



CALIFORNIA METALS COALITION

Main Office and Mailing Address: 2971 Warren Lane, El Dorado Hills, CA 95762
Lobbying Office: 1215 K Street, 17th Floor, Sacramento, CA 95762
P. 916.933.3075 | F. 916.933-3072 | <http://www.metalscoalition.com>

June 8, 2021

Liane M. Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Sent via email: Eugene Rubin, Eugene.rubin@arb.ca.gov

Dear Chair Randolph:

The California Metals Coalition appreciates the opportunity to comment on the California Air Resources Board ("CARB") workshop proceedings and consideration of **CARB Technical Working Group #5, May 26, 2021, for Proposed Amendments to § 93102, Airborne Toxic Control Measure for Chromium Plating and Chromic Acid Anodizing Facilities ("ATCM")**.

These comments on the proposed ATCM amendments are divided into the following sections: Background on Advanced Metal Manufacturing in California; Background on Sector; Comments on Presentation and Draft Rule Language; and Recommendations for Further Scoping and Development.

BACKGROUND ON ADVANCED METAL MANUFACTURING IN CALIFORNIA

- **FACILITIES:** California is home to approximately 4,000 advanced metal manufacturing facilities.
 - Most of the facilities are small businesses and family-owned.
- **EMPLOYMENT:** California's metal industry in California represents 350,095 total jobs.
 - 159,349 direct jobs and 190,746 indirect jobs.
- **WAGES:** The metals industry in California generates \$23 billion in total annual wages.
 - \$11 billion direct and \$12 billion supplier/induced.
- **TAXES:** California's metal industry accounts for \$9.2 billion/year in annual state and federal taxes.
- **MIDDLE CLASS JOBS:** The average industry salary is \$70,100/year in wages and benefits.
- **DISADVANTAGED COMMUNITIES:** 8 out of 10 employees in the metalworking sector are considered ethnic minorities or reside in disadvantaged communities throughout California.
 - A job in the metals sector is the only path to the middle class for many Californians.

BACKGROUND ON SECTOR

California advanced metal manufacturers use recycled metal (ex: aluminum, brass, iron and steel) to make parts for the aerospace industry, clean energy technologies, electric cars, biotech apparatuses, medical devices, national defense items, agriculture, infrastructure, construction machinery, household appliances, food processing and storage, movement of water, and millions of other products demanded by society.

COMMENTS ON MAY 26, 2021 WORKSHOP PRESENTATION AND DRAFT RULE LANGUAGE

Item #1, Major Disruption of California's Supply Chain:

As currently written, the ATCM proposal will break the supply chain for metal facilities that require specified finishing work. Here is a description of the supply chain:

1. **RECYCLERS:** A metal part begins as recycled material. Recycling avoids the environmental pitfalls of extracting or mining metals from the earth. The state generates more recyclable metal than any state in the U.S. In fact, Californians discard enough aluminum each day to build 5 commercial aircrafts. California's metal recyclers collect, inspect for contaminants, process, sort and sell this valuable commodity.
2. **FEED MATERIAL:** The next phase is to establish the feed material for manufacturing. To meet customer specifications, some metal facilities directly process sorted scrap materials (ex: ferrous metal melting), while others require the material in sheet form, ingot form, billet form, wire form, or bar stock. A segment of the metals sector purchases scrap material and changes its composition into a specified form of feed material—based on a specified size, chemical composition, and volume.
3. **ENGINEERING:** Metal parts are manufactured to a customer's specification. Engineered drawings, CAD/CAM files and approved part numbers are examples of required specifications. Material strength, longevity, safety and performance are important factors that go into engineering a part. Laboratories are often used for product testing, modifications, and acceptance.
4. **MANUFACTURING:** Based on a customer's engineering, a part is made. The type of manufacturing process (ex: forging, stamping, fabricating, CNC machining, melting, etc.) is dictated by the part. A customer will select the most efficient and cost-effective manufacturing process for the part.
5. **TREATING:** Most parts go through several more processes before being sent to a customer. This can include grinding the part for smoothness, threading for screws, machining for tolerances, and heat treating to strengthen the material.
6. **FINISHING:** For many customers, part integrity often requires finishing. As an example, chrome plating protects the part from the elements—whether underwater, on land, in the air, or even in

space. And while some customers want the finished decorative look of chrome, the overall driver to the finish is the strength and protection of the part.

The businesses that make-up the aforementioned supply chain work together as a team. They are constantly in communication, working with the customer to satisfy the part requirements.

Eliminating a specified finishing through the proposed ATCM will eliminate part of the supply chain in our state.

