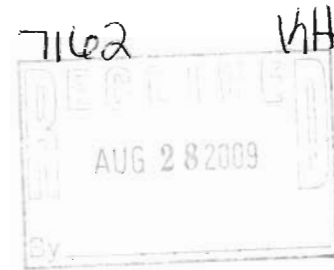


Allen



August 27, 2009

Alan Gilliam, ADEQ
5301 North Shore Drive
North Little Rock, AR 72118



RE: Categorical Evaluation 40 CFR 420

Dear: Mr. Gilliam

Enclosed with this letter are copies of correspondence between Little Rock Wastewater and Welspun where by a decision was made that the operations of the Spiral Mill do not fall under the categorical auspices of 40 CFR 420 Iron and Steel. Information used to make this determination include:

1. Little Rock Wastewater Industrial Wastewater Discharge Permit # C-95 was initial written based on permit application and BMR information provided by Welspun for the Spiral Operations as "Zero Discharge" for 40 CFR 420, permit issued June 11, 2008 prior to construction.
2. Inspection of the completed Spiral Mill operation June 4, 2009 indicated that there would be discharge of wastewater coming in contact with the steel at the Ultrasonic Testing (UT) station periodically as part of cooling tower discharge (water from UT is re-circulated thru the cooling tower and only discharged periodically for cooling tower maintenance and cleaning). At the time of the inspection a statement was made that the rollers prior to the UT station changed the thickness of the pipe.
3. LRW correspondence June 15, 2009 required Welspun to respond with appropriate BMR to meet 40 CFR 420.106 Subpart J Pretreatment Standards New Source for the Spiral Mill.
4. Welspun responded with a letter dated June 29, 2009 stating that there were no changes to the steel that would meet 40 CFR 420 regulations and Mr. Cain asked for further review of the permitting process to determine 40 CFR 420 applicability.
5. Mr. Cain contacted EAD by phone and stated that during the inspection he had misidentified the rollers at the UT station as changing the steel thickness, in fact the steel that is used in pipe production is not changed in any way.
6. July 14, 2009 EAD by e-mail required Welspun in response with a letter stating that no changes are made to the steel properties in the Spiral Mill.
7. July 16, 2009 Welspun sent a letter to LRW signed by Rich Janicki, Vice President Operations stating that there is no change in the thickness of the steel and that the regulations of 40 CFR 420 does not apply to the operation.

It is LRW's interpretation of 40 CFR 420.100 (see statement below) that since Welspun does not perform any operations within the Spiral Mill that would "through rolls or otherwise processed to reduce its thickness, to produce a smooth surface, or to develop controlled mechanical properties in the steel.", nor is any water used or wastewater produced in the forming operation the regulation does not apply. Therefore Industrial Wastewater Permit C-95 will be amended to remove the "Zero Discharge" 420 operations and will list wastewater from the Spiral Mill as unregulated.

420.100 - Applicability; description of the cold forming subcategory.

*(a) The provisions of this subpart are applicable to discharges and to the introduction of pollutants into publicly owned treatment works from cold rolling and cold working pipe and tube operations in which **unheated steel is passed through rolls or otherwise processed to reduce its thickness, to produce a smooth surface, or to develop controlled mechanical properties in the steel.***

*(b) The limitations and standards set out below for cold worked pipe and tube operations shall be applicable only where cold worked pipe and tube wastewaters are discharged at steel plant sites. No limitations are applicable or allowable where these wastewaters are hauled off-site for disposal or are otherwise not discharged at steel plant sites. The limitations and standards set out below for cold worked pipe and tube operations shall be applicable only to the blow down of soluble oil or water solutions used in cold worked pipe and tube **forming operations.***

If you have any questions concerning LRW interpretation of 40 CFR 420 regulations or operations conducted at Welspun. Please call me at (501) 688-1547.

