

Regulatory Analysis Form

(Completed by Promulgating Agency)

INDEPENDENT REGULATORY
REVIEW COMMISSION

(All Comments submitted on this regulation will appear on IRRC's website)

(1) Agency

Environmental Protection

(2) Agency Number:

Identification Number: 7-490

IRRC Number:

3110

(3) PA Code Cite:

25 Pa. Code Chapter 129

(4) Short Title: Control of VOC Emissions from Automobile and Light-duty Truck Assembly Coating Operations and Heavier Vehicle Coating Operations

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(6) Type of Rulemaking (check applicable box):

- Proposed Regulation
 Final Regulation
 Final Omitted Regulation

- Emergency Certification Regulation
 Certification by the Governor
 Certification by the Attorney General

(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The proposed rulemaking would amend Chapter 129 (relating to standards for sources) to add § 129.52e (relating to control of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations) to adopt reasonably available control technology (RACT) requirements and RACT emission limitations for stationary sources of volatile organic compound (VOC) emissions from automobile and light-duty truck assembly coating operations and, when elected, certain other vehicle-related surface coating operations. The proposed rulemaking would also amend § 129.51 (relating to general) to support the addition of § 129.52e.

This proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to a new automobile body or a new light-duty truck body, to a body part for a new automobile or for a new light-duty truck, or to another part that is coated along with the new automobile body or body part or new light-duty truck body or body part. The owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility, and the owner or operator of a facility that coats a body or body part for a new heavier vehicle, would have the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d (relating to control of VOC emissions from miscellaneous metal parts surface coating processes, miscellaneous plastic parts surface coating processes and pleasure craft surface coatings). This option is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. The proposed rulemaking for § 129.52d would be adopted as a final rulemaking on the same date of final adoption as this proposed rulemaking. This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

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This proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility. The VOC content limits in the proposed rulemaking would also not apply to an assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of 1 pound or less.

Emissions of VOCs are precursors to the formation of ground-level ozone, a criteria air pollutant. Ground-level ozone is formed from emissions of nitrogen oxides (NO_x) and VOCs in the presence of sunlight. High concentrations of ground-level ozone air pollution are a serious threat to public health and welfare and the environment. The ground-level ozone air pollution reduction measures in this proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based ozone National Ambient Air Quality Standards (NAAQS) in this Commonwealth and to satisfy related Clean Air Act (CAA) (42 U.S.C.A. §§ 7401—7671q) requirements.

This proposed rulemaking will be submitted to the United States Environmental Protection Agency (EPA) for approval as a revision to the Commonwealth's State Implementation Plan (SIP) following promulgation of the final-form regulation.

(8) State the statutory authority for the regulation. Include specific statutory citation.

The proposed rulemaking is authorized under section 5(a)(1) of the Air Pollution Control Act (act) (35 P.S. § 4005(a)(1)), which grants the Environmental Quality Board (Board) the authority to adopt rules and regulations for the prevention, control, reduction and abatement of air pollution in this Commonwealth. Section 5(a)(8) of the act (35 P.S. § 4005(a)(8)) also grants the Board the authority to adopt rules and regulations designed to implement the provisions of the CAA.

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as any deadlines for action.

Yes. State regulations to control VOC emissions from the automobile and light-duty truck assembly coating operations, as well as the related cleaning activities, are required under Federal law. The state regulation will be approved by the EPA as a revision to the Commonwealth's SIP if the provisions meet the RACT requirements of the CAA and its implementing regulations. See 73 FR 58481, 58483. The EPA defines RACT as "the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility." See *State Implementation Plans; General Preamble for Proposed Rulemaking on Approval of Plan Revisions for Nonattainment Areas—Supplement (on Control Techniques Guidelines)*, 44 FR 53761, 53762 (September 17, 1979).

In accordance with sections 172(c)(1), 182(b)(2)(A) and 184(b)(1)(B) of the CAA (42 U.S.C.A. §§ 7502(c)(1), 7511a(b)(2)(A) and 7511c(b)(1)(B)), the proposed rulemaking establishes VOC emission limitations and other requirements consistent with the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings Control Techniques Guidelines (CTG) as RACT for these sources in this Commonwealth. See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483 (October 7, 2008).

Section 109(b) of the CAA (42 U.S.C.A. § 7409(b)) provides that the Administrator of the EPA must establish NAAQS for criteria air pollutants at levels that protect public health and welfare and the environment. The criteria air pollutants are commonly found throughout the United States and currently include six air pollutants: ground-level ozone, particle pollution (often referred to as particulate matter), carbon monoxide, sulfur oxides, nitrogen dioxide, and lead. These air pollutants, when present in sufficient concentration in the ambient air, can cause harm to public health and welfare and to the environment.

The EPA calls these six principal air pollutants "criteria" air pollutants because it regulates them by developing human health-based or environmentally-based, or both, criteria (science-based guidelines) for setting permissible ambient air levels. The set of standards based on human health is called primary standards. Another set of standards intended to prevent environmental and property damage is called secondary standards. Of the six criteria air pollutants, high concentrations of ground-level ozone and of particle pollution are the most widespread health and welfare threats. The EPA promulgated the ground-level ozone NAAQS in July 1997 at 0.08 part per million (ppm) averaged over 8 hours and lowered it in March 2008 to 0.075 ppm. See 62 FR 38855 (July 18, 1997) and 73 FR 16436 (March 27, 2008).

Section 110(a) of the CAA (42 U.S.C.A. § 7410(a)) provides that each state shall adopt and submit to the EPA a plan to implement measures [State Implementation Plan or "SIP"] to enforce the NAAQS or revision to the NAAQS promulgated under section 109(b) of the CAA. Section 172(c)(1) of the CAA provides that SIPs for nonattainment areas must include "reasonably available control measures," including "reasonably available control technology" or "RACT," for sources of emissions of NO_x and VOC. Section 182(b)(2) of the CAA (42 U.S.C.A. § 7511a(b)(2)) provides that for moderate ozone nonattainment areas, states must revise their SIPs to include RACT for sources of VOC emissions covered by a CTG document issued by the EPA prior to the area's date of attainment. CTG documents provide information about a source category and recommendations of what the EPA considers to be RACT for the source category.

Section 183(e) of the CAA (42 U.S.C.A. § 7511b(e)) directs the EPA to list for regulation those categories of products that account for at least 80% of the VOC emissions from consumer and commercial products in ozone nonattainment areas. Section 183(e)(3)(C) of the CAA (42 U.S.C.A. § 7511b(e)(3)(C)) further provides that the EPA may issue a CTG document in place of a National regulation for a product category where the EPA determines that the CTG will be "substantially as effective as regulations" in reducing emissions of VOC in ozone nonattainment areas. The CTG provides states with the EPA's recommendation of what constitutes RACT for the covered category. States can use the Federal recommendations provided in the CTG to inform their own determination as to what constitutes RACT for VOC emissions from the covered category. State air pollution control agencies may implement other technically-sound approaches that are consistent with the CAA requirements and the EPA's implementing regulations or guidelines.

In 1995, the EPA listed automobile and light-duty truck assembly coatings on its section 183(e) list and, in 2008, issued a CTG for this product category. See 60 FR 15264, 15267 (March 23, 1995) and 73 FR 58481; *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA 453/R-08-006, Office of Air Quality Planning and Standards, EPA, September 2008. The 2008 Automobile and Light-Duty Truck Assembly Coatings CTG is available on the EPA website at: www.epa.gov/airquality/ozonepollution/SIPToolkit/ctgs.html.

Section 184(a) of the CAA (42 U.S.C.A. § 7511c(a)) provides that the entire Commonwealth is included in the Ozone Transport Region (OTR) established under section 184 (www.otcair.org). Section 184(b) of the CAA (42 U.S.C.A. § 7511c(b)) addresses provisions for the SIP of a state included in the OTR. Section 184(b)(1)(B) of the CAA requires that states in the OTR, including Pennsylvania, submit a SIP revision requiring implementation of RACT for all sources of VOC emissions in the state covered by a specific CTG and not just for those sources that are located in designated nonattainment areas of the state. Consequently, the Commonwealth's SIP must include regulations applicable statewide to control VOC emissions from automobile and light-duty truck assembly coatings, as well as related cleaning activities, which are covered by the applicable CTG issued under the following notice: *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483. In the 2008 notice of final determination and availability of final Control Techniques Guidelines, the EPA determined that the recommendations of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG would be substantially as effective as National regulations in reducing VOC emissions from the automobile and light-duty truck assembly coatings product category in ozone nonattainment areas. See 73 FR 58481.

The Department reviewed the recommendations included in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for their applicability to the ground-level ozone reduction measures necessary for this Commonwealth. The Bureau of Air Quality has determined that VOC emission reduction measures consistent with the recommendations provided in the CTG are appropriate to be implemented in this Commonwealth as RACT for this category. The ground-level ozone reduction measures included in this proposed rulemaking would achieve VOC emission reductions locally and would also reduce the transport of VOC emissions and ground-level ozone to downwind states. Adoption of VOC emission requirements for these sources is part of the Commonwealth's strategy, in concert with other OTR jurisdictions, to further reduce the transport of VOC ozone precursors and ground-level ozone throughout the OTR to attain and maintain the 8-hour ozone NAAQS.

Section 182(b)(2) of the CAA (42 U.S.C.A. § 7511a(b)(2)) requires that a CTG issued by the EPA after November 15, 1990, include the date by which states subject to section 182(b) must submit SIP revisions in response to the CTG. The EPA issued the Automobile and Light-Duty Truck Assembly Coatings CTG on October 7, 2008. See 73 FR 58481. The EPA provided a 1-year period for the required SIP submittal, making SIP revisions for implementation of the Automobile and Light-Duty Truck Assembly Coatings CTG recommendations due by October 7, 2009. See 73 FR 58481, 58484.

If the EPA Administrator finds that a state has failed to submit an acceptable implementation plan or has failed to implement the requirements of an approved plan, sanctions will be imposed 18 months after the Administrator makes the determination (i.e., "failure to submit finding"). Sanctions cannot be imposed if a deficiency has been corrected within the 18-month period after the finding. The EPA has not yet made such a finding for this rulemaking.

Section 179 of the CAA (42 U.S.C.A. § 7509) authorizes the EPA to use two types of sanctions: 1) imposing what are called "2:1 offsets" on new or modified sources of emissions; and 2) withholding of certain Federal highway funds. Under section 179 and its implementing regulations, the Administrator first imposes 2:1 emission offset sanctions for new or modified major stationary sources in the nonattainment area, and then, if the deficiency has not been corrected within 6 months, also applies highway funding sanctions. See 40 CFR 52.31 (relating to selection of sequence of mandatory sanctions

for findings made pursuant to section 179 of the Clean Air Act). The Commonwealth receives approximately \$1.6 billion in Federal transportation funding annually, which would be at risk if the

Commonwealth does not implement RACT requirements for the control of VOC emissions from automobile and light-duty truck assembly coating operations.

In 2004, the EPA designated 37 counties in this Commonwealth as 8-hour ozone nonattainment areas for the 1997 8-hour ozone NAAQS. Based on the ambient air monitoring data for the 2013 ozone season, all monitored areas of the Commonwealth are attaining the 1997 8-hour ozone NAAQS. The Department must ensure that the 1997 ozone standard is attained and maintained by implementing permanent and enforceable control measures to ensure violations of the standard do not occur for the next decade.

In April 2012, the EPA designated five areas in Pennsylvania as nonattainment for the 2008 ozone NAAQS. See 77 FR 30088, 30143 (May 21, 2012). These areas include all or a portion of Allegheny, Armstrong, Berks, Beaver, Bucks, Butler, Carbon, Chester, Delaware, Fayette, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, Washington and Westmoreland Counties. The Commonwealth must ensure that these areas attain the 2008 ozone standard by 2015 and that they continue to maintain the standard thereafter.

(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

The purpose of this proposed rulemaking is to implement control measures to reduce VOC emissions Statewide from automobile and light-duty truck assembly surface coating processes and, when elected, certain other vehicle-related surface coating processes, as well as related cleaning activities. VOCs are precursors for ground-level ozone formation. Ground-level ozone, a public health and welfare hazard, is not emitted directly by surface coating processes to the atmosphere, but is formed by a photochemical reaction between VOCs and NO_x in the presence of sunlight. The EPA regulates ground-level ozone as a criteria air pollutant because of its widespread adverse health and environmental effects. Exposure to high concentrations of ground-level ozone is a serious human and animal health and welfare threat, causing respiratory illnesses and decreased lung function, agricultural crop loss, visible foliar injury to sensitive plant species, and damage to forests, ecosystems and infrastructure. Implementation of the proposed VOC control measures would benefit the health and welfare of the approximately 12.77 million residents (as of July 2013) and the numerous animals, crops, vegetation and natural areas of this Commonwealth by reducing emissions of VOCs and the subsequent formation of ground-level ozone air pollution. Ground-level ozone air pollution can also be transported downwind via regional air currents and meteorological events. Reductions of ground-level ozone in this Commonwealth will therefore also benefit the residents of downwind states and downwind environments. The measures in the proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based 8-hour ozone NAAQS in this Commonwealth, to satisfy related CAA requirements, and to protect the livelihoods of numerous citizens and residents.

Exposure to high levels of ground-level ozone air pollution correlates to increased respiratory disease and higher mortality rates. Ozone can inflame and damage the lining of the lungs. Within a few days, the damaged cells are shed and replaced. Over a long time period, lung tissue may become permanently scarred, resulting in permanent loss of lung function and a lower quality of life. When ambient ozone levels are high, more people with asthma have attacks that require a doctor's attention or use of medication. Ozone also makes people more sensitive to allergens including pet dander, pollen, and dust

mites, all of which can trigger asthma attacks. The EPA has concluded that there is an association between high levels of ambient ozone and increased hospital admissions for respiratory ailments including asthma. While children, the elderly, and those with respiratory problems are most at risk, even healthy individuals may experience increased respiratory ailments and other symptoms when they are exposed to high levels of ambient ozone while engaged in activities that involve physical exertion. High levels of ground-level ozone also affect animals including pets, livestock, and wildlife, in ways similar to humans.

The EPA has estimated the monetized health benefits of attaining the NAAQS. For example, the EPA estimated that the monetized health benefits of attaining the 2008 8-hour ozone standard of 0.075 ppm range from \$8.3 billion to \$18 billion on a National basis by 2020.¹ Prorating that benefit to the Commonwealth, based on population, results in a public health benefit of \$337 million to \$732 million. The Department is not stating that these estimated monetized health benefits would all be the result of implementing the proposed rulemaking RACT measures, but the EPA estimates are indicative of the benefits to Commonwealth residents of attaining the 2008 8-hour ozone NAAQS.

In addition to causing adverse human and animal health effects, the EPA has concluded that ground-level ozone affects vegetation and ecosystems, leading to reductions in agricultural crop and commercial forest yields by destroying chlorophyll; reducing the size and quality of seeds; reducing growth and survivability of tree seedlings; and increasing plant susceptibility to disease, pests, and other environmental stresses, including harsh weather. In long-lived species, these effects may become evident only after several years or even decades and have the potential for long-term adverse impacts on forest ecosystems. Ozone damage to the foliage of trees and other plants can decrease the aesthetic value of ornamental species used in residential landscaping, as well as the natural beauty of parks and recreation areas. Through deposition, ground-level ozone also contributes to pollution in the Chesapeake Bay. These effects can have adverse impacts including loss of species diversity and changes to habitat quality and water and nutrient cycles. High levels of ground-level ozone can also cause damage to buildings and synthetic fibers, including nylon, and reduced visibility on roadways and in natural areas.

Ground-level ozone impacts Pennsylvania's farm crops, forests, parks, and timber. The economic value of some welfare losses due to high concentrations of ground-level ozone can be calculated, such as crop yield loss from both reduced growth and smaller, lower-quality seeds and tubers with less oil or protein. If ozone episodes last a few days, visible injury to some leaf crops, including lettuce, spinach and tobacco, as well as visible injury to the leaves of ornamental plants, including grass, flowers and shrubs, can appear. This injury can be seen as small pale yellow or brown blotches, below which the cells have died. Other types of welfare loss may not be quantifiable, such as the reduced aesthetic value of trees growing in heavily visited parks.

An important staple food cash crop raised here in Pennsylvania that is sensitive to ground-level ozone is soybeans. Lisa Ainsworth, a University of Illinois associate professor of crop sciences and United States Department of Agriculture (USDA) Agricultural Research Service plant molecular biologist, and her research team conducted a 2 year study in 2009 and 2010 at the Soybean Free Air Concentration Enrichment (SoyFACE) facility at the University of Illinois South Farms.² It was the first dose-response experiment to look at ozone exposure-response and soybean cultivars under completely open-air

¹ *Regulatory Impact Analysis, Final National Ambient Air Quality Standard for Ozone*, July 2011, http://epa.gov/glo/pdfs/201107_OMBdraft-OzoneRIA.pdf.

² *Ozone Exposure Response for U.S. Soybean Cultivars: Linear Reductions in Photosynthetic Potential, Biomass, and Yield*. Published online before print October 2012, doi: <http://dx.doi.org/10.1104/pp.112.205591>; *Plant Physiology* December 2012 vol. 160 no. 4 1827-1839; <http://www.plantphysiol.org/content/160/4/1827.full.pdf+html>.

conditions. The group investigated the responses of seven different soybean genotypes to eight ambient ozone concentrations. The plants were exposed to ground-level ozone concentrations ranging from ambient levels of 38 parts per billion (ppb) up to 200 ppb. They found that any increase above the sensitivity threshold of 40 ppb was enough to reduce seed yield: roughly half a bushel per acre for each additional part per billion of ozone. "This is significant," Ainsworth says. "Especially considering that background concentrations of ground-level ozone today vary year to year, anywhere from about 38 to 39 ppb to about 62 ppb. That can be 15 bushels per acre from one year to the next that farmers are losing to ozone." "Breeders haven't inadvertently bred for ozone tolerance in more modern [soybean] lines," Ainsworth said. "They're [modern soybean lines] still sensitive to ozone, which means that farmers are still subject to these yearly variations in ozone and are losing yield accordingly."³

A comparison of soybean yields in Pennsylvania with the Department's ozone monitoring data over the past 15 years shows a similar trend. Monitored levels of ozone in Pennsylvania using the 3-year average of the fourth daily maximum 8-hour averages (design value), in parts per billion (ppb), ranged from approximately 100 ppb in 1999 to approximately 75 ppb in 2012.⁴ As monitored levels of ozone have decreased approximately 25 ppb (100 ppb – 75 ppb) from the late 1990s to 2012, yields of soybeans have increased from 37 bushels per acre in 1997⁵ to 48 bushels per acre in 2012.⁶ This is roughly a half bushel per acre increase over the time period (48 bushels per acre – 37 bushels per acre = 11 bushels per acre actual measured increase in yield; 11 bushels per acre/25 ppb = 0.44 bushel increase per 1 ppb decrease). Using the United States average July 2012 price of \$15.40 per bushel of soybeans,⁷ this is an increase of as much as \$169.40 per acre in revenue for harvested soybeans in 2012 for Pennsylvania soybean growers over the 1997 harvests (11 bushels per acre x \$15.40 per bushel = \$169.40 per acre). The USDA National Agricultural Statistics Service reported in a January 1, 2013, news release⁸ that Pennsylvania harvested 520,000 acres of soybeans in 2012. At \$169.40 per acre, this results in approximately \$88 million in increased revenue in 2012 to Pennsylvania soybean farmers for the yield of 48 bushels per acre compared to the yield of 37 bushels per acre (\$169.40 x 520,000 acres = \$88 million).

Further, in the context of the Ainsworth SoyFACE study, simply achieving and maintaining the 2008 secondary ozone standard of 0.075 ppm (75 ppb) would indicate that Pennsylvania soybean growers could be losing as much as 15.4 bushels per acre of yield from their soybean crop due to ozone sensitivity (75 ppb – 40 ppb ozone sensitivity threshold = 35 ppb; 35 ppb x 0.44 bushel lost per acre per ppb increase over 40 ppb ozone sensitivity threshold = 15.4 bushels). Using the United States preliminary average July 2014 price of \$12.70 per bushel of soybeans,⁹ the loss of revenue due to decreased yield as a result of ozone sensitivity could potentially be as much as \$195.58 per acre (15.4 bushels per acre x \$12.70 per bushel = \$195.58). At \$195.58 in lost revenue per acre, times the 520,000 acres of soybeans harvested in 2012, this is a potential loss of \$101 million in annual revenue to Pennsylvania soybean farmers (\$195.58 per acre x 520,000 acres = \$101 million) due to sustained ozone sensitivity.

³ Source: ScienceDaily®, <http://www.sciencedaily.com/releases/2012/10/121030161523.htm>

⁴ 2013 DEP Ambient Air Quality Ozone Monitoring Data.

⁵ United States Department of Agriculture (USDA), Census of Agriculture, 1997, Volume 1, Pennsylvania, Table 41, page 38. http://www.agcensus.usda.gov/Publications/1997/Vol_1_National_State_and_County_Tables/Pennsylvania/index.asp

⁶ USDA, Census of Agriculture, 2012, Volume 1, Pennsylvania, Table 25, page 437.

http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1_Chapter_1_US/usv1.pdf

⁷ USDA, National Agricultural Statistics Service (NASS), Agricultural Prices August 2012, page 19.

<http://usda.mannlib.cornell.edu/usda/nass/AgriPric//2010s/2012/AgriPric-08-31-2012.pdf>

⁸ Source: http://nass.usda.gov/Statistics_by_State/Pennsylvania/Publications/Survey_Results/acreageann13.pdf

⁹ USDA, NASS, Agricultural Prices July 2014, page 22.

