



November 7, 2015

Dear Neighbor,

GerdaU, a global steel company, began the process of purchasing the TAMCO steel mill in Rancho Cucamonga at the end of 2010. It is located at 12459 Arrow Route, near the Fontana city line. We employ nearly 300 people at the facility, where we produce rebar for new freeways, bridges, and buildings across the state, such as the Devore I-15/I-215 Interchange improvements in San Bernardino County.

GerdaU is one of California's largest recyclers, transforming 400,000 tons of recycled scrap metal into rebar each year. We manufacture rebar with lower environmental impacts than our competitors, due to decreased transportation, stricter emissions standards and the greenest energy source in the region. In many cases, our rebar contributes to green building certifications from the U.S. Green Building Council.

Above all, we want you to know that the health and safety of our employees and the community come first for our company, and we are committed to reducing our environmental impacts further and improving air quality.

GerdaU has already invested \$7 million in environmental improvements

After completing the purchase of TAMCO in early 2011, we began a full environmental audit of TAMCO, as is GerdaU's standard practice worldwide when purchasing any new facility. During the audit, we uncovered some issues and reported them to the South Coast Air Quality Management District (SCAQMD). One outcome of that reporting was a Health Risk Assessment (HRA) that led to the enclosed notice.

We began working closely with SCAQMD right away to identify necessary environmental improvements. We spent \$7 million on projects that would have significant positive environmental impact, including reducing dust by paving roads within the mill and applying dust suppressants, installing new cooling towers and a reheat furnace stack, and converting diesel-powered light towers to solar or electric operation.

Major multi-million dollar project will make the facility one of the cleanest in the nation

Following those initial improvements, we undertook an exhaustive study to identify how we could become one of the cleanest - if not the cleanest - steel mills in the nation. That study led to the development of plans for an upgraded environmental control system in our melt shop, where the recycled scrap metal becomes molten steel. These new plans were designed to meet the stringent standards set by the Environmental Protection Agency (EPA) under the Clean Air Act, as well as the nation's toughest environmental protections under the SCAQMD.

Through this major multi-million dollar project, we aim to reduce health risk and comply with the regulations of the SCAQMD. This is one of the most important functions of the HRA process - to help facilities identify potential issues and actively address them.

Gerdau is committed to improving air quality while providing jobs

It is important to note that the U.S. steel industry manufactures steel more cleanly and efficiently than any other country in the world, and especially in California, a leader in environmental protection and renewable energy. When this project is complete, we believe that we will set the industry standard for clean operations.

At Gerdau's Rancho Cucamonga mill, our team is proud to manufacture high-quality recycled rebar, the majority of which is seismic rebar, made to help protect people and major investments from earthquakes. We also employ an additional 100 employees in San Bernardino and support hundreds more jobs in the region and 1,100 throughout the state. I would really like to share with you more about Gerdau and what we do, and encourage you to find out more by visiting www.GerdauSanBernardino.com.

We have an expert environmental team who are here to answer any questions you may have about what we do, and the improvements we have proposed and are dedicated to implement.

If you have questions, please feel free to contact me at (909) 666-0547 or molson@gerdau.com. Thank you for your time.

Sincerely



Mark Olson
Vice President & General Manager
Gerdau, Rancho Cucamonga Mill