Item #2, Increase of Pollutants and Leakage to Less-Efficient Operations Bordering California:

Customers for metal parts include both the private and public sector—locally, nationally and world-wide. Eliminating a specified finishing processes through the proposed ATCM will not change customer part requirements. It will just change the location of the finishing.

CMC, and its members, are very concerned that the proposed ATCM will result in the export of plating to other states and countries.

As currently written, the metal industry's supply chain will be forced to source specified finishing in locations bordering the state. If pollutants are not controlled at the highest standards in California, we can expect an increase in airborne pollutants based on less-efficient controlled operations.

Once the pollutants are airborne, then they will spread. Pollutants are also known to get captured in tires and transported to different areas. If CARB is truly looking to reduce pollutants, they will work with the California manufacturing sector to capture emissions and employ the most efficient controls—not export the pollution to a neighboring location at facilities with less pollution capture efficiencies.

Item #3, Increase of Pollutants in Transportation Demands:

California is the world's 5th largest economy. If a part is not made in California, or is not part of the local supply chain, then the part(s) must be transported. Due to the size, weight and volume of metal parts, this means heavy duty trucks or trains.

California has a major problem already with mobile pollution sources (and freeway congestion). Based on the proposed ATCM, additional pollution from mobile sources will result based on the need to transport parts within the supply chain.

Item #4, Eliminating California's Leadership in Pollution Controls:

States and nations often look to California as the leader for pollution controls. For metal finishing facilities, the most stringent controls are being deployed in the South Coast Air Quality Management District (SCAMD). Through the series of 1400 rules (ex: 1469), metal finishers will be required to implement new, advanced pollution controls.

In 2019, the California Metals Coalition worked with SCAQMD staff and opened our facilities to conduct hexavalent chromium emission testing for Rule 1407.1. This collaborative led to the most advanced controls in the world at metal facilities under 1407.1. Solutions are achievable without eliminating industry/industrial processes.

But if the new ATCM is passed, then there is no reason to implement these new metal finishing controls at specified finishing processes as the investments will end with elimination of the process. California will lose its ability to demonstrate the cleanest, most efficient metal finishing controls.

Item #5, Phased Out Alternatives Are Only Viable if Adopted by the Customers:

The suggested elimination of specified finishing processes does not mean that the customers (including agencies within the state of California) will accept the new replacement. Phase-out dates are only viable if there is adoption by the end user.

As an example, the California Metals Coalition worked on AB 1953—which reduced the amount of lead in metal products touching drinking water from 8% to 0.25%. Because a no-lead alternative was available and accepted by the customers (ex: California water utility engineers), a phase-out date was used to push the customers into acceptance of the new, no-lead alternative. AB 1953 included a 4-year phase out. During this time, the nation adopted a law similar to California’s AB 1953 for metal products across the U.S.

If the metal finishing alternative is accepted by the customer, then a phase-out is meaningful for implementation. The current proposal to phase out specified finishes (slides #10-12) will simply result in elimination of the process in California—not adoption of the alternative.

Item #6, Learning from the Buy Clean California Act¹:

The California Metals Coalition worked directly with Assemblymember (now Attorney General) Rob Bonta (D-Oakland) to pass the Buy Clean California Act (BCCA).

The Buy Clean California Act (BCCA), (Public Contract Code Sections 3500-3505), states the Department of General Services (DGS) is required to establish and publish the maximum acceptable Global Warming Potential (GWP) limit for select construction materials. The BCCA targets carbon emissions associated with the production of structural steel (hot-rolled sections, hollow structural sections, and plate), concrete reinforcing steel, flat glass, and mineral wool board insulation. These materials must have a GWP that does not exceed the limit set by DGS.

Eliminating processes or materials with “command and control” regulations does not reduce overall pollution. True leadership changes the marketplace—both private and public sector—with the goal of reducing emissions and meeting customer needs.

¹ <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Buy-Clean-California-Act>

RECOMMENDATIONS FOR FURTHER SCOPING AND DEVELOPMENT

At this juncture in the process, we encourage you to find solutions with the metal finishing sector without eliminating specified finishing processes.

CMC, and its members, are very concerned that the proposed ATCM will result in the export of plating to other states and countries.

Thank you for your time, and for allowing CMC to participate and comment on the ATCM. We will be closely following the proceedings and look forward to continued discussions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Simonelli". The signature is stylized with a large initial "J" and a long horizontal stroke extending to the right.

James Simonelli

Executive Director

james@metalscoalition.com

CC: CARB Board of Directors