



AmericanCoatings
ASSOCIATION

June 4, 2010

Rory Davis
Air Quality and Planning
Illinois EPA

PCT#4

RECEIVED
CLERK'S OFFICE
JUN 04 2010
STATE OF ILLINOIS
Pollution Control Board

RE: Case No: R2010-020 In the Matter of: Reasonably Available Control Technology (RACT) for Volatile Organic Material Emissions from Group IV Consumer & Commercial Products

Dear Mr. Davis:

First let me thank you and the other Illinois EPA staff for meeting with us by way of a phone conference on May 26.

Several points were raised and discussed on the call.

A forthcoming USEPA clarification as to its view of the status of the Pleasure Craft CTG was discussed.

The memorandum dated June 1, 2010 is now out and has been sent to all of the USEPA regional offices, including Region 5. (Attached)

The issue it resolves concerns the normal presumption that usually attends CTGs that, while called "guidance", they in fact normally carry a presumption that they constitute RACT and therefore should be included in any SIP if there are affected sources in a state's ozone nonattainment areas.

ORIGINAL

As you can see from the memo, to the extent there is such an informal policy generally, that has been removed here, and the states are now free to determine a RACT standard for pleasure craft coatings on its own merits, considering USEPA's reference to Rule 1106.1 as one factor

OAQPS RECOMMENDATION

After careful evaluation of the issues raised by the pleasure craft industry, OAQPS is recommending that the pleasure craft industry work with state agencies during their RACT rule development process to assess what is reasonable for the specific sources regulated because the CTG impose no legally binding requirements on any entity, including pleasure craft coating facilities. CAA Section 172(c)(1) provides that SIPs for nonattainment areas must include "reasonably available control measures" (RACT), including RACT, for sources of emissions. Section 182(b)(2)(A) provides that for certain nonattainment areas, states must revise their SIPs to include RACT for each category of VOC sources covered by a CTG document issued between November 15, 1990, and the date of attainment. The CTG are intended to provide state and local air pollution control authorities with information to assist them in determining RACT for VOC.

Based on available information and data, EPA has provided recommendations for RACT for MMPPC operations, including pleasure craft coating operations, in the MMPPC CTG. States can use the recommendations from the MMPPC CTG to inform their own determination as to what constitutes RACT for VOC for pleasure craft coating operations in their particular ozone nonattainment areas.

In evaluating this issue please consider the information we have already provided.

I wish to emphasize that the technology issues raised in this information is in fact a consensus position of ACA's Marine Coatings Committee, which includes other pleasure craft coatings manufacturers, such as Jotun, as well as raw materials suppliers of antifouling materials, such as Arch Chemical. See list at end of letter.

While not all of these companies make pleasure craft coatings, many are sufficiently familiar with the coatings chemistries involved to concur in the ACA position.

We also discussed averaging as a potential solution to the technology issues involving some of the limits.

A clarification from our end is in order here. It concerns the following statement in our previously submitted position paper about which there may be some confusion on the part of USEPA and the state agencies.

"There can be no doubt that the implementation of the provisions of South Coast AQMD Rule 1106.1 (in its present form) in the CTG to regulate the VOC content of pleasure craft coatings, into the SIP's of ozone non-attainment states is overly severe and will have serious negative effects on the pleasure craft coating industry in these areas. NPCA respectfully ask the EPA to revise the CTG in the following way, to make it more relevant for the US pleasure craft coating industry:

Regulate VOC emissions from facilities using pleasure craft coatings by including an averaging approach as a compliance option

If this is not deemed possible then points 2 and 3 should apply.

Amend the CTG "Finish Primer/Surfacer" VOC limit from 420 to 600g/L for a 4 year interim period to allow coating manufacturers and users sufficient time to develop and implement compliant coatings.

Make changes that are required to the Rule 1106.1 provisions of the CTG with immediate and permanent effect as follows,

Add an additional speciality category of "Antifouling Sealer/Tie Coat" with VOC limit of 420g/L to align the CTG with the IMOAFS;

Amend "Other Substrate Antifoulant Coating" VOC limit from 330g/L to 400g/L;

Amend the "Extreme High Gloss" VOC limit from 420 g/L to 600 g/L, reflecting the very specialised nature of the coatings in this category;

Revise the coating category definition of "Extreme High Gloss Topcoat" to read: "Extreme high gloss coating means any coating which achieves greater than 90 percent reflectance on a 60° meter when tested by ASTM Method D 523-89"

In addition, the pleasure craft industry has already worked with EPA staff to provide information to support the development of a Pleasure Craft MACT Standard. Thus we request:

Provisions of the pleasure craft categories and VOC limits of the CTG must be consistent with the development of requirements in the planned Pleasure Craft MACT Standard. "

The language

"If this is not deemed possible then points 2 and 3 should apply"

has apparently been taken to mean that the industry would accept all of the proposed limits so long as it can average them.

