

Considerations:

A late breaking issue concerning an apparent circumvention of the quart exemption is under review by the OTC Stationary/Area Source Committee. As such, the SAS Committee may consider adding the following language under Applicability:

## 1. Applicability

- 1.1. Except as provided in subsection 1.2, this rule is applicable to any person who supplies, sells, offers for sale, or manufacturers any architectural coating for use within the (jurisdiction of the state or local air pollution control agency), as well as any person who applies or solicits the application of any architectural coating within the (jurisdiction of the state or local air pollution control agency).
- 1.2. This rule does not apply to:
  - 1.1.1. Any architectural coating that is sold or manufactured for use outside of the (jurisdiction of the state or local air pollution control agency) or for shipment to other manufacturers for reformulation or repackaging.
  - 1.1.2. Any aerosol coating product
  - 1.1.3. Any architectural coating this is sold in a container with a volume of one liter (1.057 quart) or less. Effective January 1, 2013, clear wood finishes, including varnishes and sanding sealers; and lacquers, including pigmented lacquers, in containers having capacities of one liter (1.057 quart) or less shall no longer be exempt from the requirements of this rule.

The language above is consistent with the current South Coast language.

Companies have been marketing varnish in the following manner:



South Coast addressed this exemption in the following manner:

From: <http://www.aqmd.gov/hb/2006/June/SpecialMeeting/06063a.html>:

### Expiring Small Container Exemption

NPCA and several coating manufacturers have requested an amendment to rescind the elimination of the small container exemption for clear wood finishes effective July 1, 2006.

Staff has not found any justification for such an unlimited exemption and its continuance is actually counter-productive to air quality goals. The CARB Survey data indicates a relatively high percentage of sales of products complying with the proposed limits in the larger containers. However, quite the opposite is true for sales in the smaller containers. A large percentage of products sold in the small containers do not even meet current limits that would otherwise be applicable except for the small container exemption. To further compound the matter more than 40% of total gallonage sold of clear wood finishes is in small containers and, based upon small container sales reported to the AQMD, the volume of these small container sales has increased significantly over the last several years. Elimination of the exemption alone for clear wood finishes will achieve close to a ton per day of emission reductions.