Subsequent Negative Declaration
For Proposed Modifications to the Approved UPI Steel Mill Modernization and Ship Delivery Project

SECTION 1.0
PROJECT DESCRIPTION

This section contains the following:

1.1 INTRODUCTION

This Subsequent Negative Declaration is intended to augment the 1992 Final Environmental Impact Report ("FEIR")[1] adopted by the Bay Area Air Quality Management District ("District") as lead agency for USS-POSCO Industries' ("UPI") Steel Mill Modernization and Ship Delivery Project ("the Project"). The purpose of this Subsequent Negative Declaration is to describe and analyze changes to the approved Project that are now proposed by UPI, as summarized below.

On March 30, 1992, the District's Air Pollution Control Officer ("APCO") certified the FEIR pursuant to the California Environmental Quality Act (CEQA) and adopted a detailed Mitigation Monitoring Program Summary (MMPS), thereby imposing a comprehensive set of mitigation measures on the Project. Immediately following its certification of the FEIR, the District's APCO approved the Project and subsequently filed a Notice of Determination of project approval. The FEIR (State Clearing House #91053022) is available for review at the District's offices at 939 Ellis Street, San Francisco, CA 94109.

The Project analyzed in the FEIR and approved by the District's APCO had two components: (1) the re-building of UPI's terminal facilities, and the replacement of equipment in the cold-reduction and annealing sections of the facility, and (2) a request for authorization to allow the delivery of steel to UPI's dock. The FEIR also analyzed the impacts of a steel throughput rate of 1.49 million tons a year made possible by the two Project components. For a complete description of the Project, as approved in 1992, refer to FEIR, pp. II-1 through II-17.

As approved, the Project included a requirement that UPI use only ships equipped with a Selective Catalytic Reduction (SCR) system for NOx emission control to deliver semi-finished steel coils to UPI's dock. While the requirement to use SCR ships was not a CEQA mitigation measure, it was analyzed in the FEIR and required as a condition of the District's approval of the Project. For a discussion of SCR equipped ships, refer to FEIR, pp. III-38.

[1] The FEIR is comprised of the January 1992 Draft EIR and the District's March 1992 Responses to Comments on, and changes to the Draft EIR, as well as the Mitigation Monitoring Program Summary, approved by the District's Air Pollution Control Officer, hereinafter collectively referred to as the "FEIR."

UPI now proposes to make the following changes to the Project as originally approved in 1992:

1. An increase in steel throughput from 1.49 to 2.2 million tons/year; and
2. Authorization to use a combination of SCR and non-SCR equipped ships to deliver semi-finished steel coils to UPI's dock.

UPI is not proposing to change any of the other Project elements already approved by the District and analyzed in the FEIR; it proposes modifying only the above two project elements.

Consequently, this Subsequent Negative Declaration describes only the proposed Project modifications, and analyzes any potential significant environmental impacts they may have. The rest of the Project as reviewed in the FEIR and approved by the District's APCO in 1992 remains unchanged. In short, this is not a new project, but rather a modification of the previously approved Project. Therefore, this Subsequent Negative Declaration is limited in scope to the review and analysis of the incremental differences between the Project approved in 1992 and UPI's proposed modifications to the approved Project for the purpose of determining whether the modifications would require preparation of a subsequent EIR under Section 21166 of CEQA, Public Resources Code Section 21166, and Section 15162 of the CEQA Guidelines.

As relevant here, once an FEIR has been approved for a project, CEQA Section 21166 and Section 15162 of the CEQA Guidelines prohibit the District from preparing a subsequent EIR unless it finds, on the basis of substantial evidence, that all of the following three triggering conditions are present:

1. Substantial changes are proposed in the approved project;

2. The changes will require major revision to the original FEIR; and

3. The changes will result in a new significant environmental effect or a substantial increase in the severity of a significant effect identified in the original FEIR.