<http://usda.mannlib.cornell.edu/usda/nass/AgriPric//2010s/2014/AgriPric-07-31-2014.pdf>

The Department is not stating that the increased yields of soybeans from Pennsylvania farms are solely due to improved ozone air quality; the results of the SoyFACE study and the conclusions of the researchers are a demonstration, however, of the correlations that can be drawn between improving ozone air quality and increasing crop yields. The results of the study also indicate the importance to Commonwealth agriculture of continuing to attain and maintain the 2008 8-hour ozone NAAQS.

Information about the economic benefit of the Pennsylvania agricultural industry to the Commonwealth is provided by the Pennsylvania Department of Agriculture. Pennsylvania's 62,000 farm families are the stewards of more than 7.7 million acres of farmland. With \$6.8 billion in cash receipts annually from production agriculture, Pennsylvania farmers and agribusinesses are the leading economic driver in our state. In addition to production agriculture, the industry also raises revenue and supplies jobs through support services such as food processing, marketing, transportation, and farm equipment. In total, production agriculture and agribusiness contributes nearly \$68 billion to Pennsylvania's economy.¹⁰ These families, farms, and related businesses benefit directly from the reduction of ground-level ozone air pollution concentrations to attain and maintain the 2008 ozone NAAQS.

The Pennsylvania Department of Conservation and Natural Resources (DCNR) is the steward of the state-owned forests and parks. DCNR awards millions of dollars in construction contracts each year to build and maintain the facilities in its parks and forests. Hundreds of concessions throughout the park system help complete the park experience for both state and out-of-state visitors. Pennsylvania's 2.1 million-acre state forest system, found in 48 of Pennsylvania's 67 counties, comprises 12% of the forested area in the Commonwealth. The state forest represents one of the largest expanses of public forestland in the eastern United States, making it a truly priceless public asset. The state forest provides an abundance of high quality forest products, which help to support a forest products industry with sales in excess of \$16 billion annually, a total economic impact of \$27 billion annually, and that employs in excess of 80,000 people.¹¹

Information about Pennsylvania's hardwoods industry is provided by the Pennsylvania Department of Agriculture in its 2009-2010 biennial Hardwoods Development Council report, cited below. The following information and references are found in that report. Pennsylvania leads the nation in growing volume of hardwood species, with 17 million acres in forest land. As the leading producer of hardwood lumber in the United States, Pennsylvania also leads in the export of hardwood lumber, exporting nearly \$800 million annually in lumber, logs, furniture and paper products to more than 70 countries around the world. Recent U.S. Forest Service data shows that the state's forest growth-to-harvest rate is better than 2 to 1. This vast renewable resource puts the hardwoods industry at the forefront of manufacturing in the Commonwealth. Through 2006, the total annual direct economic impact generated by Pennsylvania's wood industry was \$18.4 billion. The industry employed 128,000 people, with \$4.7 billion in wages and salaries earned. Production was 1.1 billion board feet of lumber annually. (Strauss, Lord, Powell; PSU, June 2007).¹²

¹⁰ Pennsylvania Department of Agriculture, 2014.

http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Page.aspx?name=About-PDA&navid=30&parentnavid=0&pageid=9&

¹¹ Pennsylvania Department of Conservation and Natural Resources, Bureau of Forestry, State Forest Resource Management Plan, 2007 Update. http://www.apps.dcnr.state.pa.us/forestry/sfrmp/sfrmp_update_2007.pdf

¹² Pennsylvania Hardwoods Development Council Biennial Report, 2009-2010.) A copy of this document is available from the Bureau of Air Quality upon request. (Source: Pennsylvania Hardwoods Development Council Photo, *Pennsylvania Hardwood Leading the Nation*.

http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/8631_panel11_Leading_the_Nation_100ppi.jpg

(11) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

The VOC emission limitations and requirements included in the proposed rulemaking are not more stringent than the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings CTG upon which the proposed rulemaking is based. The recommended VOC emission limits for the electrodeposition primer, primer-surfacer and topcoat operations in EPA's 2008 CTG are more stringent than the 1980 Federal New Source Performance Standard (NSPS) limits for VOC emissions from automobile and light-duty truck surface coating operations.

When developing the VOC emission limitations and other recommendations for RACT included in the 2008 CTG, the EPA took into account the 1980 Federal NSPS regulatory limits and requirements for VOC emissions from automobile and light-duty truck assembly coatings for several of the coating categories, as well as earlier RACT recommendations for controlling VOC emissions from these sources. The EPA also considered the 2004 Federal regulatory limits and requirements for hazardous air pollutant (HAP) emissions from surface coating of automobiles and light-duty trucks and information provided in 2008 by the Alliance of Automobile Manufacturers.

In 1977, the EPA issued a CTG document entitled "Control of Volatile Organic Emissions from Existing Stationary Sources Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008) (1977 CTG). The 1977 CTG provided RACT recommendations for controlling VOC emissions from automobile and light-duty truck assembly surface coating operations. The recommendations were for VOC emission limits calculated on a daily basis for each electrodeposition primer operation, primer-surfacer operation, topcoat operation, and final repair operation. The limits of § 129.52 (relating to surface coating processes), Table I, category 6, for the automobile and light duty truck coating subcategories of prime coat, top coat, and repair were promulgated at 9 Pa.B. 1447 (April 28, 1979), to implement RACT measures consistent with the recommendations in the 1977 CTG for the automobile and light duty truck coating categories.¹³

In 1980, the EPA promulgated New Source Performance Standards (1980 NSPS) for surface coating of automobiles and light-duty trucks at 40 CFR Part 60 Subpart MM (relating to standards of performance for automobile and light duty truck surface coating operations), set forth at 40 CFR 60.390—60.398. The 1980 NSPS established VOC emission limits calculated on a monthly basis for each electrodeposition primecoat operation, guidecoat (primer-surfacer) operation, and topcoat operation located in an automobile or light-duty truck assembly plant constructed, reconstructed, or modified after October 5, 1979. See 45 FR 85415 (December 24, 1980) and 59 FR 51383 (October 11, 1994).¹⁴ The NSPS limits and the 1977 CTG recommendations for primer-surfacer and topcoat cannot be directly compared because of differences in the compliance period (monthly for the NSPS limits and daily for the 1977 CTG recommendations) and how transfer efficiency is considered (table values for the NSPS limits and actual transfer efficiency testing for the 1977 CTG recommendations).¹⁵

In addition to establishing the 1980 NSPS VOC content limits, in 2004 the EPA promulgated 40 CFR Part 63, Subpart IIII (relating to National emission standards for hazardous air pollutants: surface coating of automobiles and light-duty trucks) (2004 NESHAP), set forth at 40 CFR 63.3080—63.3176. See 69 FR 22602, 22623 (April 26, 2004). The 2004 NESHAP established organic HAP emissions limitations

¹³ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 15.

¹⁴ *Ibid.*, page 16.

¹⁵ *Ibid.*

calculated on a monthly basis for existing sources. More stringent limits apply to new sources that commenced construction after December 24, 2002. The 2004 NESHAP also specified work practices to minimize organic HAP emissions from the storage, mixing, and conveying of coatings, thinners, and cleaning materials, and from handling waste materials generated by the coating operation. Many HAPs are VOCs, but not all VOCs are HAPs. The requirements of the 2004 NESHAP apply to "major sources" of HAP from surface coatings applied to bodies or body parts for new automobiles or new light-duty trucks. For the purpose of regulating HAP emissions, a "major source" is considered to be a stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year (tpy) or more of any single listed HAP or 25 tpy or more of any combination of HAPs. See section 112(a)(1) of the CAA (42 U.S.C.A. § 7412(a)(1)); see also 69 FR 22602, 22603.

Additionally, in 2008, the Alliance of Automobile Manufacturers, an industry trade association representing the majority of these facilities, provided the EPA with information from its member companies. Non-member companies also submitted information to the EPA. The EPA reviewed and evaluated this information in conjunction with developing the 2008 CTG. In total, the EPA received information for 52 facilities. The information included VOC emission rates for electrodeposition primer operations, primer-surfacer operations, and topcoat operations on a daily and monthly average for the calendar years 2006 and 2007. The VOC emission limits recommended for these operations in the 2008 CTG are based on the 2006 and 2007 data from then-operating automobile and light-duty truck assembly coating operations.¹⁶

The recommended VOC emission limits in EPA's 2008 CTG for electrodeposition primer operations, primer-surfacer operations and topcoat operations are more stringent than the 1980 NSPS limits. The recommended VOC emission limit for final repair operation in the 2008 CTG is the same as the 1977 CTG recommended limit for this category.¹⁷ The work practices recommendations in the 2008 CTG mirror those found in the 2004 NESHAP.¹⁸

This proposed rulemaking is designed to adopt VOC emission limitations and requirements consistent with the standards and recommendations in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG to meet the requirements of sections 172(c)(1), 182(b)(2) and 184(b)(1)(B) of the CAA. The proposed rulemaking would apply these VOC emission limitations and requirements across this Commonwealth, as required under section 184(b)(1)(B) of the CAA. The ground-level ozone air pollution reduction measures in this proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based ozone NAAQS in this Commonwealth and to satisfy related CAA requirements.

¹⁶ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 18.

¹⁷ *Ibid.*, page 19.

¹⁸ *Ibid.*, page 18.

(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?

This proposed rulemaking is similar to the regulations already adopted by New York, Delaware and Ohio. New York and Delaware are members of the OTR, along with the Commonwealth. The proposed rulemaking would have no effect on Pennsylvania's ability to compete with other states that have automobile and light-duty truck assembly coating operations and certain other vehicle-related coating operations.

(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

Yes, other Department regulations would be affected by this proposed rulemaking.

Title 25 *Pa. Code*, Chapter 129, would be amended as follows:

Section 129.51(a) would be amended to establish that compliance with § 129.52e may be achieved by alternative methods.

Section 129.51(a)(3) would be amended to establish that compliance by a method other than the use of a low-VOC content coating, adhesive, sealant, adhesive primer, sealant primer, surface preparation solvent or cleanup solvent or ink which meets the applicable emission limitation in § 129.52e shall be determined on the basis of equal volumes of solids.

Section 129.51(a)(6) would be amended to establish that the alternative compliance method must be incorporated into a plan approval or operating permit, or both, reviewed by the EPA, including the use of an air cleaning device to comply with § 129.52e.

The requirements of § 129.52e would supersede the requirements of a RACT permit issued under §§ 129.91—129.95 (relating to stationary sources of NO_x and VOCs) to the owner or operator of a source subject to § 129.52e prior to January 1, 2016, except to the extent the RACT permit contains more stringent requirements.

The Department is separately proposing a rulemaking to implement VOC emission limitations and requirements consistent with the recommendations of the *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings*, EPA-453/R-08-003 (2008 Miscellaneous Metals and Plastic Parts Coatings CTG), Office of Air Quality Planning and Standards, EPA, September 2008 (proposed rulemaking for § 129.52d). The owners and operators of certain types of surface coating processes that would be subject to that proposed rulemaking could, upon election, become subject to this proposed rulemaking instead. Specifically, the RACT requirements and RACT emission limitations of this proposed rulemaking would apply, if so elected, to the owner or operator of an operation that performs surface coating of a body or a body part for a new heavier vehicle or surface coating on a separate coating line at an automobile and light-duty truck assembly coating facility on which coatings are applied to other parts intended for use in new automobiles or new light-duty trucks or to aftermarket repair or replacement parts for automobiles or light-duty trucks. These types of operations are covered by the 2008 Miscellaneous Metals and Plastic Parts Coatings CTG and are subject to the requirements included in the proposed rulemaking for § 129.52d.

However, the EPA recommended in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG that a state consider giving an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility the option of complying with the state's regulation adopted under the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG instead of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG (proposed rulemaking for § 129.52d); and that a state similarly give an owner or operator of a facility that coats bodies or body parts for new heavier vehicles the option to comply with either of the state's regulation adopted under the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG or the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG.¹⁹ Accordingly, in the two proposed rulemakings, the owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility, and the owner or operator of a facility that coats a body or body part for a new heavier vehicle, would have the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d. This option is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. The proposed rulemaking for § 129.52d would be adopted as a final rulemaking on the same date of final adoption as this proposed rulemaking.

Both of these proposed rulemakings would establish a compliance date of January 1, 2016. In order to allow additional time to finalize this rulemaking, the Department has requested comment on the compliance date in the preamble for each rulemaking, asking for consideration of a May 1, 2016 compliance date, instead, to be established in the final rulemaking.

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

The proposed rulemaking was discussed with the Air Quality Technical Advisory Committee (AQTAC) on April 3, 2014. The AQTAC voted unanimously to concur with the Department's recommendation to forward the proposed rulemaking to the Board for consideration as a proposed rulemaking. The proposed rulemaking was discussed with the Small Business Compliance Advisory Committee (SBCAC) on April 23, 2014. The SBCAC voted unanimously to concur with the Department's recommendation to move the proposed rulemaking to the Board for consideration, with a recommendation to consider flexibility for small businesses. The proposed rulemaking was discussed with the Citizens Advisory Council (CAC) Policy and Regulatory Oversight (PRO) Committee on May 6, 2014. On the recommendation of the PRO Committee of the CAC, on June 17, 2014, the CAC concurred with the Department's recommendation to forward the proposed rulemaking to the Board. The AQTAC, SBCAC and CAC meetings are advertised and open to the public.

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

The proposed rulemaking would apply to the types and numbers of persons, businesses, small businesses and organizations described below in this response. By way of summary, the Department anticipates that no more than 61 businesses, all of which would likely be small businesses, would be affected by the

¹⁹ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 4, and *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 4.

proposed rulemaking. The owners and operators of approximately 47 of the affected businesses would be subject to the compliance monitoring and VOC content limit requirements. The owners and operators of these affected businesses would also be subject to work practice requirements, daily recordkeeping requirements and, if requested by the Department, reporting requirements. The owners and operators of the remaining 14 facilities would only be subject to compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements.

This proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to one or more of the following: (1) a new automobile body or a new light-duty truck body; (2) a body part for a new automobile or for a new light-duty truck; or (3) another part that is coated along with the new automobile body or body part or new light-duty truck body or body part. This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

This proposed rulemaking would also apply to the owner and operator of an automobile and light-duty truck assembly coating operation that operates a separate coating line at the facility on which a coating is applied to another part intended for use in a new automobile or new light-duty truck or to an aftermarket repair or replacement part for an automobile or light-duty truck, if the owner or operator elects to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. Similarly, this proposed rulemaking would apply to the owner and operator of a facility that coats a body or body part for a new heavier vehicle, if the owner or operator elects to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. A heavier vehicle is defined as a self-propelled vehicle designed for transporting persons or property on a street or highway that has a gross vehicle weight rating over 8,500 pounds.²⁰ The proposed rulemaking for § 129.52d would be adopted as a final rulemaking on the same date of final adoption as this proposed rulemaking.

This option to elect to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. This effectuates the recommendations of the EPA in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG.²¹

This proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility. The VOC content limits in the proposed rulemaking would also not apply to an assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of 1 pound or less.

The automobile and light-duty truck assembly coating materials identified by the EPA under section 183(e) of the CAA, and covered by the proposed rulemaking, consist of the primary coatings that are applied to new automobile or new light-duty truck bodies, or to body parts for new automobiles or new light-duty trucks, as well as to other parts that are coated along with these bodies or body parts. These primary coatings are electrodeposition primer, primer-surfacer, topcoat, and final repair. The category also includes additional coatings applied during the vehicle assembly process. These additional coatings are glass bonding primer, adhesives, cavity wax, sealer, deadener, gasket/gasket sealing material,

²⁰ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 4, footnote.

²¹ *Ibid.*, page 4, and *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 4.

underbody coating, trunk interior coating, bedliner, weatherstrip adhesive, and lubricating waxes/compounds. The EPA VOC emission control recommendations included in the 2008 Automobile and Light-Duty Trucks Assembly Coatings CTG, and reflected in the proposed rulemaking, include VOC content limits for the listed coatings.

An owner or operator of an affected surface coating process that applies a regulated surface coating and emits 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls, would need to meet the VOC content limit applicable to the coating, beginning January 1, 2016. (Please note, as explained in response to Question 13, that the Department has requested comment on the compliance date in the preamble for this rulemaking, asking for consideration of a May 1, 2016 compliance date, instead, to be established in the final rulemaking.) These owners and operators would also be required to implement work practice standards for coatings and for cleaning materials, including developing and implementing a written work practice plan to minimize VOC emissions from cleaning and purging of equipment associated with all coating operations for which emission limits are required. The written work practice plan would be maintained onsite and made available to the Department upon request. These owners and operators would be required to maintain records sufficient to demonstrate compliance with the proposed requirements, including daily records of specified parameters for each coating, thinner, component or cleaning material as supplied, and a daily record of the VOC content of each coating and cleaning material as applied. These records would be maintained onsite for 2 years unless a longer period is required under Chapter 127 (relating to construction, modification, reactivation and operation of sources) or a plan approval, operating permit or order issued by the Department, and submitted to the Department in an acceptable format upon receipt of a written request from the Department.

An owner and operator of an affected surface coating process with actual VOC emissions below the 15 pounds (6.8 kilograms) per day threshold, including related cleaning activities and before consideration of controls, would be subject only to the compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements of the proposed rulemaking.

The Department's assessment of how many owners and operators of covered facilities would potentially be subject to the proposed rulemaking resulted from reviewing information provided in the CTG for this category as well as the Department's air quality permits databases and the United States Small Business Administration (SBA) Small Business Size Regulations under 13 CFR Chapter 1, Part 121 (relating to small business size regulations), and information obtained from the Pennsylvania Small Business Development Center's (SBDC) Environmental Management Assistance Program (EMAP). The North American Industry Classification System (NAICS) codes provided by the EPA in the final rule issuing the CTG were used to identify potentially subject facilities. The NAICS is an industry classification system developed by Canada, Mexico, and the United States that groups establishments into industry groups based on the economic activities, producing and nonproducing, in which the establishment is primarily engaged. NAICS is a two- through six-digit hierarchical classification code system, offering five levels of detail. Each digit in the code is part of a series of progressively narrower categories, and the more digits in the code signify greater classification detail. The first two digits designate the economic sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the National industry. A complete and valid NAICS code contains six digits. See <http://www.naics.com/frequently-asked-questions/>, question number 18. More information about the United States portion of the NAICS is available at <http://www.census.gov/eos/www/naics/>.

The EPA provided three six-digit NAICS codes for this category in the Federal Register final rule notice issuing the CTG. See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58482. The three NAICS codes provided were 336111, 336112, and 336211 for “automobile manufacturing,” “light truck and utility vehicle manufacturing,” and “motor vehicle body manufacturing,” respectively.

The Department gathered information from the “Environmental Facility Application Compliance Tracking System” (eFACTS) database and the Air Information Management System (AIMS) database about potentially affected facilities. These are Department air quality databases that share data and interface with each other. Facility specific information, including the NAICS identifying code, is inputted into eFACTS; the database contains records of permitted and some previously inspected facilities for which permits are not required. Site specific sources and emissions, as well as site NAICS codes, are inputted into AIMS to maintain the emission inventory. However, eFACTS and AIMS do not provide an exhaustive list of all facilities in this Commonwealth, but only those with which the Department has had contact and a reason to input their data; these are usually the largest emitters.

A search of the eFACTS database and the AIMS database, using as the search codes the NAICS codes provided in the EPA’s final rule notice issuing the CTG, generated a list of 17 facilities in this Commonwealth reporting VOC emissions or having a permit issued by the Department, or both. Most of these facilities manufacture or surface coat, or both, heavier vehicles or parts for heavier vehicles, such as fire trucks, ambulances, and tow trucks. The owners and operators at none of the identified facilities manufacture or surface coat automobiles or automobile parts, which is the primary focus of the 2008 CTG. A search of the Internet revealed that the owners and operators of 4 of the 17 facilities would not be affected by the proposed rulemaking due to the type of manufacturing or surface coating done at the facility and their current operating status. The owners and operators of the 13 remaining facilities would only be subject to this proposed rulemaking if they elect to comply with this proposed rulemaking instead of the proposed rulemaking for miscellaneous metal and plastic parts. For purposes of discussing the potential impacts of this proposed rulemaking, however, the Department assumed that the owners and operators of these 13 facilities would elect to be subject to the proposed rulemaking.

The owners and operators of these 13 facilities reported actual VOC emissions totaling approximately 320 tons for emissions reported in 2013. The owners and operators of 10 of the 13 facilities, or 77% (10/13 x 100), reported actual VOC emissions equal to or greater than 2.7 tons per year, totaling approximately 319 tons. Accordingly, the owners and operators of these 10 facilities would be assumed to emit 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls, and would be required to implement VOC emission reduction measures, implement work practice standards for coatings, develop and implement a written work practice plan for cleaning materials, and meet daily recordkeeping requirements. The records would be submitted to the Department in an acceptable format upon receipt of a written request from the Department. The owners and operators of the remaining 3 facilities, or 23% (3/13 x 100), reported VOC emissions below 2.7 tons; their combined reported VOC emissions totaled approximately 1 ton in 2013. Accordingly, the owners and operators of these 3 facilities would be assumed to emit less than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, and would be subject only to the compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements of the proposed rulemaking.

A review of the U.S. SBA Small Business Size Regulations under 13 CFR Chapter 1, Part 121 provided the standard used by the Department for determining what constitutes a small business for these NAICS categories. The Small Business Size Regulations specify that a company with the NAICS codes 336111, 336112, or 336211 for “automobile manufacturing,” “light truck and utility vehicle manufacturing” or “motor vehicle body manufacturing,” respectively, is considered to be a “small business” if it has 1,000 or fewer employees.

