BOARD MEETING DATE: July 9, 2004 AGENDA NO. 35

PROPOSAL: Amend Rule 1113 - Architectural Coatings

SYNOPSIS: The proposed amendment addresses SIP approvability issues identified by the U.S. EPA relative to the alternative compliance option of the rule, the Averaging Compliance Option.

COMMITTEE: Stationary Source, May 28, 2004, Reviewed

RECOMMENDED ACTION:
Adopt the attached resolution amending Rule 1113 – Architectural Coatings.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:LT:LB:EM:DR

Background

Architectural coatings are one of the largest non-mobile sources of VOC emissions in the South Coast air district (AQMD). Rule 1113 is applicable to manufacturers, distributors, and end-users of architectural coatings. These coatings are used to enhance the appearance of and to protect homes, office buildings, factories and other structures, and their appurtenances on a variety of substrates. The coatings are applied by homeowners, painting contractors, or maintenance personnel primarily by brush, roller, or spray guns. Rule 1113 was first adopted in 1977, and has undergone numerous amendments since then.

Proposed Amended Rule 1113 – Architectural Coatings has been developed primarily to implement changes relative to the alternative compliance provision of the rule (the Averaging Compliance Option) recommended by the U.S. EPA for State Implementation Plan (SIP) approvability.

Rule 1113 was last amended on December 5, 2003, for clear wood finishes, roof coatings, stains, and waterproofing sealers including concrete and masonry sealers through the lowering of those VOC limits and the elimination of the clear wood finish small container exemption.

Proposal
The proposed amendments will require specific records to be kept by manufacturers choosing to use the Averaging Compliance Option (ACO) to comply with VOC limits, establish additional criteria for violations of the ACO Program and make other changes to the rule to enhance clarity and enforceability. In addition, the AQMD will periodically evaluate the ACO Program to determine if emission reductions are met as specified in the SIP.

Emission Inventory and Emission Reduction
There is no change in emission inventory or emission reduction associated with the proposed changes.

Cost-Effectiveness
There will be no additional compliance cost associated with the proposed changes; therefore, a cost-effectiveness and an incremental cost-effectiveness analysis are not applicable.

Issues
The specific issues have been addressed in the Final Staff Report, which include U.S. EPA issues with the alternative compliance option of the rule. The main issues are evaluation, reconciliation of emission shortfalls, recordkeeping, and violations of the ACO Program as well as rule clarification language.

CEQA
The AQMD has reviewed the proposed project pursuant to State CEQA Guidelines §15002 (k)(1). Since the proposed amendments to Rule 1113 only address clarity and enforceability and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the project is exempt from the requirements of CEQA, pursuant to state CEQA Guidelines §15061(b)(3). A Notice of Exemption has been prepared in accordance with state CEQA Guidelines §15062 for the proposed project and will be filed with the county clerks immediately following the adoption of the proposed amendments to the rule.

Socioeconomic Analysis
Since the proposed amendments do not affect air quality or emissions, no new significant cost burden is expected above and beyond what is currently required. Therefore, a socioeconomic assessment is not necessary or required. Additional recordkeeping proposed for those manufacturers selecting to comply with the rule by using the ACO is

not substantial and the associated costs are expected to be minimal.

AQMP and Legal Mandates
As stated above, architectural coatings are one of the largest non-mobile sources of VOC emissions in the AQMD and the proposed changes are necessary for Rule 1113 to be included into the SIP.

Implementations and Resources
Existing AQMD resources will be sufficient to implement the proposed changes to this rule with minimal impact on the budget.

Attachments
A. Summary of Proposed Amendment
B. Rule Development Process Flow Chart
C. Key Contacts
D. Key Issues and Responses
E. Resolution
F. Rule Language
G. Staff Report
H. CEQA – Notice of Exemption

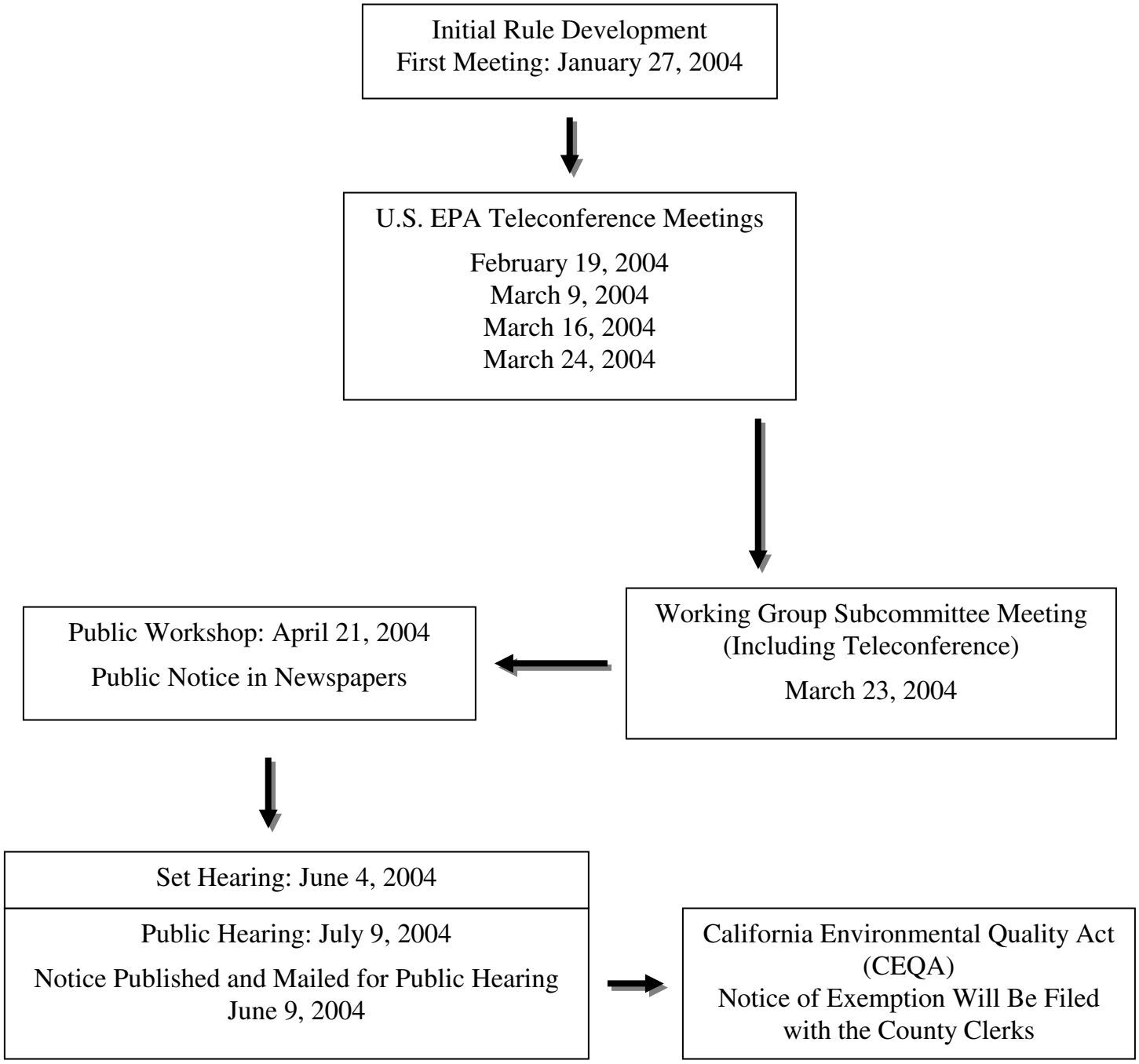
ATTACHMENT A

Summary of Proposed Amendments to Rule 1113 – Architectural Coatings
Staff proposes amending Rule 1113 as follows: • Modify the definitions of "formulation data" and "varnish." • Add a definition for "product line." • Amend the sell-through provision to require manufacturers to maintain sales and distribution records for a coating product line for both the coatings included in the ACO Program and the coatings not included in the ACO. • Amend rule language to include that if a manufacturer uses formulation data to calculate VOC content for coatings, that the calculations account for cure volatiles and variations in the VOC content among production batches. • Amend Attachment A – Averaging Provision, to include that a manufacturer shall not supply, sell, offer for sale, manufacture, blend, or repackage coatings that exceed ceiling limits established prior to July 1, 2001. • Amend Attachment A to require the specific records to be kept and maintained by the manufacturers for their Averaging Compliance Option Program. The records will be from production formulation, production, distribution, and sales. • Add language that allows the Executive Officer to request additional records as a condition of approving an ACO Program or to verify compliance. • Modify the violation language such that an exceedance of the allowable emissions is now a separate violation for each coating product line that is over the VOC limit listed in the Table of Standards for each day of the compliance period. • Additional clarification language that references the ACO throughout the document and clarifies that report submittals are to the Executive Officer.

