

II. DEVELOPMENT PROCESS FOR SCM

Development of the SCM was initiated by ARB staff in cooperation with the districts. The key objectives of the SCM are to: (1) improve the overall effectiveness and enforceability of district rules; (2) improve consistency among district rules; and (3) achieve VOC emission reductions.

Development of the SCM included the following activities:

- Conducting a survey of automotive coatings manufacturers;
- Conducting meetings with districts, U.S. EPA Region IX representatives, and representatives of the affected industry;
- Reviewing existing district rules and the National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings;
- Holding public workshops and meetings with individual manufacturers, distributors, automotive refinishing facility owners, and other interested parties;
- Assessing and evaluating existing coatings technologies for the categories; and
- Preparing a comprehensive emissions and cost analysis.

A. AUTOMOTIVE COATINGS 2002 SURVEY (2002 Survey)

In 2001, ARB staff began working with manufacturers and industry groups to develop a new survey of automotive coatings sold in California. In 2002, ARB sent out the Automotive Refinish Survey seeking 2001 product ingredient and sales data. A draft 2002 Survey report was made available to industry in March 2005. Appendix B is a copy of the survey. The 2002 Survey report can be obtained from the SCM webpage at <http://www.arb.ca.gov/coatings/autorefin/scm/scm.htm>.

B. DISTRICTS AND U.S. EPA

ARB staff formed a working group with districts and U.S. EPA staff to assist in the development of the SCM. The main objectives of the working group meetings were to discuss:

- The needs of the districts regarding the implementation of the SCM;
- The emission reductions achievable from automotive coatings;
- Findings of the 2002 Survey;
- Specific regulatory language; and
- Flexibility options for manufacturers to comply with new automotive coatings regulations.

C. PUBLIC PROCESS

A vital element of the SCM development process is the participation of members of the industry and other affected parties. The ARB staff held a series of public workshops. These workshops were attended by representatives from industry (e.g., manufacturers and suppliers of automotive coatings and components, ingredient manufacturers, automotive refinishing facility owners and trade associations), districts, the U.S. EPA, and other interested parties. In addition to the public workshops, ARB staff held meetings with individual manufacturers and distributors, as well as automotive refinishing facility owners to ascertain their concerns, and accept suggestions and necessary data. Table II -1 lists the public workshops and meetings staff conducted as part of the SCM development process.

Date	Type of Meeting	Location
April 6, 2005	District Working Group	Sacramento
April 27, 2005	District Working Group	Sacramento
May 26, 2005	District Working Group	Sacramento
June 8, 2005	Industry Symposium	Contra Costa College
June 11, 2005	Industry Meeting	Anaheim
June 14, 2005	District Working Group	Sacramento
June 28, 2005	Public Workshop	Diamond Bar
June 30, 2005	Public Workshop	Sacramento
August 9, 2005	Public Workshop	Fresno
August 11, 2005	Public Workshop	Oakland
August 23, 2005	Public Workshop	Diamond Bar
October 5, 2005	Public Workshop	Sacramento

During the development of the SCM, a series of documents were created. The documents include: SCM draft regulatory language, working group invitations, public workshop notifications and meeting notices, as well as reports, and other correspondence and communication. In an effort to include all interested parties in the development process, an extensive mailing list of over 6,000 recipients was compiled that included manufacturers, suppliers, automotive refinishing facilities, district contacts, U.S. EPA contacts, trade associations, and other interested parties. Web and list serve pages dedicated to the SCM were developed. The webpage was used to post relevant documents, announcements, and staff contact information. The list serve page assisted in the distribution and assimilation of information regarding the development of the SCM. The function of the list serve was to inform over 165 subscribers of all additions and updates to the SCM webpage.

D. EVALUATION OF THE DISTRICT RULES AND NATIONAL RULE

The motivation for developing the SCM was to provide consistency in district rules, increase rule enforceability, and achieve the maximum feasible reduction in VOC emissions. The national rule applies to manufacturers and importers of automotive coatings. In contrast, the SCM applies to suppliers, sellers, manufacturers, or anyone that distributes any automotive coating, the components, or associated solvent for use within the district, as well as any person who uses, applies, or solicits the use or application of any automotive coating or associated solvent within the district. Since the district rules have limits that are equal to, or lower than, the limits in the national rule, the objective of the SCM is to set limits that are at least or more stringent than those in existing district rules. The national rule specifically allows states or local governments to adopt more stringent emission limits.

E. TECHNOLOGY ASSESSMENT

An essential element of developing the SCM was to assess the technical feasibility of the proposed limits for the coatings categories. Staff conducted a technology assessment for all the coating categories included in the SCM. Some of the sources of information utilized in the technology assessment included:

- The ARB 2002 Survey data;
- Manufacturers' brochures and product technical data sheets;
- Product labels and material safety data sheets;
- Internet websites;
- Books and trade magazines;
- Technical reports and training manuals;
- Discussions with manufacturers, suppliers, and users of coatings;
- District rules and discussions with district staff; and
- Information from trade associations.

The proposed VOC limits for the coating categories in the SCM are based on our assessment of detailed information from manufacturers on coatings sold in 2001. Staff evaluated technical data provided by the manufacturers for coatings in each category. Staff evaluated the coatings, solids content by volume, and VOC content, as well as other characteristics. The technology assessment for the SCM is discussed in Chapter IV.

F. COST ANALYSIS

Although it is not required under the California Administrative Procedure Act (APA), the economic impact of the SCM on affected businesses and consumers was evaluated and quantified. In 2002, the ARB sent a survey to manufacturers of automotive coatings. The formulation data received from this survey was one of the sources of information used to perform a cost-effectiveness analysis and a business impacts analysis. The cost-effectiveness analysis measures how cost-efficient the proposed SCM will be in reducing VOCs relative to other regulatory programs. The business impacts analysis evaluates the impacts on profitability, employment, and competitiveness to California businesses, consumers, and government agencies.

Staff used survey formulation data and performed research to identify typical non-complying and complying formulations for the coating categories, and the relative cost of raw materials were estimated for these formulations. Examples of sources of information for the cost analysis were: the 2002 Survey; material safety data sheets; formulations data provided by coating manufacturers; equipment manufacturers; district staff; trade magazines; and Internet searches. Results of the cost analysis are reported in Chapter VII.