

**DRAFT**

October 15, 2002

Air and Radiation Docket  
& Information Center (6102T)  
Attention: Docket No. A-97-34  
U.S. Environmental Protection Agency  
1301 Constitution Avenue, N.W.  
Washington DC 20004

RE: Docket No. A-97-34; Proposed National Emission Standards for  
Hazardous Air Pollutants: Surface Coating of Miscellaneous Metal parts  
and Products; 40 CFR Part 63

Dear Sir or Madam:

The following comments are being offered by the National Marine Manufacturers Association (NMMA) in response to the Notice of Proposed Rulemaking for National Emission Standards for Hazardous Air Pollutants (NESHAP): Surface Coatings of Miscellaneous Metal parts and Products, published in 67 Fed. Reg. 52780 (Aug. 13, 2002).

NMMA, with over 1300 members, is the nation's leading trade association of recreational boat, marine engine and marine accessory manufacturers. NMMA has worked closely with EPA on many occasions to develop regulations that provide benefits to the environment and to the boating public. For example, in 1996, EPA published emission regulations for recreational marine outboard and personal watercraft engines that have resulted in cleaner, more fuel-efficient engines. Our boat builder members have recently completed nearly ten years of work with EPA on the development of the NESHAP for boat building. In the recreational boating business, our customers engage in all forms of water-related activity. Whether they use their boat to fish, swim, water-ski, or cruise, they all demand a clean environment.

NMMA members that could be potentially impacted by this proposed rule include boatbuilders, marine engine and engine part manufacturers, boat trailer manufacturers and a diverse group of recreational marine accessory manufacturers that happen to paint or apply caulk, adhesives, or sealant to metal parts. NMMA has discussed these proposed standards with the boat trailer and marine engine manufacturers, and from the feedback we have received, it

appears that these manufacturers will be able to modify their processes and materials to meet this standard. NMMA's major concern is the enormous recordkeeping and reporting burden that this rule would impose on recreational boat builders, while providing an insignificant environmental benefit. NMMA is requesting that EPA exempt recreational boat manufacturing from this rule given the small emissions from the processes that use materials defined as coatings in the proposed rule. When developing the NESHAP for boat manufacturing, EPA determined that emissions from certain coating processes were too small or not necessarily an integral part of the boat manufacturing process to warrant regulation. NMMA agrees with EPA policy that these prior determinations should remain in place.

EPA can also minimize the burden of the proposed rule on industry by streamlining the recordkeeping and reporting requirements for those companies that limit HAP emissions from metal coating operations using capture and control equipment. NMMA provides recommendations in the comments below on how EPA might approach this.

NMMA appreciates the opportunity to work with EPA to develop a NESHAP for the coating of metal parts and products used in the recreational marine industry. The following includes our technical support for exempting recreational boat builders from this rule, along with recommendations for streamlining reporting.

### **Recreational Boats**

Boat builders may use small amounts of HAP-containing coating, adhesives, caulk and sealant for metal parts. According to the proposed rule, a "coating" is defined as "a material applied to a substrate for decorative, protective, or functional purposes." 67 Fed. Reg. at 52820 (Proposed § 63.3981). EPA explains that this term includes but is not limited to paints, sealants, caulks, inks, adhesives, and maskants. See *id.* Generally, manufacturers of boats do not paint metal parts; rather, the parts are purchased pre-painted. In the case of anti-foulants, the painting can be performed by the manufacturer, but is often a service performed by an after market dealer or boat yard. Anti-foulants are metal-based coatings that are designed to discourage the growth of aquatic organisms. Metal parts coated with anti-foulants might be small parts such as rudders, trim tabs, and other underwater parts. EPA surveyed the use of anti-foulant coatings when developing the NESHAP for boat manufacturing and determined not to cover these coatings because they represent such a small percentage (only 0.5 %) of the HAP emissions from major source boat manufacturers. See 65 Fed. Reg. 43842, 43851 (July 14, 2000). It is our understanding from EPA's presentation on September 30, 2002 at the "Update on Surface Coating Rules" sponsored by the Air & Waste Management Association, that it is the Agency's position not to second guess determinations made in past NESHAPs. This is a sound policy especially since EPA does not

have data for this segment of the industry aside from what was used to develop the Boat Manufacturing NESHAP. Furthermore, EPA did not contact the boat building industry during the data collection portion of this rulemaking. It was during that time that NMMA worked with EPA to develop the Boat Manufacturing NESHAP.