ATTACHMENT B

RULE DEVELOPMENT PROCESS

PROPOSED AMENDED RULE 1113 - Architectural Coatings



ATTACHMENT C

KEY CONTACTS LIST		
Barry	**Barman**	**CSI Services**
Dan	**Belik**	**BAAQMD**
Howard	**Berman**	**Environmental Mediation, Inc.**
Paul	**Cort**	**U.S. EPA**
John	**Crary**	**DeGussa Construction Chemicals**
Yvonne	**Fong**	**U.S. EPA**
Barbara	**Fry**	**CARB**
Madelyn	**Harding**	**Sherwin-Williams Company**
Robert	**Henderson**	**EPMAR**
Gerry	**Hume**	**EVR-Gard**
Christian	**Hurley**	**CARB**
Mike	**Jaczola**	**CARB**
Barry	**Jenkin**	**Benjamin Moore Paints**
Darrin	**Jorgensen**	**Jorgensen Environmental**
Jim	**Kantola**	**ICI Dulux Sinclair**
John	**Long**	**Vista Paint Corporation**
Mike	**Murphy**	**Rust-Oleum Corporation**
Stephen	**Murphy**	**Murphy Industrial Coatings**
Jerry	**Mulnix**	**Cal Western Paints, Inc.**
Bob	**Nelson**	**National Paint & Coatings Association**
Jim	**Nyarady**	**CARB**
Shil	**Park**	**Tibbetts Paint**
Raymond	**Russell**	**Smiland Paint Company**
Jim	**Sell**	**NPCA**
Tushar	**Shah**	**Frazee Industries**
Andy	**Steckel**	**U.S. EPA**
Robert	**Wendoll**	**Dunn-Edwards Paints**
Ron	**Widner**	**Benjamin Moore Paints**
Kevin	**Worrall**	**Texture Coatings of America, Inc.**

ATTACHMENT D

KEY ISSUES AND RESPONSES Rule 1113	
Issue	Response
AQMD should evaluate the ACO Program at least once every three years and commit to develop and implement reconciliation procedures if the evaluation shows that there are problems with the Program or that the predicted emission reduction goals are not being met.	The Board Resolution accompanying the proposed amendments commits the AQMD to evaluate the ACO Program once every three years and to reconcile any shortfall of emission reductions to the SIP.
The averaging provision is not specific enough to establish what types of records are suitable for verifying compliance and represents Executive Officer discretion. The rule also needs to specifically require that these records be made available to the Executive Officer upon request.	PAR 1113 requires manufacturers to maintain all records associated with the ACO Program and to make these records available to the Executive Officer upon request. The specific records are product formulation records, production records, distribution records and sales records.
Rule language should be revised to specify that "an exceedance of the allowable emissions or ceiling limits specified in Section A of Appendix A for each coating that is over the limit for any compliance period shall constitute a separate violation for each day of the compliance period."	PAR 1113 specifies that an exceedance of the ACO Program allowable emissions constitutes a separate violation for each day of the compliance period for each coating product line over the VOC limit specified in the Table of Standards, as determined at the end of the specified compliance period.

KEY ISSUES AND RESPONSES Rule 1113	
Issue	Response
Emissions from coatings sold under the sell-through provision after a lower VOC limit has gone into effect cannot be distinguished based on the information explicitly required to be maintained under the rule from emissions from coatings sold under an averaging program. The enforceability of the rule may be compromised by manufacturers claiming that a certain portion of emissions from coatings sold under the sell-through provision should be excluded from averaged emissions.	PAR 1113 specifies that the manufacturer shall maintain sales and distribution records, as applicable, for any coating manufactured prior to the effective date if that coating volume is not included in an approved ACO Program that includes the same coating manufactured on or after the effective date. The records are to indicate the date of manufacture and volume of coating sold or distributed. The records are to be made available to the Executive Officer upon request and maintained for three years.
The definition for formulation data could be more specific. The following language should be added: "Formulation data must have a consistent and quantitatively known relationship to the VOC content in a product as determined by 40 CFR 60 Appendix Method 24. Formulation data shall account for cure volatiles and variations between quality control approved production batches. Material Safety Data Sheets are not considered formulation data."	Amend the definition for Formulation Data to state that Material Safety Data Sheets are not considered formulation data. Amend the rule to state that VOC content calculated from formulation data shall be adjusted by the manufacturer to account for cure volatiles (if any) and maximum VOC content within production batches.
The definition of varnish limits this category to resin technologies that dry by chemical reaction on exposure to air. Two-component post-catalyzed coatings that rely on chemical reaction to cure with no need of exposure to air to set the reaction into play should also be included.	The definition for varnish was derived to distinguish between specialty coating categories with different VOC limits, not to exclude different resin technologies from being included in the clear wood finish category. PAR 1113 language deletes "on exposure to air" from the definition of varnish.

A T T A C H M E N T E

RESOLUTION FOR

PROPOSED AMENDED RULE 1113 - ARCHITECTURAL COATINGS

RESOLUTION NO. 2004-xx

A Resolution of the Governing Board of the South Coast Air Quality Management District certifying that the proposed amendments to Rule 1113 – Architectural Coatings are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the AQMD Governing Board adopting Amended Rule 1113 - Architectural Coatings.

WHEREAS, the South Coast Air Quality Management District Governing Board finds and determines that Proposed Amended Rule 1113 – Architectural Coatings, is considered a "project" pursuant to the CEQA; however, South Coast Air Quality Management District staff reviewed the proposed project and determined with certainty that the proposed amendments to Rule 1113 – Architectural Coatings are exempt from the requirements of CEQA pursuant to CEQA Guidelines §15061(b)(3); and

WHEREAS, the staff report, the NOE and the Socioeconomic Impact Analysis, this July 9, 2004 Board letter, and other supporting documentation was presented to the AQMD Governing Board and that the Board has reviewed and considered the entirety of this information prior to approving the project; and

WHEREAS, the AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Sections 39002, 40000, 40001, 40440, 40441, 40702, and 41508 of the California Health and Safety Code; and

WHEREAS, the AQMD Governing Board has determined that a need exists to amend Rule 1113 - Architectural Coatings to achieve United States Environmental Protection Agency approval for inclusion in the California State Implementation Plan; and

WHEREAS, the AQMD Governing Board has determined that Rule 1113 - Architectural Coatings, as proposed to be amended, is written and displayed so that its meaning can be easily understood by persons directly affected by them; and

WHEREAS, the AQMD Governing Board has determined that Rule 1113 - Architectural Coatings, as proposed to be amended, is in harmony with, and not in conflict with, or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the AQMD Governing Board has determined that Rule 1113 - Architectural Coatings, as proposed to be amended, does not impose the same requirements as any existing state or federal regulation, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the AQMD; and

WHEREAS, the AQMD Governing Board in amending the regulation, references the following statutes which the AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001(a) (air quality standards), 40440(a) (rules to carry out plan), 40702 (adopt regulation to execute duties), and Federal Clean Air Act Sections 116 and 172 (c)(1); and

WHEREAS, the AQMD Governing Board determines that there is a problem that Proposed Amended Rule 1113 - Architectural Coatings will alleviate, the proposed amendment will address the concerns of the United States Environmental Protection Agency for approval for inclusion in the California State Implementation Plan; and

WHEREAS, the AQMD Governing Board has determined that the Socioeconomic Impact Assessment is not necessary because this amendment has no significant impact on air quality, emissions limitations or costs to manufacturers; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code, Section 40725; and

WHEREAS, the AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the AQMD specifies the manager of Rule 1113 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed amendment is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California.

NOW, THEREFORE, BE IT RESOLVED, that the South Coast Air Quality Management District Board does hereby certify the Notice of Exemption for Rule 1113 – Architectural Coatings, as proposed to be amended, completed in compliance with CEQA Guidelines §15002(k)(1) - Three Step Process and §15061(b)(3) – Review for Exemption (General Rule Exemption). This information was presented to the Governing Board, whose members reviewed, considered, and approved the information therein prior to acting on Proposed Amended Rule 1113; and

BE IT FURTHER RESOLVED, that the AQMD Governing Board does hereby amend, pursuant to the authority granted by law, Rule 1113 - Architectural Coatings, as set forth in the attached, and incorporated herein by this reference.

BE IT FURTHER RESOLVED, the AQMD Governing Board directs staff to conduct an audit of the Averaging Compliance Option Program no later than January 1, 2006, and at least once every three years thereafter for the duration of the Averaging Compliance Option provision in Rule 1113 and reconcile any shortfall of State Implementation Plan emission reductions from the Averaging Compliance Option Program before the next triennial Program evaluation.