If one or more of these conditions is absent (and a subsequent EIR is therefore prohibited), Section 15164 of the CEQA Guidelines provides that any necessary minor corrections to the FEIR may be made by way of an addendum, which is not circulated for public comment.

This Subsequent Negative Declaration concludes that only one of the three triggering conditions identified in CEQA Section 21166 and CEQA Guideline Section 15162 is present here. That is, UPI's proposed Project modifications are substantial, but would not require major revisions to the FEIR, and would not cause a new unmitigated significant environmental effect or a substantial unmitigated increase in the severity of any previously identified significant effect. Therefore, the District is prohibited from preparing a subsequent EIR.

Although the District has also determined that an addendum would be sufficient to address the minor corrections to the FEIR necessitated by the proposed Project modifications, a Subsequent Negative Declaration was prepared to afford an opportunity for public comment.

1.2 FACILITY LOCATION

The UPI facility is located in Pittsburg, California. As shown on Figure 1, the UPI facility is located to the northwest of the intersection of Loveridge Road and the Pittsburg/Antioch highway.

1.3 DESCRIPTION OF PROPOSED PROJECT MODIFICATIONS

A permit application (Permit Application Number 00032) is under consideration by the District for two changes to the Project as approved in 1992. These two changes would allow an increase in steel throughput from 1.49 to 2.2 million tons per year and use of ships not equipped with selective catalytic reduction (SCR) NOx emission controls to deliver semi-finished steel coils to UPI.

Steel Throughput Increase

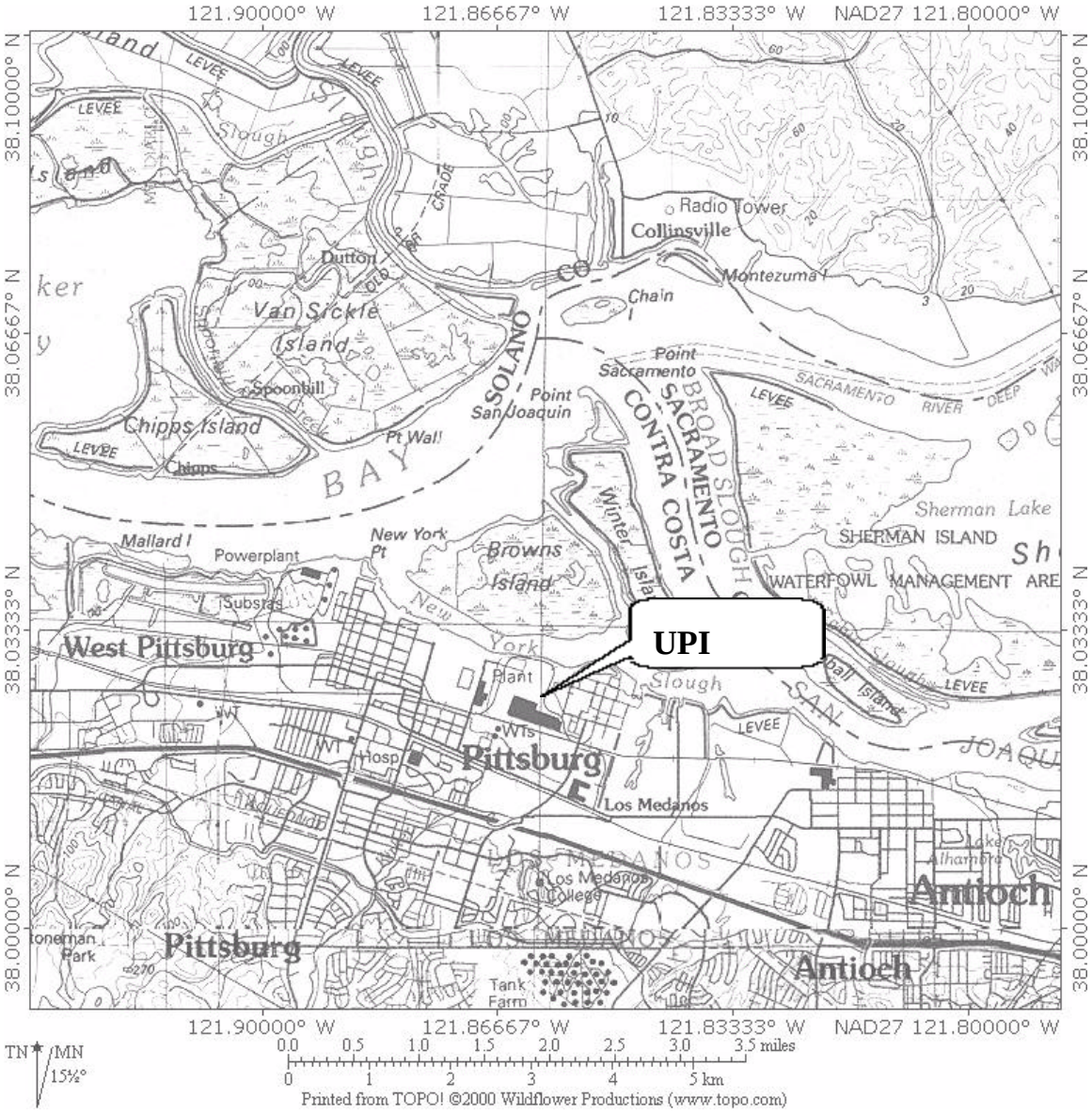
In the permit application under consideration by the District, UPI is requesting an increase in the steel throughput level to 2.2 million tons per year. To accommodate the proposed throughput rate increase, no new equipment or equipment modifications are necessary. The increase in the steel throughput rate will be accomplished by increasing the line speed and improving the efficiency of the existing equipment at the UPI facility. The additional steel produced as a result of the increased throughput will be transported to and from the facility by rail. There will be no increase in the number of trains delivering steel to the facility. Instead, the trains will be longer.

