



June 7, 2019

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

Electronic submittal via: <http://www.arb.ca.gov/lispub/comm/bclist.php>

RE: Proposed Regulation for the Reporting of Criteria Air Pollutants and Toxic Air Contaminants [CTR Regulation], section 93400 et seq., title 17, California Code of Regulations.

The Metal Finishing Association of Southern California [MFASC] and the Metal Finishing Association of Northern California [MFANC] appreciate the opportunity to provide our comments regarding the CTR Regulation that would require annual reporting of criteria pollutant and toxic air contaminant emissions for sources subject to the regulation, would establish report contents and how emissions must be reported, and would establish reporting deadlines and the process for submitting emissions data reports.

MFASC and MFANC have several concerns with the proposed modifications to the regulation, including:

Application - beyond the scope of AB 617. The proposed applicability modifications to the CTR Regulation require emissions data reporting at a statewide level as compared to the original proposal.

Consistent with the provisions of AB 617 [Chapter 136, Statutes of 2017] the reporting regulation should apply to the stationary sources as defined in Health and Safety Code Section 39607.1 and to sources within areas that have been identified during the assessment of high cumulative exposure communities as provided in Health and Safety Code Section 44391.2 (b). The CTR Regulation would apply beyond the scope authorized by AB 617 by:

- Lowering the threshold for criteria pollutants from 250 tons per year of a nonattainment pollutant to 4 tons per year regardless of attainment status [Section 93400 (a)(4)(A)].
- Lowering the threshold for toxics air contaminants from an elevated priority as designated by the Hot Spots Program to a zero threshold in many situations [Section 93400 (a)(4)(C)].

Absence of a Safe Emissions Threshold - As noted in the Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information:

“As part of the proposed updates, some identified sectors do not have a safe emissions threshold, regardless of use or throughput. Examples of ‘zero threshold’ sources include metal plating using cadmium or chromium, hazardous waste treatment, processes emitting styrene, and others.”

This is also set forth in Table A-3. Sector Phases and Activity Level Reporting Thresholds for Additional Applicability Facilities Subject Per Section 93401(a)(4):

**Table A-3. Sector Phases and Activity Level Reporting Thresholds for Additional Applicability Facilities
Subject Per Section 93401(a)(4)***

<u>Sector Phase</u>	<u>Permitted Process</u>	<u>SIC Code(s)**</u>	<u>NAICS Code(s)**</u>	<u>Activity Level Reporting Threshold</u>
1	<u>Metal plating, anodizing, or grinding using cadmium or chromium</u>	Any	Any	Zero
1	<u>Plating, polishing, coating, engraving, and allied services, including thermal spraying, using chromium, cadmium, or nickel</u>	347x	3328xx and 33991x	Zero

The metal finishing facilities have demonstrated their ability to operate in a manner that minimizes the emissions of toxic air contaminants and provides for a safe workplace and community. The following statement on Page B-25 of Attachment B, Description and Rationale for Regulation Updates, which is cited as the basis for the absence of a safe emissions threshold, is inaccurate:

“This type of ‘no threshold’ applicability would apply to sources such as metal plating and hazardous waste facilities, which are known sources of concern for toxics emissions, regardless of the level of activity at the facility, and there is no definitive overall ‘safe’ level for the toxics emissions from these sectors under potential exposure scenarios.”

Economic Impact – MFASC and MFANC are concerned that the revised regulation will have a significant economic impact on metal finishing businesses. The original proposal would have impacted 32,544 facilities over eight years with a cost of \$20.1 million. As proposed for amendment, the proposal would now impact 50,000 facilities over eight years with a cost of \$80.2 million. With the accelerated phase-in period in the modifications, as compared to the selected community approach in the original proposal, in the near term there are increases in costs and the number of affected facilities.

The CTR Regulation will add more costly, complex, time-consuming reporting requirements to metal finishing businesses. Over 100 metal finishing facilities permitted by the South Coast Air Quality Management District are right now incurring significant costs in their efforts to comply with Rule 1469. The District estimates that small decorative plating facilities will experience an average impact of 3.4% to 7.4% of their revenues, and that this will increase dramatically if chemical fume suppressants are not certified and they are required to install add-on pollution controls. The district also projects that approximately 37 to 63 jobs will be lost each year.

Therefore, the Conclusion on Page D-6 of Attachment D, Preliminary Revised Economic Impacts Summary, is inaccurate:

“Based on the preliminary revised economic impacts analysis above, CARB staff does not expect businesses to be adversely affected by the costs of complying with the proposed regulation, due to the relatively small incremental additional costs.”

MFASC and MFANC urge the California Air Resources Board to address and resolve these issues in the CTR Regulation before it is adopted. Thank you for this opportunity to provide our comments.

Sincerely,

Dale Watkins

Dale Watkins,
MFASC President

Bobbi Burns

Bobbi Burns,
MFANC President