That was not the intent of the statement.

Rather it was intended to refer back to the earlier discussed European system in the position paper for averaging emissions from pleasure craft coatings operations which operate under the European Solvent Emissions Directive or SED. "Council Directive 1999/13/EC of 11 March 1999 on the limitation of emissions of volatile organic compounds due to the use of organic solvents in certain activities and installations" See http://ec.europa.eu/environment/air/pollutants/paints_directive.htm

The SED does not specify VOC limits for individual products or coatings operations. Rather, under it emissions from various operations are regulated by being assigned a total amount of annually authorized VOC emissions and they in turn determine the annual coatings usages that will keep them at or under their assigned limit.

In contrast, the US system, at least with respect to coatings, operates by assigning a limit for each coating line or product first, and then allows them to go higher on some of the limits if these are compensated for by lower VOC contents in other products below the compliant limits.

Hence the language "if this not deemed possible" –meaning the full EU SED system– then an accurate determination of what constitutes RACT for certain limits must be undertaken.

Notwithstanding this, we have plugged in the limits that are in Rule 1106.1 for one US pleasure craft operation. Time did not permit additional operations to be examined. But in any event, based on the initial results for that one operation, it appears that averaging even with the limits seems to result in a compliant averaging regime even using the US approach, at least for that operation. This is because primers can have lower VOC content than the specified limits in Rule 1106.1.

This still begs the question we have raised that some of the limits are not RACT as that term is defined and has been historically interpreted.

And that for this single operation, averaging allows one to limp past these "unreasonable" limits, does not cure the fundamental problem– some of the limits remain non-RACT.

In short, the US system of averaging may not alleviate this problem in all cases, as for example, where a yard primarily refurbishes pleasure craft and thus may not use the same amount of primer as one that builds exclusively from scratch. One member has done a quick review of this issue based on usages of an operation that largely refurbishes and has found that the US averaging regime will not work there. See attached slides.

The averaging exercise, however, did show that VOC limits that are in fact RACT may be able to be established for pleasure craft operations that will in deed lead to reduced VOC emissions from pleasure craft operations.

And we would like to meet with you to discuss this in a full blown technology review, involving several of our members. Since technology R&D matters may be proprietary, this may require individual meetings with companies or individual submissions from them that will be treated as confidential business information (CBI).

In addition to the points raised in our earlier submission we, also request consideration of the following additional definition for pretreatment wash primers, a technology that post-dates the early 1990's Rule 1106.1

Revised definition for this category to read:

"Pretreatment Wash primer means a coating which contains no more than 25 percent solids, by weight, and at least 0.1 percent acids, by weight; is used to provide surface etching; and is applied directly to fiberglass and metal surfaces to provide corrosion resistance and adhesion of subsequent coatings."

A full summarized view of our request is reflected below:

Coating Category	CTG VOC content g/l	Our RACT proposal VOC content g/L
Extreme High Gloss Coating*	490	600
High Gloss Coating	420	420
Pretreatment wash primer**	780	780
Finish Primer/Surfacer	420	600
High Build Primer Surfacer	340	340
Aluminium Substrate Antifoulant Coating	580	560
Other Substrate Antifoulant Coating	330	400
All other pleasure craft surface coatings for metal or plastic	420	420
Antifouling Sealer/Tie coat (new category)		420

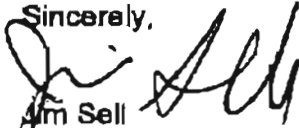
* Revised definition for this category to read
 "Extreme High Gloss coating means any coating which achieves greater than 90 percent reflectance on a 60° meter when tested by ASTM Method D523-89"

**Revised definition for this category to read
 "Pretreatment Wash primer means a coating which contains no more than 25 percent solids, by weight, and at least 0.1 percent acids, by weight; is used to provide surface etching; and is applied directly to fiberglass and metal surfaces to provide corrosion resistance and adhesion of subsequent coatings"

In closing, we greatly appreciate your taking the time to listen to us. Now, in light of the USEPA June 1, 2010 memo, we urge you to reopen this matter for a full discussion of a RACT standard for pleasure craft coatings.