Use of Non-SCR-Equipped Ships to Deliver Semi-Finished Steel Coil to UPI

Semi-finished steel coils are delivered to the UPI facility by ship and rail. Currently, all delivery ships to UPI are equipped with SCR to control each ship's NOx emissions. Under the existing District permit, UPI is allowed up to 50 SCR-equipped ship deliveries per year. As part of the proposed project, UPI is requesting that the annual limit on the total number of ship deliveries remain at 50 but that up to 25 of these deliveries may be performed using non-SCR-equipped ships.

As discussed in Sections I.B and II.E of the FEIR, the use of SCR ships was a project design feature for UPI's 1990 permit request. Specifically, in connection with its 1990 permit application (for which the 1992 FEIR was prepared), UPI requested authorization to ship steel directly to its Pittsburg facility using ships equipped with a selective catalytic reduction system to reduce emissions of nitrogen oxides while inside BAAQMD waters. Thus, because the use of SCR ships was a feature of the previously approved permit, it is not a CEQA mitigation measure.

Figure 1
Site Map



SECTION 2.0

ANALYSIS OF POTENTIAL ENVIRONMENTAL IMPACTS ASSOCIATED WITH PROPOSED PROJECT MODIFICATIONS

This section contains the following:

2.1 Air Quality
2.2 Water Quality
2.3 Biological Resources
2.4 Soils
2.5 Hazardous Materials
2.6 Transportation/Circulation
2.7 Energy
2.8 Noise
2.9 Public Services

As discussed below, the proposed Project modifications would not result in any new significant impacts or a substantial increase in the severity of any impacts identified in the FEIR.

2.1 AIR QUALITY

Section III.A of the FEIR described and evaluated the air quality impacts associated with the Project. The FEIR concluded that the steel mill modernization component of the approved Project would result in the following significant or potentially significant impacts:

- Short-term construction-related air quality impacts;
- Unavoidable increases in emissions of oxides of nitrogen, a precurser to the formation of ozone, in the Bay Area and San Joaquin Valley Air Basins;
- A significant increase in PM_{10} emissions in the San Joaquin Valley Air Basin;
- Contribution to existing exceedances of ozone and PM_{10} standards in the Bay Area and San Joaquin Valley Air Basins.