DATE:_____ _____

CLERK OF THE BOARD

A T T A C H M E N T F

PROPOSED AMENDED RULE 1113 – ARCHITECTURAL COATINGS

(Adopted Sept. 2, 1977)(Amended Dec. 2, 1977)(Amended Feb. 3, 1978)
(Amended Sept. 5, 1980)(Amended Apr. 3, 1981)(Amended July 3, 1981)
(Amended by California Air Resources Board Oct. 21, 1981)
(Amended Aug. 5, 1983)(Amended Mar. 16, 1984)(Amended Aug. 2, 1985)
(Amended Nov. 1, 1985)(Amended Feb. 6, 1987)(Amended Jan. 5, 1990)
(Amended Feb. 2, 1990)(Amended Nov. 2, 1990)(Amended Dec. 7, 1990)
(Amended Sept. 6, 1991)(Amended March 8, 1996)(Amended August 9, 1996)
(Amended November 8, 1996)(Amended May 14, 1999; Vacated)
(Amended July 20, 2001)(Amended December 6, 2002)(Amended December 5, 2003)
(Amended July 9, 2004)

PROPOSED AMENDED RULE 1113. ARCHITECTURAL COATINGS

(a) Applicability

This rule is applicable to any person who supplies, sells, offers for sale, or manufactures any architectural coating for use in the District that is intended to be field applied to stationary structures or their appurtenances, and to mobile homes, pavements or curbs; as well as any person who applies or solicits the application of any architectural coating within the District. The purpose of this rule is to limit the VOC content of architectural coatings used in the District or to allow the averaging of such coatings, as specified, so their actual emissions do not exceed the allowable emissions if all the averaged coatings had complied with the specified limits.

(b) Definitions

For the purpose of this rule, the following definitions shall apply:

(1) AEROSOL COATING PRODUCT means a pressurized coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand-held application, or for use in specialized equipment for ground marking and traffic marking applications.

(2) ALUMINUM ROOF COATINGS are roof coatings containing at least 0.7 pounds per gallon (84 grams per liter) of coating as applied, of elemental aluminum pigment.

(3) APPURTENANCES are accessories to a stationary structure, including, but not limited to: hand railings, cabinets, bathroom and kitchen fixtures, fences, rain-gutters and down-spouts, window screens, lamp-posts, heating and air conditioning equipment, other mechanical equipment, large fixed stationary tools, signs, motion picture and television production sets, and concrete forms.

(4) ARCHITECTURAL COATINGS are any coatings applied to stationary structures and their appurtenances, to mobile homes, to pavements, or to curbs.

(5) BELOW-GROUND WOOD PRESERVATIVES are wood preservatives formulated to protect below-ground wood.

(6) BITUMINOUS COATING MATERIALS are black or brownish coating materials, soluble in carbon disulfide, consisting mainly of hydrocarbons and which are obtained from natural deposits, or as residues from the distillation of crude petroleum oils, or of low grades of coal.

(7) BITUMINOUS ROOF PRIMERS are primers formulated for or applied to roofing that incorporate bituminous coating materials.

(8) BOND BREAKERS are coatings formulated for or applied between layers of concrete to prevent the freshly poured top layer of concrete from bonding to the substrate over which it is poured.

(9) CLEAR BRUSHING LACQUERS are clear wood finishes, excluding clear lacquer sanding sealers, formulated with nitrocellulose or synthetic resins to dry by solvent evaporation without chemical reaction and to provide a solid, protective film, which are intended exclusively for application by brush, and which are labeled as specified in paragraph (d)(7).

(10) CLEAR WOOD FINISHES are clear and semi-transparent coatings, including lacquers and varnishes, applied to wood substrates to provide a transparent or translucent solid film.

(11) COATING is a material which is applied to a surface in order to beautify, protect, or provide a barrier to such surface.

(12) COLORANTS are solutions of dyes or suspensions of pigments.

(13) CONCRETE-CURING COMPOUNDS are coatings formulated for or applied to freshly poured concrete to retard the evaporation of water.

(14) DRY-FOG COATINGS are coatings which are formulated only for spray application so that when sprayed, overspray droplets dry before falling on floors and other surfaces.

(15) EXEMPT COMPOUNDS (See Rule 102-Definition of Terms.)

(16) FIRE-PROOFING EXTERIOR COATINGS are opaque coatings formulated to protect the structural integrity of outdoor steel and other outdoor construction materials and listed by Underwriter's Laboratories, Inc. for the fire protection of steel.

(17) FIRE-RETARDANT COATINGS are coatings labeled and formulated to retard ignition and flame spread, that has been fire tested and rated by a testing agency approved by building code officials for use in bringing building and construction materials into compliance with federal, state and local building code requirements. The fire-retardant coating and the testing agency must be approved by building code officials. The fire-retardant coating shall be tested in accordance with ASTM Test Method E 84-99, incorporated by reference in paragraph (e)(4) or listed by Underwriter's Laboratories, Inc. as fire-retardant coatings with a flame spread index of less than 25.

(18) FLAT COATINGS are coatings that register a gloss of less than 15 on an 85-degree meter or less than 5 on a 60-degree meter.

(19) FLOOR COATINGS are opaque coatings that are formulated for or applied to flooring; including but not limited to decks, porches, gymnasiums, and bowling alleys, but do not include Industrial Maintenance Coatings.

(20) FORMULATION DATA is the actual product recipe which itemizes all the ingredients contained in a product including VOCs and the quantities thereof used by the manufacturer to create the product. Material Safety Data Sheets (MSDS) are not considered formulation data.

(21) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS, is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

W_s = weight of volatile compounds in grams

W_w = weight of water in grams

W_{es} = weight of exempt compounds in grams

V_m = volume of material in liters

V_w = volume of water in liters

V_{es} = volume of exempt compounds in liters

For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds, shall be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:
- W_s = weight of volatile compounds emitted during curing, in grams
- W_w = weight of water emitted during curing, in grams
- W_{es} = weight of exempt compounds emitted during curing, in grams
- V_m = volume of the material prior to reaction, in liters
- V_w = volume of water emitted during curing, in liters
- V_{es} = volume of exempt compounds emitted during curing, in liters

(22) GRAMS OF VOC PER LITER OF MATERIAL is the weight of VOC per volume of material and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Material} = \frac{W_s - W_w - W_{es}}{V_m}$$

Where:
- W_s = weight of volatile compounds in grams
- W_w = weight of water in grams
- W_{es} = weight of exempt compounds in grams
- V_m = volume of the material in liters

(23) GRAPHIC ARTS COATINGS (Sign Paints) are coatings formulated for hand-application by artists using brush or roller techniques to indoor and outdoor signs (excluding structural components) and murals, including lettering enamels, poster colors, copy blockers, and bulletin enamels.

(24) HIGH-TEMPERATURE INDUSTRIAL MAINTENANCE COATINGS are industrial maintenance coatings formulated for or applied to substrates exposed continuously or intermittently to temperatures above 400 degrees Fahrenheit.

(25) INDUSTRIAL MAINTENANCE COATINGS are coatings, including primers, sealers, undercoaters, intermediate coatings and topcoats, formulated for or applied to substrates, including floors, that are exposed to one or more of the following extreme environmental conditions:

(A) immersion in water, wastewater, or chemical solutions (aqueous and non-aqueous solutions), or chronic exposure of interior surfaces to moisture condensation;

(B) acute or chronic exposure to corrosive, caustic or acidic agents, or similar chemicals, chemical fumes, chemical mixtures, or solutions;

(C) repeated exposure to temperatures in excess of 250 degrees Fahrenheit;

(D) repeated heavy abrasion, including mechanical wear and repeated scrubbing with industrial solvents, cleaners, or scouring agents; or

(E) exterior exposure of metal structures.

(26) INTERIOR STAINS are stains labeled and formulated exclusively for use on interior surfaces.

(27) JAPANS/FAUX FINISHING COATINGS are glazes designed for wet-in-wet techniques used as a stain or glaze to create artistic effects, including but not limited to, dirt, old age, smoke damage, and simulated marble and wood grain.

(28) LACQUERS are clear or pigmented wood finishes, including clear lacquer sanding sealers, formulated with nitrocellulose or synthetic resins to dry by evaporation without chemical reaction.

(29) LOW-SOLIDS COATINGS are coatings containing one pound or less of solids per gallon of material.

(30) MAGNESITE CEMENT COATINGS are coatings formulated for or applied to magnesite cement decking to protect the magnesite cement substrate from erosion by water.

(31) MASTIC COATINGS are coatings formulated to cover holes and minor cracks and to conceal surface irregularities, and applied in a thickness of at least 10 mils (dry, single coat).

(32) METALLIC PIGMENTED COATINGS are coatings, excluding roof coatings, containing at least 0.4 pounds per gallon (48 grams/liter) of coating, as applied, of elemental metallic pigment (excluding zinc), mica particles or any combination of metallic pigments and mica particles.

(33) MULTI-COLOR COATINGS are coatings which exhibit more than one color when applied and which are packaged in a single container and applied in a single coat.

(34) NONFLAT COATINGS are coatings that register a gloss of 5 or greater on a 60 degree meter and a gloss of 15 or greater on an 85 degree meter.

(35) POST-CONSUMER COATINGS are finished coatings that would have been disposed of in a landfill, having completed their usefulness to a consumer, and does not include manufacturing wastes.