The Pennsylvania SBDC EMAP reviewed the list of 13 potentially subject facilities reporting VOC emissions in 2013 identified by the Department from its databases and determined that all 13 of the facilities were considered a small business under the SBA Small Business Size Regulations. The 320 tons of actual VOC emissions, or 100%, emitted in 2013 by these sources, therefore, were from small business-sized facilities.

As these data demonstrate, the owner and operator of a facility may be classified as a small business under the Federal Small Business Size Regulations under 13 CFR Chapter 1, Part 121, while still emitting sufficient emissions of VOC to be subject to regulations designed to implement measures for the control of those VOC emissions. Adopting RACT regulations is a Federal CAA requirement. The regulations must apply to the owners and operators of all affected sources that meet the applicable VOC emission thresholds regardless of business size.

The Pennsylvania SBDC EMAP generated a list of 95 small businesses in May of 2013 from the Hoover’s database searching on the specified NAICS codes. The owners or operators of these 95 businesses identified themselves as being connected with motor vehicle and car bodies or truck and bus bodies. The owners and operators of 7 of the 13 potentially subject facilities identified by the Department from its databases also appeared on the list of 95 small businesses generated by SBDC EMAP. The owners and operators of the remaining 88 facilities on the SBDC EMAP list do not appear in the Department’s databases and do not have permits or report VOC emissions. An Internet search of the 88 remaining businesses on the SBDC EMAP list indicated that the owners and operators of 40 of these facilities would likely not be subject to the proposed rulemaking because they are not coating new automobile bodies, new light-duty truck bodies, or new automobile or light-duty truck body parts. This group of 40 includes some automobile racing-related businesses. The proposed definition of “automobile” begins with the words, “A motor vehicle....” The definition of “motor vehicle” codified in 25 Pa. Code § 121.1 specifies that the vehicle is operated “on a street or highway.” The Department therefore included the automobile racing-related businesses in the group of 40 facility owners and operators likely not to be affected by the proposed rulemaking because racing cars are not operated on a street or highway. The Department assumed that the owners and operators of the remaining 48 (88 – 40) small business-sized facilities on the SBDC EMAP list would potentially be subject to the proposed rulemaking. Combining the two lists, the Department estimates that the owners and operators of as many as 61 (48 + 13) small business-sized facilities may potentially be subject to the proposed rulemaking.

Using the percentages developed from analysis of the VOC emissions reported by the group of 13 owners and operators of potentially subject permitted surface coating facilities, the Department assumed that the owners and operators of 37 (77% x 48) of the 48 potentially subject non-permitted small business-sized facilities on the list provided by the SBDC EMAP would have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls. The owners and operators of these 37 facilities would be required to implement VOC emission reduction measures, implement work

practice standards for coatings, develop and implement a written work practice plan for cleaning materials, and meet compliance monitoring and daily recordkeeping requirements. The records would be submitted to the Department in an acceptable format upon receipt of a written request from the Department. The owners and operators of the remaining 11 (23% x 48) potentially subject non-permitted small business-sized facilities would be assumed to emit less than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls. The owners and operators of these 11 facilities would be subject only to the compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements of the proposed rulemaking.

The estimated projected total number of potentially subject facility owners and operators that would have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, would be 47 (10 DEP + 37 SBDC EMAP). The estimated projected total number of potentially subject facility owners and operators that would have actual VOC emissions below the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, would be 14 (3 DEP + 11 SBDC EMAP). Additional information regarding potentially subject facility owners and operators will be gleaned during the public participation process.

The difference in estimated projected number of potentially subject facility owners and operators with VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls between the Department's list of 10 potentially subject permitted facility owners and operators and the SBDC EMAP's list of 37 potentially subject non-permitted small business-sized facility owners and operators is likely due to the Department's database being for the owners and operators of previously and currently permitted facilities based on regulatory criteria for acquiring a permit, while the SBDC EMAP list is based on a self-reported business classification about their small-business-sized facility without considering the level of VOC emissions. Most of the owners and operators of permitted facilities in the Department's database have actual emissions, or the potential to have emissions, at or above 8 tons per year of VOCs, or installed a new source emitting over 2.7 tons VOC emissions per year, thus requiring a permit.

The recommended RACT VOC emission reduction measures included in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG are largely based on 2006 and 2007 data supplied by the Alliance of Automobile Manufacturers member companies and non-member companies and the 2004 NESHAP HAP emission reduction measures. While the owner or operator of an automobile and light-duty truck assembly coating or heavier vehicle surface coating facility area source of HAP may not meet the threshold for implementing the HAP emission reduction measures of the 2004 NESHAP (10 tpy of any single listed HAP or 25 tpy of any combination of HAPs), the owner or operator may meet the applicability threshold limit for implementing the proposed rulemaking measures to control VOC emissions. If the proposed rulemaking would apply to the owners and operators of facilities that have not yet been identified, they would likely be small businesses, as shown above in the discussion of the 13 potentially subject facilities identified by the Department from its databases. The small business size standard for these NAICS categories is based on number of employees, which is 1,000 or fewer employees. While a business employing as many as 1,000 employees could be considered a small business under the Federal Small Business Size regulations, a facility or surface coating operation employing 1,000 employees could be creating a lot of product and generating large amounts of VOC emissions.

The costs estimated by the EPA to implement the recommended RACT measures are largely based on the 1980 NSPS VOC emission limitations and 2004 NESHAP HAP emission reduction measures and costs. The owner and operator of an automobile and light-duty truck assembly coating facility that is already implementing the requirements of the 1980 NSPS or 2004 NESHAP that would potentially be subject to the proposed rulemaking measures would likely not have additional costs to comply with the proposed rulemaking measures. The EPA therefore projected an estimated cost of \$0 to the owners and operators of automobile and light-duty truck assembly coating facilities potentially subject to regulations implementing requirements consistent with the recommended RACT measures of the 2008 CTG.

However, the owners and operators of none of the permitted facilities identified by the Department as potentially subject to the proposed rulemaking have permits implementing the 1980 NSPS or 2004 NESHAP requirements. The Department also determined that the permitted facility owners and operators, as well as the facility owners and operators identified by the SBDC EMAP, are likely surface coating bodies and body parts for heavier vehicles and not coating and assembling the automobiles and light-duty trucks that are the primary focus of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG.

Consistent with the 2008 CTGs, the proposed rulemaking provides the owner or operator of these heavier vehicle coating facilities the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d. The EPA did not provide cost estimates in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for these types of surface coating operations. The Department developed its estimate of costs for the potentially subject owners and operators to implement the proposed rulemaking measures by using the cost estimates for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG.

The EPA estimated that the annual cost to owners and operators to comply with regulations based on the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would be \$10,500 per facility and estimated the cost effectiveness for controlling the VOC emissions would be \$1,758 per ton of VOC emissions reduced.²² The EPA believes that the work practice recommendations in the 2008 CTG will result in a net cost savings. The recommended work practices for coating-related and cleaning activities would reduce the amounts of VOC emissions overall from coating operations by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage, and waste, and reducing or eliminating associated VOC emissions.

The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials. Flexibility in compliance is provided for an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility and an owner or operator of a facility that coats bodies or body parts for new heavier vehicles by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The proposed rulemaking provides flexibility to all of the potentially affected owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Section 129.51(a) authorizes the owner or operator to achieve compliance through an alternative method, which would achieve VOC emission reductions equal to or greater than those of the proposed rulemaking, by submitting the alternative method to the Department for review and approval in an applicable plan approval or operating permit, or both.

²² *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 40.

The VOC emission limitations established by this proposed rulemaking would not require the submission of applications for amendments to existing operating permits. These requirements would be incorporated as applicable requirements at the time of permit renewal, if less than 3 years remain in the permit term, as specified under § 127.463(c) (relating to operating permit revisions to incorporate applicable standards).

If 3 years or more remain in the permit term, the requirements would be incorporated as applicable requirements in the permit within 18 months of the promulgation of the final-form rulemaking, as required under § 127.463(b).

New legal, accounting or consulting procedures would not be required.

(16) List the persons, groups or entities, including small businesses, which will be required to comply with the regulation. Approximate the number that will be required to comply.

The proposed rulemaking would apply to the persons, groups or entities, including small businesses, described below in this response. The Department anticipates that the owners and operators of not more than 61 businesses, all of which would likely be small businesses, would be required to comply with the proposed rulemaking.

This proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to one or more of the following: (1) a new automobile body or a new light-duty truck body; (2) a body part for a new automobile or for a new light-duty truck; or (3) another part that is coated along with the new automobile body or body part or new light-duty truck body or body part. This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

Further, this proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that operates a separate coating line at the facility on which a coating is applied to another part intended for use in a new automobile or new light-duty truck or to an aftermarket repair or replacement part for an automobile or light-duty truck, if the owner or operator elects to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. Similarly, this proposed rulemaking would apply to the owner and operator of a facility that coats a body or body part for a new heavier vehicle, if the owner or operator elects to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. A heavier vehicle is defined as a self-propelled vehicle designed for transporting persons or property on a street or highway that has a gross vehicle weight rating over 8,500 pounds.²³ The election would occur when the owner or operator notifies the Department by submitting a written statement to the appropriate Department regional office Air Quality Program Manager that specifies the intent to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. The proposed rulemaking for § 129.52d would be adopted as a final rulemaking on the same date of final adoption as this proposed rulemaking. This option to elect to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. This

²³ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 4, footnote.

effectuates the recommendations of the EPA in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG.²⁴

This proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility.²⁵ The proposed coating VOC content limits would not apply to an automobile and light-duty truck assembly coating supplied in containers with a net volume of 16 ounces or less or a net weight of one pound or less.²⁶

The Department reviewed its databases and identified 13 facilities whose owners and operators may be subject to the proposed rulemaking. The owners and operators of the 13 facilities were identified as small businesses under the SBA Small Business Size Regulations under 13 CFR Chapter 1, Part 121. The SBDC EMAP provided the Department with a list of 95 small business-sized facilities in this Commonwealth identified by the specified NAICS codes. Of this group of 95 businesses, the Department determined that the owners and operators of 48 facilities would meet the applicability criteria of the proposed rulemaking. The projected total number of facility owners and operators potentially subject to the proposed rulemaking is 61.

The Department estimates that of this projected total of 61 potentially subject owners and operators, the projected number of potentially subject facility owners and operators that would have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, would be 47. The Department estimates that the projected number of potentially subject facility owners and operators that would have actual VOC emissions below the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, would be 14. Additional information regarding potentially subject facility owners and operators will be gleaned during the public participation process.

Please see the response to Question 15 for information on how the numbers of potentially subject owners and operators were developed.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

The adverse impacts would be the financial and administrative costs of compliance and compliance monitoring, as well as the recordkeeping and reporting burden, if any, incurred by owners and operators of affected sources. The main benefit of the proposed rulemaking would be reduced VOC emissions into the atmosphere and reduced formation of ground-level ozone as a result. Reduced formation of ground-level ozone would support improved public health and welfare for the citizens and environment of this Commonwealth. There are additional benefits, as described below.

As discussed in the responses to Questions 15 and 19, the Department determined that the owners and operators likely to be affected by the proposed rulemaking measures are the owners and operators of facilities that surface coat bodies and body parts for new heavier vehicles. The EPA did not provide

²⁴ Ibid., page 4, and *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 4.

²⁵ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 4.

²⁶ Ibid., page 21.

compliance cost estimates in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for these types of surface coating operations. The Department developed its estimate of the financial impact for the potentially subject owners and operators implementing the proposed rulemaking measures by using the cost estimates for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. The cost to the potentially affected population will be about the same whether the owners and operators choose to comply with the state's regulation adopted under the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG (proposed rulemaking for § 129.52d) or the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG (proposed rulemaking for § 129.52e). The Department expects that the annual financial impact to these owners and operators will be less than the estimated maximum costs due to flexibility in choosing compliance options. Please see the response to Question 15 for the detailed explanation of how the numbers of potentially subject owners and operators were developed. Please see the response to Question 19 for the detailed explanation of how the emission reduction amounts and cost numbers were developed.

The Department anticipates that the owners and operators of not more than 61 surface coating operations, all of which would likely be small businesses, would be affected by the proposed rulemaking. The owner and operator of a facility that would be subject to the proposed rulemaking at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, would be required to implement VOC emission reduction measures, implement work practice standards for coatings, and develop and implement a written work practice plan for cleaning materials in addition to keeping daily records as described above.

The Department identified 10 potentially subject permitted facility owners and operators from its databases that would likely be subject at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls and required to implement the VOC control measures of the proposed rulemaking. The Department estimates that the maximum potential amount of actual annual VOC emission reductions – a key benefit of the proposed rulemaking – that could be achieved by this group of owners and operators through implementing the proposed rulemaking VOC control measures would be approximately 111 tons, based on their 2013 reported emissions, and depending on the level of compliance already being achieved by the owners and operators of these facilities. The estimated annual maximum combined cost to the owners and operators of these 10 potentially subject permitted facilities would be \$195,138. The estimated annual maximum cost per facility owner and operator would be approximately \$19,514.

Similarly, the Department estimates that implementation of the proposed VOC control measures and work practice requirements could generate potential VOC emission reductions of as much as 413 tons per year from the 37 potentially subject small business-sized facilities identified by the SBDC EMAP that would likely be subject at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, depending on the level of compliance already being achieved by the owners and operators of these facilities. The estimated annual cost to the owners and operators of these 37 potentially subject non-permitted facilities would be \$726,054. The estimated maximum annual cost per facility owner and operator would be approximately \$19,623.

The owners and operators of the remaining 14 ($61 - 10 - 37 = 14$) facilities would only be subject to compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements. The owner or operator of a facility that would be subject to the proposed rulemaking below the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC

emissions, including related cleaning activities and before consideration of controls, would be required to maintain daily records sufficient to demonstrate that their emissions are below the threshold that triggers implementation of control measures and work practice standards. The daily records would include specified parameters for each coating, thinner, component, and cleaning material as supplied, and daily records of the VOC content of each coating and cleaning material as applied.

For all subject owners and operators, the daily records would be required to be maintained onsite for 2 years, unless a longer period is required under Chapter 127 or a plan approval, operating permit or order issued by the Department. Records would be submitted to the Department in an acceptable format upon receipt of a written request from the Department.

The financial and operational impact of implementing the recordkeeping and reporting requirements for owners and operators subject to the proposed rulemaking should be minimal. All owners and operators of surface coating processes in this Commonwealth, regardless of the facility's annual emission rate, are currently required to develop daily records of certain parameters under § 129.52(c) for coatings, thinners, and other components as supplied and the VOC content of as applied coatings. The daily records required under proposed § 129.52e(f) are equivalent to the daily records required under existing § 129.52(c). The Department expects that the owners and operators of facilities that are potentially subject to the proposed rulemaking would already be keeping the required records; therefore, there should be little additional financial or administrative burden for these owners and operators to comply with the proposed rulemaking recordkeeping provisions.

The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials, as well as the use of an alternative compliance method, such as add-on controls, under § 129.51. The cost of substituting complying coating materials for non-complying coating materials should be minimal. Low-VOC content coating materials are likely to be readily available at a cost that is not significantly greater than the high-VOC content coating materials they replace as a result of the development of NSPS-compliant low-VOC content coating materials as well as NESHAP-compliant low-HAP content coating materials, since lower HAP content usually means lower VOC content.

The implementation of the work practices for coating-related activities and cleaning materials is expected to result in a net cost savings for affected owners and operators. The recommended work practices for coating-related activities and cleaning materials would reduce the amounts of VOC emissions overall from coating operations by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage, and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of emissions fees that must be paid for VOC emissions, if applicable.

Flexibility in compliance is provided for an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility and an owner or operator of a facility that coats bodies or body parts for new heavier vehicles by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The proposed rulemaking provides flexibility to all of the potentially affected owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Section 129.51(a) authorizes the owner or operator to achieve compliance through an alternative method, which would achieve VOC emission reductions equal to or greater than those of the proposed rulemaking, by submitting the alternative method to the Department for review and approval in an applicable plan approval or operating permit, or both.

The projected estimated reductions in VOC emissions from automobile and light-duty truck assembly coatings and coatings for heavier vehicles and the subsequent reduced formation of ground-level ozone would help ensure that the owners and operators of regulated facilities, farms and agricultural enterprises, hardwoods and timber industries and tourism-related businesses, and employees, residents of labor communities, citizens and the environment of this Commonwealth experience the benefits of improved health and welfare resulting from the implementation of the proposed VOC emission reduction measures to attain and maintain the ozone NAAQS in this Commonwealth. Although the proposed rulemaking is designed primarily to address ground-level ozone air quality, the reformulation or substitution of low-VOC content coatings and cleaning materials, to meet the VOC content limits applicable to users may also result in reduction of HAP emissions, which are also a serious health threat. The reduced usage of high VOC- and HAP-content solvents would benefit groundwater quality through reduced loading on water treatment plants and in reduced quantities of high VOC- and HAP-content solvents leaching into the ground and streams and rivers. The improvements in ground-level ozone air quality and groundwater quality would provide economic and social benefits through reduced need for medical treatment for asthma and lung-related illnesses and reduced costs for repairing damage to infrastructure, as well as through improved crop yields, healthier forests and wildlife, and increased tourism to see the beautiful natural areas of the Commonwealth.

The proposed rulemaking may create economic opportunities for VOC emission control technology innovators, manufacturers, and distributors through an increased demand for new or improved equipment.

Please see the response to Question 10 for detailed information about the anticipated health and welfare benefits from the proposed rulemaking.

Costs and cost-effectiveness of the anticipated benefits of the proposed rulemaking are discussed in the response to Question 18.

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The benefits of the proposed rulemaking are expected to outweigh the costs that would be incurred as a result of the proposed rulemaking. As explained in the response to Question 19, the range of cost effectiveness of implementing the proposed VOC emission control measures is estimated to be \$941 to \$1,758 per ton of VOC emissions reduced on an annual basis from affected facilities. Also as explained in the response to Question 19, the maximum anticipated total annual costs to the owners and operators of the potentially subject facilities range from \$105,000 to \$195,138 collectively for the 10 facilities identified by the Department in its databases and from \$388,500 to \$726,054 collectively for the 37 potentially subject small business-sized facilities identified by the SBDC EMAP. The Department expects that the costs to the potentially regulated industry in this Commonwealth will be at the lower end of these ranges because low-VOC content coating materials are likely to be readily available at a cost that is not significantly greater than the high-VOC content coating materials they replace as a result of the development of NSPS-compliant low-VOC content coating materials, as well as NESHAP-compliant low-HAP content coating materials, since lower HAP content usually means lower VOC content.

As discussed in the response to Question 10, the monetized health benefits to Commonwealth residents and the economic benefits to the Commonwealth's agricultural, hardwoods and tourism industries as a result of attaining and maintaining the ground-level ozone NAAQS, achieved in part through reduced emissions of ozone precursors from Commonwealth automobile and light-duty truck assembly coating

operations and heavier vehicle coating operations, are considerable in comparison to the costs that would be incurred by the owners and operators of potentially subject facilities to comply with the proposed rulemaking measures. The EPA has estimated the monetized health benefits of attaining the 8-hour ozone standard of 0.075 ppm to range from \$8.3 billion to \$18 billion on a National basis by 2020. Prorating that benefit to the Commonwealth, based on population, results in a public health benefit of \$337 million to \$732 million. The economic benefits to the Commonwealth's agricultural and hardwoods industries, which have total annual economic impacts of \$68 billion and \$18.4 billion respectively, could include upwards of as much as \$88 million per year in increased revenue to Pennsylvania soybean farmers due to improved soybean harvests as a result of lower ambient ozone concentrations. The estimated annual costs of \$105,000 to \$195,138 for the owners and operators of the 10 potentially affected facilities identified by the Department and the estimated annual costs of \$388,500 to \$726,054 for the owners and operators of the 37 potentially affected small business-sized facilities identified by the SBDC EMAP for implementing the proposed VOC emission control measures pale in comparison to the potential economic gains in public health and welfare to Commonwealth residents of attaining and maintaining the 2008 8-hour ozone standard.

(19) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

The recommended RACT VOC emission reduction measures included in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG are based on VOC emissions data from information gathered by the EPA during the development of the 2004 NESHAP and from VOC emissions data submitted to the EPA in 2008 by the Alliance of Automobile Manufacturers member companies and non-member companies.²⁷ The owner or operator of an automobile and light-duty truck assembly coating facility that is already implementing the requirements of the 2004 NESHAP and the control measures reported in 2008 by the Alliance of Automobile Manufacturers and that would potentially be subject to the proposed rulemaking measures likely would not have additional costs to comply with the proposed rulemaking measures. The EPA therefore projected an estimated cost of \$0 to the owners and operators of automobile and light-duty truck assembly coating facilities potentially subject to regulations implementing the recommended RACT measures of the 2008 CTG.²⁸

However, the owners and operators of none of the permitted facilities identified by the Department as potentially subject to the proposed rulemaking have permits implementing the 2004 NESHAP requirements. The Department also determined that the permitted facility owners and operators, as well as the facility owners and operators identified by the SBDC EMAP, are likely surface coating bodies and body parts for heavier vehicles and not coating and assembling the automobiles and light-duty trucks that are the primary focus of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG. As discussed in the response to Question 13, the EPA recommended in both the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG and the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG that a state consider giving an owner or operator of a facility that coats bodies or body parts for new heavier vehicles the option to comply with either of the state's regulation adopted under the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG (proposed rulemaking for § 129.52d) or the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG (proposed rulemaking for § 129.52e).²⁹ The EPA further stated in the 2008 CTGs that due to the stringency of the RACT measures recommended in

²⁷ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, pages 5- 6.

²⁸ *Ibid.*, page 23.