With the exception of the unavoidable increases in NOx emissions, the identified impacts were mitigated to less-than-significant levels, as set forth in the Mitigation Monitoring Program Summary (MMPS) adopted by the District in connection with its approval of the Project.

In addition, the FEIR concluded that the approved Project would not have a significant impact on net changes in POC, SOx,, CO, and PM_{10} emissions in the Bay Area Air Basin and POC, SOx, and CO emissions in the San Joaquin Valley Air Basin.

Approval of the proposed Project modifications would not alter any of these conclusions of the FEIR with respect to the significance and magnitude of air quality impacts. Specifically, implementation of the Project modifications will not require any construction, and will therefore have no construction-related air quality impacts.

In addition, attached as Appendix A is a comparison between the air quality impacts analyzed in the FEIR and the expected impacts at the increased steel throughput level and use of non-SCR ships. As shown in Appendix A, there will be a net reduction in emissions in the Bay Area and San Joaquin Valley Air Basins for all pollutants with the exception of daily POC emissions in the Bay Area Air Basin in the worst case input/output transportation mix.

For the proposed project modification, the daily emissions figures mean (a) for trucks, average daily emissions (based on the maximum annual emissions scenario), (b) for rail, average daily emissions (based on the maximum annual emissions scenario), and (c) for ships, worst case emissions based on two ships (one SCR and one non-SCR) arriving on that day.

Maximum annual emissions estimates for the proposed project modification are reflected in Appendix A, Proposed Project Tab, second page. These estimates were based on the assumptions indicated at the Proposed Project Tab. For example, for NOx, POC, and PM_{10}, the assumptions are (1) the maximum allowed number (25) of non-SCR ships (carrying 500,000 tons of incoming steel) and (2) the remaining 1,700,000 tons (out of the maximum total allowed of 2,200,000 tons) split evenly between rail (850,000 tons) and SCR ships (850,000 tons). These two assumptions result in worst case annual emissions for NOx, POC, and PM_{10}.

For daily POC emissions, based on worst-case operating scenarios, there may be a 10 to 12 pound per day net emission increase in the Bay Area Basin associated with the requested Project modification. As shown in Appendix A, this POC net emission increase is well below the District's CEQA significance level of 80 lbs/day. In addition, this worst-case POC net emission increase represents only an approximately 3% increase above the daily estimated Project POC emissions impacts in the Bay Area Air Basin analyzed in the 1992 FEIR. Therefore, the POC net emission increase is not substantially higher than the levels analyzed in the FEIR and the proposed Project modifications would not result in any new significant air impacts or a substantial increase in the severity of any air impacts identified in the FEIR.

As discussed above, Appendix A compares the emissions analyzed in the 1992 EIR for the UPI modernization Project and the maximum expected emissions for the Project as it is proposed to be modified. Separate stationary source, cargo carrier, and combined emissions figures are provided. Because the 1992 EIR's conclusions regarding air impacts were based on combined emissions, the same approach was used here to assure comparability.

If stationary source emissions are separated out, the Project modifications will result in net emission reductions for NOx, SOx, and PM_{10} and net emission increases for CO and POC. The net emission increases for CO and POC of approximately 121 lbs/day and 70 lbs/day, respectively, are below the District's respective CEQA significance thresholds of 550 lbs/day for CO and 80 lbs/day for POC. Consequently, the stationary source net emission increases for CO and POC are not considered significant. In addition, while there is a net emissions increase for CO and POC if only the stationary source emissions are examined, when the mitigating effects of the cargo carriers are included in the analysis the only remaining net emission increase is a 11.7 lbs/day increase for POC.