In addition to the very small emissions from these coatings, anti-foulants are regulated by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). FIFRA requires that any formulation changes to anti-foulants undergo a comprehensive approval process. Thus, any regulation that demands reformulation would necessitate that boat builders engage in an approval process under FIFRA that calls into question whether compliance within 3 years would be feasible. EPA surveyed anti-foulants in the Boat Manufacturing NESHAP and chose not to regulate this process. The extensive environmental and quality testing that would be required would not only make the three-year implementation period impossible, but also make the cost outweigh the limited benefit. The bottom line is that if the regulation were to compromise the effectiveness or durability of anti-foulant coatings, boat builders would be forced to outsource 100% of the application.

Similar to the treatment given anti-foulants, the Boat Manufacturing NESHAP does not apply to “assembly adhesives.” See 40 C.F.R. § 63.5683(d). This term is defined in the Boat Manufacturing NESHAP as “any chemical material used in the joining of one fiberglass, metal, foam, or wood parts to another to form a temporary or permanently bonded assembly.” 40 C.F.R. § 63.5779. EPA should exempt boat manufacturing assembly adhesives in the same fashion as anti-foulants for purposes of applicability of the Miscellaneous Metal Parts NESHAP.

To better respond to EPA’s request for comments, NMMA performed a survey of those boat manufacturers coating metal parts. NMMA found that overall HAP emissions from adhesive, caulk, sealant, and paint from metal parts on boats to be very small. In several of the examples we provide below, the numbers are for *total* HAPs from all caulk, adhesive, sealant, and coatings used on *both* plastic and metal parts. This combined number is due in part to the small amount of material being used. Also, the integrated nature of the metal and plastic parts of the boat make it nearly impossible to differentiate between the amount of caulk, adhesive, and sealant used on plastic parts versus metal parts and the companies do not track separate usage.

According to our survey, Hatteras Yachts performs the greatest amount of metal coating in the recreational boat manufacturing industry. Its records report that less than 2% of its total HAP emissions come from metal coating processes. Calculating the difference between the EPA proposed standard of 2.57 pounds HAP per gallon of coating solid and Hatteras’ current emissions from HAP

containing materials, the proposed standard would result in less than 0.5% reduction in these emissions.

Hatteras Yachts is a unique case, however. NMMA randomly surveyed several other manufacturers of large yachts and found the use of caulk, adhesive, sealant and paint on metal parts to be far less than that of Hatteras Yachts. The Viking Yacht Company had 60,380 pounds of total HAP emissions in the year 2001. The majority of the emissions were styrene emissions, which are regulated under the Boat Manufacturing NESHAP. In 2001, the Viking Yacht Company's total HAP emission for caulks, sealant and paint was 91.30 pounds. When comparing the percentage of HAP emissions from caulks, sealant, adhesive and coatings to total HAP emissions, the percentage of materials that would be covered under the proposed metal parts MACT is 0.015% of the total HAPs at the facility.

For the manufacturers of smaller boats (18ft to 30ft), which make up the largest number of units manufactured and sold, the HAP emissions from caulk sealant, adhesive and paint is even smaller. For example, Larson/Glastron Boat Company in Little Falls, Minnesota had 64 pounds of HAP emissions from caulk, sealant, adhesive and paint in 2001. Total HAP emissions from Larson/Glastron was 190 tons or 380,000 pounds. HAP emissions from sealant, caulks and adhesives equaled only 0.0015% of that total.

Another example of a manufacturer of smaller boats would be Four Winns in Cadillac, Michigan. In 2001, Four Winns had 147 pounds of HAP emissions from sealant, caulk and adhesive. The total HAP emission from the plant was 134 tons or 268,000 pounds. HAPs for sealant, caulks, adhesives and coatings were 0.005% of the total.

In addition to the examples noted above, we have attached several boat builder letters to further support our comments that the volume of metal parts HAPs emissions at boat plants is insignificant.