²⁹ *Ibid.*, page 4, and *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 4.

the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG, owners and operators of heavier vehicle coating operations electing to comply with regulations implementing the recommended VOC control measures of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG instead of regulations implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would achieve at least equivalent, if not greater, control of VOC emissions.³⁰

Consistent with the 2008 CTGs, the proposed rulemaking provides the owner or operator of a facility that coats a body or body part for a new heavier vehicle the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d. The Department developed its estimate of costs for the potentially subject owners and operators implementing the proposed rulemaking measures by using the cost estimates for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG since no cost estimates were provided by the EPA in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for these types of surface coating operations. The Department likewise used the EPA's estimate from the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG for the amount of VOC emission reductions implementing the recommended control measures would achieve.

The EPA estimated that the annual cost to owners and operators to comply with regulations based on the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would be \$10,500 per facility and estimated the cost effectiveness for controlling the VOC emissions would be \$1,758 per ton of VOC emissions reduced.³¹ The EPA also estimated that implementing the RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would achieve VOC emission reductions of 35%.³²

The Department therefore estimates that the maximum potential amount of actual annual VOC emission reductions that could be achieved by implementing the proposed rulemaking would be approximately 111 tons, based on the 2013 reported emissions by the 10 potentially subject permitted facility owners and operators identified from the Department's databases that would be required to implement the VOC control measures of the proposed rulemaking (35% reduction x 319 tons VOC emissions = 111 tons reduced). The estimated annual cost to the owners and operators of these 10 potentially subject permitted facilities would be a total of \$195,138 (111 tons reduced x \$1,758 per ton reduced = \$195,138). The cost per facility owner and operator would be approximately \$19,514, which is higher than the EPA's estimated cost per facility of \$10,500 for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. This may be due in part to the Commonwealth-specific emission data used in the calculation.

Alternatively, the Department estimated that the cost effectiveness to these 10 facility owners and operators, based on the EPA's facility cost of \$10,500, could be as little as \$946 per ton of VOC emissions reduced (10 facilities x \$10,500 = \$105,000; \$105,000 / 111 tons reduced = \$946 per ton reduced). This is less than the cost effectiveness of \$1,758 per ton reduced estimated by the EPA for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG.

The Department therefore estimates that the range of cost effectiveness to these 10 facility owners and operators for implementing the proposed rulemaking is \$946/ton VOC emissions reduced to \$1,758/ton

³⁰ *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA-453/R-08-006, page 5, and *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, pages 4-5.

³¹ *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts*, EPA-453/R-08-003, page 40.

³² *Ibid.*

reduced on an annual basis. The range of cost to this group for implementing the proposed VOC emission control measures is estimated to be \$10,500 to \$19,514 per year per facility. The estimated total annual cost of implementing the proposed rulemaking for this group of potentially subject owners and operators ranges from \$105,000 to \$195,138. The Department expects that the annual costs to the regulated industry in this Commonwealth will be at the lower end of these ranges because low-VOC content coating materials are likely to be readily available at a cost that is not significantly greater than the high-VOC content coatings they replace as a result of the development of NSPS-compliant low-VOC content coating materials, as well as NESHAP-compliant low-HAP content coating materials, since lower HAP content usually means lower VOC content. Therefore, the research and development of low-VOC content coating materials should already be complete and these expenses would not be a factor in the cost of complying with the proposed rulemaking VOC emission control measures.

The Department estimates a similar cost-effectiveness for the potentially subject small businesses identified by the SBDC EMAP. Extrapolating the amount of total VOC emissions reported for the 2013 calendar year, 319 tons, from the 10 facilities identified in the Department's databases as emitting at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, to the potentially subject 37 facilities identified by the SBDC EMAP that could have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, projects total VOC emissions of approximately 1,180 tons per year from these sources ($10/319 \text{ tons} = 37/X \text{ tons}$). Implementation of the recommended control measures could generate potential VOC emission reductions of as much as 413 tons per year ($1,180 \text{ tons} \times 35\% = 413 \text{ tons per year}$) from the 37 potentially subject facilities identified by the SBDC EMAP.

The estimated annual cost to the owners and operators of these 37 facilities would be \$726,054 ($413 \text{ tons reduced} \times \$1,758 \text{ per ton reduced} = \$726,054$). The annual cost per facility owner and operator would be approximately \$19,623 ($\$726,054 / 37 \text{ facilities} = \$19,623$), which is higher than the EPA's estimated cost per facility of \$10,500 for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG.

Alternatively, the Department estimated that the cost effectiveness to these 37 potentially subject facility owners and operators, based on the EPA's facility cost of \$10,500, could be as little as \$941 per ton of VOC emissions reduced ($37 \text{ facilities} \times \$10,500 = \$388,500$; $\$388,500 / 413 \text{ tons reduced} = \$941 \text{ per ton reduced}$). This is less than the cost effectiveness of \$1,758 per ton reduced estimated by the EPA for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG.

The Department therefore estimates that the range of cost effectiveness to these 37 potentially subject facility owners and operators for implementing the proposed rulemaking is \$941/ton VOC emissions reduced to \$1,758/ton reduced on an annual basis. The range of cost to this group for implementing the proposed VOC emission control measures is estimated to be \$10,500 to \$19,623 per year per facility. The estimated total annual cost of implementing the proposed rulemaking for this group of potentially subject owners and operators ranges from \$388,500 to \$726,054.

The implementation of the work practices for coating-related activities and the use and application of cleaning materials is expected to result in a net cost savings for affected owners and operators. The recommended work practices for coating-related and cleaning activities would reduce the amounts of VOC emissions overall from coating operations by reducing the amounts of VOC-containing coating and

cleaning materials that are lost to evaporation, spillage, and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of emissions fees that must be paid for VOC emissions, if applicable.

The owner or operator of a facility that would be subject to the proposed rulemaking would be required to maintain daily records sufficient to demonstrate compliance with the applicable requirements. All owners and operators of surface coating processes in the Commonwealth are currently required to keep daily records of certain parameters under § 129.52(c) for coatings, thinners, and other components as supplied and the VOC content of as applied coatings, regardless of the facility's annual emission rate. The daily records required under proposed § 129.52e(f) are equivalent to the daily records required under § 129.52(c). The Department expects that the owners and operators of facilities that are potentially subject to the proposed rulemaking would already be keeping the required records; therefore, there should be little additional financial or administrative burden for these owners and operators to comply with the proposed rulemaking recordkeeping provisions. The daily records must be maintained onsite for 2 years, unless a longer period is required under Chapter 127 or a plan approval, operating permit or order issued by the Department.

New legal, accounting or consulting procedures would not be required.

(20) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

No automobile and light-duty truck assembly coating operations or heavier vehicle coating operations have been identified as being owned by local governments. Consequently, the Department estimates that there would be no costs and/or savings to local governments associated with compliance with the proposed regulation.

(21) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

No automobile and light-duty truck assembly coating operations or heavier vehicle coating operations have been identified as being owned by state government. Consequently, the Department estimates that there would be no costs and/or savings to local governments associated with compliance with the proposed regulation.

(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

No additional legal, accounting, or consulting procedures are expected for the groups identified in items (19)-(21) above. As for reporting, recordkeeping or other paperwork, an owner or operator subject to this proposed rulemaking would be required to keep daily records of certain parameters for coatings and cleaning materials used and, if requested by the Department, would be required to submit the records to the Department. An owner or operator of a facility at or above the emissions threshold for implementing control measures would also be required to develop a written work practice plan to minimize VOC

emissions from cleaning and purging of equipment associated with all coating operations for which emission limits are required, and to submit it to the Department if requested. The Department does not anticipate developing new forms or reports.

(23) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year 14/15	FY+1 Year 15/16	FY+2 Year 16/17	FY+3 Year 17/18	FY+4 Year 18/19	FY+5 Year 19/20
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community		0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government		0.00	0.00	0.00	0.00	0.00
Total Savings	0.00	0.00	0.00	0.00	0.00	0.00
COSTS:	\$	\$	\$	\$	\$	\$
Regulated Community	0.00	\$52,500 to \$97,569	\$105,000 to \$195,138	\$105,000 to \$195,138	\$105,000 to \$195,138	\$105,000 to \$195,138
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Total Costs	0.00	\$52,500 to \$97,569	\$105,000 to \$195,138	\$105,000 to \$195,138	\$105,000 to \$195,138	\$105,000 to \$195,138
REVENUE LOSSES:	\$	\$	\$	\$	\$	\$
Regulated Community	0.00	0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue Losses	0.00	0.00	0.00	0.00	0.00	0.00

(23a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY-3 (11/12)	FY-2 (12/13)	FY-1 (13/14)	Current FY (14/15)
Environmental Program Management (161-10382)	\$27,755,000	\$24,965,000	\$25,733,000	\$28,517,000
Clean Air Fund Major Emission Facilities (215-20077)	\$20,055,000	\$18,464,000	\$18,413,000	\$20,874,000
Clean Air Fund Mobile and Area Facilities (233-20084)	\$2,710,000	\$10,198,000	\$8,036,000	\$10,581,000

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

(a) An identification and estimate of the number of small businesses subject to the regulation.

The Department anticipates that 61 small business-sized facility owners and operators may be subject to the proposed rulemaking. It is possible that the proposed rulemaking would also apply to owners and operators of other facilities that have not yet been identified. If the proposed rulemaking would apply to other facilities, they would likely also be small businesses

By way of explanation, the proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation. This proposed rulemaking would also apply to the owner and operator of an automobile and light-duty truck assembly coating operation that operates a separate coating line at the facility on which a coating is applied to another part intended for use in a new automobile or new light-duty truck or to an aftermarket repair or replacement part for an automobile or light-duty truck as well as to the owner and operator of a facility that coats a body or body part for a new heavier vehicle, if the owner or operator elects to comply with this proposed rulemaking (proposed § 129.52e) instead of the proposed rulemaking for § 129.52d. This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

The Department reviewed its databases and identified 13 facilities whose owners and operators may be subject to the proposed rulemaking, if they elect to comply with this proposed rulemaking instead of the proposed rulemaking for miscellaneous metal and plastic parts. For purposes of discussing the potential impacts of this proposed rulemaking, however, the Department assumed that the owners and operators of these 13 facilities would elect to be subject to this proposed rulemaking. The owners and operators of the 13 potentially subject facilities identified by the Department were determined to be small businesses under the SBA Small Business Size Regulations. The Pennsylvania SBDC EMAP provided the Department with a list of 48 small business-sized facilities that would potentially be subject to the proposed rulemaking. The combined lists provide a total of 61 small business-sized facility owners and operators that may be subject to the proposed rulemaking.

(b) The projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record.

The financial and administrative costs for complying with the recordkeeping and reporting requirements for owners and operators at, above and below the emissions threshold for implementing control measures should be minimal. All owners and operators of surface coating processes in this Commonwealth, regardless of the facility's annual emission rate, are currently required to develop daily records of certain parameters under § 129.52(c) for coatings, thinners, and other components as supplied and the VOC content of as applied coatings, and to maintain the records for 2 years under § 129.52(g). The daily records required under proposed § 129.52e(f) for owners and operators of surface coating processes subject to the proposed rulemaking are equivalent to the daily records required under existing § 129.52(c) for all surface coating process owners and operators. The Department expects that the owners and operators of facilities that are potentially subject to the proposed rulemaking would already be developing and keeping the required records; therefore, there should be minimal additional financial or administrative burden for subject owners and operators to comply with the proposed rulemaking recordkeeping provisions.

The daily records required by this proposed rulemaking must be maintained onsite for 2 years by all subject owners and operators, unless a longer period is required under Chapter 127 or a plan approval, operating permit or order issued by the Department. Records would be submitted to the Department upon receipt of a written request from the Department.

The owner or operator of a facility that has total actual VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating or heavier vehicle coating subject to this proposed rulemaking, including related cleaning activities, would also be required to develop and implement a written work practice plan to minimize VOC emissions from cleaning and purging of equipment associated with all coating operations for which emission limits are required. The work practice plan would be submitted to the Department upon receipt of a written request. Implementation of work practices is expected to provide a net cost savings to affected owners and operators by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage, and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of emissions fees that must be paid for VOC emissions.

There are no further reporting, legal, accounting or consulting procedures established in the proposed rulemaking beyond what is currently required under § 129.52.

(c) A statement of probable effect on impacted small businesses.

Many potentially subject small business owners or operators may already be using complying coatings or may be complying through the use of an existing VOC emission capture system and add-on air pollution control device and would not need to make operational changes or incur additional costs to implement the requirements of the proposed rulemaking. The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials. In this instance, the owners and operators identified by the Department as potentially subject to the proposed rulemaking have operations that coat bodies and body parts for new heavier vehicles, which are covered by the requirements of the proposed rulemaking for § 129.52d.

Flexibility in compliance for these owners and operators would be provided by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The proposed rulemaking provides flexibility to all of the potentially subject owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Section 129.51(a) authorizes the owner or operator to achieve compliance through an alternative method, which would achieve VOC emission reductions equal to or greater than those of the proposed rulemaking, by submitting the alternative method to the Department for review and approval in an applicable plan approval or operating permit, or both.

(d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

There are no less intrusive or less costly alternative regulatory provisions available. The Department included flexibilities within the proposed rulemaking, but the proposed rulemaking must satisfy the Federal CAA requirements. Adopting RACT regulations is a Federal CAA requirement. The regulations must apply to the owners and operators of all subject sources that meet the applicable VOC emission thresholds regardless of business size. In accordance with sections 172(c)(1), 182(b)(2)(A) and 184(b)(1)(B) of the CAA, the proposed rulemaking would establish VOC content limits and other requirements consistent with the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings Control Techniques Guidelines as RACT for these sources in this Commonwealth. See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483 (October 7, 2008).

(25) List any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, the elderly, small businesses, and farmers.

Minorities, the elderly, small businesses, and farmers who are not owners or operators of a coating operation subject to the proposed rulemaking would not be affected by the proposed rulemaking. For those that might be owners or operators of a subject coating operation or facility, no special provisions are necessary.

As discussed in the response to Question 24(b), the financial and administrative costs for complying with the recordkeeping and reporting requirements for owners and operators at, above and below the emissions threshold for implementing control measures should be minimal. All owners and operators of surface coating processes in this Commonwealth, regardless of the facility's annual emission rate, are currently required to develop daily records of certain parameters under § 129.52(c). The daily records required under proposed § 129.52e(f) for owners and operators of surface coating processes subject to the proposed rulemaking are equivalent to the daily records required under existing § 129.52(c) for all surface coating process owners and operators. The Department expects that the owners and operators of facilities that are potentially subject to the proposed rulemaking would already be developing and keeping the required records; therefore, there should be minimal additional financial or administrative burden for subject owners and operators to comply with the proposed rulemaking recordkeeping provisions.

As discussed in the response to Question 19, low-VOC content coating materials are likely to be readily available at a cost that is not significantly greater than the high-VOC content coatings they replace as a

result of the development of NSPS-compliant low-VOC content coating materials, as well as NESHAP-compliant low-HAP content coating materials, since lower HAP content usually means lower VOC content. Implementation of work practices is expected to provide a net cost savings to affected owners and operators by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage, and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of emissions fees that must be paid for VOC emissions, if applicable.

(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The proposed rulemaking is considered the least burdensome acceptable method of ensuring compliance with the Federal CAA RACT requirement. In accordance with sections 172(c)(1), 182(b)(2)(A) and 184(b)(1)(B) of the CAA, the proposed rulemaking would establish VOC content limits and other requirements consistent with the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coating CTG as RACT for these sources in this Commonwealth. See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483 (October 7, 2008).

The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials. The owners and operators identified by the Department as potentially subject to the proposed rulemaking have operations that coat bodies and body parts for new heavier vehicles. Flexibility in compliance for these owners and operators would be provided by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The proposed rulemaking provides flexibility to all of the potentially affected owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Many potentially subject owners or operators may already be using complying coatings or may be complying through the use of an existing VOC emission capture system and add-on air pollution control device and would not incur additional costs to implement the requirements of the proposed rulemaking.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

(a) The establishment of less stringent compliance or reporting requirements for small businesses.

Less stringent compliance or reporting requirements are not available for small businesses. The owners and operators of all facilities found to be affected are small businesses, and some are already permitted. The Department included flexibilities within the proposed rulemaking, but the proposed rulemaking must satisfy the Federal CAA requirements. Adopting RACT regulations is a Federal CAA requirement. The regulations must apply to the owners and operators of all subject sources that meet the applicable VOC emission thresholds regardless of business size. In accordance with sections 172(c)(1), 182(b)(2)(A) and 184(b)(1)(B) of the CAA, the proposed rulemaking would establish VOC content limits and other requirements consistent with the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings Control Techniques Guidelines as RACT for these sources in this Commonwealth.

See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483 (October 7, 2008).

(b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

Minimal adverse impact is expected for the owners and operators of small business-sized facilities. As explained in the response to Question 9, the proposed rulemaking is overdue to the EPA for approval as a SIP revision. Further delay of implementation would not be feasible. The proposed rulemaking process provides ample time for the owners and operators of facilities that might be subject to the proposed rulemaking to comply.

(c) The consolidation or simplification of compliance or reporting requirements for small businesses.

Minimal adverse impact is expected for the owners and operators of small business-sized facilities. The compliance options in the proposed rulemaking should allow the owners and operators of small business-sized facilities to find an acceptable method of compliance appropriate to their operation. Reporting would only be necessary under the proposed rulemaking if requested in writing by the Department.

(d) The establishment of performing standards for small businesses to replace design or operational standards required in the regulation.

The proposed rulemaking includes performance standards. If an owner or operator of a subject coating operation, including a small business-sized facility, chooses not to comply solely by using complying coating materials, the owner or operator could achieve equivalent compliance through an alternative method under the proposed amendment of § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking.

An owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility and an owner or operator of a facility that coats bodies or body parts for new heavier vehicles is provided the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e.

(e) The exemption of small businesses from all or any part of the requirements contained in the regulation.

Adopting RACT regulations is a Federal CAA requirement. The regulations must apply to the owners and operators of all sources that meet the applicable VOC emission thresholds regardless of business size. The owner and operator of a facility may be classified as a small business under the Federal Small Business Size Regulations under 13 CFR Chapter 1, Part 121, while still emitting sufficient emissions of VOC to be subject to regulations designed to implement measures for the control of those VOC emissions.

(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

Acceptability standards for empirical, replicable, and testable data:

The Department reviewed the information provided by the EPA in the CTG for establishing RACT for the sources that would be subject to this proposed rulemaking, and believes that the data used by the EPA to develop the RACT recommendations meet the acceptability standard for empirical, replicable and testable data. Additionally, according to the EPA's Scientific Integrity Policy, the EPA adheres to the 2002 Office of Management and Budget (OMB) Information Quality Guidelines, the 2005 OMB Information Quality Bulletin for Peer Review, the EPA's Quality Policy (CIO 2106) for assuring the collection and use of sound scientific data and information, the EPA's Peer Review Handbook for internal and external review of scientific products, and the EPA's Information Quality Guidelines for establishing the transparency, integrity and utility of information published on the Agency's websites.³³

The Department reviews its own ambient air quality ozone monitoring data for purposes of reporting to the EPA to establish attainment and maintenance of the NAAQS for all areas of this Commonwealth as discussed in the response to Question 9. The Commonwealth's Ambient Air Monitoring Network is operated in accordance with all network design, siting, monitoring and quality assurance requirements set forth in 40 CFR Part 58 (relating to ambient air quality surveillance). All ozone concentration data measured during the ozone monitoring season, which runs from April to October, are subject to comparison with the ozone NAAQS set forth in 40 CFR Part 50 (relating to National primary and secondary ambient air quality standards). Specific guidance on the requirements for quality assurance and quality control of the ozone monitoring network can be found in the EPA's Quality Assurance Handbook for Air Pollution Measurement Systems, Volume II, Ambient Air Quality Monitoring Program, EPA-454/B-13-003, May 2013. The QA Handbook is available on the EPA web site at <http://www.epa.gov/ttnamti1/files/ambient/pm25/qa/QA-Handbook-Vol-II.pdf>.

The Department reviewed data of the United States Department of Agriculture (USDA) for purposes of evaluating the potential financial impact of high levels of ambient ozone on soybean production in this Commonwealth. The USDA provides information on its data quality in the following publication available on its web site: USDA Scientific Integrity Policy Handbook (Guidance for Implementation of DR 1074-001), July 10, 2013.³⁴ "The policy directs employees, political and career, on both the proper use of scientific findings and the principles of conducting scientific activities consistent with the Presidential Memorandum on Scientific Integrity, dated March 9, 2009, the Office of Science and Technology Policy's 2010 guidance on scientific integrity, the Office of Management and Budget (OMB) Information Quality Guidelines and the 2005 OMB Final Information Quality Bulletin for Peer Review."³⁵

³³ United States Environmental Protection Agency, Scientific Integrity Policy, http://www.epa.gov/osa/pdfs/epa_scientific_integrity_policy_20120115.pdf, page 1.

³⁴ USDA Scientific Integrity Policy Handbook (Guidance for Implementation of DR 1074-001), July 10, 2013, <http://www.usda.gov/documents/usda-scientific-integrity-policy-handbook.pdf>.

³⁵ Ibid., page 1, footnotes 2 and 3.

The National Agricultural Statistics Service, USDA, provides information on its statistical sampling methods and data quality in the following two publications available on its web site:

Office of Management and Budget, Standards and Guidelines for Statistical Surveys, September 2006, http://www.nass.usda.gov/Publications/Methodology_and_Data_Quality/Advanced_Topics/standards_stat_surveys_OMB.pdf.

The Yield Forecasting Program of NASS, Statistical Methods Branch, SMB Staff Report, Number SMB 12-01, May 2012, http://www.nass.usda.gov/Publications/Methodology_and_Data_Quality/Advanced_Topics/Yield%20Forecasting%20Program%20of%20NASS.pdf.