(36) PRE-TREATMENT WASH PRIMERS are coatings which contain a minimum of 1/2 percent acid, by weight, applied directly to bare metal surfaces to provide necessary surface etching.

(37) PRIMERS are coatings applied to a surface to provide a firm bond between the substrate and subsequent coats.

(38) PRODUCT LINE is a line of coatings reported under one product number and name and subject to one coating VOC limit as specified in paragraph (c)(2) Table of Standards.

(3~~8~~9) QUICK-DRY ENAMELS are non-flat coatings which comply with the following:

(A) Shall be capable of being applied directly from the container by brush or roller under normal conditions, normal conditions being ambient temperatures between 60°F and 80°F;

(B) When tested in accordance with ASTM D 1640 they shall: set-to-touch in two hours or less, dry-hard in eight hours or less, and be tack-free in four hours or less by the mechanical test method; and

(C) Shall have a 60° dried film gloss of no less than 70 upon application.

(~~39~~40) QUICK-DRY PRIMERS, SEALERS, AND UNDERCOATERS are primers, sealers, and undercoaters which are intended to be applied to a surface to provide a firm bond between the substrate and subsequent coats and which are dry-to-touch in one-half hour and can be recoated in two hours (ASTM D 1640).

(4~~0~~1) REACTIVE DILUENT is a liquid which is a VOC during application and one in which, through chemical and/or physical reaction, such as polymerization, becomes an integral part of the coating.

(4~~1~~2) RECYCLED COATINGS are coatings formulated such that 50 percent or more of the total weight consists of secondary and post-consumer coatings

and 10 percent or more of the total weight consists of post-consumer coatings, and manufactured by a certified recycled paint manufacturer.

(4~~2~~3) ROOF COATINGS are coatings formulated for application to exterior roofs for the primary purpose of preventing penetration of the substrate by water, or reflecting heat and ultraviolet radiation.

(4~~3~~4) RUST PREVENTATIVE COATINGS are coatings formulated for use in preventing the corrosion of metal surfaces in residential and commercial situations.

(4~~4~~5) SANDING SEALERS are clear wood coatings formulated for or applied to bare wood for sanding and to seal the wood for subsequent application of coatings. To be considered a sanding sealer a coating must be clearly labeled as such.

(4~~5~~6) SEALERS are coatings applied to either block materials from penetrating into or leaching out of a substrate, to prevent subsequent coatings from being absorbed by the substrate, or to prevent harm to subsequent coatings by materials in the substrate.

(4~~6~~7) SECONDARY (REWORK) COATINGS are fragments of finished coatings or finished coatings from a manufacturing process that has converted resources into a commodity of real economic value, but does not include excess virgin resources of the manufacturing process.

(4~~7~~8) SHELLACS are clear or pigmented coatings formulated solely with the resinous secretions of the lac beetle (laccifer lacca), thinned with alcohol, and formulated to dry by evaporation without a chemical reaction.

(4~~8~~9) SOLICIT is to require for use or to specify, by written or oral contract.

(~~49~~50) SPECIALTY PRIMERS are coatings formulated for or applied to a substrate to seal fire, smoke or water damage; or to condition excessively chalky surfaces. An excessively chalky surface is one that is defined as having chalk rating of four or less as determined by ASTM D-4214 – Photographic Reference Standard No. 1 or the Federation of Societies for Coatings Technology "Pictorial Standards for Coatings Defects".

(5~~0~~1) STAINS are opaque or semi-transparent coatings which are formulated to change the color but not conceal the grain pattern or texture.

(5~~1~~2) SWIMMING POOL COATINGS are coatings specifically formulated for or applied to the interior of swimming pools and to resist swimming pool chemicals.

(5~~2~~3) SWIMMING POOL REPAIR COATINGS are chlorinated, rubber-based coatings used for the repair and maintenance of swimming pools over existing chlorinated, rubber-based coatings.

(5~~3~~4) TINT BASE is an architectural coating to which colorants are added.

(5~~4~~5) TRAFFIC COATINGS are coatings formulated for or applied to public streets, highways, and other surfaces including, but not limited to, curbs, berms, driveways, and parking lots.

(5~~5~~6) UNDERCOATERS are coatings formulated for or applied to substrates to provide a smooth surface for subsequent coats.

(5~~6~~7) VARNISHES are clear wood finishes formulated with various resins to dry by chemical reaction ~~on exposure to air~~.

(5~~7~~8) VOLATILE Organic COMPOUND (VOC) See Rule 102.

(5~~8~~9) WATERPROOFING SEALERS are coatings which are formulated for the primary purpose of preventing penetration of porous substrates by water.

(~~59~~60) WATERPROOFING CONCRETE/MASONRY SEALERS are clear or pigmented sealers that are formulated for sealing concrete and masonry to provide resistance against water, alkalis, acids, ultraviolet light, and staining.

(6~~0~~1) WOOD PRESERVATIVES are coatings formulated to protect wood from decay or insect attack by the addition of a wood preservative chemical registered by the California Environmental Protection Agency.

(6~~1~~2) ZINC-RICH INDUSTRIAL MAINTENANCE PRIMERS are primers formulated to contain a minimum of 65 percent metallic zinc powder (zinc dust) by weight of total solids for application to metal substrates.

(c) Requirements

(1) Except as provided in paragraphs (c)(2), (c)(3), (c)(4), and specified coatings averaged under (c)(6), no person shall supply, sell, offer for sale, manufacture, blend, or repackage any architectural coating for use in the District which, at the time of sale or manufacture, contains more than 250 grams of VOC per liter of coating (2.08 pounds per gallon), less water, less exempt compounds, and less any colorant added to tint bases, and no person shall apply or solicit the application of any architectural coating within the District that exceeds 250 grams of VOC per liter of coating as calculated in this paragraph.

(2) Except as provided in paragraphs (c)(3), (c)(4), and designated coatings averaged under (c)(6), no person shall supply, sell, offer for sale, manufacture, blend, or repackage, for use within the District, any architectural coating listed in the Table of Standards which contains VOC (excluding any colorant added to tint bases) in excess of the corresponding VOC limit specified in the table, after the effective date specified, and no person shall apply or solicit the application of any architectural coating within the District that exceeds the VOC limit as specified in this paragraph. No person shall apply or solicit the application within the District of any industrial maintenance coatings for residential use or for use in areas such as office space and meeting rooms of industrial, commercial or institutional facilities not exposed to such extreme environmental conditions described in the definition of industrial maintenance coatings; or of any rust-preventative coating for industrial use, unless such a rust preventative coating complies with the Industrial Maintenance Coating VOC limit specified in the Table of Standards.

TABLE OF STANDARDS
VOC LIMITS

Grams of VOC Per Liter of Coating,
Less Water and Less Exempt Compounds

COATING	Limit*	Effective Date								
		1/1/98	1/1/99	7/1/01	1/1/03	1/1/04	1/1/05	7/1/06	7/1/07	7/1/08
Bond Breakers	350									
Clear Wood Finishes										
Varnish	350							275		
Sanding Sealers	350							275		
Lacquer	680	550					275			
Clear Brushing Lacquer	680						275			
Concrete-Curing Compounds	350									
Dry-Fog Coatings	400									
Fire-Proofing Exterior Coatings	450		350							
Fire-Retardant Coatings										
Clear	650									
Pigmented	350									
Flats	250			100						50
Floor Coatings	420				100			50		
Graphic Arts (Sign) Coatings	500									
Industrial Maintenance (IM) Coatings	420					250		100		
High Temperature IM Coatings**					420					
Zinc-Rich IM Primers	420				340			100		
Japans/Faux Finishing Coatings	700		350							
Magnesite Cement Coatings	600		450							
Mastic Coatings	300									
Metallic Pigmented Coatings	500									
Multi-Color Coatings	420	250								
Non-Flat Coatings	250				150			50		
Pigmented Lacquer	680	550					275			

COATING (Cont.)	Limit* (Cont.)	Effective Date (Cont.)								
		1/1/98	1/1/99	7/1/01	1/1/03	1/1/04	1/1/05	7/1/06	7/1/07	7/1/08
Pre-Treatment Wash Primers	780				420					
Primers, Sealers, and Undercoaters	350				200			100		
Quick-Dry Enamels	400				250			50		
Quick-Dry Primers, Sealers, and Undercoaters	350				200			100		
Recycled Coatings					250					
Roof Coatings	300				250		50			
Roof Coatings, Aluminum	500						100			
Roof Primers, Bituminous	350				350					
Rust Preventative Coatings	420				400			100		
Shellac										
Clear	730									
Pigmented	550									
Specialty Primers	350							100		
Stains	350				250				100	
Stains, Interior	250									
Swimming Pool Coatings										
Repair	650				340					
Other	340									
Traffic Coatings	250	150								
Waterproofing Sealers	400				250			100		
Waterproofing Concrete/Masonry Sealers	400							100		
Wood Preservatives										
Below-Ground	350									
Other	350									

* The specified limits remain in effect unless revised limits are listed in subsequent columns in the Table of Standards

** The National VOC Standard at 650 g/l is applicable until 1/1/2003

TABLE OF STANDARDS (cont.)
VOC LIMITS

Grams of VOC Per Liter of Material

COATING	Limit
Low-Solids Coating	120

(3) Coating Categorization

(A) If anywhere on the container of any coating listed in the Table of Standards, on any sticker or label affixed thereto, or in any sales or advertising literature, any representation is made that the coating may be used as, or is suitable for use as, a coating for which a lower VOC standard is specified in the table or in paragraph (c)(1), then the lowest VOC standard shall apply.

