

SCHNITZER STEEL INDUSTRIES

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July 14, 2009

Mr. Jeff Killelea and Mr. Bill Moore
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

(Submitted via email: industrialstormwatercomments@ecy.wa.gov)

Subject: Schnitzer Steel Industries, Inc. Comments on the Proposed
October 21, 2009 Revised Draft Industrial Stormwater General Permit
Issued June 3, 2009

Dear Mr. Killelea and Mr. Moore:

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

Schnitzer is the leading metals recycler within Washington State. Schnitzer is currently engaged in recycling operations at five Washington facilities, four of which are covered under the current ISWGP. Schnitzer's Washington 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 Washington 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 ISWGP to its metal recycling operations, without additional revision, could impede not only its ability to provide basic metal recycling activities, but also diminish our ability to reduce raw material use and greenhouse gas emissions.

The ISWGP is an important permit for Schnitzer because we operate four facilities which are authorized to discharge stormwater under terms of this document. They consist of two scrap metal recycling facilities, a proposed scrap metal/auto recycling facility, and a vehicle parking and equipment storage yard. Schnitzer's ownership of these permitted facilities has given us the opportunity to experience Ecology's general stormwater permits first hand. The comments below are based on our substantial experience with implementation of Ecology's previous stormwater permits dating back more than fifteen years. Regrettably, many experiences we've had with the previous Ecology stormwater permits have been challenging due to complex, burdensome and costly requirements which may not have resulted in additional environmental protection. Schnitzer shares these concerns with many other Washington businesses, including several colleagues within the metals recycling industry.

In some cases the terms and conditions of the draft permit have been improved from earlier versions. Schnitzer appreciates Ecology's efforts to improve the ISWGP, 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's specific concerns related to current draft ISWGP components which appear to be unreasonably burdensome, without providing additional environmental benefit, are discussed below.

Proposed Copper Benchmark Value Reduction:

Table 3 of Special Condition S5 of the draft ISWGP proposes a reduced copper benchmark level for Western Washington of 14 parts per billion (ppb). This proposed benchmark level represents an over four-fold reduction from the current ISWGP's Western Washington copper benchmark value. Schnitzer facilities have had little difficulty maintaining compliance with the current benchmark value of 63.6 ppb; however, compliance with the proposed new copper benchmark would present significant compliance difficulties. It is likely that substantial costs required to install sophisticated treatment equipment would be necessary to ensure compliance with the proposed new benchmark for our facilities. It is possible that increased stormwater treatment costs could influence the financial balance at some of our Washington facilities in a manner that could affect our scope of operations.

Schnitzer questions whether reducing the Western Washington copper benchmark value from 63.6 to 14 ppb creates an improved level of environmental protection which justifies potentially substantial increased stormwater treatment costs. Such increased treatment costs could result in closure of metals recycling facilities which provide fundamental environmental and economic benefits to the community. At a time when global economic conditions have subjected Washington business to significant stress, we believe imposition of reduced copper benchmark levels, which will require costly infrastructure upgrades to comply, is inadvisable.

For comparison purposes we note that the current Washington State Drinking Water Action Level for copper is 1,300 ppb. The City of Lacey reported one drinking water monitoring sample collected in calendar year 2008 at a concentration exceeding the State Action Level (see attached "[City of Lacey Water Quality Report 2009](#)"). This information indicates that the current copper benchmark level of 63.2 ppb is more than 20 times more protective of the water fish swim in than the water consumed by Washington's citizens (including Ecology's employees as evidenced by the City of Lacey's 2009 Water Quality Report). The proposed new copper benchmark of 14 ppb would further increase this discrepancy to require stormwater discharges to be 93 times more protective of aquatic exposure than human consumption.

Schnitzer questions whether the proposed dramatic decrease in the copper benchmark level, and associated economic effects, are justified in the absence of reliable environmental studies to quantify the benefits of such a reduction. Benchmark levels for other constituents either remained stable or were increased in the draft ISWGP. We question why the copper benchmark level was decreased so dramatically in the absence of a body of scientific evidence indicating that the reduction will result in additional environmental protection.

Stormwater Sampling Prior to Infiltration:

References to sampling of infiltrated water are found in Special Conditions S1.E.1, S3.B.1.d, and S3.B.5.a of the draft ISWGP. Previous versions of the ISWGP have focused solely on evaluation of the quality of stormwater discharged to surface water. The current draft ISWGP implies that stormwater discharges which infiltrate prior to reaching surface water may be regulated in a similar fashion as surface water discharges.