Since Illinois has determined that currently there are no affected sources in its ozone nonattainment areas to which the proposed regulation would apply, it seems that there is time to do this right, especially in light of the June 1, 2010 memo from USEPA.

Sincerely,


Jim Sell
Senior Counsel
ACA

Affected and Potentially Affected Marine Coatings Committee Members

PPG
Janus
NCP Coatings
Carbolina
Jotun
Pettit Paint
DOW
International Paint/AKZO
American Chemet
Arch Chemicals
CMPUSA
Sherwin Williams



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

JUN 01 2010

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

MEMORANDUM

SUBJECT: Control Technique Guidelines for Miscellaneous Metal and Plastic Part Coatings - Industry Request for Reconsideration

FROM: Stephen D. Page, Director *Steve Page*
Office of Air Quality Planning and Standards (C404-04)

TO: Chief, Air Branch
Regions I-X

The purpose of this memorandum is to inform EPA Regional Offices that members of the pleasure craft industry have contacted EPA to request changes to the Control Techniques Guidelines (CTG) for Miscellaneous Metal and Plastic Part Coatings (MMPPC) (EPA-453/R-08-0373). This memorandum serves as a reminder to EPA Regional Offices of the role that CTG play in the State Implementation Plans (SIP) process for ozone nonattainment areas. CTG provide information and recommendations for state and local air pollution control agencies to consider when developing rules to meet the Clean Air Act's (CAA) reasonably available control technology (RACT) requirements. Specifically, we reiterate that the information contained in CTG, including the MMPPC CTG, is provided only as guidance. The CTG do not impose any legally binding requirements on any entity. State and local air pollution control agencies are free to implement other technically-sound approaches that are consistent with the CAA and EPA's implementing regulations. Therefore, EPA does not intend to revise the MMPPC CTG. Instead, EPA is recommending that the pleasure craft industry work together with state agencies in the RACT rule development process for MMPPC to assess what is reasonable for the specific sources regulated under each state's rules. EPA will evaluate the state-developed RACT rules and determine through notice and comment rulemaking in the SIP approval process, whether the submitted rules meet the RACT requirements of the CAA and EPA's regulations.

BACKGROUND

The MMPPC CTG were published on October 7, 2008 (73 FR 58486). On September 14, 2009, EPA was contacted by the pleasure craft industry with a request for EPA to reconsider some of the emission limits for volatile organic compounds (VOC) recommended in the MMPPC CTG. In its letter to EPA, industry asserted that three of the emission limits for VOC, recommended in the MMPPC CTG for pleasure craft, were too low considering the performance requirements of pleasure craft coatings, and that overall, the VOC emission limits recommended in the MMPPC

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CTG did not represent RACT for the national pleasure craft coatings industry. To get further clarification of the issues, EPA held an industry conference call and spoke with individual industry members on several other occasions. The pleasure craft industry presented what they deemed to be technological and feasibility challenges to meeting the VOC emission limits recommended in the MMPPC CTG.

Table 2 of the MMPPC CTG recommends the following VOC content limits (expressed in terms of mass of VOC per volume of coating, excluding water and exempt compounds, as applied) for surface coating of pleasure craft:

Table 2. Pleasure Craft Surface Coating VOC Content Limits

Coating Category	kg VOC/liter coating	lb. VOC/gal coating
Extreme High Gloss Topcoat	0.49	4.1
High Gloss Topcoat	0.42	3.5
Pretreatment Wash Primers	0.78	6.5
Finish Primer/Surfacer	0.42	3.5
High Build Primer Surfacer	0.34	2.8
Aluminum Substrate Antifoulant Coating	0.56	4.7
Other Substrate Antifoulant Coating	0.33	2.8
All other pleasure craft surface coatings for metal or plastic	0.42	3.5

Also, the MMPPC CTG provide an option to meet alternate emission rate limits based on low-VOC coatings and add-on controls. Table 10 of the MMPPC CTG recommends the following emission rate limits for pleasure craft operations:

Table 10. Pleasure Craft Surface Coating VOC Emission Rate Limits (VOC per Volume Solids)

