

**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 also 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 _____, 2014.

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.

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 ($\$195,138 / 10 \text{ facilities} = \$19,514$), 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 ($\$10,500 \times 10 \text{ facilities} = \$105,000$). The cost effectiveness for the reductions of 111 tons of VOC emissions could be as little as \$946 per ton of VOC emissions reduced ($\$105,000 / 111 \text{ tons reduced} = \$946 \text{ per ton reduced}$) 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 _____, 2014, 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

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 **DATE**, 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 **DATE**, 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 Board’s online comment system at <http://www.ahs.dep.pa.gov/RegComments>.

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 ___ p.m. on the following dates:

_____ (blank) _____

_____ (blank) _____

_____ (blank) _____

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
Acting Chairperson
Environmental Quality Board