The option to develop stormwater management systems which provide for infiltration of stormwater to preclude discharges to surface water has been a useful and environmentally protective component of previous versions of the ISWGP. Infiltration is an important method to

protect surface water as it reduces contaminant loading of surface water through total loading limitation, even when benchmarks are met. Schnitzer believes conditions within the draft ISWGP which could result in requirements to sample stormwater prior to infiltration have the potential to cause stormwater managers to forgo development of infiltration systems in favor of discharge directly to surface water. If the same sampling requirements will be applied for both methods of discharge, there is no incentive to infiltrate (especially when infiltration facilities consume land which could be developed for other purposes), and increased total contaminant loading to surface water could result. We believe the forthcoming ISWGP should continue to focus on protection of surface water environments, as is implied through it's origins within the U.S. Clean Water Act.

All Known And Reasonable Treatment (AKART) Best Management Practices (BMPs):

AKART BMP requirements are stated in Special Conditions S3.A.2.a, S3.A.3.d.ii, S3.B.3.b.iv.1, and S10.B of the draft ISWGP. Schnitzer believes AKART to be an unnecessary standard for prescriptive BMPs to be applied at all sites regulated under the ISWGP. Notwithstanding concerns associated with the proposed copper benchmark level stated above, Schnitzer believes the most important general standard of the ISWGP is compliance with benchmark levels at points of discharge. In keeping with the basic engineering principle of designing a system to achieve a project goal (benchmark compliance) in the most efficient manner, we believe permittees should be allowed sufficient latitude to design systems which are capable of meeting benchmark levels with methods that are suited to their specific circumstances. In many cases AKART BMPs will not be necessary to achieve compliance with benchmark levels and would thus represent an inefficient distribution of resources. We believe permittees should retain the flexibility to choose appropriate methods to comply with benchmark levels while also preserving the capacity to responsibly allocate resources between various environmental and/or economic needs.

Thank you for the opportunity to provide comments on the subject draft ISWGP. Schnitzer strongly supports environmental protection; however, we believe the draft permit contains provisions which result in unnecessarily burdensome requirements which may not result in an increased level of environmental protection. Specifically, Schnitzer is not convinced that the proposed reduction of the copper benchmark level, potential requirements to sample infiltrated stormwater, or AKART BMP requirements result in increased levels of environmental protection which justify the substantial resources that would be necessary to ensure compliance.

If you have any questions or concerns, please do not hesitate to contact me at (253) 279-4752.

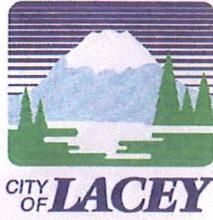
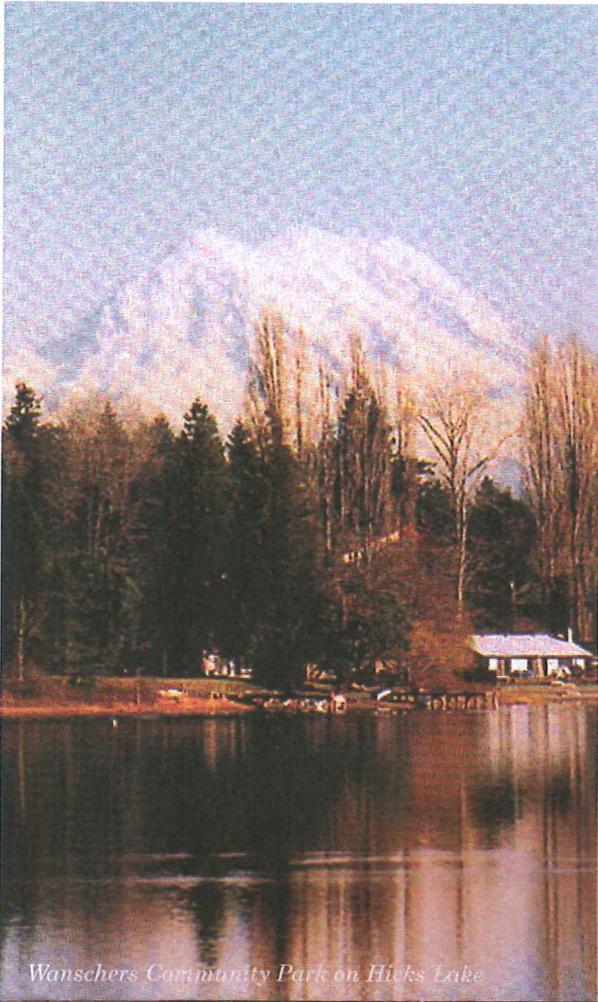
Sincerely,
Schnitzer Steel Industries, Inc.



