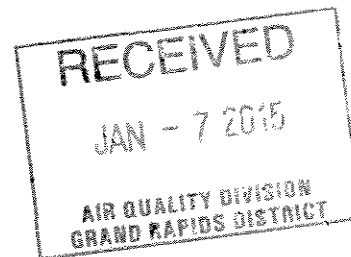




December 29, 2014

Ms. Jenifer Dixon
MDEQ-AQD
Grand Rapids District Office
State Office Building
350 Ottawa Avenue NW, Unit 10
Grand Rapids, Michigan 49503-2341



Re: Notice of Violation
Plasan Carbon Composites
SRN: P0374

Dear Ms. Dixon:

We are in receipt of your letter dated December 18, 2014, regarding a notice of violation of four specified conditions of Permit-to-Install (PTI) number 130-12. This letter is intended to address each purported violation and outline a compliance plan to remediate each item.

1. Exceedance of Carbon Fiber Usage Limitation (EUCARBONMOLD)

The carbon fiber products are initiated by cutting strips from a roll of carbon fiber and placing them in a pattern within a mold. The completed pattern is covered with a film and the mold sealed. The mold is placed within a press which applies heated pressure to the strips of carbon fiber. The heat and pressure result in a formed part.

At the time of the initial application, this description was provided along with information that the molding process does not result in an emission. However, since the molding operation was part of a larger project which did provide emissions, the permit engineer required some sort of process restriction.

At the time of the permit application, Plasan Carbon Composites estimated the amount of carbon fiber, in square meters, that would be required to meet anticipated production levels. This value was provided a 20% buffer prior to submitting the application to the agency. Therefore, the production limit, which has no corresponding emission, was limited to 735,200 square meters based on a production estimate.

Production levels have fluctuated up and down over the past 18 months but the 12 month rolling level carbon fiber has been reported above the 735,200 square meter limit since May of 2014. The company is in the process of submitting a permit modification for PTI 130-12 and will include a request to the usage rate of carbon fiber from the permit.

2. Exceedance of the Instantaneous VOC Content limit for the Primer (EUPAINTLINE)

Following the installation of the paint line in February 2013, the company discovered a difficulty in applying the Akzo Nobel paint, as prescribed in the permit application. It was discovered that the

activator was too thick, and required the company to add thinner. In addition, the company discovered that the Akzo Nobel primer required more paint per part than initially projected. This increase in paint usage and the addition of thinner resulted in the projection of a single HAP and the TAC p-chlorobenzotrifluoride increasing at alarming rates.

The company began reviewing a number of alternatives from Red Spot. The Red Spot coatings solved the issues associated with specific HAP and TAC limits. However, the Red Spot alternatives experienced performance issues and the company was forced to return to Akzo Nobel. In August 2014 the company switched to the current Akzo Nobel coating, which was evaluated against HAPS, and other TAC elements, but the VOC content, as mixed was erroneously not considered.

The company is currently considering going to a HAP free version of the current Akzo Nobel coating and will be presented in a permit modification, currently being prepared, along with a request to change the VOC content limitation.

3. No Cure Oven Temperature Recorder (EUPAINTLINE)

PTI #130-12 requires that the temperature setting within the cure oven not exceed 194 °F. The company has complied with this requirement by installing computer control logic restricting the temperature. The control panel also contains a digital monitor which provides instantaneous reading.

Permit Condition IV.3 requires that a monitoring device be installed that records the temperature of the oven. It was the opinion of the paint engineers that the computer control panel also contained a database program, whereby data on the oven temperature was always being maintained. It was not until the company went to retrieve the oven temperature data, as a part of your data request, that it was discovered that the database does not exist. Therefore, the company had not installed a device to record temperatures and thus the company does not have historic data to support the claim that they've not exceeded the oven temperature, other than the computer logic which limits oven temperature to below 194 °F.

To remedy this situation, the company has purchased a strip chart recorder that will record the oven temperature going forward. The strip chart recorder is installed and is currently being connected.

We believe that the contents of this letter address your informational request. The identified permit modification is expected to be submitted by January 15th. Should you need further information, please contact me at 616-965-3423 or brenda.wisniewski@plasancarbon.com.

Sincerely,



Brenda Wisniewski
EH&S Manager