



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

NOV 27 2012

REPLY TO THE ATTENTION OF:

G. Vinson Hellwig, Chief  
Michigan Department of Environmental Quality  
Air Quality Division  
Constitution Hall, 4<sup>th</sup> Floor  
525 West Allegan Street  
Lansing, Michigan 48909

Dear Mr. Hellwig:

This responds to your e-mail dated November 25, 2009 requesting that U.S. EPA provide guidance on an issue raised by General Motors (GM), in its November 24, 2009 letter to the Michigan Department of Environmental Quality (MDEQ), regarding its Orion Assembly Facility. You explained that the issue involves a GM claim that “roll-off tests’ performed inside a plant on autos on a dynamometer should not be subject to Title V requirements.”<sup>1</sup> You added that MDEQ currently has Title V permits with differing requirements for these operations, but the agency would like to be consistent in its permitting efforts. Included with your email you provide attachments with support information.<sup>2</sup>

As described by GM, the roll, road readiness, or end of line testing operation is one of the final steps of motor vehicle production in which fully assembled vehicles are driven to the test area where final checks are performed on various vehicle functions (for example, accelerating and braking). This includes a check that the vehicle emissions control systems are operating correctly and performance of a final quality check to ensure the vehicle is ready for the road. According to GM, a roll test is not a test of the engine. At the time a vehicle enters a roll test at Orion, it is ready for transportation. Such a vehicle has been assigned a VIN number, an emissions certification engine label, and a fuel economy window sticker.

Since the time of your initial request we have received two letters from the Automotive Alliance and, at their request, have held two informational meetings regarding testing at manufacturing plants including the type of “roll testing” that occurs at Orion. EPA has reviewed facts and information provided by your e-mail and by the Alliance of Automobile Manufacturers. We have also consulted with EPA headquarters offices and other EPA regional offices. While we do not necessarily concur with all of the supporting arguments presented by GM,<sup>3</sup> because the testing is

<sup>1</sup> Title V generally does not impose substantive applicable requirements, thus we believe the question is whether substantive requirements apply under Clean Air Act programs that must be incorporated into the title V permit.

<sup>2</sup> See Orion Roll Test Cvr Ltr Hellwig - 11-24-09; Orion Roll Test Cvr Ltr - 11-17-09; Bob Stewart Letter 11-17-09; SSR Letter 10-03; Active MI Permits with Roll Test.

<sup>3</sup> For example, GM and the Alliance misunderstand the limited scope of 40 C.F.R. Part 63, subpart P (NESHAP for Engine Test Cells/Stands) as an exemption from Title I regulations for installed engines.

done at a point when the vehicle is ready for introduction into commerce and the testing is for the purpose of checking the vehicle's readiness for transportation, we have concluded that the direct emissions from roll-off tests at the GM Orion facility are emissions resulting directly from internal combustion engines "for transportation purposes" within the meaning of Section 302(z) of the Clean Air Act and as such the engines in the vehicles tested are not subject to stationary source requirements.<sup>4</sup> As a result, these emissions should not be included in permitting, except when the approved State Implementation Plan (SIP) regulations allow consideration of mobile emissions increases or reductions for applicability of those regulations. As allowed under state laws, states can always develop more stringent programs than those required under the Clean Air Act. However, such programs may not violate the provisions limiting state standards regulating mobile sources in section 209 of the Act. It may also be permissible for states to promulgate regulations on indirect sources, similar to those discussed in section 110(a)(5) of the Act.

I hope this letter clarifies EPA's interpretation of this issue and responds to your question. Please contact Charnagne Ackerman, of my staff, at (312) 886-0448 if you have any additional questions or would like to discuss specific issues regarding this matter.

Sincerely,

  
George Czerniak,  
Director,  
Air and Radiation Division

Attachments:

1. Orion Roll Test Cvr Ltr Hellwig - 11-24-09
2. Orion Roll Test Cvr Ltr - 11-17-09
3. Bob Stewart Letter 11-17-09
4. SSR Letter 10-03
5. Active MI Permits with Roll Test

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<sup>4</sup> Unlike emissions from nonroad engines and vehicles, which are categorically exempted, section 302(z) does not categorically exempt emissions from motor vehicles from the definition of stationary source. Instead, section 302(z) exempts "emissions resulting directly from an internal combustion engine for transportation purposes."



November 24, 2009

Mr. G. Vinson Hellwig  
Michigan Department of Environmental Quality  
Air Quality Division  
Division Chief  
Constitution Hall, 3<sup>rd</sup> Floor  
525 West Allegan Street  
P.O. Box 30260  
Lansing, Michigan 48909-7760

**RE: Issue Resolution for Roll Test at Orion Assembly - Permit Application 224-09**

Dear Mr. Hellwig:

General Motors (GM) has applied for a Permit-to-Install for a new paint shop at the Orion Assembly plant. The new paint shop is scheduled to begin construction in early 2010. As part of the application, General Motors is pursuing a flexible permit that requires inclusion of all stationary VOC sources. General Motors did not include the Roll Test operation as part of the permit application submittal because the Roll Test operation is regulated under Title II of the federal Clean Air Act and should not be included in this permit because of federal preemption. However, the Michigan Department of Environmental Quality (MDEQ) staff indicated to GM that they believe Roll Test should be in the application. The Roll Test operation occurs in General Assembly near the end of the assembly line and furthermore is not being modified. Roll Test is used to ensure that operations such as braking and the emission control systems (via the engine control module) are operating correctly. It is not a test of the engine.