Similarly, if ship-related emissions are separated out, the Project modifications will result in net emission increases for all pollutants, but when the mitigating effects of rail, truck, and stationary source emissions are included in the analysis, the Project modifications will result in net emission decreases for all pollutants except POC, which, as noted above, will increase by 11.7 lbs/day.

Maximum expected combined emissions for the Project as it is proposed to be modified are generally lower than the maximum emissions analyzed in the 1992 EIR despite the proposed increase in throughput. Because the details of how the 1992 calculations were performed are not available, we cannot determine with precision all of the causes of this reduction, but three likely causes are apparent. First, the 1992 calculations were based on theoretical estimates of what the modernized facility's emissions would be, while the present calculations reflect a better understanding of actual emission rates. Second, technological and process improvements in the intervening decade have reduced mobile and stationary emission rates. Third, a substantial shift in transportation mix from trucks to rail is likely responsible for emission reductions.

2.2 WATER QUALITY

Section III.B of the FEIR described and evaluated the water quality impacts associated with the Project. The FEIR concluded that the steel mill modernization component of the approved Project would result in significant or potentially significant impacts associated with the following:

- Short-term construction/dredging-related water contamination associated with the dock upgrades;
- Significant and unavoidable cumulative storm water run-off;
- Contaminant release from periodic maintenance dredging;
- Significant and unavoidable cumulative turbidity impacts associated with construction and maintenance dredging.

With the exception of the unavoidable cumulative water quality impacts, as set forth in the MMSP adopted by the District in connection with its approval of the FEIR, the identified impacts were mitigated to a less-than-significant level. Implementation of the proposed Project modifications would not alter the conclusions in the FEIR with respect to the significance and magnitude of the water quality impacts.

Specifically, the implementation of the proposed Project modifications will not require any construction, and will therefore have no construction-related water quality impacts. Moreover, the proposed increase in steel throughput will not add to the magnitude of water quality impacts analyzed in the FEIR. The proposed increase in throughput will be accomplished through improved operating efficiencies and increased speed of production. These changes are not expected to affect the current groundwater quality, wastewater discharges, or stormwater discharges. This is because the plant is currently operated on a 24-hour basis, and as such no increase in process chemicals, oils, or water use are expected.

In addition, UPI has prepared and implemented a number of management plans to address waste and stormwater discharges and to protect surface and groundwater quality since the preparation of the FEIR. These include a Spill Prevention Control and Countermeasure Plan (1999), a Best Management Practices Program (1999), a Waste Facility Inspection Plan (1999), a Waste Treatment Facility Contingency Plan (1999), a Stormwater Pollution Prevention Plan (1999), and a Hazardous Material Management Plan (1999).

UPI has also made several stormwater management improvements at the facility since the approval of the FEIR in 1992. For example, in 1995, UPI re-constructed its coil storage yard so that it functions as a stormwater retention facility. UPI also made several upgrades to its stormwater drainage system (*e.g.*, underground piping). These improvements mean that more

surface runoff is retained and routed through the Terminal Wastewater Treatment Plant and less runoff discharges to New York Slough without treatment.

Therefore, the proposed Project modifications would not result in any new significant water-quality impacts or a substantial increase in the severity of any water-quality impacts identified in the FEIR.

2.3 BIOLOGICAL RESOURCES

Section III.C of the FEIR described and evaluated the impacts of the Project on biological resources. The FEIR concluded that the approved Project would result in the following significant or potentially significant impacts:

- Short-term construction/dredging-related impacts on biological resources associated with the dock upgrades;
- The cumulative loss of shoreline habitat from the Project and other proposed projects at the time of FEIR approval;
- The cumulative adverse effect to certain species of aquatic organisms and the health of the Delta fishery as a result of cumulative discharges of toxic chemicals in UPI effluent.

With the exception of the unavoidable cumulative impacts, as set forth in the MMSP adopted by the District in connection with its approval of the FEIR, the identified impacts were mitigated to a less-than-significant level. Implementation of the proposed Project modifications would not alter the conclusions in the FEIR with respect to the significance and magnitude of the biological impacts.