(B) The provisions of paragraph (c)(3)(A) shall not apply to a coating described in part as a flat, nonflat or primer-sealer-undercoater coating provided that all of the following requirements are met:

(i) The coating meets the definition of a specific coating category ~~that allows~~for which a higher VOC standard is specified in the Table of Standards, and

(ii) The coating is labeled in a manner consistent with the definition and all the specific labeling requirements for that specific coating category, and

(iii) The coating is suitable and only recommended for the intended uses of that specific coating category.

(4) Any coating that is manufactured prior to the effective date of the applicable limit specified in the Table of Standards, and that has a VOC content above that limit (but not above the limit in effect on the date of manufacture), may be sold, supplied, offered for sale, or applied for up to three years after the specified effective date. The manufacturer shall maintain sales and distribution records, as applicable, for any coating manufactured prior to the effective date if that coating volume is not included in an approved Averaging Compliance Option [specified in paragraph (c)(6) of this rule] Program that includes the same coating manufactured on or after the effective date. Such records shall clearly indicate the date of manufacture (or date code or batch code) and volume of coating sold or distributed to distinguish between those coatings subject to the provisions of this paragraph and those subject to the provisions of Appendix A section (K). These records shall be made available to the Executive Officer upon request and shall be maintained for a period of at least three years after the end of a compliance period of the Averaging Compliance Option Program.

(5) All architectural coating containers used to apply the contents therein to a surface direct from said container by pouring, siphoning, brushing, rolling, padding, ragging or other means, shall be closed when not in use. These architectural coating containers include, but should not be limited to: drums, buckets, cans, pails, trays or other application containers.

(6) Averaging Compliance Option

In lieu of specific compliance with the applicable limits in the Table of Standards, manufacturers may average designated coatings such that their actual cumulative emissions from the averaged coatings are less than or equal to the cumulative emissions that would have been allowed under those limits over a compliance period not to exceed one year.

(A) On or after January 1, 2001, the following coatings may be averaged: floor coatings; primers, sealers, and undercoaters; quick-dry primers, sealers, and undercoaters; quick-dry enamels; rust preventative coatings; roof coatings; specialty primers; stains; waterproofing sealers; industrial maintenance coatings; as well as flats and non-flats (excluding recycled coatings).

(B) On or after July 1, 2006, the following coatings in addition to those designated in subparagraph (c)(6)(A) may be averaged: bituminous roof primers; interior stains; waterproofing concrete/masonry sealers; varnishes; and sanding sealers.

(C) Manufacturers using the Averaging Compliance Option shall:

(i) Comply with the averaging provisions contained in Appendix A, as well as maintain all records for the Averaging Compliance Option (ACO) Program and make these records available ~~for inspection~~to the Executive Officer upon request, for a period of at least three years after the end of the compliance period; and

(ii) Use only the sell through provision in Appendix A for each coating included in the ACO Program in lieu of the sell through provision of subparagraph (c)(4).

(d) Administrative Requirements

(1) Containers for all coatings subject to this rule shall display the date of manufacture of the contents or a code indicating the date of manufacture. The manufacturers of such coatings shall file with the Executive Officer of the District and the Executive Officer of the Air Resources Board an explanation of each code.

(2) Containers for all coatings subject to the requirements of this rule shall carry a statement of the manufacturer's recommendation regarding thinning of the coating. This requirement shall not apply to the thinning of architectural coatings with water. The recommendation shall specify that the coating is to be employed without thinning or diluting under normal environmental and application conditions, unless any thinning recommended on the label for normal environmental and application conditions does not cause a coating to exceed its applicable standard.

(3) Each container of any coating subject to this rule shall display the maximum VOC content of the coating, as supplied, and after any thinning as recommended by the manufacturer. The VOC content of low-solids coatings shall be displayed as grams of VOC per liter of material (excluding any colorant added to the tint bases) and the VOC content of any other coating shall be displayed as grams of VOC per liter of coating (less water and less exempt compounds, and excluding any colorant added to tint bases). VOC content displayed may be calculated using product formulation data, or may be determined using the test method in subdivision (e). VOC content calculated from formulation data shall be adjusted by the manufacturer to account for cure volatiles (if any) and maximum VOC content within production batches.

(4) The coating container label or container for quick-dry primers, sealers, and undercoaters and quick-dry enamels shall include the words "Quick-Dry" or shall list the following:

(A) The recoat time for quick-dry primers, sealers, and undercoaters, or

(B) The dry-hard time for quick-dry enamels.

Containers and container labels shall not contain the words "Quick-Dry" unless the material meets the dry times specified in the respective definitions or the material complies with the respective general VOC limit for enamels or primers, sealers, and undercoaters.

(5) The labels of all rust preventative coatings shall include the statement "For Metal Substrates Only" prominently displayed, effective January 1, 2003.

(6) Effective January 1, 2003, the labels of all specialty primers shall prominently display one or more of the following descriptions:

(A) For fire-damaged substrates.

(B) For smoke-damaged substrates.

(C) For water-damaged substrates.

(D) For excessively chalky substrates.

(7) The labels of all clear brushing lacquers shall include the statements "For brush applications only" and "This product must not be thinned or sprayed", prominently displayed, effective January 1, 2002 until January 1, 2005.

(8) Each manufacturer of the following coating categories shall, on or before April 1 of each calendar year submit an annual report to the Executive Officer:

(A) Clear brushing lacquers until April 1, 2006.

(B) Recycled coatings, including the gallons repackaged and distributed in the District.

(C) Rust preventative coatings.

(D) Specialty primers.

The report shall specify the number of gallons of each coating within the category sold in the District during the preceding calendar year as well as their coating VOC content, and shall describe the method used by the manufacturer to calculate such sales.

(9) A manufacturer, distributor, or seller of a coating meeting the requirements of this rule, who supplies that coating to a person who applies it in a non-compliant manner, shall not be liable for that non-compliant use, unless the manufacturer, distributor, or seller knows that the supplied coating would be used in a non-compliant manner.

(10) Manufacturers of recycled coatings shall submit a letter to the Executive Officer certifying their status as a Recycled Paint Manufacturer.

(e) Test Methods

For the purpose of this rule, the following test methods shall be used:

(1) VOC Content of Coatings

The VOC content of coatings subject to the provisions of this rule shall be determined by:

(A) The United States Environmental Protection Agency (USEPA) Reference Test Method 24 (Determination of Volatile Matter Content, Water Content, Density, Volume Solids, and Weight Solids of Surface Coatings, Code of Federal Regulations Title 40, Part 60, Appendix A) with the exempt compounds' content determined by Method 303 (Determination of Exempt Compounds) in the South Coast Air Quality Management District's (SCAQMD) "Laboratory Methods of Analysis for Enforcement Samples" manual, or

(B) Method 304 [Determination of Volatile Organic Compounds (VOC) in Various Materials] in the SCAQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.

(C) Exempt Perfluorocarbons

The following classes of compounds:

cyclic, branched, or linear, completely fluorinated alkanes

cyclic, branched, or linear, completely fluorinated ethers with no unsaturations

cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations

sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine

will be analyzed as exempt compounds for compliance with subdivision (c), only when manufacturers specify which individual compounds are used in the coating formulations. In addition, the manufacturers must identify the USEPA, ARB, and SCAQMD approved test methods, which can be used to quantify the amount of each exempt compound.

(2) Acid Content of Coatings

The acid content of a coating subject to the provisions of this rule shall be determined by ASTM Test Method D 1613-85 (Acidity in Volatile Solvents and Chemical Intermediates Used in Paint, Varnish, Lacquer, and Related Products).

(3) Metal Content of Coatings

The metallic content of a coating subject to the provisions of this rule shall be determined by Method 311 (Determination of Percent Metal in Metallic Coatings by Spectrographic Method) in the SCAQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.

(4) Flame Spread Index

The flame spread index of a fire-retardant coating subject to the provisions of this rule shall be determined by ASTM Test Method E 84-99 (Standard Test Method for Surface Burning Characteristics of Building Materials) after application to an organic or inorganic substrate, based on the manufacturer's recommendations.

(5) Drying Times

The set-to-touch, dry-hard, dry-to-touch, and dry-to-recoat times of a coating subject to the provisions of this rule shall be determined by ASTM Test Method D 1640 (Standard Test Methods for Drying, Curing, or Film Formation of Organic Coatings at Room Temperature). The tack-free time of a coating subject to the provisions of this rule shall be determined by ASTM Test Method D 1640, according to the Mechanical Test Method.

