

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

LIBERTY STEEL LAPLACE INC.

AI # 3401

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

* **Settlement Tracking No.**
* **SA-MM-23-0089**
*
* **Enforcement Tracking No.**
* **MM-PP-22-00428**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Liberty Steel LaPlace Inc. (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owns and/or operates a facility located in LaPlace, St. John the Baptist Parish, Louisiana (“the Facility”).

II

On June 28, 2023, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. MM-PP-22-00428 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal

statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FOUR THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$4,500.00), of which One Thousand Four Hundred Three and 43/100 Dollars (\$1,403.43) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement Agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Notice of Potential Penalty and this Settlement Agreement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This Settlement Agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and Settlement Agreement, the Department considered the factors for

issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

XI

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. John the Baptist Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement Agreement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in

accordance with the terms of this Settlement Agreement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

LIBERTY STEEL PLACE INC.

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

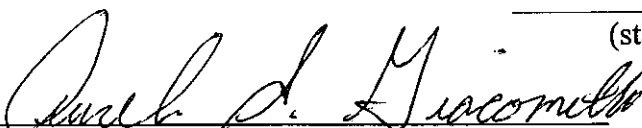
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

BY: _____
Aurelia S. Giacometto, Secretary

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 
Aurelia S. Giacometto, Secretary



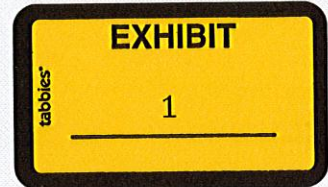
JOHN BEL EDWARDS
GOVERNOR

ROGER W. GINGLES
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

JUN 28 2023

CERTIFIED MAIL (7020 1290 0001 0463 1743)
RETURN RECEIPT REQUESTED



LIBERTY STEEL LAPLACE INC.
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Ave.
Baton Rouge, LA 70802

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. MM-PP-22-00428
AGENCY INTEREST NO. 3401**

Dear Sir/Madam:

On or about August 12, 2021, an inspection of the **LAPLACE FACILITY (FACILITY)**, owned and/or operated by **LIBERTY STEEL LAPLACE INC. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The Facility is located at 138 Louisiana Highway 3217 in LaPlace, St. John the Baptist Parish, Louisiana. The Respondent previously operated under the authority of Title V Air Permit No. 2580-00017-V3, issued on September 7, 2017, and effectively transferred to the Respondent on October 26, 2020. The Facility currently operates under the authority of Title V Air Permit No. 2580-00017-V4, issued on June 12, 2023.

The Facility consists of a steel mill (Liberty Steel) and automobile shredder (Liberty Recycling). During the inspection on August 12, 2021, the Department's inspector noted that the mill was idled, with only the shredding operations at Liberty Recycling active since June 2020. Liberty Recycling is organized as an affiliate of Liberty Steel for the purposes of accounting and financials. For the purposes of air permitting, it remains under the Liberty Steel mill Title V Permit No. 2580-00017-V3, and is not a different entity. According to correspondence dated May 17, 2022, a representative of the Respondent stated that ancillary operations in the shredder began operations in June 2020, but the major emissions sources continue to be idled.

The Respondent submitted a Notification of Change Form (NOC-1) on or about June 10, 2020, and was transferred Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0054691 effective on October 26, 2020, with an expiration date of October 31, 2022. The Respondent submitted a renewal application on or about April 29, 2022. LPDES Permit LA0054691 has been administratively continued. Under the terms and conditions of LPDES Permit LA0054691, the Respondent is permitted to discharge non-contact cooling water and discharges previously monitored at Outfalls 001, 102, and 004,

Liberty Steel LaPlace Inc.
MM-PP-22-00428
Page 2

into the Mississippi River (subsegment 070301), waters of the state. Outfall 001 is monitored for treated sanitary wastewater; and, Outfall 004 is monitored for clarifier underflow. In addition, the Respondent is permitted to discharge pan rinsewater from the evaporative cooling system and storm water runoff from Outfall 003 and treated sanitary wastewater from Outfall 005 to Lake Pontchartrain (subsegment 041001), waters of the state.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection and subsequent file review conducted on June 21, 2023:

- A. The Respondent became the owner/operator of the aforementioned Facility on or about January 31, 2020. On or about June 10, 2020, the Respondent submitted a NOC-1 Form to the Department. Title V Air Permit No. 2580-00017-V3 and LPDES Permit LA0054691 were transferred effectively on October 26, 2020. The failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).
- B. The Respondent operated the aforementioned Facility from January 31, 2020, through October 25, 2020 without an air permit. The unauthorized operation of the Facility from the date of acquisition until the permit was transferred is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
- C. The Respondent failed to meet the following reporting requirements:

	REPORT	PERMIT NUMBER	REPORTING REQUIREMENT	DUE DATE	SUBMITTAL DATE	REGULATORY or PERMIT REQUIREMENTS
1.	NSPS 40 CFR 60 Subpart AA 2020 1 st Semiannual Opacity Excess Emission Report	N/A	Submit report: Due semiannually.	7/30/2020	12/23/2020	40 CFR 60.273(b)
2.	NESHAP 40 CFR 63 Subpart YYYYY First Half 2020 Semiannual Report	N/A	Submit compliance report: Due semiannually to DEQ	7/30/2020	12/23/2020	40 CFR 63.10685(c)(3)
3.	2020 Title V First Semiannual Monitoring Report	N/A	Comply with the Part 70 General Conditions as set forth in LAC 33:III.535	9/30/2020	12/23/2020	LAC 33:III.535
4.	2020 Title V Annual Compliance Certification	2580-00017-V3	Comply with the Part 70 General Conditions as set forth in LAC 33:III.535	3/31/2021	4/1/2021	LAC 33:III.535 Specific Requirement 120
5.	2020 Criteria Pollutant Emissions Inventory Certification Statement	2580-00017-V3	Submit Emissions Inventory/Annual Emissions Statement: Due annually, by the 30 th of April	4/30/2021	9/8/2021	LAC 33:III.919.F Specific Requirement 125
6.	2020 Toxic Air Pollutant Emissions Inventory Certification Statement	2580-00017-V3	Submit Annual Emissions Report: Due annually, by the 30 th of April	4/30/2021	9/8/2021	LAC 33:III.5107.A Specific Requirement 113

Liberty Steel LaPlace Inc.
 MM-PP-22-00428
 Page 3

	REPORT	PERMIT NUMBER	REPORTING REQUIREMENT	DUE DATE	SUBMITTAL DATE	REGULATORY or PERMIT REQUIREMENTS
7.	2021 Title V Annual Compliance Certification	2580-00017-V3	Comply with the Part 70 General Conditions as set forth in LAC 33:III.535	3/31/2022	12/27/2022	LAC 33:III.535 Specific Requirement 120

Each failure to submit the reports within the due date is a violation of applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

D. The Respondent failed to maintain water switch status records for Shredder Fugitive Emissions (FUG 0004) for each hour for a period of two (2) calendar years on-site and available for inspection, in violation of Specific Requirement No. 93 of Title V Air Permit No. 2580-00017-V3, LAC 33.III.5109.A.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). Specifically, during the Department’s inspection, water switch status records for June 2020 to August 12, 2021, were requested on-site for review during the inspection and were not made available for inspection. The Daily Operator’s Reports were made available via email on August 18, 2021.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Gabrielle Green at (225) 219-3468 or Gabrielle.Green2@la.gov within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent’s most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

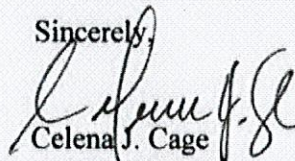
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The

Liberty Steel LaPlace Inc.
MM-PP-22-00428
Page 4

decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Celena J. Cage
Assistant Secretary
Office of Environmental Compliance

CJC/GJG/jsc
Alt ID Nos. 2580-00017; LA0054691

c: Liberty Steel LaPlace Inc.
c/o Mr. Vikrant Sharma
750 Lexington Ave, Suite 12-130
New York, NY 10022

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
ENFORCEMENT DIVISION
POST OFFICE BOX 4312
BATON ROUGE, LOUISIANA 70821-4312**



**NOTICE OF POTENTIAL PENALTY
REQUEST TO SETTLE (OPTIONAL)**

Enforcement Tracking No.	MM-PP-22-00428	Contact Name	Gabrielle Green
Agency Interest (AI) No.	3401	Contact Phone No.	(225) 219-3468
Alternate ID No.	2580-00017; LA0054691	Contact Email	Gabrielle.Green2@la.gov
Respondent:	LIBERTY STEEL LAPLACE INC.	Facility Name:	Liberty Steel LaPlace Inc.
	c/o Corporation Service Company	Physical Location:	138 Louisiana Highway 3217
	Agent for Service of Process		
	501 Louisiana Ave.	City, State, Zip:	LaPlace, Louisiana, 70068
Baton Rouge, LA 70802	Parish:	St. John the Baptist	

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

_____	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart1.Chapter7.
_____	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (MM-PP-22-00428) , the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
_____	The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY (MM-PP-22-00428) .
_____	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (MM-PP-22-00428) , the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
_____	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (MM-PP-22-00428) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821
Attn: Gabrielle Green

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

		NATURE AND GRAVITY OF THE VIOLATION		
		MAJOR	MODERATE	MINOR
DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times (\text{Penalty Event Maximum} - \text{Penalty Event Minimum}))$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement. Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

- Settlement Offers searchable in EDMS using the following filters
Media: Air Quality, Function: Enforcement; Description: Settlement
- Settlement Agreements Enforcement Division's website
specific examples can be provided upon request
- Penalty Determination Method LAC 33:I Chapter 7
- Beneficial Environmental Projects LAC 33:I Chapter 25
FAQs
- Judicial Interest..... provided by the Louisiana State Bar Association