Since a resolution on whether to include the Roll Test operation in the permit application could not be reached, General Motors was directed by MDEQ staff to follow the Issue Resolution process outlined in MDEQ Operational Memorandum Number 19, under the Policy Issues Section. General Motors has retained outside legal counsel Bob Stewart, a partner at Kelly, Hart & Hallman with over three decades of experience in air quality law, to provide legal advice on whether Roll Test is a Title I source. Mr. Stewart provided legal advice and analysis that was submitted along with a summary letter to Mr. William Presson on November 17, 2009, as the first step of the issue resolution process.

On November 19, 2009, Mr. Presson, MDEQ General Manufacturing Unit Permit Supervisor, responded to General Motors Issue Resolution request by conference call. It was Mr. Presson's opinion was that the vehicle is still in the manufacturing process and not a complete vehicle when the Roll Test is performed. Therefore, the Roll Test operation should be considered a stationary source and the vehicle is not subject to Title II regulation until the vehicle leaves the facility. GM strongly disagrees with this analysis and believes that the fully assembled and operating vehicle is not

considered a stationary source. Moreover, at the point of Roll Test, there is no question the engine is a completed product and the only emissions during Roll Test are from the engine. The purpose of Roll Test is to perform operations such as braking; check that the emission control systems are operating correctly; and performance of a final quality check to ensure the vehicle is ready for the road. Once the vehicle enters Roll Test it is ready for transportation and subject to Title II regulations. General Motors believes that the vehicle is subject to the Title II regulations at Roll Test because 1) it has a VIN number and is recognized as a motor vehicle, 2) it has a window sticker which indicates it is ready for sale, and more importantly, 3) its emissions are already regulated under Title II of the Clean Air Act. If one follows the logic of Mr. Presson's comments that the vehicle is regulated under stationary source rules until it physically leaves the facility then activities such as driving the vehicle in the parking lot for shipment to GM dealers would make the parking lot a stationary source subject to regulation. Clearly, this is not the intent of the law. Moreover, Title II exempts motor vehicle engines as well as motor vehicles. The only emissions from the Roll Test are from the engine and thus exempt.

General Motors has also reviewed previous actions on Roll Test operations in other assembly plants. In response to a question from the EPA on Roll Test, the State of Georgia Department of Natural Resources stated that the Roll Test operation to be installed in a new Kia Motors plant was not a stationary source. The Georgia DNR stated as follows:

*"To clarify, area in question is a vehicle testing stand and area, not an engine test stand. The vehicles are fully assembled at the point of testing, and the tests involve final checks of road-worthiness and quality assurance. There is no stationary stands for which engines to be mounted and tested. The Clean Air Act Amendments of 1990 define stationary source as "generally any source of an air pollutant except those resulting directly from an internal combustion engine for transportation purposes."*

*The finished vehicles, at this point, are subject to EPA's emission standards for light-duty onroad vehicles is further support that the vehicle emissions during testing should be considered mobile and not stationary in nature."*

The permit for Kia Motors was released without an emission unit for Roll Test.

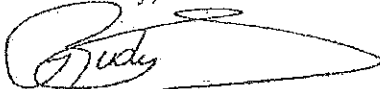
Similarly, in Ohio, OEPA recognized that Roll Test operations are regulated by Title II. To avoid confusion and clarification on this position, the agency codified its position by including language in its rules explicitly clarifying that Roll Test operations do not need stationary source permits.

In Michigan, General Motors reviewed the facilities that currently have permits with Roll Test as an emission unit. Of the twelve active assembly permits in Michigan, only two have Roll Test emission units because those two facilities had PSD permits which required all emissions to be categorized. In hindsight, General Motors should have asked for Roll Test to be removed as an emission unit, since it is regulated under Title II. However, the majority of assembly plants (all of which employ Roll Test) do not have a Roll Test Emission Units in their MDEQ permits. General Motors also discussed the Roll Test operation with the MDEQ on other permits. During a conference call on September 20,

2001, the MDEQ stated that General Motors could remove the Roll Test Operation from the Lansing Craft Centre permit. Furthermore, in 2001 as part of a Value Stream mapping exercise with Chrysler, Ford and GM; General Motors received correspondences from the MDEQ that Roll Test did not need to be included in the permit. GM has not been able to locate this written correspondence.

Based on the information included and the attached letter from Bob Stewart, General Motors believes the Roll Test operation should not be part of the current application at Orion Assembly. If you have any questions or need further information, feel free to contact me at 248-255-7796.

Sincerely,



Rusty Helm  
General Motors  
Manager Air Support Operations

**Attachments:**

1. Final Determination of Kia Motor Manufacturing from Georgia DNR
2. Letter to Mr. Vrajesh Patel from General Motors on October 3, 2001 regarding Roll Test and Permit No. 198-01 (Lansing Craft Centre)
3. Active Michigan Permits with Roll Test as an Emission Unit
4. Letter to Mr. Bill Presson on November 19, 2009 starting the Issue Resolution Process on the Roll Test operation at Orion Assembly
5. Memo to Mr. Rusty Helm from Mr. Bob Stewart on Roll Test applicability
6. EPA correspondences on Jet Engine Test Cells



November 17, 2009

Mr. William Presson  
Michigan Department of Environmental Quality  
Air Quality Division  
Section Supervisor  
Constitution Hall, 3<sup>rd</sup> Floor  
525 West Allegan Street  
P O. Box 30260  
Lansing, Michigan 48909-7760

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Rusty Helm  
General Motors  
Manager Air Support Operations

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