(6) Gloss Determination

The gloss shall be determined by ASTM Test Method D 523 (Specular Gloss).

(7) Equivalent Test Methods

Other test methods determined to be equivalent after review by the staffs of the District, the California Air Resources Board, and the USEPA, and approved in writing by the District Executive Officer may also be used.

(8) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

(9) All test methods referenced in this subdivision shall be the version most recently approved by the appropriate governmental entities.

(f) Technology Assessment

The Executive Officer shall conduct a technology assessment for the future VOC limit for the following coatings as specified in paragraph (c)(2).

(1) Flat coatings by July 1, 2007.

(2) Lacquers by January 1, 2004.

(3) Nonflats; primers, sealers, and undercoaters; quick-dry primers, sealers, and undercoaters; quick-dry enamels; waterproofing sealers; stains; floor; rust preventative; varnishes; and industrial maintenance coatings by July 1, 2005.

In conducting the above technology assessments, the Executive Officer shall consider any applicable future California Air Resources Board surveys on architectural coatings.

After each technology assessment, the Executive Officer shall report to the Governing Board as to the appropriateness of maintaining the future VOC limit.

The Executive Officer shall conduct a study to further assess reactivity of architectural coatings.

(g) Exemptions

(1) The provisions of this rule shall not apply to:

(A) Architectural coatings in containers having capacities of one quart or less, provided that the manufacturer submits an annual report to the Executive Officer within three months of the end of each calendar year. The report shall contain information as required by the Executive Officer to monitor the use of the small container exemption. The loss of this exemption due to the failure of the manufacturer to submit an annual report shall apply only to the manufacturer. Effective July 1, 2006 clear wood finishes, including varnishes and sanding sealers; and lacquers, including pigmented lacquers, in containers having capacities of one quart or less shall no longer be exempt from the requirements of this rule.

(B) Architectural coatings sold in this District for shipment outside of this District or for shipment to other manufacturers for repackaging; or

(C) Emulsion type bituminous pavement sealers; or

(D) Aerosol coating products.

(E) Use of stains and lacquers in all areas within the District at an elevation of 4,000 feet or greater above sea level.

(2) Notwithstanding the provisions of paragraph (c)(2), a person or facility may add up to 10 percent by volume of VOC to a lacquer to avoid blushing of the finish during days with relative humidity greater than 70 percent and temperature below 65 degrees Fahrenheit, at the time of application provided that:

(A) The coating is not applied from April 1 to October 31 of any year.

(B) The coating contains acetone and no more than 550 grams of VOC per liter of coating (275 grams of VOC per liter of coating after January 1, 2005), less water and exempt compounds, prior to the addition of VOC.

(3) The January 1, 2005 VOC limit for lacquers shall not be applicable until January 1, 2007 and the July 1, 2008 VOC limit for flat coatings shall not

be applicable to any manufacturer which meets all of the following criteria:

(A) The total gross annual receipts are $2,000,000 or less, and

(B) The total number of employees is 100 or less, and

(C) The manufacturer requesting this exemption files a written request with the Executive Officer annually which includes, but is not limited to:

(i) The total gross annual receipts for each of the last three years.

(ii) The total number of employees for each of the last three years.

For the purposes of determining the total gross annual receipts and the total number of employees, a manufacturer shall include data from all facilities (both within and outside of the District) which they own, operate, have an ownership interest, or are legally affiliated. If a manufacturer exceeds the criteria specified in subparagraphs (g)(3)(A) or (g)(3)(B) any time after the initial request is filed with the Executive Officer, this exemption shall be immediately terminated, the manufacturer shall forfeit any future eligibility for this exemption, and the manufacturer shall be considered in violation of this rule for each and every day that lacquers or flat coatings which do not comply with the respective VOC limit in the Table of Standards are supplied, sold, or offered for sale within the District. The loss of this exemption due to the manufacturer exceeding the criteria in subparagraphs (g)(3)(A) or (g)(3)(B) shall apply only to the manufacturer.

(4) The provisions of paragraph (c) shall not apply to facilities which apply coatings to test specimens for purposes of research and development of those coatings.

(5) The July 1, 2006 VOC limit for nonflats, primers, sealers, and undercoaters, quick-dry enamels, waterproofing concrete/masonry sealers and rust-preventative coatings shall not be applicable until July 1, 2008 to any manufacturer which meets all of the following criteria:

(A) The total gross annual receipts are $5,000,000 or less, and

(B) The total number of employees is 100 or less, and

(C) The manufacturer requesting this exemption files a written request with the Executive Officer annually which includes, but is not limited to:

(i) The total gross annual receipts for each of the last three years.

(ii) The total number of employees for each of the last three years.

For the purposes of determining the total gross annual receipts and the total number of employees, a manufacturer shall include data from all facilities (both within and outside of the District) which they own, operate, have an ownership interest, or are legally affiliated. If a manufacturer exceeds the criteria specified in subparagraphs (g)(5)(A) or (g)(5)(B) any time after the initial request is filed with the Executive Officer, this exemption shall be immediately terminated, the manufacturer shall forfeit any future eligibility for this exemption, and the manufacturer shall be considered in violation of this rule for each and every day that nonflats, primers, sealers, and undercoaters, quick-dry enamels, and rust-preventative coatings do not comply with the respective VOC limit in the Table of Standards are supplied, sold, or offered for sale within the District. The loss of this exemption due to the manufacturer exceeding the criteria in subparagraphs (g)(5)(A) or (g)(5)(B) shall apply only to the manufacturer.

(6) Effective January 1, 2005 through December 31, 2006, roof coatings with a VOC content of 100 grams per liter or less that are certified under the USEPA Energy Star Program shall not be subject to the VOC limit in the Table of Standards.

APPENDIX A: Averaging Compliance Option (ACO) Provision

(A) The manufacturer shall demonstrate that actual emissions from the coatings being averaged are less than or equal to the allowable emissions, for the specified compliance period using the following equation:

$$\sum_{i=1}^{n} GiMi \leq \sum_{i=1}^{n} GiViLi$$

Where:

$\sum_{i=1}^{n} GiMi$ = Actual Emissions

$\sum_{i=1}^{n} GiViLi$ = Allowable Emissions

Gi = Total Gallons of Product (i) subject to Averaging;

Mi = Material VOC content of Product (i), as pounds per gallon; {as defined in paragraph (b)(22)}

Vi = Percent by Volume Solids and VOC in Product (i), {as defined in paragraph (b)(21)}

$$= \frac{Vm - Vw - Ves}{Vm}$$

For Non-Zero VOC Coatings:

$$= \frac{\text{Material VOC}}{\text{Coating VOC}}$$

For Zero VOC coatings:

= % solids by volume

Li = Regulatory VOC Content Limit for Product (i), as pounds per gallon; {as listed in paragraph (c)(2) Table of Standards}

The averaging is limited to coatings that are designated by the manufacturer. Any coating not designated in the ~~averaging~~ACO Program shall comply with the VOC limit in the Table of Standards. The manufacturer shall not include any quantity of coatings that it knows or should have known will not be used in the District.

In addition to the requirements specified in Section (A), a manufacturer shall not include in an ~~Averaging~~ACO Program or supply, sell, offer for sale, manufacture, blend, or repackage for use within the District any architectural coating with a VOC content in excess of the maximum VOC content in effect, immediately prior to July 1, 2001 or the VOC content limits specified in the National VOC Emission Standard, whichever is less. Manufacturers that submitted an annual exemption report in 2002 for quick-dry primers, sealers and undercoaters and included those coatings in their most recent approved ~~Averaging Compliance Option~~ACO Program, may continue to average those coatings until July 1, 2006, so long as these coatings do not exceed 450 grams of VOC per liter of coating less water and less exempt compounds, in lieu of the otherwise applicable VOC limit of 350 grams per liter.

(B) ~~Averaging~~ACO Program ~~(Program)~~

At least six months prior to the start of the compliance period, manufacturers shall submit an ~~Averaging~~ACO Program, which is subject to all the provisions of Rule 221 – Plans and Rule 306 – Plan Fees, to the Executive Officer. Averaging may not be implemented until the ACO Program is approved in writing by the Executive Officer.

Within 45 days of submittal of an ACO Program, the Executive Officer shall either approve, disapprove or deem the ACO Program incomplete. The ACO Program applicant and the Executive Officer may agree to an extension of time for the Executive Officer to take action on the ACO Program.

(C) General Requirements

The ACO Program shall include all necessary information for the Executive Officer to make a determination as to whether the manufacturer may comply with the averaging requirements over the specified compliance period in an enforceable manner. Such information shall include, but is not limited to, the following:

1. An identification of the contact persons, telephone numbers, and name of the manufacturer who is submitting the ACO Program.
2. An identification of each coating that has been selected by the manufacturer for inclusion in this ACO ~~p~~Program that exceeds the applicable VOC limit in the Table of Standards, their VOC content specified in units of both grams of VOC per liter of coating, and grams of VOC per liter of material and the designation of the coating category.

