



AmericanCoatings
ASSOCIATION

September 26, 2013

Clerk of the Board
California Air Resources Board,
1001 I Street
Sacramento, CA 95814

Re: ACA Comments on the Final Amendments to the Aerosol Coatings Regulation and the Consumer Products Regulation

Dear ARB Board Members,

The American Coatings Association's Spray Paint Manufacturers Committee (ACA)¹ is pleased to have this opportunity to discuss the proposed amendments to the Aerosol Coatings and Consumer Products Regulation.

Since the current standards were adopted in 2000, the aerosol coatings industry has worked very hard to formulate products that are compliant with the regulations and that maintain very high performance standards.

These proposed new reactivity standards for Aerosol Coatings are extremely challenging for the aerosol coatings industry. The PWMIR for the Clear, Primer, Flat and Non Flat categories

¹ The American Coatings Association is the premier industry association, originally organized in 1888 and comprised today of some 275 manufacturer members who are engaged in the manufacture and distribution of paint, coatings, adhesives, sealants, caulks and related products, including the raw materials suppliers to the industry. ACA member companies collectively produce some 95% of the total dollar volume of architectural paints and industrial coatings produced in the United States and ACA represents approximately 95% of the paint and coatings manufacturers who make spray paint for sale and use in the United States.

ACA's Spray Paint Manufacturers Committee (SPMC) has participated in every active rulemaking for spray paint products since the early 1990's when the first air districts in California adopted VOC regulations. ACA's SPMC worked diligently with the California Air Resources Board to develop and adopt this reactivity-based aerosol coatings regulation and we petitioned the U.S. Environmental Protection Agency (EPA) to adopt it shortly after it became effective in California.

represent reductions in the PWMIR from 30% to 45%. These new standards will require significant reformulations for the General categories along with those currently existing categories in the Specialty Coatings A list, which include Auto Body Primer, Exact Match Finish, and Ground Traffic/Marking Coatings. There are several new categories being introduced into the Aerosol Coatings Regulation and these categories appear in the Specialty Coating A list as well. ACA notes that the PWMIR for these new categories Electrical/Electronic/Conformal Coatings; Flexible Coatings; Mold Release Coatings; Two Component Coatings and Uniform Finish Coatings - will also be very challenging for the industry's formulators.

ACA's primary concern throughout the rulemaking was the preservation of the industry's reputation for producing products that provide outstanding performance. Aerosol coatings are a niche paint product and very often, are the "solution" for a difficult problem. Consumers choose aerosol coatings, rather than bulk paint products, in order to obtain a professional finish that is impossible to achieve with a brush or because bulk liquid paint cannot be applied as comprehensively. This rulemaking threatened to seriously alter the industry's ability to product efficacious products.

During the rulemaking, ARB's diligence and effort in collecting formulation data and sharing this information with the industry was keenly important to our understanding of the basis for these proposed standards. This information exchange served as the foundation for all conversations and negotiations between the industry and the agency. ACA met on numerous occasions with ARB staff, both in person and by teleconference, in order to discuss continuing technological issues. These meetings were extremely helpful and in many instances, helped to bridge the gap between the agency's proposal and the industry's position. Despite the difficult challenge ahead, ACA supports these proposed new standards for aerosol coatings.

As ACA has pointed out on several occasions, the 2010 ARB Survey results indicate that aerosol coatings are formulated below the current reactivity standards. By our calculations, this has resulted in an additional 2.23 tons per day of emission reductions that are not included in the total emissions reductions for this rulemaking. While we understand the complexities involved in attempting to recognize these emission reductions and apply them to California's current State Implementation Plan requirements, we continue to seek some appropriate resolution which accounts for these "lost" emission reductions -- reductions which have resulted in better air quality that California citizens are already enjoying.

Specific Provisions in the Proposed Rule

Compliance Deadline: The proposed rule provides that the newly proposed PWMIRs for General Categories and Specialty Category A become effective on January 1, 2017, while the Specialty Category B products must meet the new revised standards by January 1, 2015. ACA supports this compliance schedule and believes that this schedule allows the industry to manage the required workload in order to achieve compliance by the appropriate deadlines. This is a key

element in the proposed rule. The General Categories include the largest categories by volume -- these include Clears, Flat, Non Flat and Primers, making up more than 90% of the products reported in the survey. According to the ARB 2010 Survey, the Non Flat category is the largest at 1053 products reported. There are 225 products reported in the Flat category; 251 products reported in the Clear category and 226 reported in the Primer category. As you can see, reformulating over 1700 formulas will take some aggressive and careful management by manufacturers. It would not be possible to complete this task without the bifurcated compliance deadline in the proposed amendments.

New categories: The proposed amendments contain several new categories of aerosol coatings, including Mold Releases, Two Component Coatings, Flexible Coatings, and Uniform Finish Blenders. ACA supports the inclusion of these new categories. These categories are important additions to the aerosol coatings regulation and the definitions were crafted with significant collaboration between industry and ARB staff. ARB staff diligently worked with the industry and demonstrated a willingness to incorporate standards for new and innovative technologies in this rule. ACA supports this effort.