Specifically, implementation of the proposed Project modifications will not require any construction, and will therefore have no construction-related biological impacts. Moreover, as discussed in Section 2.2, the increased throughput to 2.2 million tons/year will not increase the discharge of surface water runoff, effluent, or discharges to groundwater. Therefore, the proposed Project modifications would not result in any new significant biological impacts or a substantial increase in the severity of any biological impacts identified in the FEIR.

2.4 PUBLIC SERVICES

Section III.D of the FEIR described and evaluated the impacts of the Project on public services. The FEIR concluded that there would be an increased demand for fire protection and emergency medical services for the UPI fire department and the Riverview Fire Protection District associated with the ship delivery component of the approved Project. The FEIR also concluded that the Project would result in cumulative increases in water demand associated with the steel mill modernization component. As set forth in the MMSP adopted by the District in connection with its approval of the FEIR, these identified impacts were mitigated to a less-than-significant level. Implementation of the proposed Project modifications would not alter the conclusions in the FEIR.

Specifically, the proposed increase in throughput will be accomplished by increasing line speed and improving the efficiency of the existing equipment at the UPI facility, which will not increase the facility's demand for water.

With respect to fire protection and emergency services, the proposed Project modifications will not cause any new or more significant impacts because the only proposed change is the use of non-SCR equipped ships. As discussed in Section 2.6, by using non-SCR equipped ships, the proposed Project modifications will reduce the likelihood of an accidental release of anhydrous ammonia by up to 50 percent. Consequently, the potential demand on emergency services would decrease. Therefore, the proposed Project modifications would not result in any new significant public-service impacts or a substantial increase in the severity of any public-service impacts identified in the FEIR.

2.5 SOILS

Section III.E of the FEIR described and evaluated the impacts of the Project on soil contamination. The FEIR concluded that the approved Project would result in potentially significant impacts to soils associated with contaminated construction debris.

As set forth in the MMSP adopted by the District in connection with its approval of the FEIR, the identified impact was mitigated to a less-than-significant level. Implementation of the Project modifications would not alter the conclusions in the FEIR with respect to the significance and magnitude of the soil contamination impacts because no construction activities are proposed. Therefore, the proposed Project modifications would not result in any new significant soil impacts or a substantial increase in the severity of any soil impacts identified in the FEIR.

2.6 HAZARDOUS MATERIALS

Section III.F of the FEIR described and evaluated the potential for the Project to have impacts associated with hazardous materials. The FEIR concluded that the approved Project would result in potentially significant hazardous materials impacts on the basis that:

- The ship delivery component would result in the use of anhydrous ammonia in the SCR system on ships carrying steel to UPI's dock, which in the event of an accidental release, could cause adverse health impacts to crew members;
- The lack of an adequate emergency response plan to mitigate a release of anhydrous ammonia is a significant potential health hazard.

As set forth in the MMSP adopted by the District in connection with its approval of the FEIR, the identified impacts were mitigated to a less-than-significant level. Approving the proposed Project modification to allow the use of up to 25 non-SCR equipped ships per year would lessen the significance and magnitude of these impacts. This is because ships not equipped with SCR-systems would not carry anhydrous ammonia. As such, the likelihood of an accidental release of anhydrous ammonia is lessened by up to 50 percent. Therefore, the proposed Project modifications would not result in any new significant hazardous-materials impacts or a substantial increase in the severity of any hazardous-materials impacts identified in the FEIR.

2.7 GROUND TRANSPORTATION

Section III.G of the FEIR described and evaluated the ground transportation impacts associated with the Project. The FEIR concluded that the approved Project would result in significant or potentially significant cumulative impacts to regional roadways. However, as set forth in the

MMPS adopted by the District in connection with its approval of the Project, the identified impacts were mitigated to a less-than-significant level.