3. A detailed demonstration showing that the projected actual emissions will not exceed the allowable emissions for a single compliance period that the ACO Program will be in effect. In addition, the demonstration shall include VOC content information for each coating that ~~are~~is below the compliance limit in the Table of Standards. The demonstration shall use the equation specified in paragraph (A) of this Appendix for projecting the actual emissions and allowable emissions during each compliance period. The demonstration shall also include all VOC content levels and projected volume to be sold and distributed, as applicable, within the District for each coating listed in the ACO Program during each compliance period. The requested data can be summarized in a matrix form.
4. A specification of the compliance period(s) and applicable reporting dates. The length of the compliance period shall not be more than one year nor less than six months.
5. An identification and description of ~~all~~ specific records to be used ~~made available to the Executive Officer upon request, if differenct than those identified under paragraph (c)(6). Records~~ to calculate emissions and track coating volume for the ACO Program and subsequent reporting. This shall include a detailed explanation as to how the records are to be used to demonstrate compliance ~~shall be included~~with the averaging requirements of the ACO Program. Such records or electronic versions (if hardcopy originals are not generated) ~~may~~shall be made available to the Executive Officer upon request. These records shall include records from each of the following categories:~~, but are not limited to, distribution records (shipping manifests, bills of lading, etc.), point of sale receipts, invoices to local distributors, composition reports, production batch tickets, computer summaries of the data with paper records available for detailed information, and records of VOC calculations.~~

   (a) product formulation records (including both coating and material VOCs):

      (1) lab reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (e)(1) of the rule or

      (2) product formulation data, including physical properties analyses, as applicable, with a VOC calculation demonstration; and

(b) production records consisting of batch tickets including the date of manufacture, batch weight and volume; and

(c) distribution records:

(1) customer lists or store distribution lists or both (as applicable) and

(2) shipping manifests or bills of lading or both (as applicable); and

(d) sales records consisting of point of sale receipts or invoices to local distributors or both, as applicable.

If the manufacturer requests to demonstrate compliance with the ACO Program by using records other than those specifically listed above~~If the type of records submitted are not specifically listed above~~, those records must be approved by the USEPA, ARB, and the Executive Officer before an ~~Averaging~~ACO Program can be approved. The Executive Officer may request additional records, as necessary, as a condition of approving the ACO Program or to verify compliance.

~~6. An identification and description of specific records to be used in calculating emissions for the Program and subsequent reporting, and a detailed explanation as to how those records will be used by the manufacturer to verify compliance with the averaging requirements.~~

~~7~~6. A statement, signed by a responsible party for the manufacturer, certifying that all information submitted is true and correct, and that records will be made available to the Executive Officer upon request.

(D) Reporting Requirements

1. For every single compliance period, the manufacturer shall submit to the Executive Officer a mid-term report listing all coatings subject to averaging during the first half of the compliance period, detailed analysis of the actual and allowable emissions at the end of the mid-term, and if actual emissions exceed allowable emissions an explanation as to how the manufacturer intends to achieve compliance by the end of the compliance period. The report shall be signed by the responsible party for the manufacturer, attesting that all information submitted is true and correct. The mid-term report shall be submitted within 45 days after the midway date of the compliance period. A manufacturer may request, in writing, an extension of up to 15 days for submittal of the mid-term report.

2. Within 60 days after the end of the compliance period or upon termination of the ACO Program, whichever is sooner, the manufacturer shall submit to the Executive Officer a final report, providing a detailed demonstration of the balance between the actual and allowable emissions for the compliance period, an update of any identification and description of specific records used by the manufacturer to verify compliance with the averaging requirement, and any other information requested by the Executive Officer to determine whether the manufacturer complied with the averaging requirements over the specified compliance period. The report shall be signed by the responsible party for the manufacturer, attesting that all information submitted is true and correct, and that records will be made available to the Executive Officer upon request. A manufacturer may request, in writing, an extension of up to 30 days for submittal of the final report.

(E) Renewal of an ACO Program

An ACO Program automatically expires at the end of the compliance period. The manufacturer may request a renewal of the ACO Program by submitting a renewal request that shall include an updated ACO Program, meeting all applicable ACO Program requirements. The renewal request will be considered conditionally approved until the Executive Officer makes a final decision to deny or approve the renewal request based on a determination of whether the manufacturer is likely to comply with the averaging requirements. The Executive Officer shall base such determination on all available information, including but not limited to, the mid-term and final reports of the preceding compliance period. The Executive Officer shall make a decision to deny or approve a renewal request no later than 45 days from the date of the final report submittal, unless the manufacturer and the Executive Officer agree to an extension of time for the Executive Officer to take action on the renewal request.

(F) Modification of an ACO Program

A manufacturer may request a modification of the ACO Program at any time prior to the end of the compliance period. The Executive Officer shall take action to approve or disapprove the modification request no longer than 45 days from the date of its submittal. No modification of the compliance period shall be allowed.

An ACO Program need not be modified to specify additional coatings to be averaged that are below the applicable VOC limits.

(G) Termination of an ACO Program

1. A manufacturer may terminate its ACO Program at any time by filing a written notification to the Executive Officer. The filing date shall be considered the effective date of the termination, and all other provisions of this rule including the VOC limits shall immediately thereafter apply. The manufacturer shall also submit a final report 60 days after the termination date. Any exceedance of the actual emissions over the allowable emissions over the period that the ACO Program was in effect shall constitute a separate violation for each day of the entire compliance period.
2. The Executive Officer may terminate an ACO Program if any of the following circumstances occur:
   (a) The manufacturer violates the requirements of the approved ACO Program, and at the end of the compliance period, the actual emissions exceed the allowable emissions.
   (b) The manufacturer demonstrates a recurring pattern of violations and has consistently failed to take the necessary steps to correct those violations.

(H) Change in VOC Limits

If the VOC limits of a coating listed in the ACO Program are amended such that its effective date is less than one year from the date of adoption, the affected manufacturer may base its averaging on the prior limits of that coating until the end of the compliance period immediately following the date of adoption.

(I) Labeling

Each container of any coating that is included in an ~~averaging~~ ACO ~~p~~Program, and that exceeds the applicable VOC limit in the Table of Standards shall display the following statement: "This product is subject to the averaging provisions of SCAQMD Rule 1113". A symbol specified by the Executive Officer may be used as a substitute.

(J) Violations

The exceedance of the allowable emissions, as defined in Appendix A, Section (A), ~~for~~ at the end of any compliance period shall constitute a separate violation for each coating product line that is over the VOC limit specified in the Table of Standards for each day of the compliance period. However, any violation of the requirements of the ~~Averaging~~ ACO Provision of this rule, which the violator can demonstrate, to the Executive Officer, did not cause or allow the emission of an air contaminant and was not the result of negligent or knowing activity may be considered a minor violation (pursuant to District Rule 112).

(K) Sell Through Provision

A coating that is included in an approved ~~Averaging~~ACO Program that does not comply with the specified limit in the Table of Standards may be sold, supplied, offered for sale, or applied for up to three years after the end of the compliance period specified in the approved ~~Averaging~~ACO Program. This section of Appendix A does not apply to any coating that does not display on the container either the statement: "This product is subject to architectural coatings averaging provisions of the SCAQMD Rule 1113" or a designated symbol specified by the Executive Officer of the SCAQMD.

A T T A C H M E N T G

STAFF REPORT

FOR PROPOSED AMENDED RULE 1113 – ARCHITECTURAL COATINGS

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL STAFF REPORT FOR PROPOSED AMENDED RULE 1113 – ARCHITECTURAL COATINGS

Dated: July 9, 2004

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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EXECUTIVE SUMMARY

Rule 1113 - Architectural Coatings was originally adopted by the South Coast Air Quality Management District (AQMD) on September 2, 1977, to regulate the volatile organic compound (VOC) emissions from the application of architectural coatings, and has since undergone numerous amendments.

Proposed Amended Rule (PAR) 1113 – Architectural Coatings has been developed to address State Implementation Plan (SIP) approvability issues identified by the United States Environmental Protection Agency (U.S. EPA) relative to the Averaging Compliance Option (ACO) of the rule.

The proposed amendments will require specific records to be kept by manufacturers choosing to use the ACO to comply with VOC limits, establish additional criteria for violations of the ACO Program and make other changes to the rule to enhance clarity and enforceability. In addition the AQMD will periodically evaluate the ACO Program to determine if emission reductions are met as specified in the State Implementation Plan and take actions to mitigate any shortfall in emissions, if they occur.

The proposed amendments do not include requirements resulting in an air quality impact or change an emission limitation and therefore, a socioeconomic analysis is not required for PAR 1113. There will be no additional cost impact.