The Ainsworth SoyFACE studies report, *Ozone Exposure Response for U.S. Soybean Cultivars: Linear Reductions in Photosynthetic Potential, Biomass, and Yield*, includes a statement of materials and methods on page 1835. Published online before print October 2012, doi: <http://dx.doi.org/10.1104/pp.112.205591>; *Plant Physiology* December 2012 vol. 160 no. 4 1827-1839; <http://www.plantphysiol.org/content/160/4/1827.full.pdf+html>.

The following list provides complete citations for data sources referenced in this Regulatory Analysis Form:

Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives, 73 FR 58481 (October 7, 2008).

Control Techniques Guidelines for Auto and Light-Duty Truck Assembly Coatings, EPA 453/R-08-006, Office of Air Quality Planning and Standards, EPA, September 2008. The Auto and Light-Duty Truck Assembly Coatings CTG is available on the EPA website at: www.epa.gov/airquality/ozonepollution/SIPToolkit/ctgs.html.

National Emission Standards for Hazardous Air Pollutants: Surface Coating of Automobiles and Light-Duty Trucks, 40 CFR part 63, subpart IIII (relating to National emission standards for hazardous air pollutants for Surface Coating of Automobiles and Light-Duty Trucks) (2004 NESHAP), set forth at 40 CFR 63.3080—63.3176.

Ozone Exposure Response for U.S. Soybean Cultivars: Linear Reductions in Photosynthetic Potential, Biomass, and Yield, Amy M. Betzelberger, Craig R. Yendrek, Jindong Sun, Courtney P. Leisner, Randall L. Nelson, Donald R. Ort, and Elizabeth A. Ainsworth, published online before print October 2012, doi: <http://dx.doi.org/10.1104/pp.112.205591>; *Plant Physiology* December 2012 vol. 160 no. 4 1827-1839; <http://www.plantphysiol.org/content/160/4/1827.full.pdf+html>.

Pennsylvania Department of Agriculture: The cited information is posted on their 'About PDA' page at this link:

http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Page.aspx?name=About-PDA&navid=30&parentnavid=0&pageid=9&

Pennsylvania Department of Conservation and Natural Resources: The cited information is posted on their 'Do Business' page, 'Bids and Business Opportunities,' at this link:
<http://www.dcnr.state.pa.us/dobusiness/index.htm>

Pennsylvania Hardwoods Development Council, Biennial Report, 2009-2010.
http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/Hardwoods%20Biennial%20Report%202010.pdf.

Pennsylvania Hardwoods Development Council, Photo, *Pennsylvania Hardwood Leading the Nation*.
http://www.agriculture.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_24476_10297_0_43/AgWebsite/Files/Publications/8631_panel11_Leading_the_Nation_100ppi.jpg.

Regulatory Impact Analysis, Final National Ambient Air Quality Standard for Ozone, July 2011, U.S. Environmental Protection Agency, Office of Air and Radiation, Office of Air Quality Planning and Standards, Research Triangle Park, NC, 27711, http://epa.gov/glo/pdfs/201107_OMBdraft-OzoneRIA.pdf.

(29) Include a schedule for review of the regulation including:

- | | |
|--|----------------------------|
| A. The date by which the agency must receive public comments: | <u>4th Quarter 2015</u> |
| B. The date or dates on which public meetings or hearings will be held: | <u>3rd Quarter 2015</u> |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | <u>2nd Quarter 2015</u> |
| D. The expected effective date of the final-form regulation: | <u>Date of publication</u> |
| E. The date by which compliance with the final-form regulation will be required: | <u>January 1, 2016*</u> |
| *Please see response to Question 13 regarding an alternative compliance date upon which the Department is seeking comment. | |
| F. The date by which required permits, licenses or other approvals must be obtained: | <u>NA</u> |

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

This regulation will be reviewed in accordance with the sunset review schedule published by the Department to determine whether the regulation effectively fulfills the goals for which it was intended.

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE
BUREAU

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality.
Attorney General

Amy M. Elliott

By: (Deputy Attorney General)

JUN 23 2015

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections attached.

Copy below is hereby certified to be true and
correct copy of a document issued, prescribed or
promulgated by:

DEPARTMENT OF ENVIRONMENTAL
PROTECTION
ENVIRONMENTAL QUALITY BOARD

(AGENCY)

DOCUMENT/FISCAL NOTE NO. 7-490

DATE OF ADOPTION April 21, 2015

BY *John Quigley*

TITLE JOHN QUIGLEY
ACTING CHAIRPERSON

EXECUTIVE OFFICER CHAIRMAN OR SECRETARY

Copy below is hereby approved as to form and legality
Executive or Independent Agencies

BY *[Signature]* *[Signature]* *[Signature]*
MAY 28 2015

DATE OF APPROVAL

(Executive Deputy General Counsel)
(~~Chief Counsel - Independent Agency~~)
(Strike inapplicable title)

Check if applicable. No Attorney General Approval
or objection within 30 days after submission.

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NOTICE OF PROPOSED RULEMAKING

DEPARTMENT OF ENVIRONMENTAL PROTECTION
ENVIRONMENTAL QUALITY BOARD

Control of VOC Emissions from Automobile and Light-Duty Truck Assembly Coating Operations
and Heavier Vehicle Coating Operations

**PROPOSED RULEMAKING
ENVIRONMENTAL QUALITY BOARD
[25 PA CODE CH. 129]**

**Control of Volatile Organic Compound Emissions from Automobile and Light-Duty Truck
Assembly Coating Operations and Heavier Vehicle Coating Operations**

The Environmental Quality Board (Board) proposes to amend Chapter 129 (relating to standards for sources) to read as set forth in Annex A. The proposed rulemaking would add § 129.52e (relating to control of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations) to adopt reasonably available control technology (RACT) requirements and RACT emission limitations for stationary sources of volatile organic compound (VOC) emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations including primer, primer-surfacer, topcoat and final repair coating materials, as well as additional coatings applied during the vehicle assembly process and related cleaning activities. The proposed rulemaking would add terms and definitions to § 129.52e to support the interpretation of the proposed measures and amend § 129.51 (relating to general) to support the addition of § 129.52e.

This proposed rulemaking will be submitted to the United States Environmental Protection Agency (EPA) for approval as a revision to the Commonwealth's State Implementation Plan (SIP) following promulgation of the final-form regulation.

This notice is given under Board order at its meeting of April 21, 2015.

A. Effective Date

This proposed rulemaking will be effective upon final-form publication in the *Pennsylvania Bulletin*.

B. Contact Persons

For further information, contact Kirit Dalal, Chief, Division of Air Resource Management, Bureau of Air Quality, Rachel Carson State Office Building, P.O. Box 8468, Harrisburg, PA 17105-8468, (717) 772-3436; or Kristen Furlan, Assistant Director, Bureau of Regulatory Counsel, Rachel Carson State Office Building, P.O. Box 8464, Harrisburg, PA 17105-8464, (717) 787-7060. Information regarding submitting comments on this proposed rulemaking appears in Section J of this preamble. Persons with a disability may use the Pennsylvania AT&T Relay Service, (800) 654-5984 (TDD users) or (800) 654-5988 (voice users). This proposed rulemaking is available on the Department of Environmental Protection's (Department) web site at www.dep.state.pa.us ("Public Participation," select "Environmental Quality Board").

C. Statutory Authority

The proposed rulemaking is authorized under section 5(a)(1) of the Air Pollution Control Act (act) (35 P.S. § 4005(a)(1)), which grants the Board the authority to adopt rules and regulations for the prevention, control, reduction and abatement of air pollution in this Commonwealth.

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Section 5(a)(8) of the act grants the Board the authority to adopt rules and regulations designed to implement the provisions of the Clean Air Act (CAA) (42 U.S.C.A. §§ 7401—7671q).

D. *Background and Purpose*

The purpose of this proposed rulemaking is to implement control measures to reduce VOC emissions from automobile and light-duty truck assembly coating operations and, when elected, certain other vehicle-related surface coating operations. These processes include the application of an automobile assembly coating or a light-duty truck assembly coating, or both, to a new automobile body or a new light-duty truck body, to a body part for a new automobile or for a new light-duty truck, or to another part that is coated along with the new automobile body or body part or new light-duty truck body or body part, as well as the application of coatings to a body or body part for a new heavier vehicle. A heavier vehicle is a self-propelled vehicle designed for transporting persons or property on a street or highway that has a gross vehicle weight rating over 8,500 pounds.

VOCs are precursors for ground-level ozone formation. Ground-level ozone, a public health and welfare hazard, is not emitted directly to the atmosphere by automobile and light-duty truck assembly coating operations, but is formed by a photochemical reaction between VOCs and nitrogen oxides (NO_x) in the presence of sunlight. In accordance with sections 172(c)(1), 182(b)(2)(A) and 184(b)(1)(B) of the CAA (42 U.S.C.A. §§ 7502(c)(1), 7511a(b)(2)(A) and 7511c(b)(1)(B)), the proposed rulemaking establishes VOC emission limitations and other requirements consistent with the recommendations of the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings Control Techniques Guidelines (CTG) for these sources in this Commonwealth. See *Consumer and Commercial Products, Group IV: Control Techniques Guidelines in Lieu of Regulations for Miscellaneous Metal Products Coatings, Plastic Parts Coatings, Auto and Light-Duty Truck Assembly Coatings, Fiberglass Boat Manufacturing Materials, and Miscellaneous Industrial Adhesives*, 73 FR 58481, 58483 (October 7, 2008); and *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA 453/R-08-006, Office of Air Quality Planning and Standards, EPA, September 2008.

The EPA is responsible for establishing National Ambient Air Quality Standards (NAAQS) for six criteria pollutants considered harmful to public health and the environment: ground-level ozone, particulate matter, nitrogen dioxide, carbon monoxide, sulfur dioxide and lead. Section 109 of the CAA (42 U.S.C.A. § 7409) established two types of NAAQS: primary standards, which are limits set to protect public health; and secondary standards, which are limits set to protect public welfare and the environment, including protection against visibility impairment and from damage to animals, crops, vegetation and buildings. The EPA established primary and secondary ground-level ozone NAAQS to protect public health and welfare.

Ground-level ozone is a highly reactive gas, which at sufficiently high concentrations can produce a wide variety of harmful effects. At elevated concentrations, ground-level ozone can adversely affect human health, animal health, vegetation, materials, economic values, and personal comfort and well-being. It can cause damage to important food crops, forests, livestock and wildlife. Repeated exposure to ground-level ozone pollution may cause a variety of adverse health effects for both healthy people and those with existing conditions, including difficulty in

breathing, chest pains, coughing, nausea, throat irritation and congestion. It can worsen bronchitis, heart disease, emphysema and asthma, and reduce lung capacity. Asthma is a significant and growing threat to children and adults. High levels of ground-level ozone affect animals in ways similar to humans. High levels of ground-level ozone can also cause damage to buildings and synthetic fibers, including nylon, and reduced visibility on roadways and in natural areas. The implementation of additional measures to address ozone air quality nonattainment in this Commonwealth is necessary to protect the public health and welfare, animal and plant health and welfare and the environment.

In July 1997, the EPA promulgated primary and secondary ozone standards at a level of 0.08 part per million (ppm) averaged over 8 hours. See 62 FR 38855 (July 18, 1997). In 2004, the EPA designated 37 counties in this Commonwealth as 8-hour ozone nonattainment areas for the 1997 8-hour ozone NAAQS. Based on the ambient air monitoring data for the 2013 ozone season, all monitored areas of the Commonwealth are attaining the 1997 8-hour ozone NAAQS. The Department must ensure that the 1997 ozone standard is attained and maintained by implementing permanent and enforceable control measures to ensure violations of the standard do not occur for the next decade.

In March 2008, the EPA lowered the primary and secondary ozone standard to 0.075 ppm averaged over 8 hours to provide even greater protection for children, other at-risk populations and the environment against the array of ozone-induced adverse health and welfare effects. See 73 FR 16436 (March 27, 2008). In April 2012, the EPA designated five areas in this Commonwealth as nonattainment for the 2008 ozone NAAQS. See 77 FR 30088, 30143 (May 21, 2012). These areas include all or a portion of Allegheny, Armstrong, Berks, Beaver, Bucks, Butler, Carbon, Chester, Delaware, Fayette, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, Washington and Westmoreland Counties. The Commonwealth must ensure that these areas attain the 2008 ozone standard by 2015 and that they continue to maintain the standard thereafter.

There are Federal regulatory limits for VOC emissions from automobile and light-duty truck assembly coatings for several of the coating categories. In 1977, the EPA issued a CTG document entitled "Control of Volatile Organic Emissions from Existing Stationary Sources Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008) (1977 CTG). The 1977 CTG provided RACT recommendations for controlling VOC emissions from automobile and light-duty truck assembly surface coating operations. The recommendations were for VOC emission limits calculated on a daily basis for each electrodeposition primer operation, primer-surfacer operation, topcoat operation and final repair operation. The limits of § 129.52 (relating to surface coating processes), Table I, category 6, for the automobile and light duty truck coating subcategories of prime coat, top coat, and repair were promulgated at 9 Pa.B. 1447 (April 28, 1979), to implement RACT measures consistent with the recommendations in the 1977 CTG for the automobile and light duty truck coating categories.

In 1980, the EPA promulgated New Source Performance Standards (1980 NSPS) for surface coating of automobile and light-duty trucks at 40 CFR Part 60 Subpart MM (relating to standards of performance for automobile and light duty truck surface coating operations). The 1980 NSPS

established VOC emission limits calculated on a monthly basis for each electrodeposition primecoat operation, guidecoat (primer-surfacer) operation, and topcoat operation located in an automobile or light-duty truck assembly plant constructed, reconstructed or modified after October 5, 1979. See 45 FR 85415 (December 24, 1980) and 59 FR 51383 (October 11, 1994). The NSPS limits and the 1977 CTG recommendations for primer-surfacer and topcoat cannot be directly compared because of differences in the compliance period (monthly for the NSPS limits and daily for the 1977 CTG recommendations) and how transfer efficiency is considered (table values for the NSPS limits and actual transfer efficiency testing for the 1977 CTG recommendations).

In addition to establishing the 1980 NSPS VOC content limits, in 2004 the EPA promulgated 40 CFR Part 63, Subpart IIII (relating to National emission standards for hazardous air pollutants: surface coating of automobiles and light-duty trucks) (2004 NESHAP). See 69 FR 22602, 22623 (April 26, 2004). The 2004 NESHAP established organic hazardous air pollutant (HAP) emissions limitations calculated on a monthly basis for existing sources. More stringent limits apply to new sources that commenced construction after December 24, 2002. The 2004 NESHAP also specified work practices to minimize organic HAP emissions from the storage, mixing and conveying of coatings, thinners and cleaning materials, and from handling waste materials generated by the coating operation. Many HAPs are VOCs, but not all VOCs are HAPs. The requirements of the 2004 NESHAP apply to "major sources" of HAP from surface coatings applied to bodies or body parts for new automobiles or new light-duty trucks. For the purpose of regulating HAP emissions, a "major source" is considered to be a stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year (tpy) or more of any single listed HAP or 25 tpy or more of any combination of HAPs. See section 112(a)(1) of the CAA (42 U.S.C.A. § 7412(a)(1)); see also 69 FR 22602, 22603.

When developing the VOC emission reduction RACT measures included in its 2008 Automobile and Light-Duty Truck Assembly Coatings CTG, the EPA took into account the VOC emission limitations of the 1980 NSPS as well as the VOC control recommendations of the 1977 CTG and the HAP emission reduction measures in the 2004 NESHAP for the automobile and light-duty truck assembly coating industries. Additionally, in 2008, the Alliance of Automobile Manufacturers, an industry trade association representing the majority of these facilities, provided the EPA with information from its member companies. Non-member companies also submitted information to the EPA. The EPA reviewed and evaluated this information in conjunction with developing the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG. The information included VOC emission rates for electrodeposition primer operations, primer-surfacer operations, and topcoat operations on a daily and monthly average for the calendar years 2006 and 2007. The VOC emission limits recommended in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG are based on 2006 and 2007 data from then-operating automobile and light-duty truck assembly coating operations. The resulting recommended VOC emission limits in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for electrodeposition primer operations, primer-surfacer operations and topcoat operations are more stringent than the 1977 CTG and the 1980 NSPS limits. The recommended VOC emission limit for final repair operation in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG is the same as the 1977 CTG recommended limit for this category. The

work practices recommendations in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG mirror those found in the 2004 NESHAP.

This proposed rulemaking is designed to adopt VOC emission limitations and requirements consistent with the standards and recommendations in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG to meet the requirements of sections 172(c)(1), 182(b)(2) and 184(b)(1)(B) of the CAA. The proposed rulemaking would apply these VOC emission limitations and requirements across this Commonwealth, as required under section 184(b)(1)(B) of the CAA. The ground-level ozone air pollution reduction measures in this proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based ozone NAAQS in this Commonwealth and to satisfy related CAA requirements.

State regulations to control VOC emissions from automobile and light-duty truck assembly coating operations, as well as the related cleaning activities, are required under Federal law. The state regulations will be approved by the EPA as a revision to the Commonwealth's SIP if the provisions meet the RACT requirements of the CAA and its implementing regulations. See 73 FR 58481, 58483. The EPA defines RACT as "the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility." See *State Implementation Plans; General Preamble for Proposed Rulemaking on Approval of Plan Revisions for Nonattainment Areas—Supplement (on Control Techniques Guidelines)*, 44 FR 53761 (September 17, 1979).

Section 110(a) of the CAA (42 U.S.C.A. § 7410(a)) provides that each state shall adopt and submit to the EPA a plan to implement measures [State Implementation Plan or "SIP"] to enforce the NAAQS or revision to the NAAQS promulgated under section 109(b) of the CAA. Section 172(c)(1) of the CAA provides that SIPs for nonattainment areas must include "reasonably available control measures," including RACT, for sources of emissions of VOC and NOx. Section 182(b)(2) of the CAA provides that for moderate ozone nonattainment areas, states must revise their SIPs to include RACT for sources of VOC emissions covered by a CTG document issued by the EPA prior to the area's date of attainment. More importantly, section 184(b)(1)(B) of the CAA requires that states in the Ozone Transport Region (OTR), including the Commonwealth, submit a SIP revision requiring implementation of RACT for all sources of VOC emissions in the state covered by a specific CTG and not just for those sources that are located in designated nonattainment areas of the state. The ground-level ozone reduction measures included in this proposed rulemaking would achieve VOC emission reductions locally and would also reduce the transport of VOC emissions and ground-level ozone to downwind states. Adoption of VOC emission requirements for these sources is part of the Commonwealth's strategy, in concert with other OTR jurisdictions, to further reduce the transport of VOC ozone precursors and ground-level ozone throughout the OTR to attain and maintain the 8-hour ozone NAAQS.

Section 183(e) of the CAA (42 U.S.C.A. § 7511b(e)) directs the EPA to list for regulation those categories of products that account for at least 80% of the VOC emissions from consumer and commercial products in ozone nonattainment areas. Section 183(e)(3)(C) of the CAA further provides that the EPA may issue a CTG document in place of a National regulation for a product category where the EPA determines that the CTG will be "substantially as effective as

regulations” in reducing emissions of VOC in ozone nonattainment areas. In 1995, the EPA listed automobile and light-duty truck assembly coatings on its section 183(e) list and, in 2008, issued a CTG for this product category. See 60 FR 15264, 15267 (March 23, 1995) and 73 FR 58481; *Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings*, EPA 453/R-08-006, Office of Air Quality Planning and Standards, EPA, September 2008. The 2008 Automobile and Light-Duty Truck Assembly Coatings CTG is available on the EPA website at: www.epa.gov/airquality/ozonepollution/SIPToolkit/ctgs.html.

In the 2008 notice of final determination and availability of final CTGs, the EPA determined that the recommendations of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG would be substantially as effective as National regulations in reducing VOC emissions from the automobile and light-duty truck assembly coatings product category in ozone nonattainment areas. See 73 FR 58481. The CTG provides states with the EPA’s recommendation of what constitutes RACT for the covered category. States can use the Federal recommendations provided in the CTG to inform their own determination as to what constitutes RACT for VOC emissions from the covered category. State air pollution control agencies may implement other technically-sound approaches that are consistent with the CAA requirements and the EPA’s implementing regulations or guidelines.

The Department reviewed the recommendations included in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG for their applicability to the ground-level ozone reduction measures necessary for this Commonwealth. The Bureau of Air Quality determined that VOC emission reduction measures consistent with the recommendations provided in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG are appropriate to be implemented in this Commonwealth as RACT for this category.

This proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to a new automobile body or a new light-duty truck body, to a body part for a new automobile or for a new light-duty truck, or to another part that is coated along with the new automobile body or body part or new light-duty truck body or body part. The owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility, and the owner or operator of a facility that coats a body or body part for a new heavier vehicle, would have the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d (relating to control of VOC emissions from miscellaneous metal parts surface coating processes, miscellaneous plastic parts surface coating processes and pleasure craft surface coatings). This option is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. Proposed § 129.52d would be adopted as a final rulemaking concurrently with adoption of this proposed rulemaking as a final rulemaking.

This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

This proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility.

The VOC content limits in the proposed rulemaking would not apply to an assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of 1 pound or less.

The Board anticipates that not more than 61 businesses, all of which would likely be small businesses, would be affected by the proposed rulemaking. The Board estimates that of this projected total of 61 potentially subject owners and operators, as many as 47 of the potentially subject facility owners and operators would have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls. These owners and operators would be subject to the proposed VOC content limit requirements, work practice requirements, compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements. The owners and operators of the remaining 14 facilities would only be subject to compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements.

