



CALIFORNIA METALS COALITION

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Submitted Electronically:

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Ms. Mary D. Nichols, Chair
California Air Resources Board
1001 I Street, Sacramento, California 95814

Clerk's Office
California Air Resources Board
1001 I Street, Sacramento, California 95814

Subject: California Metal Coalition Comments on CARB's Proposed Amendment to Regulation for the Reporting of Criteria Air Pollutants and Toxic Air

Thank you for the opportunity to submit comments on the proceedings and consideration of CARB's proposed amendment to the AB 2588 emissions inventory criteria and guidelines report for the air toxics "Hot Spots" program.

ABOUT CALIFORNIA'S ADVANCED METALS MANUFACTURING SECTOR

- California is home to nearly 4,000 metal facilities—most are small businesses and family-owned.
- 8 out of 10 employees in the metalworking sector are considered ethnic minorities or reside in disadvantaged communities throughout Southern California.
- Metalworking jobs in California pay \$70,100/year, on average, in wages and benefits.
- In working class communities, these jobs are the path to the middle-class for many Californians.

ECONOMIC VALUE OF CALIFORNIA'S ADVANCED METALS MANUFACTURING SECTOR

- 350,095 total jobs (159,349 direct jobs and 190,746 indirect jobs).
- \$79.73 billion in total annual economic activity.
- \$23 billion in total annual wages (\$11 billion direct and \$12 billion supplier/induced).
- \$9.2 billion in total annual state and federal taxes.

SOCIETAL VALUE OF ADVANCED METAL MANUFACTURING IN CALIFORNIA

Californians discard more metal than any other state in the U.S. In fact, California generates enough aluminum scrap each day to build 5 commercial aircrafts. Keeping this metal from being shipped out of state, as well as making the new products, reduce emissions and stimulate our economy.

California's 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, COVID-19 response parts, 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

The California Metal Coalition (CMC) appreciates the opportunities to submit formal comments on the California Air Resource Board (CARB) proposed amendments to the Regulation for the Reporting Criteria Air Pollutants and Toxic Air Contaminants (CTR).

And while we appreciate CARB's efforts on considering the comments received from the stakeholders during the previous workshops and additional modifications to the proposed regulation, we remained concerned about the following issues and request they are addressed in the formal rulemaking process prior to adoption.

1. ECONOMIC IMPACT ANALYSIS

Based on the economic impact analysis presented in the Initial Statement of Reasons (ISOR), the initial average cost for a small business to comply with the proposed reporting requirements would be approximately \$560 per year, and \$300 per year thereafter.

CARB's expectation for the facility financial burden is unrealistic and significantly underestimates the real-world compliance costs related to determining applicability, data gathering and recordkeeping, preparation of emissions data reports, reviewing, and submitting reports to the local air district, as documented in ISOR. CARB also presumes local air districts will have enough resources in terms of staff time and finance for assisting small business in complying the proposed regulation. And the proposed reporting requirements under CTR would introduce financial impacts not only on the sources themselves but also on the local air districts responsible for the implementation.

We note that several local air districts have expressed concerns over the financial burden this proposed regulation would cause. CARB needs to conduct further economic impact analysis to understand the true costs of the proposal.

2. IMPACT BEYOND GAP YEAR

CMC appreciates CARB added a "gap year" following the first year of reporting for Phase 1 facilities, and clarification that annual emission reporting under CTR would not be effective until four years after the initial reporting year. However, we continue to have concern that the proposed expanded reporting requirement will create overwhelming workload burdens for regulated facilities. Various requirements in the proposal would represent unrealistic and unreasonable amount of burdens on facilities are found in multiple provisions of the proposed amendments to the CTR regulation:

2. DATA ELEMENTS IN SECTION 93404

Per the requirement in Section 93403(a)(2), annual emissions reporting must be submitted following the requirements in section 93404. The data elements required in section 93404 are extensive, while there has been little information provided to facilities regarding detailed reporting format. This put a significant amount of uncertainty and compliance burden on facilities and leaves insufficient time for facilities to implement all the reporting requirements especially for those facilities subject to CTR reporting for the 2020 data year. Extension of the phase-in provisions of section 93403(a)(2) should be considered.

3. THRESHOLD OF “ANY ACTIVITY LEVEL”

Per Section 93401(a)(4) Appendix A, Table A-3, CARB’s reporting threshold of “any activity level” applies to various sectors, which will impose additional cost and workload burdens on facilities with de minimis emissions or risk. Some air districts have also questioned the basis for the new reporting thresholds (4 tons per year, 0 tons per year) and suggested further study and data gathering on the actual emission and risk data before applying blanket requirements throughout the state based on the speculated data that is lack of support from the science. CARB has not demonstrated that these lower thresholds are necessary to protect public health.

4. EMISSIONS RELATED TO UNPERMITTED PROCESSES

Per Section 93404(c)(2)(b), emissions related to the unpermitted processes need to be reported if such emissions are required by the local air district. In addition, section 93404(c)(2)(c) also calls for additional reporting requirements for facilities with portable diesel fuel engines (> 50 horsepower) in use on site regardless equipment ownership or permit status. Again, this would impose exceptional burdens on facilities to collect the emission and activity data for these engines not owned by the facility.

5. PROVISION ALLOWED FOR LOCAL AIR DISTRICT DISCRETION

Section 93401(a)(3) allows local air districts to categorize high priority facilities at a district’s discretion at any given time prior to the reporting deadline for the data year. Section 93401(a)(4)(B) also allows air districts to exercise their discretion to use potential to emit (PTE) instead of actual emissions in determining applicability. Both these specific provisions give the local air districts too much discretion in applicability determinations, resulting in additional burden and uncertainty for smaller facilities. CARB has not demonstrated that any of this is needed. Applicability should be based on the actual emissions for the permitted sources, not PTE. Any facility with less than 4 TPY should not be subject to the CTR.

CMC welcomes additional opportunities to continue discussing these issues identified in the proposed amendments to the CTR before adoption of this proposed regulation and for CARB to consider other alternative to alleviate the unreasonable burden on facilities subject to this regulation. If you have any questions, please feel free to reach me at james@metalscoalition.com.

Sincerely,



James Simonelli
Executive Director