of Ohio the use of iron and steel slag predates the tracking statistics developed by the USGS. Iron and steel slags are products with current and historic widespread use. Iron and steel slags are produced while making iron and steel, and these slags are also known as blast furnace slag and steel slag. The value of iron and steel slags as commodities is well documented and, as USGS statistics confirm, iron and steel slag value has been on the rise and clearly cannot be characterized as solid waste.

Iron and steel slag products are utilized as manufactured or engineered aggregate products that compete and may exceed natural aggregates in quality and typically are available at better prices. Almost 20 million tons of iron and steel slag are sold annually and the US imports more than one million tons of iron and steel slag every year. Environmental applications for iron and steel slag include use in acid mine drainage remediation by Ohio DNR and use in agriculture approved by Ohio DOA.

Further, the production of slag from Ohio's steel industry has a direct impact on the state's economy.

The OSC estimates that the Ohio steel industry's total impact on the state's economy to be an estimated \$7.2 billion.

- Nearly 100,000 jobs link to the steel industry either through direct employment or ripple effects throughout the economy.
- For every single job in the steel industry, two more jobs are created and together generate approximately \$4.8 billion in wages.

- More than 22,000 Ohio residents work directly for companies that produce or process steel products, such as slag.
- Those companies pay more than \$600 million in taxes to Ohio and its local communities, and \$700 million in federal taxes. Revenue from those taxes helps maintain and strengthen local, state and federal programs. In addition, the steel industry in Ohio invests about \$315 million per year on capital expenditures taking advantage of some of the most advanced technologies in the world.

It was referenced by your team at the meeting that these proposed regulations were to have “no impact” or “minimal impact” on the steel and slag industry. However, as suggested, including slag in “Tier Two” or any “Tier” for that matter in the Ohio EPA’s proposed “Beneficial Use of Industrial Byproducts in Ohio” regulation will imply that slag is a waste and regulated as such by OEPA, and will definitely have a significant, negative economic impact not only on the steel and slag industries but the state. We believe this sudden shift in the status of slag will create unmerited concern with not only the industry’s customers but the public. As a result, good paying jobs will be lost and hard-working families will be impacted.

It is important to note that of the total natural aggregates produced in this century, more than one-half was produced and consumed in the last 25 years. Ohio is the third largest aggregate producer in the United States only surpassed by Texas and California. Nevertheless we recognize that Earth’s resources, however vast, are finite. We also realize that everything we use must start with raw materials that are grown or mined. We also understand that wise stewardship of the environment is necessary to preserve natural resources for future generations. For this reason any effort to restrict the use of a valuable resource such as iron and steel slag with a lengthy history of successful and safe application is contrary to the public good and should be discouraged.

Based on the information presented at our meeting, the OSC again strongly requests that iron and steel slag be exempt from the Ohio EPA’s beneficial use program since it is a product and not a solid waste.

Again, thank you for allowing the OSC to provide comments on this important topic. Please feel free to contact us for additional information.

Cordially,



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OSC Board President and Chair



Emily Petrovich
United States Steel Corporation
OSC Government Affairs Committee Chair

cc: Laura Factor
Pam Allen