The Board is aware that of the potentially subject 61 owners and operators who may be subject to this proposed rulemaking, the owners and operators of 13 of these facilities were identified by the Department from its air quality databases. The owners and operators of these 13 facilities manufacture or surface coat, or both, bodies or body parts for new heavier vehicles such as fire trucks, ambulances and tow trucks. The owners and operators at none of these facilities manufacture or surface coat bodies or body parts for automobiles or light-duty trucks, which is the primary focus of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG. The owners and operators of these 13 facilities would only be subject to this proposed rulemaking if they elected to comply with this proposed rulemaking instead of complying with the proposed rulemaking for § 129.52d. For purposes of discussing the potential impacts of this proposed rulemaking, however, the Board assumed that the owners and operators of these 13 facilities would elect to be subject to this proposed rulemaking. The Commonwealth's Small Business Development Center's Environmental Management Assistance Program (SBDC EMAP) reviewed the list of 13 potentially subject facilities reporting VOC emissions in 2013 identified by the Department from its databases and determined that all 13 of the facilities were considered a small business under the Small Business Administration (SBA) Small Business Size Regulations.

The owners and operators of as many as 10 of these facilities may emit 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls, and would likely be required to implement the proposed VOC emission reduction measures. These measures include use of complying coatings, compliance monitoring and daily recordkeeping, work practice standards for coating-related activities and development and implementation of a written work practice plan for cleaning materials. The records would be submitted to the Department in an acceptable format upon receipt of a written request from the Department. The owners and operators of the remaining three facilities would likely emit less than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, and would be subject only to the compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements of the proposed rulemaking.

The Commonwealth's SBDC EMAP provided the Department with a list of 48 small business-sized non-permitted facility owners and operators that would potentially be subject to the proposed rulemaking. Of these 48 owners and operators, the Board estimates that as many as 37 would have actual VOC emissions at or above the applicability threshold of 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls. These 37 owners and operators would be required to implement VOC emission reduction measures, implement work practice standards for coatings, develop and implement a written work practice plan for cleaning materials, and meet compliance monitoring and daily recordkeeping requirements. The owners and operators of the remaining 11 facilities would likely emit less than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, and would be subject only to the compliance monitoring and daily recordkeeping requirements and, if requested by the Department, reporting requirements of the proposed rulemaking.

The difference in estimated projected number of potentially subject facility owners and operators with VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls between the Department's list of 10 potentially subject permitted facility owners and operators and the SBDC EMAP's list of 37 potentially subject non-permitted small business-sized facility owners and operators is likely due to the Department's database being for the owners and operators of previously and currently permitted facilities based on regulatory criteria for acquiring a permit, while the SBDC EMAP list is based on a self-reported business classification about their small-business-sized facility without considering the level of VOC emissions. Most of the owners and operators of permitted facilities in the Department's database have actual emissions, or the potential to have emissions, at or above 8 tons per year of VOCs, or installed a new source emitting over 2.7 tons VOC emissions per year, thus requiring a permit. It is possible that the owners and operators of additional facilities that have not been identified could be subject to the proposed rulemaking control measures.

The owners and operators of the 13 facilities identified by the Department from the air quality databases reported actual VOC emissions in 2013 totaling approximately 320 tons. The owners and operators of the 10 facilities that may emit 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls, reported actual VOC emissions equal to or greater than 2.7 tons per year, totaling approximately 319 tons. Implementation of the recommended control measures by these 10 potentially subject facility owners and operators could generate reductions of as much as 111 tons of VOC emissions per year from the 10 facilities, depending on the level of compliance already being achieved by these owners and operators. The estimated total maximum annual costs to these 10 owners and operators could be up to \$195,140. The range of cost per regulated facility owner and operator for implementing the proposed VOC emission control measures is estimated to be approximately \$10,500 to \$19,514 per facility. The range of cost effectiveness to the regulated facility owners and operators would be approximately \$940 per ton of VOC emissions reduced to \$1,758 per ton reduced on an annual basis.

Similarly, the Board estimates that implementation of the proposed VOC control measures and work practice requirements could generate potential VOC emission reductions of as much as 413

tons per year from the 37 potentially subject small business-sized facilities identified by the SBDC EMAP that would likely be subject at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, depending on the level of compliance already being achieved by the owners and operators of these facilities. The estimated annual cost to the owners and operators of these 37 potentially subject non-permitted facilities would be \$726,054. The estimated maximum annual cost per facility owner and operator would be approximately \$19,623.

The proposed rulemaking was discussed with the Air Quality Technical Advisory Committee (AQTAC) on April 3, 2014. The AQTAC voted unanimously to concur with the Department's recommendation to forward the proposed rulemaking to the Board for consideration as proposed rulemaking. The proposed rulemaking was discussed with the Small Business Compliance Advisory Committee (SBCAC) on April 23, 2014. The SBCAC voted unanimously to concur with the Department's recommendation to move the proposed rulemaking to the Board for consideration, with a recommendation to consider flexibility for small businesses. The proposed rulemaking was discussed with the Citizens Advisory Council (CAC) Policy and Regulatory Oversight Committee on May 6, 2014. On the recommendation of the Policy and Regulatory Oversight Committee, on June 17, 2014, the CAC concurred with the Department's recommendation to forward the proposed rulemaking to the Board.

E. Summary of Regulatory Requirements

§ 129.51. General.

Subsection (a) would be amended to establish that compliance with § 129.52e may be achieved by alternative methods.

Subsection (a)(3) would be amended to establish that compliance by a method other than the use of a low-VOC content coating, adhesive, sealant, adhesive primer, sealant primer, surface preparation solvent or cleanup solvent or ink which meets the applicable emission limitation in § 129.52e shall be determined on the basis of equal volumes of solids.

Subsection (a)(6) would be amended to establish that the alternative compliance method is incorporated into a plan approval or operating permit, or both, reviewed by the EPA, including the use of an air cleaning device to comply with § 129.52e.

§ 129.52e. Control of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations.

Under proposed subsection (a)(1), the proposed rulemaking would apply statewide to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to a new automobile body or a new light-duty truck body, a body part for a new automobile or a new light-duty truck, or another part that is coated along with the new automobile body part or new light-duty truck body or body part.

Under proposed subsection (a)(2), the proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that operates a separate coating line at the facility on which a coating is applied to another part intended for use in a new automobile or new light-duty truck or an aftermarket repair or replacement part for an automobile or light-duty truck if the owner or operator elects to comply with § 129.52e instead of § 129.52d. The election occurs when the owner or operator notifies the Department by submitting a written statement to the appropriate Department regional office Air Quality Program Manager that specifies the intent to comply with § 129.52e instead of § 129.52d. Proposed § 129.52d would be adopted as a final rulemaking concurrently with adoption of this proposed rulemaking as a final rulemaking.

Under proposed subsection (a)(3), the proposed rulemaking would apply to the owner and operator of a heavier vehicle coating operation that coats a body or body part for a new heavier vehicle if the owner or operator elects to comply with § 129.52e instead of § 129.52d. The election occurs when the owner or operator notifies the Department by submitting a written statement to the appropriate Department regional office Air Quality Program Manager that specifies the intent to comply with § 129.52e instead of § 129.52d.

Providing the election option under subsection (a)(2) and (3) would effectuate the recommendations in the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings CTG, that a state consider giving an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility the option of complying with the state's regulation adopted under the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG instead of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG; and that a state give an owner or operator of a facility that coats bodies or body parts for new heavier vehicles the option to comply with either the state's regulation adopted under the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG or the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG. Heavier vehicle coatings are included in the Miscellaneous Metal Products and Plastic Parts Coatings categories under CAA section 183(e) and are therefore covered in the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. See 2008 Automobile and Light-Duty Truck Assembly Coatings CTG, page 4 and 2008 Miscellaneous Metal and Plastic Parts Coatings CTG, page 4.

Under proposed subsection (a)(4), the proposed rulemaking would apply to the owner and operator of a facility that performs a coating operation subject to § 129.52e on a contractual basis.

Under proposed subsection (a)(5), the proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composite molding facility.

Under proposed subsection (b), the proposed rulemaking would establish 25 definitions to support § 129.52e. A definition of "heavier vehicle" was added to subsection (b) upon the request of AQTAC at its April 3, 2014, meeting to improve the clarity of the proposed

rulemaking and further delineate the types of vehicle coating operations subject to the proposed rulemaking.

Under proposed subsection (c), the proposed rulemaking would establish that the requirements of this section would supersede the requirements of a RACT permit issued under §§ 129.91—129.95 (relating to stationary sources of NO_x and VOCs) to the owner or operator of a source subject to this section prior to January 1, 2016, except to the extent the RACT permit contains more stringent requirements.

Under proposed subsection (d)(1), the proposed rulemaking would establish that beginning January 1, 2016, the VOC content limits specified in Table I and Table II (relating to VOC content limits for primary assembly coatings; and VOC content limits for additional assembly coatings (grams of VOC per liter of coating excluding water and exempt compounds) as applied) would apply to an owner and operator of a facility that has total actual VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating subject to this section, including related cleaning activities. As with all RACT regulations, an owner or operator remains subject to the regulation even if the throughput or VOC emissions fall below the applicability threshold.

Under proposed subsection (d)(2), the proposed rulemaking would establish that the VOC content limits specified in Table I and Table II do not apply to an owner and operator of a facility that has total actual VOC emissions below 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating subject to this section, including related cleaning activities. This subsection also specifies that the VOC content limits in Table I and Table II do not apply to an assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of 1 pound or less.

Under proposed subsection (e), an owner and operator subject to the VOC content limits specified in Table I and Table II must comply with specified work practices for coating-related activities and cleaning materials.

Under proposed subsection (f), compliance monitoring and recordkeeping requirements would be established.

Under proposed subsection (g), measurement, calculation, sampling and testing methodologies would be established. The Automobile Topcoat Protocol specified in subsection (g)(2)(i) for calculation of VOC emissions and rates applies not only to the owner and operator of an automobile and light-duty truck assembly coating operation, but also to the owner and operator of a facility that coats a body or body part for a new heavier vehicle that elects to comply with § 129.52e instead of § 129.52d.

Proposed § 129.52e contains two tables. Table I specifies VOC content limits for primary assembly coatings. The primary assembly coatings are applied to new automobile or new light-duty truck bodies, or to body parts for new automobiles or new light-duty trucks, as well as to other parts that are coated along with these bodies or body parts. These primary coatings are electrodeposition primer, primer-surfacer, topcoat, and final repair. The Automobile Topcoat

Protocol specified in subsection (g)(2)(i) and referenced in Table I applies not only to the owner and operator of an automobile and light-duty truck assembly coating operation, but also to the owner and operator of a facility that coats a body or body part for a new heavier vehicle that elects to comply with § 129.52e instead of § 129.52d. Table II specifies VOC content limits for additional assembly coatings. These additional coatings are applied during the vehicle assembly process and include glass bonding primer, adhesive, cavity wax, sealer, deadener, gasket/gasket sealing material, underbody coating, trunk interior coating, bedliner, lubricating wax/compound and weatherstrip adhesive. The EPA VOC emission control recommendations included in the 2008 Automobile and Light-Duty Trucks Assembly Coatings CTG, and reflected in the proposed rulemaking, include the VOC content limits for the listed coatings.

The Board specifically requests comment on the proposed emission limit in Table II of 900 grams per liter of coating less water and exempt compounds for “automobile and light-duty truck glass bonding primer.” A limit of 700 grams per liter of coating less water and exempt compounds applies to a similar category, called “automotive glass adhesive primer,” in the existing adhesives regulations. See §§ 121.1, 129.77 and 130.702 (relating to definitions; control of emissions from the use or application of adhesives, sealants, primers and solvents; and emission standards). However, the EPA wrote in its notice of availability of the final 2008 Automobile and Light-Duty Trucks Assembly Coatings CTG that the cost of the testing required to confirm material performance and compliance with Federal crash safety standards and windshield integrity requirements would be unreasonable compared to the small emission reduction that would be achieved by the 700 grams per liter limit it had proposed for the CTG. See 73 FR 58481, 58486. The EPA explained that the small amount of additional emission reductions achieved by the 700 grams per liter limit are negligible compared to reductions potentially achieved by the 900 grams per liter limit and are more technically difficult to implement. See 73 FR 58481, 58486. The EPA thus concluded that the less stringent limit of 900 grams per liter for automobile and light-duty truck glass bonding primer is appropriate and satisfies RACT for automobile and light-duty truck assembly coating operations. See 73 FR 58481, 58486.

F. Benefits, Costs and Compliance

Benefits

The Statewide implementation of the VOC emission control measures in the proposed rulemaking would benefit the health and welfare of the approximately 12.77 million residents (as of July 2013) and the numerous animals, crops, vegetation and natural areas of this Commonwealth by reducing emissions of VOCs, which are precursors to the formation of ground-level ozone air pollution. Exposure to high concentrations of ground-level ozone is a serious human and animal health threat, causing respiratory illnesses and decreased lung function as well as other adverse health effects leading to a lower quality of life. Reduced ambient concentrations of ground-level ozone would reduce the incidences of hospital admissions for respiratory ailments including asthma and improve the quality of life for citizens overall. While children, the elderly and those with respiratory problems are most at risk, even healthy individuals may experience increased respiratory ailments and other symptoms when they are exposed to high levels of ambient ground-level ozone while engaged in activities that involve

physical exertion. High levels of ground-level ozone affect animals including pets, livestock, and wildlife, in ways similar to humans.

In addition to causing adverse human and animal health effects, the EPA has concluded that high levels of ground-level ozone affects vegetation and ecosystems, leading to reductions in agricultural crop and commercial forest yields by destroying chlorophyll; reduced growth and survivability of tree seedlings; and increased plant susceptibility to disease, pests, and other environmental stresses, including harsh weather. In long-lived species, these effects may become evident only after several years or even decades and have the potential for long-term adverse impacts on forest ecosystems. Ozone damage to the foliage of trees and other plants can decrease the aesthetic value of ornamental species used in residential landscaping, as well as the natural beauty of parks and recreation areas.

The economic value of some welfare losses due to high concentrations of ground-level ozone can be calculated, such as crop yield loss from reduced size and quality of seeds and visible injury to some leaf crops, including lettuce, spinach and tobacco, as well as visible injury to ornamental plants, including grass, flowers and shrubs. Other types of welfare loss may not be quantifiable, such as the reduced aesthetic value of trees growing in heavily visited parks. The Commonwealth's 62,000 farm families are the stewards of more than 7.7 million acres of farmland, with \$6.8 billion in cash receipts annually from production agriculture. In addition to production agriculture, the industry also raises revenue and supplies jobs through support services such as food processing, marketing, transportation, and farm equipment. In total, production agriculture and agribusiness contributes nearly \$68 billion to the Commonwealth's economy. (Source: Department of Agriculture.)

The Department of Conservation and Natural Resources (DCNR) is the steward of the state-owned forests and parks. DCNR awards millions of dollars in construction contracts each year to build and maintain the facilities in its parks and forests. Timber sales on state forest lands contribute to the \$5 billion a year timber industry. Hundreds of concessions throughout the park system help complete the park experience for both state and out-of-state visitors. (Source: Department of Conservation and Natural Resources.) Further, the Commonwealth leads the Nation in growing volume of hardwood species, with 17 million acres in forest land. As the leading producer of hardwood lumber in the United States, the Commonwealth also leads in the export of hardwood lumber, exporting nearly \$800 million annually in lumber, logs, furniture products and paper products to more than 70 countries around the world. Recent United States Forest Service data shows that the State's forest growth-to-harvest rate is better than 2 to 1. This vast renewable resource puts the hardwoods industry at the forefront of manufacturing in this Commonwealth. Through 2006, the total annual direct economic impact generated by the Commonwealth's wood industry was \$18.4 billion. The industry employed 128,000 people, with \$4.7 billion in wages and salaries earned. Production was 1.1 billion board feet of lumber annually. (Source: Strauss, Lord, Powell; PSU, June 2007, cited in Pennsylvania Hardwoods Development Council Biennial Report, 2009-2010.)

Through deposition, ground-level ozone also contributes to pollution in the Chesapeake Bay. These effects can have adverse impacts including loss of species diversity and changes to habitat quality and water and nutrient cycles. High levels of ground-level ozone can also cause damage

to buildings and synthetic fibers, including nylon, and reduced visibility on roadways and in natural areas. The reduction of ground-level ozone air pollution concentrations directly benefits the human and animal populations of the Commonwealth with improved ambient air quality and healthier environments. The agriculture and timber industries and related businesses benefit directly from reduced economic losses that result from damage to crops and timber. Likewise, the natural areas and infrastructure within this Commonwealth and downwind benefit directly from reduced environmental damage and economic losses.

The Statewide implementation of the VOC emission control measures in the proposed rulemaking could generate reductions of as much as 111 tons of VOC emissions per year from the 10 potentially affected facilities identified by the Department in its databases that would likely be subject at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls. The owners and operators of these 10 facilities would be required to implement the VOC control measures of the proposed rulemaking, depending on the level of compliance already achieved by the owners and operators of these potentially affected facilities. These projected estimated reductions in VOC emissions and the subsequent reduced formation of ground-level ozone would help ensure that the owners and operators of regulated facilities, farms and agricultural enterprises, hardwoods and timber industries and tourism-related businesses, and employees, residents of labor communities, citizens and the environment of this Commonwealth experience the benefits of improved health and welfare resulting from lowered concentrations of ground-level ozone air quality. Commonwealth residents would also potentially benefit from improved groundwater quality through reduced quantities of VOCs and HAPs from the use of low VOC-content and low HAP-content automobile and light-duty truck assembly coatings and implementation of work practices for coating- and cleaning-related activities. Although the proposed rulemaking is designed primarily to address ozone air quality, the reformulation of high-VOC content coating materials to low-VOC content coating materials or substitution of low-VOC content coating materials, to meet the VOC content limits applicable to users may also result in reduction of HAP emissions, which are also a serious health threat. The reduced levels of high-VOC content and high-HAP content solvents would benefit groundwater quality through reduced loading on water treatment plants and in reduced quantities of high-VOC content and high-HAP content solvents leaching into the ground and streams and rivers.

The Statewide implementation of the proposed rulemaking control measures would assist the Commonwealth in reducing VOC emissions locally and the resultant local formation of ground-level ozone in this Commonwealth from surface coating processes subject to the proposed rulemaking. The Statewide implementation of the proposed rulemaking control measures would also assist the Commonwealth in reducing the transport of VOC emissions and ground-level ozone to downwind states. Statewide implementation would also facilitate implementation and enforcement of the proposed rulemaking in this Commonwealth. The measures in the proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based 8-hour ground-level ozone NAAQS and to satisfy related CAA requirements in this Commonwealth.

The proposed rulemaking may create economic opportunities for coating formulators and VOC emission control technology innovators, manufacturers and distributors through an increased demand for new or reformulated coating materials or for new or improved application or control

equipment. In addition, the owners and operators of regulated facilities may choose to install and operate an emissions monitoring system or equipment necessary for an emissions monitoring method in order to comply with the proposed rulemaking, thereby creating an economic opportunity for the emissions monitoring industry.

Compliance costs

The Department reviewed its air quality databases and identified 13 facilities in this Commonwealth whose owners and operators may be subject to the proposed rulemaking if they elect to comply with this proposed rulemaking instead of the proposed rulemaking for § 129.52d. For purposes of discussing the potential impacts of this proposed rulemaking, the Board assumed that the owners and operators of these 13 facilities would elect to be subject to this proposed rulemaking. According to the Department databases, the actual VOC emissions from these 13 facilities assumed to be subject to the proposed rulemaking totaled 320 tons in 2013. Of the 13 facilities reporting VOC emissions in 2013, the owners and operators of 10 of these facilities reported VOC emissions totaling 2.7 tons or more; their combined reported emissions totaled 319 tons in 2013. The owners and operators of these 10 facilities would be assumed to emit 15 pounds (6.8 kilograms) or more of total actual VOC emissions per day, including related cleaning activities and before consideration of controls, and would be required to implement the proposed VOC emission reduction measures, which include coating VOC content limits, work practice standards for coatings, development and implementation of a written work practice plan for cleaning materials and compliance monitoring and daily recordkeeping requirements. The owners and operators of the remaining three facilities reported VOC emissions below 2.7 tons; their combined reported VOC emissions totaled approximately one ton in 2013. The owners and operators of these three facilities would be assumed to emit less than 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls, and would be subject only to the compliance monitoring and daily recordkeeping requirements.

For all subject owners and operators, the daily records would be required to be maintained onsite for 2 years, unless a longer period is required under Chapter 127 or a plan approval, operating permit or order issued by the Department. Records would be submitted to the Department in an acceptable format upon receipt of a written request from the Department.

The recommended RACT VOC emission reduction measures included in the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG are largely based on the 2006 and 2007 data supplied by the Alliance of Automobile Manufacturers member companies and non-member companies and the 2004 NESHAP HAP emission reduction measures. While the owner or operator of an automobile and light-duty truck assembly coating or heavier vehicle surface coating facility area source of HAP may not meet the threshold for implementing the HAP emission reduction measures of the 2004 NESHAP (10 tpy of any single listed HAP or 25 tpy of any combination of HAPs), the owner or operator may meet the applicability threshold limit for implementing the proposed rulemaking measures to control VOC emissions.

The costs estimated by the EPA to implement the recommended RACT measures are largely based on the 1980 NSPS VOC emission limitations and 2004 NESHAP HAP emission reduction

measures and costs. The owner and operator of an automobile and light-duty truck assembly coating facility that is already implementing the requirements of the 1980 NSPS or 2004 NESHAP that would potentially be subject to the proposed rulemaking measures would likely not have additional costs to comply with the proposed rulemaking measures. The EPA therefore projected an estimated cost of \$0 to the owners and operators of automobile and light-duty truck assembly coating facilities potentially subject to regulations implementing requirements consistent with the recommended RACT measures of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG.

