DOE/EA-1834

FINDING OF NO SIGNIFICANT IMPACT
DEPARTMENT OF ENERGY LOAN TO SEVERSTAL DEARBORN, INC., FOR ADVANCED TECHNOLOGY VEHICLES MANUFACTURING PROJECT IN DEARBORN, MICHIGAN

AGENCY: U.S. Department of Energy, Advanced Technology Vehicles Manufacturing Loan Program

ACTION: Finding of No Significant Impact

SUMMARY: The U.S. Department of Energy (DOE) conducted an environmental assessment (EA) that analyzed the potential environmental impacts associated with the Severstal Dearborn Inc., (Severstal Dearborn) advanced high strength steel (AHSS) project. The project is designed to modernize Severstal Dearborn's steel finishing operations and allow it to expand its product offering. It involves: (1) a new pickling line and tandem cold rolling mill to replace the existing pickling lines and cold rolling mill; (2) hot strip mill exit end modifications; (3) a new hot dip galvanizing line; (4) a new continuous annealing line; (5) a new T-section shipping facility; and (6) relocation of the existing quality control/metallurgy laboratory at Severstal Dearborn's current location at 4001 Miller Road, Dearborn, Michigan. DOE, through its Advanced Technology Vehicles Manufacturing Loan Program, proposes to provide a Federal loan pursuant to Section 136 of the Energy Independence and Security Act of 2007 (P.L. 110-140) to Severstal Dearborn to support the proposed project. The purpose and need for agency action is to comply with DOE's mandate under Section 136 of the EISA by selecting eligible projects that meet the goals of the Act. DOE is using the NEPA process to assist in determining whether to issue a loan to Severstal Dearborn to support the proposed project.

The goal of the Severstal Dearborn project is to produce AHSS for the automotive industry. The use of AHSS could reduce the weight of steel components in automobiles by 10 percent, which could allow for an increase of 2 miles per gallon of gasoline for each vehicle. Based solely on existing demand from Severstal North America Inc., customers, a minimum of 29.7 million gallons of fuel could be saved per model year in the U.S. from the use of AHSS.

Severstal Dearborn's advanced technology vehicles manufacturing project would occur at its existing 418-acre steel manufacturing facility that is located with the 940-acre Ford River Rouge Industrial Complex in Dearborn, Michigan. Severstal Dearborn would install a new pickling line and tandem cold rolling mill to replace the dated pickling line and mill, modify the hot strip mill exit end, relocate the existing quality control/metallurgy laboratory to an existing building, and construct a new hot dip galvanizing line, a new continuous annealing line, and a new T-section shipping facility.

Discussion and analysis related to the potential impacts of construction and operation of the proposed Severstal Dearborn project are contained in the Final EA (DOE/EA-1834), which is incorporated here by reference. DOE examined potential impacts on the following resources and found none to be significant: land use; visual resources; air quality; greenhouse gas emissions, including, global climate change; noise; geology and seismicity; water resources; biological

resources; cultural resources; socioeconomics and environmental justice; environmental health and safety (including intentionally destructive acts); transportation; waste management; utilities; soil and prime farmland; and cumulative effects.

In accordance with applicable regulations and policies, DOE sent a notification letter regarding the Department's determination to prepare an EA to the Southeast Michigan Council of Governments (Michigan's Single Point of Contact), and the Hannahville Indian Community and Forest County Potawatomi Community on June 29, 2010 and August 19, 2010, respectively. On January 31, 2011, DOE sent the draft EA to the Southeast Michigan Council of Governments and invited their comments on the draft. The draft EA was also posted on the DOE Loan Programs Office website. DOE received no comments on the draft EA.

DETERMINATION: On the basis of the Final EA, DOE has determined that providing a Federal loan to Severstal Dearborn for the advanced technology vehicles manufacturing project will not have a significant effect on the human environment. The preparation of an environmental impact statement is therefore not required, and DOE is issuing this Finding of No Significant Impact (FONSI).

Copies of the Final EA and FONSI are available at the DOE Loan Programs Office website at http://lpo.energy.gov/?page_id=1502 or from

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Additional information on the DOE NEPA process is available from:

Office of NEPA Policy and Compliance
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
202-586-4600 or 1-800-472-2756

Issued in Washington, DC on the 18 day of February in the year 2011.

Jonathan Silver, Executive Director, Loan Programs Office