



## NEW FEDERAL OZONE STANDARDS WOULD CRIPPLE ECONOMIC DEVELOPMENT

The U.S. EPA is proposing stricter ground level ozone standards that would prove very costly to local and state governments and businesses.

The new standards would make certain types of economic development very challenging or impossible, and would require that large sums of money be directed toward the development of new technology for controlling ground level ozone. Compliance costs will be significant and will probably impact jobs, both current and future.

At the present time, there is no existing technology that would enable manufacturing plants to capture particulate matter in the range that the U.S. EPA is proposing, and there is no current timetable for developing this technology.

Even the Ohio EPA has come out against the proposed new standards, arguing that the federal government is asking states to do too much too quickly.

The federal EPA wants to have the new smog standards in place by Aug. 31, 2010, but states would have until 2014 to come up with a plan to meet the new standards.

The new standards would reduce permitted ground level ozone from 75 parts per billion (ppb) to 60 to 65 ppb.

Currently, 322 counties nationwide, including 29 in Ohio, do not comply with federal ozone standards, and it is projected that that number would double if the proposed EPA standards go into effect in August as planned.

Governments in nonattainment areas – areas that do not meet the new federal standards – would be required to submit plans for bringing ground level ozone into the range of the new standards and those that fail to do so would be at risk of losing federal highway funds.

Under the federal rules, new plants or plant expansions may not be permitted in nonattainment zones until ozone levels in those areas are brought within range of the standards.

Common sources of ozone-generating particulate matter include not only industrial manufacturers and power plants, but also motor vehicles. In nonattainment areas, gas stations may be required to sell only certain grades of clean-burning fuel.

### Public Comment for Ozone Standards

The public comment period for the new standards ended March 22, 2010, but comments may still be submitted and every effort will be made to consider them, according to the U.S. EPA.

Comments on proposed new standards for ground level ozone should be identified by Docket ID No. EPA-HQ-OAR-2005-0172 and submitted by one of the following methods:

**Federal eRulemaking Portal**  
<http://www.regulations.gov>

**E-mail**  
[a-and-r-docket@epa.gov](mailto:a-and-r-docket@epa.gov)

**U.S. Mail**  
EPA Docket Center  
Environmental Protection Agency  
Mail code 6102T  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

### Signs of Recovery Continue; New Youngstown Mill to Bring 350 New Jobs

The Ohio steel industry is continuing to chart a steady recovery in 2010, following a year-long period when global market conditions for steel were the worst in 70 years.

The first signs of recovery were evident in the final months of 2009 and, in 2010, steel orders have increased, workers are being called back or hired new, and new capital projects are being announced.

In February, V&M STAR announced the building of a new \$650 million pipe mill in Youngstown. The new plant, which will create 350 new jobs, will produce high-grade, small-diameter pipe that will be used for exploration of natural gas.

Also in the Mahoning Valley, Severstal is restarting its Warren plant (formerly WCI Steel Corp.), and ArcelorMittal plans to restart its Warren coke facility.

Still, the outlook for the steel industry is mixed and Ohio steelmakers remain cautious. Prices for raw materials – iron ore and coke – are projected to increase between 40 percent and 100 percent in 2010. Steel scrap is up 70 percent over the previous year.

The Ohio steel industry finished 2009 with production down 65 percent, according to data from the Ohio Steel Industry Advisory Council.

V&M STAR's new small-diameter pipe mill is scheduled to be up and operating by fall 2011. The first set of new employees – support staff and engineers – are being hired presently.

Several important developments cleared the way for the V&M STAR project:

- Advanced drilling techniques have opened up new natural gas fields, including the Marcellus Shale, which is under eastern Ohio and western Pennsylvania.
- Large independent operators, such as Devon, as well as international operators, such as ExxonMobil, have made significant investments in the shale areas.
- Exploration in the shale areas will require large volumes of premium quality, small-diameter pipe.

"We believe the time is right. And we're putting our money in Ohio because our workforce here is highly trained and experienced in the production of steel pipe," said Roger Lindgren, president and chief executive officer of V&M STAR.

As an advocate of this project, Gov. Ted Strickland led the state's initiative to allocate federal stimulus dollars so the cities of Youngstown and Girard could prepare the Brier Hill Industrial Park for development.

"Without this cooperation, a project of this scope would not be possible," Lindgren added.

### OHIO STEEL DATA REPORT: Fourth Quarter and Year-End 2009

Item	Quarter Ended December 31			Year Ended December 31		
	2009	2008	% chg	2009	2008	% chg
Ohio Steel Production (Tons)	1,732,289	2,111,059	-17.9%	4,799,620	13,624,111	-64.8%
Ohio Shipments (Tons)	1,780,051	2,388,533	-25.5%	5,773,947	14,809,279	-61.0%
Ohio Payroll (\$)	\$135,772,680	\$253,231,011	-46.4%	\$608,347,868	\$1,055,804,055	-42.4%
Ohio Capital Investment Spending (\$)	\$45,869,450	\$67,810,098	-32.4%	\$121,858,538	\$238,115,085	-48.8%
Average Employment (Employees)	8,920	13,820	-35.5%	11,730	14,293	-17.9%

#### Council Members

AK Steel  
ArcelorMittal  
Lorain Tubular Operations, U.S. Steel  
Nucor Steel Marion, Inc.  
Ohio Department of Development  
The Ohio General Assembly (House and Senate)  
Ohio Northern University  
PRO-TEC Coating Company, U.S. Steel  
Severstal Warren, Inc.  
Severstal Wheeling, Inc.  
Thomas Steel Strip Corp.  
The Timken Company  
United Steelworkers  
V&M STAR  
Youngstown State University

#### Associate Members

Charter Steel  
Cliffs Natural Resources Inc.  
Eramet Marietta, Inc.  
North Star BlueScope Steel  
PLS Logistics Services  
Stein, Inc.  
Tube City IMS  
Wheeling & Lake Erie Railway