In addition, the FEIR concluded that the approved Project would not have a significant impact on peak-hour traffic.

Approval of the proposed Project modifications would not alter any of these conclusions of the FEIR with respect to the significance and magnitude of ground-transportation impacts. Specifically, the transportation analysis in the FEIR had two components – truck traffic and railway traffic.

With respect to truck traffic, the FEIR estimated 161,200 truck trips associated with a steel throughput rate of 1.49 million tons/year. However, increasing the throughput to 2.2 million tons/year would decrease the number of truck trips to between 64, 477 and 70,499 a year because more steel would be brought on trains rather than by truck.[2] Therefore, the number of truck trips would be well below that analyzed in the FEIR and will not result in any new significant or substantially-increased regional traffic impacts.

The project will also not increase the amount of inbound or outbound train trips at the facility over that analyzed in the FEIR (15 train trips per week). This is because UPI expects to handle the increased production by increasing the number of rail cars per train, and not the number of train trips. The Union Pacific Railroad presently makes 4 trips per week (inbound and outbound), and the Santa Fe Railroad about 10 trips per week. While these trains run approximately 40-50 rail cars per train, the maximum number of rail cars allowed per train is 80.

As a condition of permit approval, UPI will be limited to 15 train trips a week to ensure that the number of train trips at the facility will not exceed the number analyzed in the FEIR. On this basis, the increased deliveries of raw materials and pick-up of finished product associated with the proposed 2.2 million tons/year throughput will not cause an adverse impact on rail traffic. Therefore, the proposed Project modifications would not result in any new significant ground-transportation impacts or a substantial increase in the severity of any ground-transportation impacts identified in the FEIR.

2.8 SHIP TRANSPORTATION

Section III.H of the FEIR described and evaluated the Project impacts associated with ship traffic. The FEIR concluded that the approved Project would result in a minor decrease in ship traffic and would therefore not result in a significant impact. As part of the proposed Project modifications, the total number of ship deliveries would not change. The only modification would be to allow up to one-half of the ships currently permitted to be non-SCR-equipped, and to allow no more than one non-SCR-equipped ship per day. Therefore, the proposed Project modifications would not result in any new significant ship-transportation impacts or a substantial increase in the severity of any ship-transportation impacts identified in the FEIR. The resulting increase in ship-related emissions is offset by a reduction in rail, truck, and stationary source emissions, as discussed in Section 2.1.

[2] Reference October 25, 1999 letter from Sierra Research to UPI.

2.9 ENERGY

Section III.I of the FEIR described and evaluated the energy consumption impacts associated with the Project. The FEIR concluded that the approved Project would result in the following significant or potentially significant impacts:

- Increased annual mill energy consumption;
- Increased annual transportation energy consumption;
- Cumulative increased diesel fuel energy consumption associated with transporting unfinished steel from Korea to UPI

With the exception of the cumulative diesel fuel energy consumption, as set forth in the MMPS adopted by the District in connection with its approval of the Project, the identified impacts were mitigated to a less-than-significant level.

In addition, the FEIR concluded that the approved Project would not have a significant impact on energy consumption during construction of the steel mill modernization component of the Project.

Approval of the proposed Project modifications would not alter any of these conclusions of the FEIR with respect to the significance and magnitude of energy-consumption impacts. Specifically, implementation of the Project modifications will not require any construction activities, and will therefore have no construction-related energy consumption impacts. Moreover, as discussed in Section 2.6, there would be a net reduction in truck trips, and therefore an associated reduction in the amount of ground transportation fuel used from that analyzed in the FEIR.

With respect to mill energy consumption, as a result of UPI-initiated facility improvements, a significant increase in energy efficiency has occurred since the adoption of the FEIR.[3] Specifically, energy-saving measures implemented at the facility include the installation of energy-efficient lighting systems, installation of energy-efficient electric motors and motor starters, and implementation of energy-saving operating procedures such as shutting down fan motors and pumps when a production line is inactive for an extended period of time.