Scott B. Sloan, R.G., L.Hg.
Senior Environmental Manager

Attached: City of Lacey Water Quality Report 2009

Cc: Jeanne Schmeichel
Matthew Parker
Tom Zelenka
Jim Jakubiak
Brad Tower



PRSRT STD
U.S. POSTAGE
PAID
PERMIT NO. 178
SALEM, OR
ECRWSS

Water Resources P.O. Box 3400 Lacey, WA 98509-3400

Water Quality Report 2009

From water quality data collected through 2008

Postal Customer

Wanschers Community Park on Hicks Lake

From water quality
data collected through 2008



Water Quality Report 2009



2008 Water Quality Results for City of Lacey

PWSID #43500Y

Primary Standards Regulated by EPA to protect public health

Contaminant	Highest Level Allowed (MCL)	Goal Not to Exceed (MCLG)	Highest Level Detected	Lowest Level Detected	Sample Date of Highest Level	Typical Source of Contamination
Arsenic	10 ppb	0 ppb	2 ppb	< 2 ppb	10/16/07	geology, natural weathering
Nitrate*	10 ppm	10 ppm	5.6 ppm	<0.2 ppm	6/24/08	septic systems, fertilizer, animal waste
Total Coliform Bacteria	5% samples/month	0% samples/month	0% of samples	0% of samples		naturally present in environment
Total Trihalomethanes**	80 ppb	N/A	15 ppb	<0.5 ppb	8/27/08	reaction of chlorine with naturally-occurring organic matter
Total Haloacetic acids***	60 ppb	N/A	4.6 ppb	<0.5 ppb	10/24/08	reaction of chlorine with naturally-occurring organic matter
Chlorine Residual	4 ppm	4 ppm	0.95 ppm	0.24 ppm	6/12/08	added as a disinfectant to the water system
Radium 228	5 pCi/L	N/A	1.01 pCi/L	< 0.2 pCi/L	5/9/07	geology, natural weathering

Secondary Standards regulated by the EPA for aesthetics

Contaminant	Highest Level Allowed (MCL)	Goal Not to Exceed (MCLG)	Highest Level Detected	Lowest Level Detected	Sample Date of Highest Level	Typical Source of Contamination
Chloride	250 ppm		29 ppm	2 ppm	11/9/06	geology, natural weathering
Fluoride†	4 ppm	4 ppm	<0.2 ppm	<0.2 ppm		geology, natural weathering
Iron	300 ppb	N/A	16 ppb	<30 ppb	10/23/07	geology, natural weathering
Lead	N/A	15 ppb	9 ppb	< 2 ppb	10/23/07	plumbing material
Manganese	50 ppb	N/A	10 ppb	<10 ppb	10/16/07	geology, natural weathering
Sulfate	250 ppm		12 ppm	3 ppm	10/16/07	geology, natural weathering

Regulated by the State

Contaminant	Highest Level Allowed (MCL)	Goal Not to Exceed (MCLG)	Highest Level Detected	Lowest Level Detected	Sample Date of Highest Level	Typical Source of Contamination
Conductivity	700 µmhos/cm	N/A	245 µmhos/cm	84 µmhos/cm	10/23/07	geology, natural weathering

Regulated by the State at the Consumer's Tap

Contaminant	State Action Level	Goal Not to Exceed (MCLG)	90% Percentile	# Samples over state action level	Sample Date of Highest Level	Typical Source of Contamination
Copper	1300 ppb	N/A	960 ppb	1 sample	9/10/08	Corrosion of household plumbing or erosion of natural deposits
Lead	15 ppb	N/A	10 ppb	0 samples	9/10/08	Corrosion of household plumbing or erosion of natural deposits

* Nitrate in drinking water at levels above 10 ppm is a health risk for infants of less than six months of age. High nitrate levels in drinking water can cause blue baby syndrome. Nitrate levels may rise quickly for short periods of time because of rainfall or agricultural activity. If you are caring for an infant, you should ask for advice from your health care provider.
 † Highest running annual average was 2.6 ppb ** Highest running annual average was 0.90 ppb ‡ Lacey does not add Fluoride to our water

For more information on the outdoor watering policy, or to request an exemption, call Lacey Water Resources at 360 491-5600 or visit www.ci.lacey.wa.us and click on "Lacey Water Resources".

Important Information about Your Water

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and

other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791). If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Lacey is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your drinking water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.