



May 25, 2006

J. Wick Havens
Chief, Division of Air Resource Management
Bureau of Air Quality
P.O. Box 8468
Harrisburg, PA 17105-8468

RE: Ozone Transport Commission Candidate Control Measures; Glass Furnaces

Dear Mr. Havens:

OSRAM Sylvania Products Inc. ("OSPI") is providing the following comments regarding the Ozone Transport Commission ("OTC") control measure under consideration for glass/fiberglass furnaces.

1. First and foremost, Pennsylvania must demonstrate that the emissions reductions being sought are necessary to achieve the 8-hour ozone NAAQS. It is our understanding that the control measures are being pursued under the theory that they are necessary to achieve attainment with the 8-hour ozone NAAQS. However, we are unaware of any demonstration that the reductions will improve air quality or to what extent they will improve air quality as necessary to meet the NAAQS. Absent some demonstration that the targeted emission sources are adversely impacting attainment in those areas modeled to be in nonattainment, any decision to pursue emission reductions from such sources is baseless and completely arbitrary.

Pennsylvania should not support any OTC resolution that would significantly disadvantage Pennsylvania businesses unless such a resolution is demonstrated to be necessary to attainment of the 8-hour ozone standard. Imposition of costly control measures on sources located in Pennsylvania is appropriate only if it is first demonstrated that such control measures will, in fact, reduce ozone concentrations. If such a nexus between emission reductions and ambient ozone concentrations in the modeled nonattainment area is demonstrated, then and only then should Pennsylvania consider imposing cost-effective controls on Pennsylvania sources.

2. Regulation of smaller sources of emissions that are not located in proximity to and immediately upwind of the modeled non-attainment areas are of particular concern. Common sense would indicate that relatively smaller sources of

NOx and VOCs located in the central or western part of the state are likely to have a smaller, if any, impact on ozone formation in the southeastern part of the state. Pennsylvania should consider the location of the sources to be regulated as well as the relative magnitude of emissions in determining which sources to target for additional emission reductions.

3. Regulation of OSPI's Wellsboro facility as recommended in the OTC control measure would create a significant competitive disadvantage to OSPI. Our main competitors are located outside the ozone transport region. The additional costs for installing oxyfiring, which are significant, would create an uneven playing field in the marketplace. The industry is already distressed as demonstrated by the closures of several glass furnaces in the region including several in Pennsylvania and an OSPI glass furnace in Central Falls, RI. See Comment 4 below. Additional economic burdens on this industry should be narrowly focused and imposed only as absolutely necessary.
4. The OTC must ensure that the modeling database is accurate if it is the basis for further regulating sources. It is our understanding that the OTC database being used for the modeling is the 2002 inventory prepared by MANE VU with assumptions used to predict 2009 emissions. We note that the MANE VU inventory for glass furnaces includes several entries for sources that have been closed since 2002. For example, we believe that the Corning Asahi Video Products Co. State College operations have been shutdown as have the Techneglas Inc. Pittston operations. These sources represent approximately 1,500 tpy NOx emissions. In addition, we cannot confirm the accuracy of one of the OSPI listed sources. Finally, we note that the modeling database assumes a 40% reduction while the OTC recommended control measure is for 85% reduction. The inventory and assumptions used for projecting 2009 emissions for modeling purposes are critical if this modeling is the basis for concluding that additional reductions are required. The OTC must ensure the accuracy of the inventory and assumptions prior to determining whether additional reductions are necessary.
5. To the extent that the OTC proceeds with the adoption of a model rule for control of NOx emissions from glass furnaces, the OTC should consider the variability in NOx emissions from different glass furnaces. The suggested 85% reduction may not be achievable by all glass furnaces.
6. To the extent that the OTC proceeds with adoption of a model rule for control of NOx emissions from glass furnaces, it should not require the industry to purchase NOx allowances unless the a program is developed whereby all sources subject to an allowance trading program are allocated allowances in some fashion. Requiring glass furnaces to purchase allowances from sources that have already been regulated by a cap and trade program and which were provided allowances is inappropriate and inequitable.

OSPI trusts that you will give serious consideration to these comments and understand the significant economic disadvantage that this regulatory effort will have on our business and the Pennsylvania economy. We urge you to pursue only such regulation that is demonstrated to be necessary to achieve attainment with the NAAQS.

Finally, OSPI notes that the time frame for developing these comments and evaluating the impact on our business was extremely limited. We would ask that Pennsylvania solicit and consider comments at an early stage if a model rule is pursued.

Sincerely,

A handwritten signature in black ink, appearing to read "Mathew H. Gontarz", with a long horizontal flourish extending to the right.

Mathew H. Gontarz
Plant Manager

cc: Mathew E. Baker, State Representative
Douglas A. Colangelo