



January 30, 2018

Mr. Chris Robinson, MDEQ – AQD
Grand Rapids District Office
350 Ottawa Avenue, NW, Unit 10
Grand Rapids, MI 49503

**RE: Response to the Violation Notice (SRN: A4227, Muskegon County)
Former American Grease Stick Company
2651 Hoyt Street, Muskegon, MI**

Dear Mr. Robinson:

AGS Company Automotive Solutions, LLC (AGS), formerly known as American Grease Stick Company, is pleased to respond to the January 16, 2018 Violations Notice (VN) letter from the Michigan Department of Environmental Quality (MDEQ). Your letter was sent following the site inspection meeting with Mr. Lind Thompson and Ms. Jamie Ardis on November 14, 2017.

Background Information

The primary products AGS manufactures at our Muskegon, Michigan facility is:

- Specialty lubricants for the automotive aftermarket and hardware markets, such as brake fluid, cutting and grinding oil, anti-seize, dielectric grease, tire mounting lubricants, brake lubricants, and grease sticks.
- Brake, fuel, and transmission lines.

The five process lines used for manufacturing AGS's various products are listed below:

- Brake Line Manufacturing: This area assembles brake lines using purchased materials. No emissions are generated during the assembly process.
- Cold Cleaner: The facility has a cold cleaner, which contains Naphtha 100.
- Compounding Area: The equipment used in this area was installed prior to 1967 and is used to mix lubricants and fill tubes or small containers.
- Gallon Line: This line was installed prior to 1967 and used to manually fill various size of containers up to 1-gallon. It is no longer in use.
- Oden Line: This semi-automated line is used to fill various sizes of containers up to 1-gallon. The line was installed after 1967.

Other notable features of our facility which might have a potential to emit volatile organic compounds (VOCs) include:

- Tank Farm: Bulk chemical ingredients are stored in the tank farm, and

**AGS Company Automotive Solutions, LLC • P.O. Box 729, Muskegon, MI 49443
231-733-2101 • Fax 231-733-1784 • www.agscompany.com**

- Boilers: There are two natural gas-fired boilers at the facility. One boiler was installed prior to 1967 and has the capacity of 1,200,000 BTU (British thermal unit per hour). The second boiler, which was installed after 1967 and has the capacity of 400,000 BTU/hr.

Request from MDEQ to AGS

The two-page MDEQ January 16, 2018 VN letter identifies failure to demonstrate compliance with exemptions or to obtain a permit to install (PTI) for the Tank Farm and Oden Line. Specifically, MDEQ is concerned some equipment was installed and that AGS began using unpermitted equipment in violation of Act 451, Rule 201. The MDEQ requested a response by February 6, 2018, which is detailed enough to address these items:

- i. The dates the violations occurred,
- ii. An explanation of the causes and duration of the violations,
- iii. Whether the violations are ongoing,
- iv. A summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place, and
- v. Steps are being taken to prevent reoccurrence.

In addition, MDEQ requested AGS provide a facility-wide Potential to Emit (PTE) demonstration for VOCs and Hazardous Air Pollutants (HAPs) by February 16, 2018. This effort has already begun, and a complete, detailed response should be provided by this date.

Response to MDEQ’s Initial Questions

To assist AGS in a timely and accurate response to MDEQ’s two requests outlined above, we hired a local consulting firm, Environmental Resources Group (ERG), to determine if AGS is in compliance with Rule 201. As ERG provides their services, additional answers to MDEQ’s initial questions may develop and will be shared with MDEQ in the future. However, answers to the State’s initial questions regarding this violation are provided below.

- (i) *The dates the violations occurred*: Based on the site inspection conducted by MDEQ’s Jenifer Dixon on January 26, 2010, AGS was in compliance with all applicable air quality rules and regulations and was appropriately utilizing AQD permitting exemptions (for equipment installed prior to 1967). Therefore, it is a shock to AGS to be made aware of a different MDEQ perspective. To confirm if any violations have occurred, ERG will evaluate our historical data and product use data in their evaluation process and determine the approximate dates of violations, if any.
- (ii) *An explanation of the causes and duration of the violations*: Based on the MDEQ field inspection from 2010, and other prior unannounced MDEQ field inspection reports, AGS has been operating under the assumption that none of our processes were in violation of applicable air quality regulations.

- (iii) Whether the violations are ongoing: See the explanation given above.
- (iv) Actions taken/proposed to correct the violations: AGS hired ERG to evaluate if AGS is in compliance with Rule 201. ERG will evaluate the historical data and product use, and depending on their findings, a PTI application may be submitted to MDEQ.
- (v) Steps implemented to prevent reoccurrence: AGS believes demonstration of current compliance with Air Quality Rule exemptions, or obtaining a PTI, if necessary, will prevent recurrence of violations, if any.

At this point, AGS is not able to provide documentation that a PTI is not necessary, so we are not able to dispute MDEQ's VN letter with sufficient factual information to explain our position. However, we do have documentation from MDEQ over two decades that lead us to believe the firm was exempt due to the age when our equipment was installed, the expected low emissions based on our raw chemical ingredients. The multiple historic MDEQ field inspector reports can be provided, if requested, from the 1970s through 2010.

Conclusion

AGS appreciates the opportunity to respond to MDEQ's VN letter dated January 16, 2018 and looks forward to addressing any confirmed Rule 201 violations soon.

If you have questions about this response letter, please contact the undersigned at 800-253-0403, extension 3400 or email at jardis@agscompany.com. In my absence, questions may also be addressed to Mr. John Sanocki, Director of Operations, available at 800-253-0403, ext 3342.

Regards,

Jamie Ardis, MAAP, ACP
Associate Product Manager

JA/MH

Cc: John Sanocki, AGS
Matthew Germane, ERG