Coating Category	kg VOC/liter solids	lb. VOC/gal solids
Extreme High Gloss Topcoat	1.10	9.2
High Gloss Topcoat	0.80	6.7
Pretreatment Wash Primers	6.67	55.6
Finish Primer/Surfacer	0.80	6.7
High Build Primer Surfacer	0.55	4.6
Aluminum Substrate Antifoulant Coating	1.53	12.8
Other Substrate Antifoulant Coating	0.53	4.4
All other pleasure craft surface coatings for metal or plastic	0.80	6.7

The three pleasure craft categories that industry requested EPA to reconsider were extreme gloss, high gloss and antifoulant coatings. Industry urged EPA to revise the MMPPC CTG to include an averaging approach as a compliance option to allow pleasure craft coating facilities to use a combination of high and low VOC-containing products as long as the average value was kept

below a level specified by EPA. In summary, the pleasure craft industry suggested that the CTG be revised to include (one or all of) the following measures:

1. Regulate VOC emissions from facilities using pleasure craft coatings by including an averaging approach as a compliance option. If this is not deemed possible, then points 2 and 3 should apply.
2. Amend the MMPPC CTG "Finish Primer/Surfacer" VOC limit from 420g/L to 600g/L for a four-year interim period to allow coating manufacturers and users sufficient time to develop and implement compliant coatings.
3. Make permanent changes to the MMPPC CTG with immediate and permanent effects, as follows:
 - Add an additional specialty category of "Antifouling Sealer/Tie Coat" with VOC limit of 420g/L to align the MMPPC CTG with the International Maritime Organization's International Convention on the Control of Harmful Antifouling Systems on Ships;
 - Change the VOC emission limits in the category, "Other Substrate Antifoulant Coating" from 330g/L to 400g/L;
 - Change the VOC emission limits in the category, "Extreme High Gloss" from 420 g/L to 600 g/L, reflecting the very specialized nature of the coatings in this category; and
 - Revise the coating category definition of "Extreme High Gloss Topcoat" to read: *"Extreme high gloss coating means any coating which achieves greater than 90 percent reflectance on a 60° meter when tested by ASTM Method D 523-89."*
4. Make the provisions and VOC limits in the pleasure craft categories of the MMPPC CTG consistent with the requirements of the planned revision to the Shipbuilding MACT Standard.

OAQPS RECOMMENDATION

After careful evaluation of the issues raised by the pleasure craft industry, OAQPS is recommending that the pleasure craft industry work with state agencies during their RACT rule development process to assess what is reasonable for the specific sources regulated because the CTG impose no legally binding requirements on any entity, including pleasure craft coating facilities. CAA Section 172(c)(1) provides that SIPs for nonattainment areas must include "reasonably available control measures" (RACM), including RACT, for sources of emissions. Section 182(b)(2)(A) provides that for certain nonattainment areas, states must revise their SIPs to include RACT for each category of VOC sources covered by a CTG document issued between November 15, 1990, and the date of attainment. The CTG are intended to provide state and local air pollution control authorities with information to assist them in determining RACT for VOC.

Based on available information and data, EPA has provided recommendations for RACT for MMPPC operations, including pleasure craft coating operations, in the MMPPC CTG. States can use the recommendations from the MMPPC CTG to inform their own determination as to what constitutes RACT for VOC for pleasure craft coating operations in their particular ozone nonattainment areas.

Regardless of whether a state chooses to implement the recommendations contained in the MMPPC CTG through state rules, or to issue state rules that adopt different approaches, states must submit their RACT rules to EPA for review and approval as part of the SIP process. EPA will evaluate the state's RACT rules and determine, through notice and comment rulemaking in the SIP approval process, whether the submitted rules meet the RACT requirements of the CAA and EPA's regulations. If a state proposes to adopt any of the recommendations in the MMPPC CTG into its state RACT rules, interested parties can comment on and raise objections about the application of any specific RACT recommendation in the MMPPC CTG to a particular situation during the development of the state rules and EPA's SIP approval process.