However, the owners and operators of none of the permitted facilities identified by the Department as potentially subject to the proposed rulemaking have permits implementing the 1980 NSPS or 2004 NESHAP requirements. The Department also determined that the 13 facility owners and operators are likely surface coating bodies and body parts for heavier vehicles and not coating and assembling the automobiles and light-duty trucks that are the primary focus of the 2008 Automobile and Light-Duty Truck Assembly Coatings CTG. Consistent with a recommendation in the EPA 2008 Automobile and Light-Duty Truck Assembly Coatings CTG and the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG, the proposed rulemaking provides the owner or operator of a facility that coats a body or body part for a new heavier vehicle the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d. The EPA wrote in the 2008 CTGs that an owner or operator making this election would achieve at least equivalent, and perhaps greater, control of VOC emissions.

The cost to the potentially affected population will be about the same whether the owners and operators choose to comply with this proposed rulemaking or proposed § 129.52d. The Board developed its estimate of costs for the potentially subject owners and operators implementing the proposed rulemaking measures by using the cost estimates for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. The Board likewise used the EPA's estimate from the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG for the amount of VOC emission reductions implementing the recommended control measures would achieve.

The EPA estimated that the annual cost to owners and operators to comply with regulations based on the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would be \$10,500 per facility and estimated the cost effectiveness for controlling the VOC emissions would be \$1,758 per ton of VOC emissions reduced. The EPA also estimated that implementing the RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG would achieve VOC emission reductions of 35%. Both 2008 CTGs also recommend work practices for reducing VOC emissions from coatings and cleaning materials. The EPA believes that the work practice recommendations in both 2008 CTGs will result in a net cost savings for affected owners and operators. Implementing the required work practices for coating-related activities and cleaning materials would reduce the amounts of VOC emissions overall from coating operations by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of annual emissions fees that must be paid for VOC emissions.

The Board estimates that the maximum potential amount of actual annual VOC emission reductions that could be achieved by implementing the proposed rulemaking would be approximately 111 tons, based on the 2013 reported VOC emissions of 319 tons by the 10 potentially subject permitted facility owners and operators identified from the Department's databases that would be required to implement the VOC control measures of the proposed rulemaking (35% reduction x 319 tons VOC emissions = 111 tons reduced). The estimated annual cost to the owners and operators of these 10 potentially subject permitted facilities would be a total of \$195,138 (111 tons reduced x \$1,758 per ton reduced = \$195,138). The cost per facility owner and operator would be approximately \$19,514 ($\$195,138 / 10$ facilities = \$19,514), which is higher than the EPA's estimated cost per facility of \$10,500 for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. This may be due in part to the Commonwealth-specific emission data used in the calculation.

The Board also calculated the cost effectiveness for the owners and operators of the 10 potentially subject facilities in this Commonwealth using the EPA's cost of \$10,500 per facility. The estimated total maximum anticipated annual costs to the potentially subject 10 facility owners and operators could be \$105,000 ($\$10,500 \times 10$ facilities = \$105,000). The cost effectiveness for the reductions of 111 tons of VOC emissions could be as little as \$946 per ton of VOC emissions reduced ($\$105,000 / 111$ tons reduced = \$946 per ton reduced) on an annual basis. This is less than the cost effectiveness of \$1,758 per ton reduced estimated by the EPA for implementing the recommended RACT measures of the 2008 Miscellaneous Metal and Plastic Parts Coatings CTG. Again, this may be due in part to the Commonwealth-specific emission data used in the calculation.

The Board estimates that the range of cost effectiveness to these 10 facility owners and operators for implementing the proposed rulemaking is \$946/ton VOC emissions reduced to \$1,758/ton reduced on an annual basis. The range of cost to this group for implementing the proposed VOC emission control measures is estimated to be \$10,500 to \$19,514 per year per facility. The estimated total annual cost of implementing the proposed rulemaking for this group of potentially subject owners and operators ranges from \$105,000 to \$195,138. The Board expects that the annual costs to the regulated industry in this Commonwealth will be at the lower end of these ranges because low-VOC content coating materials are likely to be readily available at a cost that is not significantly greater than the high-VOC content coatings they replace as a result of the development of NSPS-compliant low-VOC content coating materials and NESHAP-compliant low-HAP content coating materials, since lower HAP content usually means lower VOC content.

Further, the Board expects that the annual financial impact to these owners and operators will be less than the estimated maximum costs due to flexibility in choosing compliance options. The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials. Flexibility in compliance is provided for an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility and an owner or operator of a facility that coats bodies or body parts for new heavier vehicles by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The

proposed rulemaking provides flexibility to all of the potentially affected owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Section 129.51(a) authorizes the owner or operator to achieve compliance through an alternative method, which would achieve VOC emission reductions equal to or greater than those of the proposed rulemaking, by submitting the alternative method to the Department for review and approval in an applicable plan approval or operating permit, or both.

The VOC emission limitations established by this proposed rulemaking would not require the submission of applications for amendments to existing operating permits. These requirements would be incorporated as applicable requirements at the time of permit renewal, if less than 3 years remain in the permit term, as specified under § 127.463(c) (relating to operating permit revisions to incorporate applicable standards). If 3 years or more remain in the permit term, the requirements would be incorporated as applicable requirements in the permit within 18 months of the promulgation of the final-form rulemaking, as required under § 127.463(b).

New legal, accounting or consulting procedures would not be required.

Compliance assistance plan

The Department plans to educate and assist the public and regulated community in understanding the proposed requirements and how to comply with them. This would be accomplished through the Department's ongoing compliance assistance program. The Department would also work with the Small Business Assistance Program to aid the facilities less able to handle permitting matters with in-house staff.

Paperwork requirements

All subject owners and operators that have operations at the facility that apply an assembly coating subject to this section would be required to maintain records sufficient to demonstrate compliance with the proposed requirements, including daily records of specified parameters for each coating, thinner, component or cleaning material as supplied, and a daily record of the VOC content of each coating and cleaning material as applied. This includes those owners and operators that have total actual VOC emissions below 15 pounds (6.8 kilograms) per day, before consideration of controls, including related cleaning activities.

The daily records must be maintained onsite for 2 years by all subject owners and operators, unless a longer period is required under Chapter 127 (relating to construction, modification, reactivation and operation of sources) or a plan approval, operating permit or order issued by the Department. Records would be submitted to the Department upon receipt of a written request from the Department.

The owner or operator of a subject facility that has total actual VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating subject to this section, including related cleaning activities, would also be required to implement work practices for coating materials as

well as develop and implement a written work practice plan to minimize VOC emissions from cleaning and purging of equipment associated with all coating operations for which emission limits are required. The written work practice plan would be submitted to the Department upon receipt of a written request.

The financial and administrative costs for complying with the recordkeeping and reporting requirements for owners and operators at, above and below the emissions threshold for implementing control measures should be minimal. All owners and operators of surface coating processes in this Commonwealth, regardless of the facility's annual emission rate, are currently required to develop daily records of certain parameters under § 129.52(c) for coatings, thinners, and other components as supplied and the VOC content of as applied coatings, and to maintain the records for 2 years under § 129.52(g). The daily records required under proposed § 129.52e(f) for owners and operators of surface coating processes subject to the proposed rulemaking are equivalent to the daily records required under existing § 129.52(c) for all surface coating process owners and operators. The Board expects that the owners and operators of facilities that are potentially subject to the proposed rulemaking would already be developing and keeping the required records; therefore, there should be minimal additional financial or administrative burden for subject owners and operators to comply with the proposed rulemaking recordkeeping provisions.

G. Pollution Prevention

The Pollution Prevention Act of 1990 (42 U.S.C.A. §§ 13101—13109) established a National policy that promotes pollution prevention as the preferred means for achieving state environmental protection goals. The Department encourages pollution prevention, which is the reduction or elimination of pollution at its source, through the substitution of environmentally friendly materials, more efficient use of raw materials and the incorporation of energy efficiency strategies. Pollution prevention practices can provide greater environmental protection with greater efficiency because they can result in significant cost savings to facility owners and operators that permanently achieve or move beyond compliance.

Statewide implementation of the VOC emission control measures in the proposed rulemaking could generate reductions of as much as 111 tons of VOC emissions per year from the 10 potentially subject facilities identified by the Department in its databases that would likely be subject at or above the applicability threshold of 15 pounds (6.8 kilograms) per day of total actual VOC emissions, including related cleaning activities and before consideration of controls. The owners and operators of these 10 facilities would be required to implement the VOC control measures of the proposed rulemaking depending on the level of compliance already demonstrated by the owners and operators of these facilities. These projected estimated reductions in VOC emissions and the subsequent reduced formation of ground-level ozone would help ensure that the owners and operators of regulated facilities, farms and agricultural enterprises, hardwoods and timber industries and tourism-related businesses, and employees, residents of labor communities and citizens and the environment of this Commonwealth experience the benefits of improved ground-level ozone air quality. Commonwealth residents would also potentially benefit from improved groundwater quality through the use of low-VOC content and low-HAP content automobile and light-duty truck assembly coatings, heavier vehicle

coatings and cleaning materials. Although the proposed rulemaking is designed primarily to address ozone air quality, the reformulation of high-VOC content coating materials to low-VOC content coating materials or substitution of low-VOC content coating materials to meet the VOC content limits applicable to users may also result in reduction of HAP emissions, which are also a serious health threat. The reduced levels of high-VOC content and high-HAP content solvents would benefit groundwater quality through reduced loading on water treatment plants and in reduced quantities of high-VOC content and high-HAP content solvents leaching into the ground, streams and rivers.

The proposed rulemaking provides for compliance through the use of complying coating materials and through work practice standards for coating-related activities and cleaning materials. Flexibility in compliance is provided for an owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility and an owner or operator of a facility that coats bodies or body parts for new heavier vehicles by the option to remain subject to the requirements of proposed § 129.52d or to elect to be subject to proposed § 129.52e. The proposed rulemaking provides flexibility to all of the potentially affected owners and operators by amending § 129.51(a) to extend its applicability to the owner and operator of a coating operation subject to this proposed rulemaking. Section 129.51(a) authorizes the owner or operator to achieve compliance through an alternative method, which would achieve VOC emission reductions equal to or greater than those of the proposed rulemaking, by submitting the alternative method to the Department for review and approval in an applicable plan approval or operating permit, or both.

The development and implementation of a written work practice standard for the use and application of cleaning materials, as well as implementation of work practices for coating-related activities, is expected to result in a net cost savings for affected owners and operators. Implementing the required work practices for coating-related activities and cleaning materials would reduce the amounts of VOC emissions overall from coating operations by reducing the amounts of VOC-containing coating and cleaning materials that are lost to evaporation, spillage and waste, and reducing or eliminating associated VOC emissions, thereby reducing the costs of purchasing coating and cleaning materials for use in the operation as well as decreasing the amount of annual emissions fees that must be paid for VOC emissions.

H. Sunset Review

This regulation will be reviewed in accordance with the sunset review schedule published by the Department to determine whether it effectively fulfills the goals for which it was intended.

I. Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on July 13, 2015, the Department submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House and Senate Environmental Resources and Energy Committees. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Department, the General Assembly and the Governor of comments, recommendations or objections raised.

J. Public Comments

It is noted in this preamble that this rulemaking proposes to establish requirements in subsections (c) and (d)(1) that suggest a compliance date of January 1, 2016. The Board is particularly interested in receiving comments regarding this date, with consideration of establishing a compliance date of May 1, 2016, instead, in the final rulemaking. For more information, please refer to Section E. *Summary of Regulatory Requirements*.

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed rulemaking to the Board. Comments, suggestions or objections must be received by the Board by October 13, 2015. In addition to the submission of comments, interested persons may also submit a summary of their comments to the Board. The summary may not exceed one page in length and must also be received by the Board by October 13, 2015. The one-page summary will be distributed to the Board and available publicly prior to the meeting when the final-form rulemaking will be considered.

Comments including the submission of a one-page summary of comments may be submitted to the Board online, by email, by mail or express mail as follows. If an acknowledgement of comments submitted online or by email is not received by the sender within 2 working days, the comments should be retransmitted to the Board to ensure receipt. Comments submitted by facsimile will not be accepted.

Comments may be submitted to the Board by accessing the eComment system at <http://www.ahs.dep.pa.gov/eComment>.

Comments may be submitted to the Board by email at RegComments@pa.gov. A subject heading of the proposed rulemaking and a return name and address must be included in each transmission.

Written comments should be mailed to the Environmental Quality Board, P.O. Box 8477, Harrisburg, PA 17105-8477. Express mail should be sent to the Environmental Quality Board, Rachel Carson State Office Building, 16th Floor, 400 Market Street, Harrisburg, PA 17101-2301.

K. Public Hearings

The Board will hold three public hearings for the purpose of accepting comments on this proposed rulemaking. The hearings will be held at 1 p.m. on the following dates:

September 8, 2015 Department of Environmental Protection

Southeast Regional Office
Schuylkill Conference Room
2 East Main Street
Norristown, PA 19401

September 9, 2015 Department of Environmental Protection
Rachel Carson State Office Building
Conference Room 105
400 Market Street
Harrisburg, PA 17105

September 10, 2015 Department of Environmental Protection
Southwest Regional Office
Monongahela Conference Room
400 Waterfront Drive
Pittsburgh, PA 15222

Persons wishing to present testimony at a hearing are requested to contact the Environmental Quality Board, P.O. Box 8477, Harrisburg, PA 17105-8477, (717) 787-4526 at least 1 week in advance of the hearing to reserve a time to present testimony. Oral testimony is limited to 10 minutes for each witness. Witnesses are requested to submit three written copies of their oral testimony to the hearing chairperson at the hearing. Organizations are limited to designating one witness to present testimony on their behalf at each hearing.

Persons in need of accommodations as provided for in the Americans with Disabilities Act of 1990 should contact the Board at (717) 787-4526 or through the Pennsylvania AT&T Relay Service at (800) 654-5984 (TDD) or (800) 654-5988 (voice users) to discuss how the Board may accommodate their needs.

JOHN QUIGLEY
Chairperson

PROPOSED RULEMAKING
Annex A
TITLE 25. ENVIRONMENTAL PROTECTION
PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION
Subpart C. PROTECTION OF NATURAL RESOURCES
ARTICLE III. AIR RESOURCES
CHAPTER 129. STANDARDS FOR SOURCES

SOURCES OF VOCs

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§ 129.51. General.

(a) *Equivalency.* Compliance with §§ 129.52, 129.52a, 129.52b, 129.52c, [and 129.54—129.73] 129.52e, 129.54—129.69, 129.71—129.73 and 129.77 may be achieved by alternative methods if the following exist:

* * * * *

(3) Compliance by a method other than the use of a low VOC coating, adhesive, sealant, adhesive primer, sealant primer, surface preparation solvent [or], cleanup solvent or ink which meets the applicable emission limitation in §§ 129.52, 129.52a, 129.52b, 129.52c, 129.52e, 129.67, 129.73 and 129.77 shall be determined on the basis of equal volumes of solids.

* * * * *

(6) The alternative compliance method is incorporated into a plan approval or operating permit, or both, reviewed by the EPA, including the use of an air cleaning device to comply with § 129.52, § 129.52a, § 129.52b, § 129.52c, § 129.52e, § 129.67, § 129.68(b)(2) and (c)(2), § 129.73 or § 129.77.

* * * * *

(*Editor's note:* Section 129.52e is new and printed in regular type to enhance readability.)

§ 129.52e. Control of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations.

(a) *Applicability.*

(1) This section applies to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to one or more of the following:

(i) A new automobile body or a new light-duty truck body.

(ii) A body part for a new automobile or for a new light-duty truck.

(iii) Another part that is coated along with the new automobile body or body part or new light-duty truck body or body part.

(2) This section applies to the owner and operator of an automobile and light-duty truck assembly coating operation that operates a separate coating line at the facility on which a coating is applied to another part intended for use in a new automobile or new light-duty truck or an aftermarket repair or replacement part for an automobile or light-duty truck if the owner or operator elects to comply with this section instead of § 129.52d. The election occurs when the owner or operator notifies the Department by submitting a written statement to the appropriate Department regional office Air Quality Program Manager that specifies the intent to comply with § 129.52e instead of § 129.52d. (*Editor's Note:* Section 129.52d will be adopted on or before the date of final adoption of this proposed rulemaking.)

(3) This section applies to the owner and operator of a facility that coats a body or body part for a new heavier vehicle if the owner or operator elects to comply with this section instead of § 129.52d. The election occurs when the owner or operator notifies the Department by submitting a written statement to the appropriate Department regional office Air Quality Program Manager that specifies the intent to comply with § 129.52e instead of § 129.52d. (*Editor's Note:* Section 129.52d will be adopted on or before the date of final adoption of this proposed rulemaking.)

(4) This section applies to the owner and operator of a facility that performs a coating operation subject to this section on a contractual basis.

(5) This section does not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility.

(b) *Definitions.* The following words and terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise:

Adhesive—A chemical substance that is applied for the purpose of bonding two surfaces together by other than mechanical means.

Assembly coating—The term includes the primary and additional surface coatings applied during the vehicle assembly process.

(i) The primary coatings include the following:

- (A) Electrodeposition primer.
- (B) Primer-surfacer (including anti-chip coatings).
- (C) Topcoat (including basecoat and clearcoat).
- (D) Final repair.

(ii) The additional coatings include the following:

- (A) Glass bonding primer.

- (B) Adhesives.
- (C) Cavity wax.
- (D) Sealer.
- (E) Deadener.
- (F) Gasket/gasket sealing material.
- (G) Underbody coating.
- (H) Trunk interior coating.
- (I) Bedliner.
- (J) Weatherstrip adhesive.
- (K) Lubricating waxes and compounds.

(iii) The term does not include aerosol coatings.

Automobile—A motor vehicle designed to carry up to eight passengers. The term excludes vans, sport utility vehicles and motor vehicles designed primarily to transport light loads of property.

Automobile and light-duty truck adhesive—An adhesive, including glass bonding adhesive, used at an automobile and light-duty truck assembly coating operation, applied for the purpose of bonding two vehicle surfaces together without regard to the substrates involved.

Automobile and light-duty truck assembly coating operation—An operation that applies an assembly coating to a new automobile body or a new light-duty truck body, or both, or a body part for a new automobile or for a new light-duty truck, or both, or another part that is coated along with the new automobile body or body part or new light-duty truck body or body part. The operation consists of one or more of the following processes:

- (i) Surface preparing.
- (ii) Priming, including application of either of the following:
 - (A) Electrodeposition primer.
 - (B) Primer-surfacer.
- (iii) Topcoating.

(iv) Final repairing.

(vi) Cleaning activities related to the vehicle coating operations.

Automobile and light-duty truck bedliner—A multi-component coating, used at an automobile and light-duty truck assembly coating operation, applied to a cargo bed after the application of topcoat and outside of the topcoat operation to provide additional durability and chip resistance.

Automobile and light-duty truck cavity wax—A coating, used at an automobile and light-duty truck assembly coating operation, applied into the cavities of the vehicle primarily for the purpose of enhancing corrosion protection.

Automobile and light-duty truck deadener—A coating, used at an automobile and light-duty truck assembly coating operation, applied to selected vehicle surfaces primarily for the purpose of reducing the sound of road noise in the passenger compartment.

Automobile and light-duty truck gasket/gasket sealing material—A fluid, used at an automobile and light-duty truck assembly coating operation, applied to coat a gasket or replace and perform the same function as a gasket. The term includes room temperature vulcanization (RTV) seal material.

Automobile and light-duty truck glass bonding primer—

(i) A primer, used at an automobile and light-duty truck assembly coating operation, applied to windshield or other glass, or to body openings, to prepare the glass or body opening for the application of glass bonding adhesives or the installation of adhesive bonded glass.

(ii) The term includes glass bonding and cleaning primers that perform both functions (cleaning and priming of the windshield or other glass, or body openings) prior to the application of adhesive or the installation of adhesive bonded glass.

Automobile and light-duty truck lubricating wax/compound—A protective lubricating material, used at an automobile and light-duty truck assembly coating operation, applied to vehicle hubs and hinges.

Automobile and light-duty truck sealer—

(i) A high viscosity material, used at an automobile and light-duty truck assembly coating operation, generally, but not always, applied in the paint shop after the body has received an electrodeposition primer coating and before the application of subsequent coatings (for example, primer-surfacer). The primary purpose of the material is to fill body joints completely so that there is no intrusion of water, gases or corrosive materials into the passenger area of the body compartment.

(ii) The term is also known as sealant, sealant primer or caulk.

Automobile and light-duty truck trunk interior coating—A coating, used at an automobile and light-duty truck assembly coating operation outside of the primer-surfacer and topcoat operations, applied to the trunk interior to provide chip protection.

Automobile and light-duty truck underbody coating—A coating, used at an automobile and light-duty truck assembly coating operation, applied to the undercarriage or firewall to prevent corrosion or provide chip protection, or both.

Automobile and light-duty truck weatherstrip adhesive—An adhesive, used at an automobile and light-duty truck assembly coating operation, applied to weatherstripping materials for the purpose of bonding the weatherstrip material to the surface of the vehicle.

Automobile Topcoat Protocol—A guidance document set forth by the United States Environmental Protection Agency for determining the daily volatile organic compound emission rate of automobile and light-duty truck primer-surfacer and topcoat operations. (EPA-453/R-08-002, September 2008, or revisions.)

Body part—An exterior part of a motor vehicle including the hood, fender, door, roof, quarter panel, deck lid, tail gate and cargo bed. The term does not include a bumper, fascia or cladding.

EDP or electrodeposition primer—

(i) A process of applying a protective, corrosion-resistant waterborne primer on exterior and interior surfaces that provides thorough coverage of recessed areas. It is a dip coating method that uses an electrical field to apply or deposit the conductive coating onto the part. The object being painted acts as an electrode that is oppositely charged from the particles of paint in the dip tank.