Sincerely,

LITTLE ROCK WASTEWATER



Jeff Davis, Pretreatment Supervisor
Environmental Assessment Division

cc: Welspun Tubular, LLC Correspondence File

RCV
7/21/09
was

WELSPUN



COPY

9301 Frazier Pike
Little Rock, Arkansas 72206

July 16, 2009

Allen Gatlin
Industrial Inspector
Little Rock Wastewater
1001 Temple
Little Rock, Arkansas 72202

Mr. Gatlin,

Welspun is a steel pipe manufacturer and coater of pipes. Coils of steel are made into pipe according to the customer's specifications. In this process Welspun does not change the thickness of the metal or the surface configuration in any way during the manufacturing process required in making of the pipes. The process consists of using flat metal coil in rolls and processing them through the forming machine which shapes the metal and welds the inside of the pipe. The metal thickness is monitored prior to the coils being rolled and welded into pipe.

The customer requirements are such that if the metal thicknesses were altered they would not meet the specifications and their onsite inspectors would not accept the finished product. The project coils are ordered to various thickness as specified by the customer's specifications and those same thickness are maintained throughout pipe making operation. This means we do not change the properties of the steel in any way thus the regulations contained in the 40CFR 420 would not apply to this operation.

If you require any additional information do not hesitate to contact me or Martin Cain at 501-301-8800.

Sincerely,

Rich Janicki
Vice President Operations
Cc: Martin Cain HS/E Director

Allen Gatlin

From: Allen Gatlin
Sent: Tuesday, July 14, 2009 12:06 PM
To: 'Martin Cain'
Subject: 40 CFR 420 Letter for Spiral Mill

COPY

Based on misunderstandings during the June 2009 inspection, your letter and subsequent conversations concerning 40 CFR 420 Regulations and Spiral Mill operations please respond to LRW with a letter signed by Mr. Janicki with the following points.

1. Statement that Welspun certifies that operations in the Spiral Mill are not covered by 40 CFR 420.
2. Statement that no changes are made the steel to change thickness, to produce a smooth surface or to develop controlled mechanical properties as defined in 40 CFR 420.100.
3. Engineering or technical specifications in support of above statement including raw steel thickness and pipe wall thickness.

Allen Gatlin
Industrial Inspector
Little Rock Wastewater
501-688-1528

Rcv
was
7/2/09



COPY

9301 Frazier Pike
Little Rock, Arkansas 72206

June 29, 2009

Allen Gatlin
Industrial Inspector
LITTLE Rock Wastewater
1001 Temple
Little Rock, Arkansas 72202

Mr. Gatlin,

This communication is written in response to your letter of June 15, 2009. During the inspection my question remains as to what we can do to discharge the Spiral tower to the city sewer treatment system on an annual or semiannual basis whichever the need may require. The sole purpose of the discharging would be to enable the cleaning of the tower and removal of any residue the tower may have. The tower cannot possibly produce any toxic agents which would prevent the discharge of the tower to any sewer processing facility. The tower water only comes in contact with the steel during the processing of the steel at the UT operations. The main purpose for the water coming in contact with steel is to wet the steel in order for the transducers to function properly for the assurance of the reading accuracy of the instruments. The process in the UT operation is required in order to comply with neither the numerous different certification requirements which allows the company to produce pipe for our customers there are no cutting oils nor any chemicals present in this operation. We also do not heat, melt or otherwise change the property of the steel in any way. The steel comes in as a solid and nothing changes with the exception of forming the coil steel into pipes.

It would appear from a common sense approach to this issue and taking into account the limited contact with the steel that there should be a way to determine what steps less than a full blown 40 CFR 403 requirements could be put in place to meet both the cities and the company's needs. It is inconceivable that there is no other alternative than to totally comply with the CFR regulation in view of the facts of the limited contact with the product and the process used in the forming of the pipe does not accurately fit the industrial classification noted in the 403 requirements.

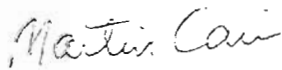
Continue
Page 2

COPY

It would appear in using sound environmental considerations and the facts of the limited wetting process of the steel with no chemicals at all present that ample testing could demonstrate there is no toxic materials in the tower and the discharge would not exceed any discharge limits. As you know we do not generate any hazardous waste here because we do not use hazardous chemicals as a lot of other industries do.

In order to help to try to obtain a reasonable process I am willing to accompany you, Jeff or anyone else the city may choose to set up an appointment and go on a trip with them to the Arkansas Department Of Environmental Quality if required to help come to a reasonable resolution on this issue. Until then we are surveying the tower to make sure there is no discharge possibilities of the Spiral Tower to the sewer system.

