



August 22, 2018

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Chief, GHG and Toxics Emission Inventory Branch  
Air Quality Planning & Science Division  
Air Resources Board  
Submitted electronically to: [ctr-report@arb.ca.gov](mailto:ctr-report@arb.ca.gov)

RE: Preliminary Discussion Draft - Regulation for the Reporting of Criteria Air Pollutants and Toxic Air Contaminants, Version 7-27-2018

Dear Dr. Edwards:

The California Small Business Alliance (Alliance) is a non-partisan coalition of California trade associations committed to providing small businesses with a single constructive voice to advocate on their behalf before all branches of government, including air quality management districts and other environmental regulatory agencies. The individual businesses belonging to these trade associations are generally found in commercial and industrial neighborhoods, and many of them have resided there for generations. Moreover, the small businesses which are represented by the Alliance are most often the only source of good paying jobs with benefits that are convenient and available to the residents in these working-class communities.

Representatives of the Alliance have attended the CARB's public workshops on the proposed regulation for annual reporting of criteria pollutant and toxic air contaminant emissions for stationary sources. In those workshops, we were told that the proposed regulation will support the Community Air Protection Program, established as directed in Assembly Bill (AB) 617, as well as supporting other programs at CARB such as the AB 2588 Air Toxics "Hot Spots" program, State Implementation Plans, Air Toxic Control Measures, monitoring studies, and other Board activities. It is because of the impact that these programs portend for small businesses which are established in selected communities that we provide the following comments:

#### **General Applicability**

The proposed regulation specifies that § 93401(a), Sections (1), (2), (3), or (4), applies to the owners or operators of any facility that is located in California.

Section (4) states: "A facility that has one or more permit(s) to operate issued by an air district, emits any criteria pollutant or toxic air contaminant as defined in this article, and is located within the boundary of a community selected by the CARB Governing Board pursuant to Health and Safety Code sections 42705.5 or 44391.2."

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While the first three sections capture devices and equipment used by most traditional stationary sources, Section (4) will pull into the regulation thousands of small sources such as family-owned dry cleaners, auto body shops, gasoline dispensing stations, and emergency backup generators for no other reason than that they were issued a permit to operate. And once brought into the regulation, the owner operators of these small facilities would be required to report emissions in perpetuity unlike other source categories which can cease annual reporting when their emissions fall below specified levels, or they cease operating because they have gone out of business.

Adding more costly, complex, time-consuming reporting requirements to small business owners, whose resources are already stretched to capacity, could cause some to scale back their operations and reduce staff, or relocate out of the very communities that CARB and local air districts are trying to help.

We, who reviewed this proposed regulation, could not help but notice the footnote at the bottom of Page 2, which is highlighted in **Yellow**. It notes that “*Air Districts have indicated that applicability criterion requires additional resources.*” Alliance members feel obligated to inform CARB, and local districts, that small businesses have even less resources available to them to meet their new obligations if strict adherence to the provisions of proposed regulation is required.

For these reasons, the Alliance urges CARB to consider establishing *de minimus* emissions thresholds for all pollutants below which annual reporting would not be required. CARB should not to lose sight of the fact that many of these small facilities (businesses) are, in fact, the least of the contributors to the cumulative emissions in these communities.

#### **Implementing the Proposed Regulation should be phased-in**

The proposed regulation, and staff’s latest presentation, calls for all permitted sources within selected communities to begin reporting the year after the community in which they reside is selected. Moreover, annual facility emissions or activity data is to be submitted to air districts no later than May 1. This means that all emissions or activity data for 2018 must be reported in less than eight (8) months for facilities that won’t be identified by CARB until September 23<sup>rd</sup> of this year.

While we were encouraged when CARB’s staff, in their latest presentation, conceded that it is imperative to “understand sources of different air pollutants,” “harmonize data submittal requirements, methods, deadlines, and frequency,” and “dramatically improve access in user-friendly forms such as maps.” Conversely, we are very concerned about the timing for this initial round of reporting because much of the work that CARB and air districts have yet to accomplish is still in the planning stage. CARB and local air districts must conduct and complete a thorough monitoring and analysis of emission sources before burdening stationary sources with any additional recordkeeping and reporting requirements.

In the jurisdiction of the South Coast Air Quality Management District (SCAQMD), for example, there are many (hundreds, maybe thousands) small businesses, such as family-owned

dry cleaners, auto body shops, gasoline stations, and fast food restaurants, which are either totally unfamiliar with preparing annual emissions reports, or accustomed to preparing reports on a quadrennial basis. It is unreasonable and unrealistic to mandate that these mom and pop business owner-operators reconstruct their emissions or activity for three quarters of 2018, especially if they've never done it before or did it using different templates. It should be obvious to CARB and local air districts - as it is to us - that many of these small business, and small emitters, will be compelled to hire expensive consultants to do the calculations for them. Many others will have to resort to source testing their operations; a technique that can easily cost \$4,000 to \$7,000 and render a particular device or piece of production equipment unusable for the test period.

The proposed regulation suggests facilities use default emission factors provided by various environmental agencies as an alternative to costly source testing. However, we contend that facilities who use this alternative risk reporting vastly exaggerated emissions and thereby unintentionally inflating the pollution contribution which regulators will perceive to come from a single stationary source or from multiple sources within in a selected community.

As stated earlier, the Alliance was encouraged by CARB's staff presentation wherein they propose using "integrated emissions data" as a foundation for this program. Regulators must have a clear understanding of the sources of different air pollutants in any community before they impose costly, time-consuming quantification measures on all businesses, especially small businesses.

#### **Submission of Emissions Reports to CARB**

The reporting of emissions is an iterative process where facilities prepare and submit their reports to a local air district which, in turn, compiles the data, puts it in a different format and submits it to CARB. While this is an established protocol, CARB has set forth reporting responsibilities for situations involving change in ownership. In situations where former and new owners and operators have prescribed responsibilities for preparing a complete and accurate annual emissions report, which will be reformatted at least once before being sent to CARB, we believe it is impractical to ask a new facility owner to guarantee the accuracy or timeliness of local air district submittals.

#### **CARB must define a "Community" and the "Boundary" of a community before formalizing the Proposed Regulation**

As a regular participant in CARB's workshops for this proposed regulation, Alliance representatives have observed considerable confusion and frustration among stakeholders over the absence of clear definitions for these two terms. The absence of definitions for these terms has created uncertainty for potential facilities because they have no way of knowing if the regulation applies to them.

Alliance members strongly support CARB taking the lead in defining community boundaries at the city block level in order to establish the applicability of this regulation for all affected facilities, especially those who may be on the border of a community.

Further, Alliance members believe that CARB should postpone mandating reporting requirements until city block level boundaries are defined and practical community plans can be reviewed and approved.

We look forward to collaborating with CARB, air district staff, and other stakeholders, to make this a regulation that is beneficial to all and improves community air quality without causing economic harm to local businesses. We welcome the opportunity to discuss our comments and provide more specific suggestions if you desire.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill La Marr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bill La Marr  
Executive Director

cc: John Swanson, Manager  
Patrick Gaffney, Lead Staff  
La Ronda Bowen, Ombudsman  
Wayne Natri, Executive Officer/SCAQMD  
Philip Fine, Ph.D., Deputy Executive Officer/SCAQMD