



March 8, 2018

VIA E-mail and U.S. Mail

Mr. Todd Zynda
Air Quality Division, Detroit Office
Michigan Department of Environmental Quality
3058 West Grand Boulevard, Suite 2-300
Detroit, MI 48202-6058

RE: Response to February 12, 2018 Violation Notice

Dear Mr. Zynda:

FCA US LLC ("FCA") acknowledges receipt of the February 12, 2018 violation notice ("the 2/12/18 VN") sent by Air Quality Division ("AQD") regarding the Mack Avenue Engine Plant ("MAEP"). Based on earlier conversations between the parties, AQD confirmed that FCA could provide a timely response prior to March 12, 2018. This letter serves as that response.

Before addressing the concerns expressed in the 2/12/18 VN, FCA notes that representatives from both it and AQD have already undertaken substantive and productive discussions about the permitting status at MAEP. For example, during a telephone conversation on March 1, 2018—which involved both you and Ms. Ambrosia Brown from AQD—the parties addressed some of the misunderstandings about the status of MAEP air permitting. FCA believes that the parties reached consensus concerning the pathway forward, which involves FCA submitting a permit-to-install ("PTI") application that will address new equipment anticipated at MAEP, but can also clarify any other permit ambiguities. FCA is preparing that PTI application and expects to submit it soon.

In terms of the 2/12/18 VN, FCA disagrees with the allegation that MAEP is operating without an active PTI. The current south building dynamometers and hot test stands at MAEP were installed pursuant to PTI 261-99B. That PTI was later incorporated into MI-PTI-M4085-2015a, which was issued on November 17, 2015. That November 17, 2015 permit functions as both an ROP and PTI, and expressly recognizes that PTI 261-99B was incorporated into MI-ROP-M4085-2015a and MI-PTI-M4085-2015a in Appendix 6 on pp.36-37. Thus, FCA believes that the MAEP dynos and hot test stands remain covered by an active PTI in the form of MI-PTI-M4085-2015a, which expressly incorporated PTI 261-99B and addresses the equipment in question.

FCA understands that some of its prior statements likely contributed to the 2/12/18 VN. FCA's recently completed in-depth review of permitting files and MAEP records, however, revealed that the south building dynamometers and hot test stands were installed shortly after receiving PTI 261-99B.

In addition, FCA wishes to clarify that it is not a major source pursuant to Michigan's Part 18 PSD rules, including R.336.2801(cc). Despite some prior written statements that confused this point, MAEP remains a minor source in the PSD program by virtue of the NOx and CO emission limits found in FG-Facility, at Special Condition I.1 and I.2 (respectively), on p.31 of 37. In fact, the 244 TPY CO emission limit in Special Condition I.2 was specifically designed to ensure that MAEP remained a minor source under PSD, a fact recognized on p.5 of AQD's



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April 6, 2015 Staff Report, which noted that MAEP "is considered a 'synthetic minor' source in regards to the [PSD] regulations in Part 18" Thus, MAEP remains a minor PSD source.

In closing, FCA believes that the matter of the 2/12/18 VN was largely resolved during the March 1, 2018 telephone conversation with you and Ms. Ambrosia Brown, but this letter memorializes the resolution. FCA also believes its ongoing discussions with AQD have already identified a pathway forward in the form of a new PTI, for which FCA will submit an application to MDEQ for processing and issuance as expeditiously as possible. Please contact Mr. Chukwuemeka Ben Bosah at chukwuemeka.bosah@fcagroup.com or 248-512-4232 with any questions or comments about the subject of this letter. Thank you.

Sincerely,

Tyree Minner
Plant Manager
FCA US LLC – Mack Engine Plant
4000 St Jean
Detroit, MI 48214

cc: Chukwuemeka Bosah, FCA-EHS-Corporate
Keith D. Jones, FCA-EHS-MEP
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