



# American Coatings ASSOCIATION<sup>SM</sup>

July 24, 2024

Mr. Christopher Bradley  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**RE: South Coast Air Quality Management District Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations; ACA Preliminary Comments & Questions**

Dear Mr. Bradley:

The American Coatings Association (ACA) submits the following preliminary comments and questions to the South Coast Air Quality Management District (SCAQMD) regarding Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. ACA is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory, and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services. ACA appreciates the opportunity to comment and looks forward to working with SCAQMD throughout the rulemaking process.

### **Timeline Clarification**

Industry is seeking further clarification on the prohibition timeline of PCBTF and TBAC, particularly if and/or how it relates to the sell-through and use-through provisions. Paragraph (d)(4) in the initial draft rule language sets a sell-through period of 18-months and a use-through period of 24-months after the specified effective date. Assuming November 1, 2024, is the rule adoption date (and therefore the Phase I limit effective date), then the language in paragraph (d)(4) indicates that the initial sell-through period is intended to last through May 1, 2026, and the use-through period is intended to last until November 1, 2026.

However, paragraph (f)(8)(D) in the initial draft rule language sets the requirement that a person may not sell or use a product containing PCBTF or TBAC according to the effective dates in Table 2, which are:

- Prohibition effective date: January 1, 2025
- Sell-through effective date: January 1, 2026
- Use-through end date: July 1, 2027

The January 1, 2026, sell-through date specified in (f)(8)(D) comes before the 18-month sell-through provision specified in paragraph (d)(4). This means that manufacturers would only have 14 months to sell-through existing inventory of low VOC coatings containing PCBTF and TBAC.

Furthermore, the 24-month use-through period specified in (d)(4) comes 8 months prior to the July 1, 2027, use-through date specified in (f)(8)(D). Since paragraph (d)(1) includes the requirement that automotive coatings formulated to meet Phase I and Phase II VOC limits shall not contain PCBTF or TBAC, this could be interpreted to mean that the expiration of the 24-month use-through period triggers PCBTF- and TBAC-free requirement for users on November 1, 2026 (not July 1, 2027).

Industry is seeking clarity and understanding of how long they will be able to sell-through and use-through their existing products that comply with current VOC limits and contain PCBTF and TBAC. Any additional information or insight that the District can provide would be greatly appreciated.

### **Training Centers**

Industry is seeking clarification on whether training centers that are physically located in SCAQMD jurisdiction will be allowed to continue receiving and using low VOC coatings that contain PCBTF beyond the timelines set forth in Table 2 to support training of painters located in other air districts where these coatings are considered compliant? Paragraph (f)(1)(C) in the initial draft rule language indicates that training centers are allowed to possess coatings that do not comply with the requirements of paragraph (d)(1). However, it is unclear whether they are also exempt from the overall PCBTF and TBAC prohibitions indefinitely.

### **Distribution Centers**

Industry is also seeking clarification on whether distribution centers/warehouses that are physically located within SCAQMD jurisdiction are intended to be exempt from the PCBTF and TBAC prohibition requirement? Similar to the question above, industry is trying to understand whether they will be able to continue supplying coatings containing PCBTF to other air districts in California out of their warehouses located in SCAQMD jurisdiction.

### **Matte Clear Coatings**

On Slide 11 of the [fourth working group meeting presentation](#), the U.S. National Rule limit for Matte-Clear Coatings is listed as 600 g/L. However, under the U.S. National Rule, Matte Clear Coatings fall into the Specialty Coatings category as low-gloss coatings. The Specialty Coatings category in the U.S. National Rule has a VOC limit of 840 g/L.

Based on this, manufacturers may not have commercial solutions available for matte clear coatings that can meet the proposed Phase I limit of 550 g/L without PCBTF in the short timeframe proposed. To allow for commercially available PCBTF-free matte clear coatings to be supplied into the District by January 1, 2025, an 840 g/L Phase I VOC limit would be needed.

While matte clear coatings have much lower sales volume than traditional clear coatings, customers still expect manufacturers to have a matte clear solution available. If the District relaxes the Phase I VOC limit for matte clear coatings to 840 g/L, manufacturers would be able to quickly bring in National Rule matte clear coatings for sale into the District. In addition, there would be minimal impact on emissions due to the low volumes used. This approach would allow manufacturers to focus R&D resources on developing products that comply with the Phase II limits and work towards getting those solutions into the market sooner.

Alternatively, a delay of two years or longer for the implementation of the PCBTF prohibition for matte clear coatings could give manufacturers time to develop new solutions for Phase I. However, this approach to work on an interim solution for a niche coating category may not be preferred since it will require diverting R&D resources away from higher impact development work for Phase II.

### **Reporting Requirements**

The new QER reporting requirements outlined in paragraph (h)(4) will be burdensome for coatings manufacturers and distribution partners. In particular, paragraph (h)(4)(F) will require manufacturers to report annual volumes sold into the District, including products sold through distribution centers located within or outside the District. Many third-party distributors are reluctant to share details around sales to customers that are not under a rebate program or contract with the coatings manufacturer, as the distributors may view this non-contractual or rebated business as theirs to manage on their own. Coatings manufacturers may be forced to update distribution agreements to specify that distributors must comply with this new data requirement or risk being deauthorized as a distributor. However, there are some warehouse distributors that supply small jobbers with no contracts, who may not have formal agreements in place to fall back on in the event a jobber resisted providing the sales information. This requirement places the compliance burden on coatings manufacturers, but the data that the District wants reported is actually held by other parties in the distribution chain. ACA encourages SCAQMD to consider tailoring the reporting requirements in paragraph (h)(4).

### **Conclusion**

Thank you for your consideration of our preliminary comments and questions. We will have additional input to provide as this rulemaking process continues. In the meantime, please do not hesitate to contact me if you have any questions or require additional clarification on this information.

Sincerely,



Rhett Cash  
Counsel, Government Affairs

*\*\*Submitted via email\*\**