(ii) The term is also known as E-Coat, Uni-Prime and ELPO Primer.

Final repair—The operations performed and coating or coatings applied to completely assembled motor vehicles or to parts that are not yet on a completely assembled vehicle to correct damage or imperfections in the coating. The curing of the coatings applied in these operations is accomplished at a lower temperature than that used for curing primer-surfacer and topcoat. This lower temperature cure avoids the need to send parts that are not yet on a completely assembled vehicle through the same type of curing process used for primer-surfacer and topcoat and is necessary to protect heat sensitive components on completely assembled vehicles.

Heavier vehicle—A self-propelled vehicle designed for transporting persons or property on a street or highway that has a gross vehicle weight rating over 8,500 pounds.

In-line repair—

(i) The operation performed and coating or coatings applied to correct damage or imperfections in the topcoat on parts that are not yet on a completely assembled vehicle. The curing of the coatings applied in these operations is accomplished at essentially the same temperature as that used for curing the previously applied topcoat. This operation is considered part of the topcoat operation.

(ii) The term is also known as high bake repair or high bake reprocess.

Light-duty truck—A van, sport utility vehicle or motor vehicle designed primarily to transport light loads of property with a gross vehicle weight rating of 8,500 pounds or less.

Primer-surfacer—

(i) An intermediate protective coating applied over the electrodeposition primer and under the topcoat. The coating provides adhesion, protection and appearance properties to the total finish.

(ii) The coating operation may include one or more other coatings, including anti-chip, lower-body anti-chip, chip-resistant edge primer, spot primer, blackout, deadener, interior color, basecoat replacement coating or other coating, that is applied in the same spray booth.

(iii) The term is also known as guide coat or surfacer.

Solids turnover ratio (R_T)—The ratio of total volume of coating solids that is added to the EDP system in a calendar month divided by the total volume design capacity of the EDP system.

Topcoat—

(i) The final coating system applied to provide the final color, a protective finish, or both. The coating may be a monocoat color or basecoat/clearcoat system.

(ii) The coating operation may include one or more other coatings including blackout, interior color or other coating that is applied in the same spray booth.

(iii) The term includes in-line repair and two-tone.

(c) *Existing RACT permit*. The requirements of this section supersede the requirements of a RACT permit issued under §§ 129.91—129.95 (relating to stationary sources of NOx and VOCs) to the owner or operator of a source subject to this section prior to January 1, 2016, except to the extent the RACT permit contains more stringent requirements.

(d) *VOC content limits*.

(1) Beginning January 1, 2016, the VOC content limits specified in Table I and Table II (relating to VOC content limits for primary assembly coatings; and VOC content limits for additional assembly coatings (grams of VOC per liter of coating excluding water and exempt

compounds) as applied) apply to an owner and operator of a facility that has total actual VOC emissions equal to or greater than 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating subject to this section, including related cleaning activities.

(2) Beginning January 1, 2016, the VOC content limits specified in Table I and Table II do not apply to the following:

(i) An owner and operator of a facility that has total actual VOC emissions below 15 pounds (6.8 kilograms) per day, before consideration of controls, from all operations at the facility that apply an assembly coating subject to this section, including related cleaning activities.

(ii) An assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of 1 pound or less.

(e) *Work practice requirements.* Beginning January 1, 2016, an owner and operator subject to subsection (d)(1) shall comply with the following work practices for:

(1) Coating-related activities:

(i) Store all VOC-containing coatings, thinners and coating-related waste materials in closed containers.

(ii) Ensure that mixing and storage containers used for VOC-containing coatings, thinners and coating-related waste materials are kept closed at all times except when depositing or removing these materials.

(iii) Minimize spills of VOC-containing coatings, thinners and coating-related waste materials and clean up spills immediately.

(iv) Convey VOC-containing coatings, thinners and coating-related waste materials from one location to another in closed containers or pipes.

(v) Minimize VOC emissions from cleaning of storage, mixing and conveying equipment.

(2) Cleaning materials. Develop and implement a written work practice plan to minimize VOC emissions from cleaning and purging of equipment associated with all coating operations for which emission limits are required. The written plan shall specify practices and procedures to ensure that VOC emissions from the following operations are minimized:

(i) Vehicle body wiping.

(ii) Coating line purging.

(iii) Flushing of coating systems.

(iv) Cleaning of spray booth grates.

(v) Cleaning of spray booth walls.

(vi) Cleaning of spray booth equipment.

(vii) Cleaning external spray booth areas.

(viii) Other housekeeping measures, including:

(A) Storing all VOC-containing cleaning materials and used shop towels in closed containers.

(B) Ensuring that mixing and storage containers used for VOC-containing cleaning materials are kept closed at all times except when depositing or removing these materials.

(C) Minimizing spills of VOC-containing cleaning materials and cleaning up spills immediately.

(D) Conveying VOC-containing cleaning materials from one location to another in closed containers or pipes.

(E) Minimizing VOC emissions from cleaning of storage, mixing and conveying equipment.

(f) *Compliance monitoring and recordkeeping.* An owner or operator subject to this section shall maintain records sufficient to demonstrate compliance with this section.

(1) The owner or operator shall maintain daily records of the following parameters for each coating, thinner, component or cleaning material as supplied:

(i) The name and identification number.

(ii) The volume used.

(iii) The mix ratio.

(iv) The density or specific gravity.

(v) The weight percent of total volatiles, water, solids and exempt solvents.

(vi) The volume percent of solids for each EDP coating.

(vii) The VOC content.

(2) The owner or operator shall maintain a daily record of the VOC content of each as applied coating or cleaning material.

(3) The owner or operator shall:

(i) Maintain the records onsite for 2 years, unless a longer period is required under Chapter 127 (relating to construction, modification, reactivation and operation of sources) or a plan approval, operating permit or order issued by the Department.

(ii) Submit the records to the Department in an acceptable format upon receipt of a written request from the Department.

(4) The owner or operator subject to subsection (e) shall maintain the written work practice plan specified in subsection (e)(2) onsite and make it available to the Department upon request.

(g) *Measurement, calculation, sampling and testing methodologies.* The following measurement, calculation, sampling and testing methodologies shall be used to determine the amount of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations, as appropriate:

(1) Measurements of the volatile fraction of coatings shall be performed according to the following, as applicable:

(i) EPA Reference Method 24.

(ii) Appendix A of the NESHAP for surface coating of plastic parts (40 CFR Part 63, Subpart PPPP) for reactive adhesives.

(iii) Manufacturer's formulation data.

(2) Calculations of the VOC emissions and rates shall be performed according to the following, as applicable:

(i) *Automobile Topcoat Protocol—Protocol for Determining the Daily Volatile Organic Compound Emission Rate of Automobile and Light-Duty Truck Primer-Surfacer and Topcoat Operations*, EPA-453/R-08-002, including updates and revisions.¹

(ii) *A Guideline for Surface Coating Calculations*, EPA-340/1-86-016, including updates and revisions.

(iii) *Procedures for Certifying Quantity of Volatile Organic Compounds Emitted by Paint, Ink, and Other Coatings*, EPA-450 3-84-019, including updates and revisions.

¹ This protocol shall apply to the owner and operator of a facility that coats a body or body part for a new heavier vehicle that elects under subsection (a)(3) to comply with this section instead of § 129.52d.

(3) Sampling and testing shall be performed according to the procedures and test methods specified in Chapter 139 (relating to sampling and testing.)

(4) Another method or procedure that has been approved in writing by the Department and the EPA.

Table I. VOC Content Limits for Primary Assembly Coatings

Assembly Coating	Recommended VOC Emission Limit		
Electrodeposition primer (EDP) operations (including application area, spray and rinse stations and curing oven)	When $R_T < 0.040$	When $0.040 \leq R_T < 0.160$	When $R_T \geq 0.160$
	No VOC emission limit.	$0.084 \times 350^{0.160-R_T}$ kg VOC/liter coating solids applied or $0.084 \times 350^{0.160-R_T} \times 8.34$ lb VOC/gal coating solids applied	0.084 kg VOC/liter coating solids applied or 0.7 lb VOC/gal coating solids applied
Primer-surfacer operations (including application area, flash-off area, and oven)	1.44 kg VOC/liter of deposited solids or 12.0 lbs VOC/gal deposited solids on a daily weighted average basis as determined by following the procedures in the revised Automobile Topcoat Protocol.		
Topcoat operations (including application area, flash-off area, and oven)	1.44 kg VOC/liter of deposited solids or 12.0 lbs VOC/gal deposited solids on a daily weighted average basis as determined by following the procedures in the revised Automobile Topcoat Protocol.		
Final repair operations	0.58 kg VOC/liter less water and less exempt solvents or 4.8 lbs VOC/gallon of coating less water and less exempt solvents on a daily weighted average basis or as an occurrence weighted average.		
Combined primer-surfacer and topcoat operations	1.44 kg VOC/liter of deposited solids or 12.0 lbs VOC/gal deposited solids on a daily weighted average basis as determined by following the procedures in the revised Automobile Topcoat Protocol.		

² R_T is the solids turnover ratio. Solids turnover ratio is a defined term in subsection (b).

Table II. VOC Content Limits for Additional Assembly Coatings (grams of VOC per liter of coating excluding water and exempt compounds) as applied.

<i>Material</i> ³	g VOC/liter coating less water and exempt compounds	lb VOC/gal coating less water and exempt compounds
Automobile and Light-duty Truck Glass Bonding Primer	900	7.51
Automobile and Light-duty Truck Adhesive	250	2.09
Automobile and Light-duty Truck Cavity Wax	650	5.4
Automobile and Light-duty Truck Sealer	650	5.4
Automobile and Light-duty Truck Deadener	650	5.4
Automobile and Light-duty Truck Gasket/Gasket Sealing Material	200	1.7
Automobile and Light-duty Truck Underbody Coating	650	5.4
Automobile and Light-duty Truck Trunk Interior Coating	650	5.4
Automobile and Light-duty Truck Bedliner	200	1.7
Automobile and Light-duty Truck Lubricating Wax/Compound	700	5.8
Automobile and Light-duty Truck Weatherstrip Adhesive	750	6.26

³ The owner and operator of a facility that coats a body or body part, or both, for a new heavier vehicle that elects under subsection (a)(3) to comply with this section instead of § 129.52d shall comply with these limits for their equivalent coating materials.



Citizens Advisory Council

to the Department of Environmental Protection

P.O. Box 8459 • Rachel Carson State Office Building

Harrisburg, PA 17105-8459 • 717-787-4527 • Fax 717-787-2878

June 20, 2014

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Allegheny County
Cynthia Carrow
John J. Walliser, Esq.

Bedford County
William C. Fink, Vice-Chair

Chester County
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Crawford County
Burt A. Waite

Cumberland County
Walter N. Heine
R. Timothy Weston, Esq.

Dauphin County
David E. Hess
Seth Mendelsohn, Esq.

Erie County
Pat Lupo, O.S.B.

Fayette County
John Over, Jr.

Greene County
Terry L. Dayton, Chair

Lehigh County
Janet B. Keim

Tioga County
Thaddeus K. Stevens

Ms. Joyce E. Epps
Director
Bureau of Air Quality
P.O. Box 8468
Harrisburg, PA 17105-8468

Dear Ms. Epps:

Pursuant to the requirements of Section 7.6 of the Air Pollution Control Act, on May 6, 2014, staff from the Bureau of Air Quality briefed the Citizens Advisory Council (Council) Policy and Regulatory Oversight Committee on two draft proposed regulations designed to reduce VOC emissions from certain industrial processes. These rulemakings included the following:

- Industrial Cleaning Solvents
- Automobile and Light-Duty Assembly Coatings

On the recommendation of the Committee, Council voted at their June 17, 2014, meeting to concur with advancing the above-referenced draft proposed regulations to the Environmental Quality Board for action.

Council appreciates the Bureau's cooperation in providing detailed briefings on air regulations and is particularly appreciative of the additional research the Bureau conducted to answer Council's questions concerning the Industrial Cleaning Solvents draft proposed rulemaking. If you have any questions regarding Council's action on the above-referenced regulations, please contact me at 717-787-8171 or at mtate@pa.gov.

Sincerely,

Michele L. Tate

Michele L. Tate
Executive Director
Citizens Advisory Council



Small Business Compliance Advisory Committee

to the Pennsylvania Department of Environmental Protection

PO Box 8468

Harrisburg, PA 17105-8468

April 23, 2014

Honorable E. Christopher Abruzzo
Secretary
Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

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Re: Proposed Rulemaking for Control of VOC Emissions from Automobile and Light-duty Truck Assembly Coating Operations (*25 Pa. Code*, Chapter 129)

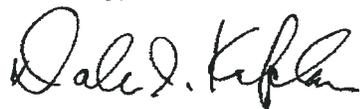
Dear Secretary Abruzzo:

On April 23, 2014, the Small Business Compliance Advisory Committee (Committee) discussed the proposed rulemaking Annex A to amend *25 Pa. Code* Chapter 129 (relating to standards for sources). The proposed rulemaking Annex A adds provisions to Chapter 129 to implement the recommendations of the United States Environmental Protection Agency (EPA) Control Techniques Guidelines for control of emissions of volatile organic compounds (VOC) from automobile and light-duty truck assembly coatings.

The amendments are proposed to meet the requirements of the Clean Air Act to implement "reasonably available control technology" (RACT) measures for ozone nonattainment areas. The proposed VOC emission and content limits for coatings and the work practice requirements for coating-related activities and cleaning materials are consistent with the recommendations of the EPA set forth as RACT in the Control Techniques Guideline document issued for this source category.

The Committee encourages the Department to consider flexibility for small businesses in the development of the proposed rulemaking. The Committee voted 10-0-0 to concur with the Department's recommendation to present the proposed rulemaking amendments to the Environmental Quality Board for consideration for adoption and publication as a proposed rulemaking for public comment.

Sincerely,



Dale I. Kaplan
Chair

cc: Joyce Epps, Director, PA DEP BAQ
Susan Hoyle, PA DEP BAQ
Susan Foster, PA DEP BAQ

IRRC
4/23/14

3/13/14

[Handwritten signature]
Title
Date

Air Quality Technical Advisory Committee

to the Pennsylvania Department of Environmental Protection

PO Box 8468

Harrisburg, PA 17105-8468

April 3, 2014

Honorable E. Christopher Abruzzo
Secretary
Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

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Re: Proposed Rulemaking for Control of VOC Emissions from Automobile and Light-duty Truck Assembly Coating Operations (Chapter 129)

Dear Secretary Abruzzo:

On April 3, 2014, the Air Quality Technical Advisory Committee (Committee) discussed the proposed rulemaking Annex A to amend 25 *Pa. Code* Chapter 129 (relating to standards for sources). The proposed rulemaking Annex A adds provisions to Chapter 129 to implement the recommendations of the United States Environmental Protection Agency (EPA) Control Techniques Guidelines for control of emissions of volatile organic compounds (VOC) from automobile and light-duty truck assembly coatings.

The amendments are proposed to meet the requirements of the Clean Air Act to implement "reasonably available control technology" (RACT) measures for ozone nonattainment areas. The proposed VOC emission and content limits for coatings and the work practice requirements for coating-related activities and cleaning materials are consistent with the recommendations of the EPA set forth as RACT in the Control Techniques Guideline document issued for this source category.

The Committee voted 15-0-0 to concur with the Department's recommendation to present the proposed rulemaking amendments to the Environmental Quality Board for consideration for adoption and publication as a proposed rulemaking for public comment.

Sincerely,



Patrick K. O'Neill Esq.
Chair

cc: Joyce Epps, Director, PA DEP BAQ
Susan Hoyle, PA DEP BAQ
Andrew Jenkins, PA DEP BRC

REC'D
MAY 14 2014

MAY 14 2014

[Faint, mostly illegible text from the reverse side of the page, including a header "The Commonwealth of Pennsylvania" and various lines of text.]

[Faint signature and text at the bottom right of the page.]

July 13, 2015

David Sumner
Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17120

2015 JUL 13 PM 3:50
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Re: Proposed Rulemaking: Control of VOC Emissions from Automobile and Light-duty Truck Assembly Coating Operations and Heavier Vehicle Coating Operations (#7-490)

Dear Mr. Sumner:

Pursuant to Section 5(a) of the Regulatory Review Act, please find enclosed a copy of a proposed regulation for review and comment by the Independent Regulatory Review Commission (Commission). This proposal is scheduled for publication in the *Pennsylvania Bulletin* on August 8, 2015, with a 67-day public comment period. The Environmental Quality Board (Board) adopted this proposal on April 21, 2015.

The Clean Air Act (CAA) requires the Department of Environmental Protection (DEP) to adopt regulations to implement Control Technique Guidelines (CTG) issued by the U.S. Environmental Protection Agency (EPA) to address volatile organic compound (VOC) emissions in ozone nonattainment areas. The enclosed proposed rulemaking would amend 25 Pa. Code Chapter 129 adding § 129.52e to Reasonably Available Control Technology (RACT) requirements and RACT emission limitations for stationary sources of VOC emissions from automobile and light-duty truck assembly coating operations and heavier vehicle coating operations (a heavier vehicle is a self-propelled vehicle designed for transporting persons or property on a street or highway that has a gross vehicle weight rating over 8,500 pounds). The VOC content and emission rate limitations and other requirements of the proposed rulemaking would not be more stringent than the federal standards.

The operations addressed in this proposal include surface coating of bodies or body parts for new automobiles, new light-duty trucks, and new heavier vehicles, and surface coating performed on a separate coating line at an automobile and light-duty truck assembly coating facility on which coatings are applied to other parts intended for use in new automobiles or new light-duty trucks or to aftermarket repair or replacement parts for automobiles or light-duty trucks, as well as related cleaning activities. The coatings include primer, primer-surfacer, topcoat and final repair coating materials, as well as additional coatings applied during the vehicle assembly process.

The measures in the proposed rulemaking are reasonably necessary to attain and maintain the health- and welfare-based 8-hour ground-level ozone National Ambient Air Quality Standards

and to satisfy related CAA requirements in this Commonwealth. This proposed rulemaking will be submitted to the EPA for approval as a revision to the Commonwealth's State Implementation Plan following promulgation of the final-form regulation.

This proposed rulemaking would apply to the owner and operator of an automobile and light-duty truck assembly coating operation that applies an automobile assembly coating or a light-duty truck assembly coating, or both, to a new automobile body or a new light-duty truck body, to a body part for a new automobile or for a new light-duty truck, or to another part that is coated along with the new automobile body or body part or new light-duty truck body or body part.

The owner or operator of a separate coating line at an automobile and light-duty truck assembly coating facility, and the owner or operator of a facility that coats a body or body part for a new heavier vehicle, would have the option to elect to be regulated under this proposed rulemaking instead of proposed § 129.52d (relating to control of VOC emissions from miscellaneous metal parts surface coating processes, miscellaneous plastic parts surface coating processes and pleasure craft surface coatings). This option is provided to allow these owners and operators flexibility in complying with their permit conditions and to optimize their operations. The proposed rulemaking for § 129.52d would be adopted as a final rulemaking on the same date of final adoption as this proposed rulemaking. This proposed rulemaking would also apply to the owner and operator of a facility that performs a coating operation subject to this proposed rulemaking on a contractual basis.

This proposed rulemaking would not apply to the use or application of an automobile and light-duty truck assembly coating by an owner or operator at a plastic or composites molding facility. The VOC content limits in the proposed rulemaking would also not apply to an assembly coating supplied in a container with a net volume of 16 ounces or less or a net weight of one pound or less.

The proposed rulemaking was discussed with the Air Quality Technical Advisory Committee (AQTAC) on April 3, 2014. AQTAC voted unanimously to concur with DEP's recommendation to forward the proposed rulemaking to the EQB for consideration as a proposed rulemaking. The rulemaking was discussed with SBCAC on April 23, 2014, and SBCAC also concurred with DEP's recommendation to move the proposed rulemaking to the EQB for consideration, with a recommendation to consider flexibility for small businesses. On June 17, 2014, CAC concurred with DEP's recommendation to forward the proposed rulemaking to the EQB.

The Department will provide the Commission with the assistance required to facilitate a thorough review of this proposal. Section 5(g) of the Regulatory Review Act provides that the Commission may, within 30 days of the close of the comment period, convey to the agency its comments, recommendations and objections to the proposed regulation. The Department will consider any comments, recommendations or suggestions made by the Commission, as well as the Committees and public commentators, prior to final adoption of this rulemaking.

Mr. David Sumner, Executive Director - 3 -

July 13, 2015

Please contact me by e-mail at ledinger@pa.gov or by telephone at 717.783.8727 if you have any questions or need additional information.

Sincerely,



Laura Edinger
Regulatory Coordinator

Enclosures



**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO
THE REGULATORY REVIEW ACT**

I.D. NUMBER: 7-490 Control of VOC Emissions from Automobile and
SUBJECT: Light-Duty Truck Assembly Coating Operations and
Heavier Vehicle Coating Operations
AGENCY: DEPARTMENT OF ENVIRONMENTAL PROTECTION

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

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FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
7/13/15	<i>Shelly Weaner</i>	Majority Chair, HOUSE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY Representative John Maher
7/13/15	<i>Rob Dulle</i>	Minority Chair, HOUSE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY Representative Greg Vitali
7/13/15	<i>Patricia Culroy</i>	Majority Chair, SENATE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY Senator Gene Yaw
7/13/15	<i>[Signature]</i>	Minority Chair, SENATE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY Senator John Yudichak
7/13/15	<i>Cheryl Yohar</i>	INDEPENDENT REGULATORY REVIEW COMMISSION David Sumner
		ATTORNEY GENERAL (for Final Omitted only)
7/13/15	<i>Coinne Inant</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)