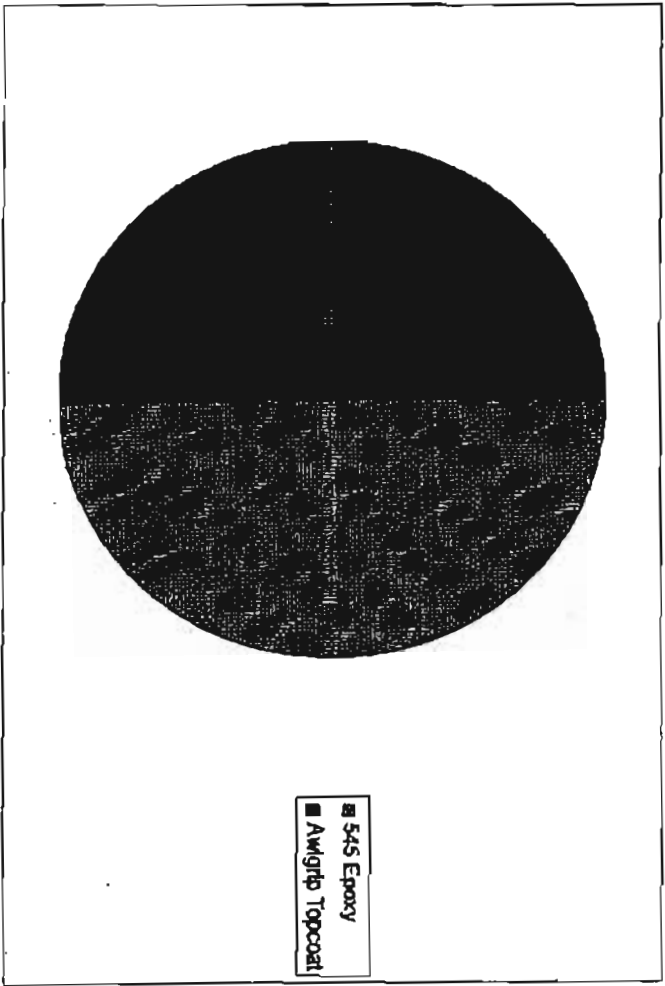
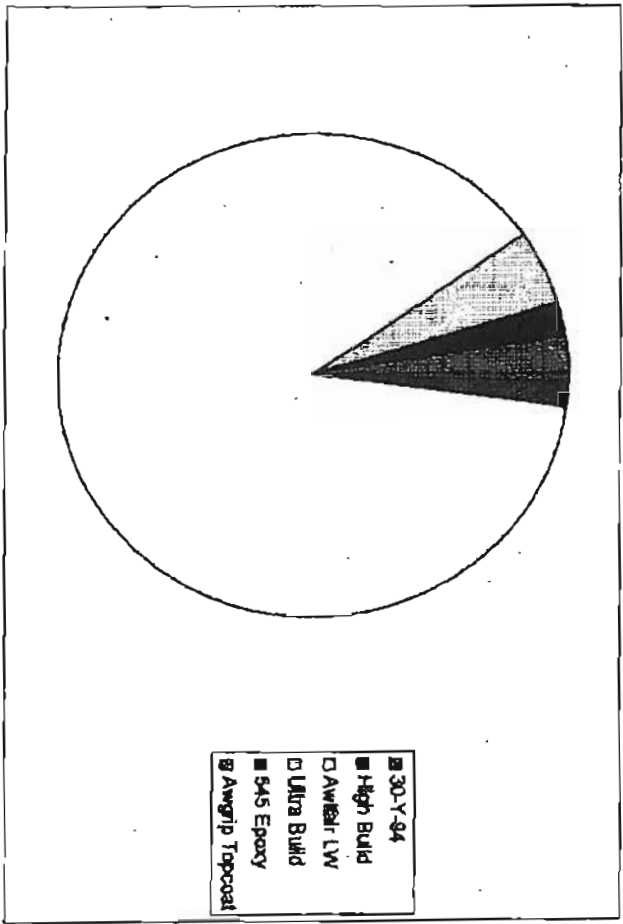
Should you have further questions, please contact Kaye Whitfield of my staff at 919-541-2509 or whitfield.kaye@epa.gov.

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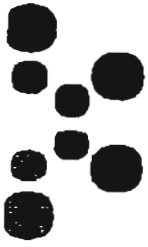
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03/042310/F:JRoger08/KWhitfield/ OAR100007927MMPPC Response Steve Page - Kaye -
20May10.doc

Coordinated with AQPD.

NEW BUILD



RE-FIT



AmericanCoatings
ASSOCIATION

For Tim
Fox

Re: Case No R2010-020

12 pages follow

Thank,

J. Sill

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ORIGINAL