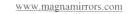


Magna Mirrors of America Newaygo Division

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October 16, 2014

Ms. Jenifer Dixon MDEQ-AQD State Office Building 6th Floor, Unit #10 350 Ottawa Avenue, N.W. Grand Rapids, Michigan 49503

Re: Notice of Violation - SRN: N5056 Magna Mirrors Newaygo Division

Dear Ms. Dixon:

On October 6, 2014, Magna Mirrors – Newaygo received a Notice of Violation (NOV) letter dated October 2, 2014 from the MDEQ-AQD Grand Rapids District Office. This letter provides the Company's formal response to the violation notice, provides the details associated with the alleged exceedance, and provides a summary of actions that have been taken to correct and prevent a reoccurrence of the reported deviation.

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Emission Unit EUWETCOAT is a fully automated plastic parts coating line used to paint automotive plastic parts to color match an automobile body. EUWETCOAT is assigned sixteen separate emission limits ranging from VOCs to individual toxic air contaminant (TAC) limits. Some TACs, such as dibasic esters have limits assigned separately to the Prime and the Base / Clear booths.

During the late spring 2014, Magna Mirrors experienced paint yield issues with specific products coupled with a slight increase in overall production levels. These two factors resulted in an increase in the application of high bake clear coat which contained three dibasic ester compounds. Only one high bake clear coat contained the dibasic ester compounds that contributed to the base/clear parameter emissions exceedance identified in the NOV.

The NOV states that the actual emissions of dibasic ester from the EUWETCOAT process equipment were over the permitted limit. What was reported by Magna Mirrors, in the August 27, 2014 deviation report, was that the dibasic ester emissions from the base / clear booth had exceeded its individual parameter emission restriction of 1,891 pounds per 12 month rolling time period.

For clarity, the Company has assembled the parameter summary in tabular form. As can be seen from the assembled table, dibasic ester emissions are associated with two separate point sources within EUWETCOAT. It was the base/clear point source that exceeded its individual parameter assigned emission limit, while the EUWETCOAT process has been operating at approximately half of the



combined permitted allowance and thus did not result in excess emissions of dibasic ester from the emissions unit EUWETCOAT.

12 Mo Period Ending	Prime	Base / Clear	Total
Limit	3,390	1,891	5,281
June 2014	726	1,915	2,641
July 2014	725	1,953	2,678
August 2014	715	1,914	2,629
September 2014	717	1,765	2,482

Dibasic Ester Emissions Summary Data Table

Following the compilation of the June paint emission records, after the exceedance was discovered, Magna Mirrors immediately began the process of seeking a permit modification to merge the prime/base/clear allocations of dibasic ester into a single emission limit without increasing the combined emission allowance. The permit modification was submitted on July 29, 2014.

In early August 2014, Magna's paint supplier PPG brought forth a reformulated version of the high bake clear coat, with the dibasic esters removed from the formula. This newly formulated version of the high bake clear was tested in August, over a 9 day period, and then fully implemented in September 2014, replacing the former version.

The Company believes this rapid response to the dibasic ester situation provides a better, longer term solution to the air permit modifications and was accomplished in an unprecedented short time frame. With the reformulated paint being placed into service, Magna Mirrors subsequently rescinded the permit application and believes the reformulated paint is a more environmentally appropriate and desirable alternative to increasing or adjusting the emission limits to accommodate the individual sources within EUWETCOAT.

Beginning with the emission record for the month of September 2014, the base / clear booth monthly emissions of dibasic esters was zero and the 12 month rolling total of dibasic esters from this point source was 1,765 lbs. This rate demonstrates compliance with the parameter emissions limit by way of the reformulation/elimination of the compound in the material. Magna believes this situation was an isolated incident, responded immediately and has taken long term steps to prevent reoccurrence.

It is important to note the deviation report on file with the MDEQ-AQD is for the period of January through June 2014. While the resolution described above alleviates the non-compliance situation, the time period covered by the Notice of Violation spans across the months of June through August 2014. The Renewable Operating Permit reporting requirements dictate that the next deviation report, due March 15, 2015, identify the same deviation for the months of July and August. That report will identify and explain the deviation is not ongoing and has been resolved through reformulation of the lone coating, as described in this response.

The Company greatly appreciates the opportunity to provide this update and to formally resolve the situation through this response. Should you have additional questions regarding this matter, please contact me at 231-652-8440, Kaitlyn Laug at 231-652-4977 or Bruce Connell, Environmental Partners at 616-928-9127.

Sincerely, MAGNA MIRRORS CORPORATION

Brian Chadwell General Manager

cc: Ms. Heidi G. Hollenbach, MDEQ-AQD
Ms. Kaitlyn Laug, Magna Mirrors
Mr. Bruce Connell, Environmental Partners
Ms. Lynn Fiedler, MDEQ-AQD
Ms. Mary Ann Dolehanty, MDEQ-AQD
Ms. Teresa Seidel, MDEQ-AQD
Mr. Thomas Hess, MDEQ-AQD