Sincerely,



Martin Cain
HS/E Director

June 15, 2009



Martin Cain, HS/E Director
Welspun
9301 Frazier Pike Road
Little Rock, AR 72206

COPY

RE: Categorical Flow Spiral Mill

Mr. Cain,

During the Annual Compliance Inspection conducted June 4, 2009 it was observed and confirmed that the water used in the Ultrasonic Testing (UT) area is coming in direct contact with the work piece (strip steel) and discharging to the cooling tower loop. Under the definition of 40 CFR 420.100 water from the UT area and water from hydro testing would be subject to the requirements of 40 CFR 420.106 pretreatment standards for new source, if discharged to the LRW sanitary sewer.

Currently Welspun is permitted as "Zero Discharge" for all 40 CFR 420 categorical wastewater. To date Welspun has not notified Little Rock Wastewater (LRW) of any contact wastewater discharge from the Spiral Mill Cooling Tower pits.

Should Welspun chose to discharge the Spiral Mill contact cooling water to LRW, Welspun would first have to submit (90 days prior to discharge) a Baseline Monitoring Report (BMR) (40 CFR 403.12(b) (1)-(5)) for this waste stream along with a request for permit modification. Also please be aware that 40 CFR 420 regulations are written in Kg/kkg and Welspun will be required to report tons of material as well as wastewater flow from the UT. After the BMR is submitted and reviewed LRW will rewrite permit #C-95 with standards and requirements consistent with 40 CFR 420.106 Subpart J Pretreatment Standards New Source (a) Recirculation-single stand.

To remain compliant with the current permit Welspun is hereby being required to provide lockout for the Spiral Mill Cooling Towers blow down discharge point until such time as the BMR requirements are satisfied or all possibility of discharge of wastewater from contact sources are eliminated from the cooling tower flow. If you have any questions please feel free to call me at (501) 688-1528.

Sincerely

LITTLE ROCK WASTEWATER

A handwritten signature in cursive script that reads "Allen Gatlin".

Allen Gatlin, Industrial Inspector

CC: Welspun 2009 Correspondence File

**§ 420.100 Applicability; description of the cold forming subcategory.**

COPY



(a) The provisions of this subpart are applicable to discharges and to the introduction of pollutants into publicly owned treatment works from cold rolling and cold working pipe and tube operations in which unheated steel is passed through rolls or otherwise processed to reduce its thickness, to produce a smooth surface, or to develop controlled mechanical properties in the steel.

(b) The limitations and standards set out below for cold worked pipe and tube operations shall be applicable only where cold worked pipe and tube wastewaters are discharged at steel plant sites. No limitations are applicable or allowable where these wastewaters are hauled off-site for disposal or are otherwise not discharged at steel plant sites. The limitations and standards set out below for cold worked pipe and tube operations shall be applicable only to the blowdown of soluble oil or water solutions used in cold worked pipe and tube forming operations. Limitations for other wastewater sources from these operations must be established on a site-specific basis.

[47 FR 23284, May 27, 1982, as amended at 49 FR 21034, May 17, 1984]

§ 420.101 Specialized definitions.

(a) The term *recirculation* means those cold rolling operations which include recirculation of rolling solutions at all mill stands.

(b) The term *combination* means those cold rolling operations which include recirculation of rolling solutions at one or more mill stands, and once-through use of rolling solutions at the remaining stand or stands.

(c) The term *direct application* means those cold rolling operations which include once-through use of rolling solutions at all mill stands.

(d) The term *single stand* means those recirculation or direct application cold rolling mills which include only one stand of work rolls.

(e) The term *multiple stands* means those recirculation or direct application cold rolling mills which include more than one stand of work rolls.

(f) The term *cold worked pipe and tube* means those cold forming operations that process unheated pipe and tube products using either water or oil solutions for cooling and lubrication.

§ 420.102 Effluent limitations representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available (BPT).

Except as provided in 40 CFR 125.30 through 125.32, any existing point source subject to this subpart must achieve the following effluent limitations representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

(a) *Cold rolling mills*—(1) *Recirculation—single stand*.

Subpart J