

Hyundai Motor Manufacturing Czech s.r.o.  
Axis Office Park Ostrava – Budova B  
Na rovince 874  
720 00 Ostrava – Hrabová

Brno, March 12, 2007

## **Notification about a breach of the Declaration**

Dear Sirs,

on March 5, 2007 we received building permit, č.j. SÚ 1230/2006-330/Ko dated March 2, 2007 on Section 05 - Transmission, issued for Hyundai Motor Manufacturing Czech, s.r.o. (HMMC). Meanwhile, we were contacted by your lawyer Mr. Michnik, who asked us on behalf of HMMC to express our will to waive our right to appeal to building authority.

We first examined the entire building permit to make sure that everything is in accordance with law. Unfortunately we found out that:

- GARDE – ELS informed HMMC about non-compliance of its documentation in building permit procedure for Transmission by email on January 31<sup>st</sup> 2007. The non-compliance lies in not providing thorough information concerning environmental impacts of the planned factory. According to the Czech law this is required.
- GARDE – ELS has never received any answer to its comments from HMMC.
- HMMC has never corrected the legal non-compliance we pointed out.
- As a result of HMMC's illegal non-compliance, the Building Authority issued an illegal building permit (conflict with § 66 and following of Act no. 50/1976 Coll.).
- On March 8, 2007, through Mr. Michnik, we have received by email documentation related to external influences of Transmissions to the environment. He evaluated the stated materials called GARDE – ELS and based on our findings in relation to external environment, we have derived the following:

### **1. Noise**

Documentation sufficiently focuses on noise in the work environment, although it completely overlooks the noise emissions outside of the Transmission building. It is necessary to observe the noise limits for the protected exterior area at the border of the HMMC premises. Based on this fact it is necessary to illustrate in the documentation that the noise contribution of the Transmissions building will not cause over exceeding of limits at the premises borders. Model values must reflect changes between the data stated in the EIA documentation and the current state.

The submitted noise study (Greif-akustika, s.r.o., July 24, 2006) was performed as the basis for the zoning proceedings and is relative to the entire HMMC premises. The noise model was performed under simplified conditions (e.g. sources of noise are positioned evenly along roofs of buildings and are considered to be overall radiating), besides the exact extent was not known and height of the perimeter mound was not known. Calculation models separately the sources in the premises from the noise impact of the perimeter road. The impacts of the individual buildings cannot be derived from the noise model. The conclusion of the study states that there will be no exceeding of the noise level limit values at the calculation points outside of the HMMC premises in the outside building areas (50 dB day, 40 dB night), highest calculated values are: 44 dB for daytime and 37.5 dB for night-time (noise caused by the perimeter road), although sources from the premises have slightly lower maximums, but thanks to their placement in greater elevations they also have a greater span. At the measurement points, values around 40 dB were commonly attained during the day and 35dB at night.

## 2. Air

Documentation describes the quality of the air inside the building. In order to evaluate the building's impact on the environment, it is then necessary to document the overall building emissions originating on one hand from the incineration sources as well as technological processes. From the incineration sources it is proper to state especially following overall emissions: CO, NO<sub>x</sub>, PM<sub>10</sub> and VOC (e.g. in t/year) and to document that the appropriate emission limits will be observed at the outflow of flue gases. With direct heating hot air equipment for heating of the shops it is appropriate to state at least estimates of the produced pollutants based on the presumed volume of incinerated gas. For technological sources (e.g. air exhausted by the machine-tools) it is necessary to perform an estimate of volume of emitted dust particles (TZL) and to specify the equipment for decreasing their content in exhausted gases.

The submitted expert opinion (Technické služby ochrany ovzduší Ostrava s.r.o., Nov. 16, 2006) sufficiently resolves our issue of air protection. Besides other things it states that the incinerating sources do not need to be compared with BAT (limit 50MW, Transmission approx. 13.5 MW), the limit however is only relative to the entire plant, not only the individual operations. Recommendations stated in the closing of this opinion (which were not included in the documentation for building permit) must be reflected. These are for example specification of filters for TZL separation from the air exhausted from the machine-tools, specification of filters in the technical documentation are completely missing, it is necessary to select filters with technology corresponding with BAT (as is recommended in the opinion)

## 3. Industrial sewage

Documentation states the estimate of the discharged sewage volume (drained without cleaning into the public sewage system), but it does not deal with information about industrial sewage discharged to the internal sewage treatment plant. It is necessary to state the estimated volumes of the discharged sewage (e.g. in t/year) and their classification.

This matter would not be so serious if HMMC would have had IPPC permission. HMMC avoided to the IPPC procedure by an abnormal sequence of construction that could be illegal. The IPPC and the building permit documentation give us the right to start a sanction procedure according to the Declaration of understanding.

We do not want to harm HMMC or to threaten the relationship established by the Declaration. However, given that our mission is to protect the public interest, we feel obliged to act. Given the above mentioned illegalities concerning the object SO5 - Transmission, EPS considers this as a breach of article 1 of the Declaration:

HMMC and MSR undertake, in all legal proceedings related to the Industrial Zone and Plant and within their respective competencies, to fulfil all material and formal requirements of Czech law and exert all efforts to ensure that all decisions of relevant administrative authorities concerning the Industrial Zone and Plant are made in accordance with Czech law and involve terms sufficient in number and quality for the protection of public interest, including but not limited to the protection of the environment, health, and lives of the citizens.

Furthermore, considering the circumstances, we have decided to launch a procedure according to the article IV. of the Declarations' final provisions and ask you to remedy the breach of the Declaration. We will expect a reply to this communication within 10 days.

Yours sincerely,

Pavel Franc & Jiří Nezhyba  
GARDE - ELS