When expressed in KWH/ton, efficiencies have reduced energy consumption from about 244.7 to 196.4 KWH/ton between 1991 and 1999. Production of 2.2 million tons/year at efficiencies of 196.4 KWH/ton would result in about 432 million KWH per year. While this is an increase of approximately 80 million KWH per year over that analyzed in the FEIR, CEQA no longer includes a significance criteria for energy consumption; Appendices G(n) and (o) have been deleted. The CEQA Guidelines, however, still emphasize the importance of incorporating, where appropriate, energy conservation measures, and reducing inefficient, wasteful, and unnecessary consumption of local and regional energy supplies. As such, UPI has agreed to implement the following energy efficiency mitigation measures:

1. Turn off lights in all areas not regularly accessed.
2. Reduce quantity of light in all areas possible (checkerboard warehouses).
3. Replace inefficient lighting.

[3] Reference October 25, 1999 letter from Sierra Research to UPI.

4. Install timers on limited-use area lighting.
5. Install automatically-controlled lighting in common areas (conference rooms, bathrooms).
6. Install infra-red sensors that dim lights except where personnel are working.
7. Replace 40 W ballast fluorescent lighting with 32 W.
8. Reduce compressed air leaks.
9. Replace older style inductors on ETL #1.
10. Insulate warehouses.
11. Seal off inter-bay air flow.
12. Install roll-up doors between warehouses and bays.
13. Replace inefficient motors.
14. Install VFDs on systems that have none (river water, ducting fans, DCR fog exhaust).
15. Promote awareness on energy-related issues.
16. Zone lighting on production units.
17. Remove power from equipment not in use.
18. Modify shipping hours.
19. Eliminate #2 substation – inefficient transformers.

Many of the measures identified have already been or will soon be implemented, demonstrating UPI's continued commitment to increasing electrical energy efficiency. These measures are expected to reduce power consumption by approximately 9 percent.

In addition to agreeing to implement the above-listed energy-efficiency improvement measures, UPI entered into a power sales agreement with Calpine to receive all of its electricity requirements for the facility from a new Calpine plant located on UPI's property beginning July 7, 2001. The agreement with Calpine will facilitate the addition of approximately 500 Megawatts of new power into the grid in addition to removing UPI's 35-60 Megawatt load from the grid.[4] The proposed Project modification will therefore not result in any negative impact to local and regional energy supplies, but will actually increase the amount of power currently available for local and regional usage. *See* CEQA Guideline §15126.4(a)(1(C); Appendix F, section C; 1-6.

Therefore, the proposed Project modifications would not result in any new significant energy impacts or a substantial increase in the severity of any energy impacts identified in the FEIR.

2.10 NOISE

Section III.J of the FEIR described and evaluated the noise related impacts of the approved Project. The FEIR concluded that the approved Project would result in the following potentially significant noise impacts:

- Short-term construction noise associated with the steel mill modernization;
- Increased machinery noise levels inside the facility buildings.

As set forth in the MMSP adopted by the District in connection with its approval of the FEIR, these identified impacts were mitigated to a less-than-significant level. Implementation of the Project modifications would not alter the conclusions in the FEIR with respect to the significance and magnitude of the noise impacts because no construction activities are proposed.

[4] April 6, 2001 letter from Ken Peck, Purchasing Manager for UPI, to Barry Young, BAAQMD.

Moreover, the proposed increase in throughput will be accomplished through improved operating efficiencies and increased speed of production. These changes are not expected to affect the noise levels because the plant is currently operated on a 24-hour basis. Increasing the speed of production is not expected to increase noise impacts. Therefore, the proposed Project modifications would not result in any new significant noise impacts or a substantial increase in the severity of any noise impacts identified in the FEIR.

Appendix A

A Comparison between the Air Quality Impacts Analyzed in the FEIR and the Expected Impacts at the Increased Steel Throughput Level and Use of Non-SCR Ships.