

ATTACHMENT D

KEY ISSUES AND RESPONSES

Rules 102 - Definition of Terms, 1106.1 - Pleasure Craft Coating Operations, 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, 1171 - Solving Cleaning Operations, 1302 - Definitions

1. Occidental Chemical Corporation (OxyChem) supports the initial proposal to amend Rule 102. OxyChem strongly supported the removal of the distinction between Group I and Group II Exempt Compounds. The proposed amendment will allow the use of PCBTF for applications regulated under Rules 1106.1 and 1151. PCBTF is sold by OxyChem under the trade name OXSOL[®] 100. The proposed amendment to Rule 102 would allow coating formulations to employ OXSOL[®] 100 and thereby contribute to improved air quality.

The proposed amendments to Rule 102 have been modified based on public comments received since the release of an earlier draft. The AQMD re-evaluated its decision to remove the group categories and the warning that currently exists in the "Exempt Compound" definition. It is now proposed to maintain the current structure of the definition to ensure that the public is aware that Group II Compounds may be subject to future regulations. Furthermore, maintaining the existing structure of this definition is consistent with recommendations from the public and the AQMD's Health Effects Officer. The proposed amendments, as revised, would allow the use of PCBTF and VMS for operations regulated under Rules 1106.1 and 1151.

2. The Institute for Research and Technical Assistance (IRTA) hereby requests that the AQMD delay the exemption of perchloroethylene until the Halogenated Solvents Degreasing NESHAP regulation for existing facilities becomes effective December 1997. Further, IRTA requests the AQMD maintain the group categories and warning currently existing in the VOC definition.

The proposed amendments have been modified since the earlier draft and perchloroethylene is now proposed to be listed as a Group II Exempt Compound effective December 2, 1997

ATTACHMENT D (Cont.) - KEY ISSUES AND RESPONSES

3. The Halogenated Solvents Industry Alliance, Dow Corning Corporation, and Occidental Chemical Corporation do not support the AQMD's classification of exempt compounds. In their opinion, the classification of exempt compounds under Group I and Group II is confusing and inconsistent with the California Health and Safety Code finding requirements for clarity, consistency, and non-duplication. Specifically, these entities are concerned that AQMD is placing an implicit warning that there is additional regulatory action is to be taken on Group II compounds. Furthermore, they argue that AQMD bypasses the California Environmental Protection Agency Office of Health Hazard and Environmental Assessment's scientific assessment process.

The Group II Exempt Compounds category was initially developed to list ozone depleting compounds (ODC). Later this category evolved to include compounds for which a warning of future regulatory action may be warranted. This category was developed as part of the Board's policy on ODCs and toxic compounds. AQMD staff disagrees that the existing Group II category is inconsistent with California Health and Safety Code requirements, and believes that a simple warning regarding the use of toxic compounds, such as perchloroethylene, or suspected toxic compounds, such as VMS and PCBTF, is appropriate. Furthermore, it should be noted that AQMD staff is proposing to remove all restrictions on their use in Rules 1106.1, 1151, and 1171, which are intended to control VOC emissions pursuant to Title I of the Act. The existing structure of the definition of the term "Exempt Compounds" and the amendments, as proposed, meet the California Health and Safety Code requirements for clarity, consistency, and non-duplication.

The Group II Exempt Compound category was created based on policy established by the AQMD's Governing Board. Any and all compounds listed in this category are placed there when they are known or suspected to be toxic or potentially toxic compounds. When AQMD proposes to list compounds under this category, that proposal is based on information available from other entities including, the California Environmental Protection Agency Office of Health Hazard and Environmental Assessment. Furthermore, if information is not available on a particular compound, the AQMD may propose to list a compound under the Group II Except Compound category based on the recommendation of the AQMD's Health Effects Officer. Therefore, the AQMD's listing of compounds under the Group II Except Compounds category and the warning on potential future regulatory actions does not violate the California Environmental Protection Agency Office of Health Hazard and Environmental Assessment scientific review process.