Changes in existing definitions for Flat, Non Flat, Metallic, Rust Converter, VFLP: The proposed amendments also contain changes to many existing category definitions, including the Flat, Non Flat, Metallic, Rust Converter, Spatter/Multicolor/Stucco Coating, Vinyl/Fabric/Leather/Plastic Coating. These proposed changes were the result of greater understanding of the products and their applications. In the case of the Flat, Non Flat and Metallic Coatings, text was added to recognize the “dual functions” of these coatings. Changes to the Rust Converter definition are more reflective of the market and a more accurate definition for Spatter/Multicolor/Stucco is proposed. This is true for the VFLP definition as well.

New Definitions that Make the Rule Work: In addition, the proposed amendments contain new definitions such as Antimicrobial Compound, Coating, Extender, Fragrance, General coating, Label, Pigment, Plasticizer, Principal Display Panel or Panels, Resin, and Specialty Coating. These definitions make the regulation unambiguous and clear. These definitions are important in interpreting the application of the regulation to specific situations and hopefully, leave very little room for questions. ACA supports these new definitions.

The 2010 Table of MIR Values: ACA supports the ARB’s efforts to activate the 2010 Table of MIR Values as soon as is practicable after this hearing. The most recent MIR Values, added to the Table on October 2, 2010 represent the most scientifically accurate measurement of reactivity. It is appropriate that these values become the norm for compliance with the new standards and that manufacturers be granted the ability to use these values as soon as is possible. Doing so allows manufacturers to provide more accurate information to consumers regarding these products and permits a more efficient reformulation process for those products that require reformulation. ACA supports immediate access to the 2010 Table of MIR Values.

Calculation of MIR Values: In this rulemaking, ARB has proposed several changes to the method in which the PWMIR is calculated. A historical problem for the industry occurs when a formula uses a compound that does not appear on the Table of MIR Values. Under the current rule, this compound is not available for use in products in California and automatically renders such a product non-compliant. In this rulemaking, ARB has proposed that the MIR Value for a related isomer can be used or alternatively, a default MIR value for such a compound is proposed. In addition, the proposed text also clearly indicates those compounds or classes of compounds that are assigned a “0” MIR Value. These newly proposed amendments will serve to clarify how the PWMIR of a formula is calculated. The aerosol industry greatly appreciates this effort to proactively respond to these recurring questions. ACA supports these proposals.

Changes to the Consumer Products Regulation – Aerosol Adhesives: While the revised VOC standards for Mist and Web Aerosol Adhesives are very aggressive, ACA is pleased that a new product category, Screen Printing Adhesive, has been delineated. ACA supports the addition of the new adhesive category along with its corresponding VOC Content limit of 55% by weight, and its compliance deadline of January 1, 2017.

ARB has proposed many other amendments to the Consumer Products Regulation and ACA supports those comments offered by the Consumer Specialty Products Association (CSPA).

Initial Statement of Reasons – Economic Impact

Costs to Industry: ARB has estimated that the cost to comply with the proposed limits is about \$5,300,000 per year, including both recurring and non-recurring costs. ACA believes that this estimation is very low. In reviewing ARB’s cost assumptions, ACA believes that the agency neglected to include adequate costs for myriad of testing that is required to commercialize a new formula. While ARB has included costs for Stability Testing, Efficacy Testing, and Safety Testing (See Table J-3), these costs appear to be minimal and may not account for multiple tests performed on each variation of a new formula. Our review indicates that these costs appear to be extremely conservative. ACA is also concerned about the relatively low economic factor that ARB has assigned to personnel costs in reformulating aerosol coatings to comply with the new limits.

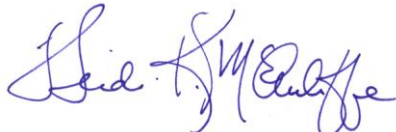
Conclusion

ACA and the Spray Paint Manufacturers Committee have worked diligently over the last several years, reviewing the current regulation, providing data to ARB, reviewing survey results, discussing the nuances of definitions and testing methods, considering solvent substitutions and reformulations. In addition, we have brought many the industry experts to Sacramento in order to discuss the current and emerging technologies in aerosol coatings technology. ARB has

worked diligently as well and we greatly appreciate the ARB's willingness to talk with us about these issues over the course of this rulemaking and to share perspectives and insight. We especially appreciate the Agency's patience as we worked with them to finalize these proposed amendments to the regulation.

Please do not hesitate to contact me if there are any further questions or other information to provide.

Best regards,



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Courtesy Copies to:

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- ACA's Spray Paint Manufacturers Committee
- Sande George, California Paint Council
- Doug Fratz, Consumer Specialty Products Association
- Joe Yost, Consumer Specialty Products Association
- Kristin Power, Consumer Specialty Products Association
- Board of Directors, Western Aerosol Information Bureau