

R-19J

November 24, 1999

David Skiven, Executive Director  
World Wide Facilities Group  
General Motors Corporation  
Argonaut "A" Building  
Mail Code 482-309-900  
485 West Milwaukee  
Detroit, Michigan 48202

Dear Mr. Skiven,

I am writing you regarding issues that have been raised to us concerning the premature shutdown of operations at General Motors Corporation's Pontiac East Assembly Plant (GM Pontiac) located in Pontiac, Michigan. I understand that due to increased demand, GM Pontiac desires to expand production beyond the annual production limit, in its new source review permit (NSR), before the end of this year. The Environmental Protection Agency (EPA) has no objection to this course of action so long as it can be accomplished without a significant increase in emissions of air pollution, which we believe is possible. The NSR permit was issued in 1993 and contains an absolute limit on the number of vehicles that may be produced in any given year.

GM has projected that if current production levels were to continue, in order to not violate the permit limit on production, GM may decide to shutdown operations 4 to 6 days earlier than planned. To avoid having to prematurely shut down, GM Pontiac requested that the Michigan Department of Environmental Quality (MDEQ) remove the annual production limit from the permit. On October 13, 1999, MDEQ announced its intent, through a public notice, to issue an administrative amendment that would remove the annual production limit from the GM Pontiac permit. On November 15, 1999, Robert Miller, of my office, sent a letter to MDEQ stating that removing this limit from the permit would be considered a change in the method of operation of the source. Such a change would require a Prevention of Significant Deterioration (PSD) permit if the removal resulted in a significant increase in emissions at the plant which would constitute a major modification under PSD.

EPA understands the importance of continuing production and the negative consequences associated with a premature shutdown of the plant. We have evaluated the permit's production limit and the other applicable regulatory requirements. As a result we have developed an option, as outlined below, which would allow GM to legally operate at annual production levels higher than that currently contained in the permit, and thereby avert the earlier than scheduled shutdown. We have presented this option to MDEQ, and I understand MDEQ has discussed this option with you.

EPA's proposed synthetic minor permit approach

In general, the option is to have MDEQ issue what is known as a "synthetic minor source permit" which would limit emissions, not production, at the GM Pontiac plant.

- S MDEQ would issue a synthetic minor permit for the primer surfacer unit which would limit the increase in VOC emissions for the entire plant to no more than 39.9 tons per year. Along with assessing the increase in VOC emissions, GM Pontiac and MDEQ must consider the effect of the increased production on emissions of other air pollutants at that unit and at other units at the plant.
- EPA will work with GM Pontiac and MDEQ to determine the appropriate permit conditions based on historic operations and emissions. Overall, the permit would contain limits as necessary to restrict emissions according to EPA's 1989 Guidance on Limiting Potential to Emit.
- S An annual production limit would not be required. Once this permit is issued, GM Pontiac can continue to operate under this synthetic minor permit into the future without any further permitting actions.
- S If GM Pontiac needs to increase emissions in the future, it would need to submit a PSD permit application as provided for under the current regulations. However, it may be possible for GM Pontiac to avoid PSD review by adding additional pollution control equipment on the primer surfacer unit or other emissions units.

If GM Pontiac agrees to accept the synthetic minor permit approach, it can be done in a time frame that would allow GM Pontiac to continue its operations rather than having to face a shutdown earlier than scheduled.

I hope you will seriously consider this alternative. If you have any questions, feel free to call me or Laura Hartman at 312-353-5703.

Sincerely yours,

/s/

David A. Ullrich  
Deputy Regional Administrator

cc Russell Harding, Director  
Michigan Department of Environmental Quality

Sue Bracciano, Environmental Engineer  
North American Operations, General Motors