Given the insignificant emissions from these coatings, NMMA is requesting that EPA exempt caulk, adhesive, and sealant used by recreational boat manufacturers from the Miscellaneous Metal Parts NESHAP. There are several compelling reasons why EPA should take this approach. First, as noted earlier, EPA never considered boat manufacturing or the effect of the corrosive salt-water marine environment on metal parts coatings when surveying companies for information to establish the database for the proposed rule. Second, with close to 3000 recreational boat manufacturers in the United States, the majority being defined as small businesses, not one of them was notified so that they could participate in any kind of process mandated by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). EPA's rule impact assessment identified only 29 companies out of the Agency's database that fell in the small business category. See 67 Fed. Reg. at 52797. After an

analysis of the 29 facilities and taking into account that affected businesses could use compliant coatings to comply, EPA concluded that the proposed NESHAP would not have a significant impact on small businesses. See 67 Fed. Reg. at 52797. If EPA intends to implement the Miscellaneous Metal Parts NESHAP in as broad a manner as proposed, this finding would be erroneous since it would affect hundreds, if not thousands, of small businesses in the marine industry.

Third, and most compelling, the proposed rule would provide an impossible recordkeeping task, particularly for the small boat builders. Little, if any, environmental benefit would be achieved by this. The EPA has done an excellent job of developing a regulation to reduce styrene emissions from boat manufacturing plants. Indeed, styrene emissions constitute the majority of emissions from boat manufacturing. Styrene emissions prompted the development of the Boat Manufacturing NESHAP and are the only reason why boat builders are major sources of HAPs. As demonstrated by the examples discussed above, the use of sealant, coatings, adhesives, or caulk by boat manufacturers is an insignificant, secondary operation at boat manufacturing facilities.

For EPA to impose a burdensome recordkeeping and reporting requirement, or in some cases compromise the materials necessary to maintain quality and durability in a corrosive salt water environment, would only drain resources that need to be concentrated on complying with the Boat Manufacturing NESHAP.

### **Streamlining Compliance**

The proposed rule sets forth very complex reporting, record keeping and monitoring requirements. These will impose significant burdens on the many small businesses in the marine industry. If EPA fails to exempt caulk, adhesive, and sealant used by recreational boat manufacturers in the final Miscellaneous Metal Parts NESHAP, then NMMA recommends that EPA adopt a predominant activity approach in the final rule to allow a source subject to other NESHAPs to comply with the standard which represents the predominant activity at the affected source in lieu of the Miscellaneous Metal Parts NESHAP. EPA has already proposed several ways to help those businesses that are subject to multiple NESHAPs by providing an option to comply with the most stringent NESHAP. See 67 Fed. Reg. at 52800 (Proposed § 63.3881(d)). A predominant activity option would give the boat manufacturers the option to roll caulk, adhesive, and sealant into the Boat Manufacturing NESHAP which would facilitate compliance and avoid duplicative monitoring, record keeping, and reporting. However, NMMA strongly urges EPA to exempt these operations from this rule.

Another way EPA can streamline the proposed monitoring, recordkeeping and reporting requirements for those facilities subject to the Miscellaneous Metal Parts NESHAP (e.g., some engine and boat trailer facilities) is to allow sources to substitute their Title V reporting and monitoring procedures for those in the proposed rule. The burden imposed by the detailed and complex record keeping and reporting requirements in this proposal will overwhelm the staff at the small companies engaged in these businesses.

## **Conclusion**

Given the insignificant emissions from miscellaneous metal parts coating at boat manufacturing facilities, the recreational marine industry urges EPA to exempt these coating operations from the Miscellaneous Metal Parts NESHAP when finalized. Such an approach is justified when weighed against the significant recordkeeping burden in relation to the small environmental benefit associated with regulating these operations and when considering other regulatory precedent. As for other marine industry facilities that may be subject to this rule, NMMA strongly recommends that EPA lessen the complex reporting and record keeping requirements in the proposed rule. The burdens imposed on the many small businesses due to these requirements will be significant.

If you have any questions on these comments, please feel free to contact me at 202-721-1604.

Sincerely,

John McKnight, Director  
Environmental and Safety Compliance

cc: Ms. Kim Teal, Coatings and Consumer Products Group,  
Emission Standards Division, U.S. EPA

Attachments