The AQMD has reviewed the proposed project pursuant to State CEQA Guidelines §15002 (k)(1). Since the proposed amendments to Rule 1113 only address clarity and enforceability and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the project is exempt from the requirements of CEQA, pursuant to state CEQA Guidelines §15061(b)(3). A Notice of Exemption ~~will~~has been prepared in accordance with state CEQA Guidelines §15062 for the proposed project and will be filed with the county clerks immediately following the adoption of the proposed amendments to the rule.

PURPOSE OF THE REGULATION

The purpose of Rule 1113 is to reduce the VOC content of architectural coatings. Architectural coatings are one of the largest non-mobile sources of VOC emissions in the AQMD. Rule 1113 is applicable to manufacturers, distributors, and end-users of architectural coatings. These coatings are used to enhance the appearance of and to protect homes, office buildings, factories and other structures, and their appurtenances on a variety of substrates. The coatings may be applied primarily by brush, roller, or spray guns; and those applying these coatings include homeowners, painting contractors, or maintenance personnel.

BACKGROUND

Rule 1113 was first adopted in 1977, and has since undergone numerous amendments. When Rule 1113 was amended on November 8, 1996 it included an ACO as an option for complying with coating limits for manufacturers. Under an ACO manufacturers are allowed to average their emissions over a compliance period not to exceed one year provided they demonstrate their actual cumulative emissions from the averaged coatings are less than or equal to the cumulative

emissions that would have been allowed under the VOC limits specified in the Table of Standards. That version of Rule 1113 offered the averaging option for the flat coating category only. Further amendments to Rule 1113 on May 14, 1999 and December 5, 2003, added numerous other coating categories to provide manufacturers additional compliance flexibility with the future VOC limits specified in the Table of Standards.

U.S. EPA approved in the SIP the November 6, 1996 version of Rule 1113 that included the ACO. However, as a result of changes made in the May 14, 1999 version (vacated and readopted December 6, 2002) and the December 5, 2003 version of Rule 1113, U.S. EPA has expressed concerns regarding the approvability of the ACO for the SIP and the administration of the ACO Program. AQMD Staff has been working with U.S. EPA Region IX, California Air Resources Board (CARB), architectural coating manufacturers, the National Paint Coatings Association, coating consultants and applicators to resolve the concerns and PAR 1113 reflects the results of those efforts.

ISSUES AND PROPOSED AMENDMENTS

The following is a summary of the issues identified by U.S. EPA Region IX and staff's responses.

ISSUE 1:

AQMD should evaluate the ACO Program at least once every three years [EIP Section 5.3(b)], and commit to develop and implement reconciliation procedures [EIP Section 5.3(c)] if the evaluation shows that there are problems with the program or that the predicted emission reduction goals are not being met.

DISCUSSION:

Architectural coatings are the largest emission source category under the AQMDs regulatory authority and as such, it constitutes one of the most important elements of its stationary source attainment strategy. AQMD is fully committed to ensuring that anticipated emission reductions from architectural sources are achieved. To accomplish this goal staff is proposing periodic audits of the ACO Program and a commitment to reconcile any shortfall in emission reductions.

STAFF PROPOSAL:

The following paragraph will be added into the Governing Board adoption resolution.

BE IT FURTHER RESOVED~~WHEREAS~~, the AQMD Governing Board directs staff to conduct an audit of the Averaging Compliance Option Program no later than January 1, 2006, and at least once every three years thereafter for the duration of the Averaging Compliance Option provision in Rule 1113 and reconcile any shortfall of State Implementation Plan emission reductions from the Averaging Compliance Option Program before the next triennial Program evaluation.

ISSUE 2:

Section (C)6 of Appendix A is not specific enough to establish what types of records are suitable for verifying compliance with the rule and represents executive officer discretion. While SCAQMD has developed an Averaging Implementation Guidance Document to establish criteria for records used to verify compliance with averaging programs, more specificity as to the types

of suitable records is needed in the SIP. The rule also needs to specifically require that these records be made available to the Executive Officer upon request.

DISCUSSION:

Current rule language requires the manufacturer to identify and describe records to demonstrate compliance with the ACO Program and only suggests records that may be kept. The concern is that if a particular record is needed to determine compliance with the ACO Program, that unless the record is specified and required by the rule, a manufacturer may not know to keep that specific record.

STAFF PROPOSAL:

Amend Rule 1113 clause (c)(6)(C)(i) to maintain all records associated with the ACO Program and to make these records available to the Executive Officer upon request.

Amend Appendix A, Section (C) to combine numbers 5 and 6. The amended language requires specific records to be kept with a detailed explanation as to how the records are to be used to calculate emissions and track coating volumes to demonstrate compliance with the averaging requirements of the ACO provision. The records are required to be original hard copies unless generated in electronic form only. If the manufacturer requests to demonstrate compliance with the ACO Program by using records other than those specifically listed above, those records must be approved by the U.S. EPA, CARB, and the Executive Officer before an ACO Program can be approved. The Executive Officer may request additional records, as necessary, as a condition of approving the ACO Program.

The required records should fall into one of the following categories: product formulation records (including both coating and material VOCs), production records, distribution records and sales records.

ISSUE 3:

Section (J) of Appendix A states that the exceedance of the allowable emissions for any compliance period shall constitute a separate violation for each day of the compliance period. It is U.S. EPAs understanding that this provision is being interpreted to conglomerate the exceedance by multiple coatings of the applicable VOC limit into one violation. Rule language should be revised to specify that "an exceedance of the allowable emissions or ceiling limits specified in Section A of Appendix A for each coating that is over the limit for any compliance period shall constitute a separate violation for each day of the compliance period."

DISCUSSION:

U.S. EPA Staff believes the degree to which the rule could be enforced (number of violation notices to be issued) should be no less under an ACO than it would be without an ACO, to be an appropriate deterrent for non-compliance.

STAFF PROPOSAL:

Amend Appendix A, Section (J) so that an exceedance of the ACO Program allowable emissions constitutes a separate violation for each day of the compliance period for each coating product line over the VOC limit specified in the Table of Standards, as determined at the end of the specified compliance period.

ISSUE 4:

The 3-year sell-through provision in Section (K) of Appendix A for coatings included in an approved averaging program may prevent practical enforcement of these programs. Emissions from coatings sold under the sell-through provision after a lower VOC limit has gone into effect cannot be distinguished based on the information explicitly required to be maintained under the rule from emissions from coatings sold under an averaging program. The enforceability of the rule may be compromised by manufacturers claiming that a certain portion of emissions from coatings sold under the sell-through provision should be excluded from averaged emissions.

DISCUSSION:

A manufacturer produces a coating for which a new lower VOC limit takes effect on a specific date specified in the Table of Standards. The manufacturer has two choices: (1) cease production of the coating at its current VOC content after the effective date or (2) continue production through an ACO Program. If the manufacturer chooses number (1), the coating can continue to be sold and distributed for up to three-years provided it was manufactured prior to the effective date. If the manufacturer chooses number (2), the volume of coating produced prior to the new effective date has to be included in their ACO Program or excluded from their ACO Program. If the volume of coating produced prior to the new effective date is included in the ACO Program, the coating container will have to be relabeled to include the required ACO Program symbol or statement. If the volume of coating produced prior to the new effective date is excluded from the ACO Program, records will need to be kept for the volume of coating sold or distributed outside the ACO Program (regular three-year sell-through provision). Staff believes this issue is addressed by requiring manufacturers to keep records that would distinguish between the two sell-through provisions.

STAFF PROPOSAL:

Staff proposes to amend clause (c)(4) to include: The manufacturer shall maintain sales and distribution records, as applicable, for any coating manufactured prior to the effective date if that coating volume is excluded from an approved Averaging Compliance Option [specified in paragraph (c)(6) of this rule] Program that includes the same coating manufactured on or after the effective date. Such records shall clearly indicate the date of manufacture (or date code or batch code) and volume of coating sold or distributed to distinguish between those coatings subject to the provisions of this paragraph and those subject to the provisions of Appendix A, Section (K). These records shall be made available to the Executive Officer upon request and shall be maintained for a period of at least three years after the end of a compliance period of the Averaging Compliance Option Program.

ISSUE 5:

The definition for formulation data in Section (b)(19) could be more specific. The following language should be added "Formulation data must have a consistent and quantitatively known relationship to the VOC content in a product as determined by 40 CFR 60 Appendix Method 24. Formulation data shall account for cure volatiles and variations between quality control approved production batches. Material safety data sheets (MSDS) are not considered formulation data."

DISCUSSION:

U.S. EPA staff's concern with cure volatiles (emissions other than those from the solvents in the coating) is the potential for the generation of formaldehyde/methanol in the manufacturing of

coatings such as conversion varnishes and industrial maintenance coatings. If generated, the cure volatiles would add to the overall VOC emissions produced from these coatings and staff agrees that the additional VOCs should be included on the container label and in calculating VOC emissions. Variation between production batches may occur and if so staff believes the highest VOC content value should be used on labels and in calculating emissions. Staff also agrees that most MSDS contain limited physical characteristics and it would be impossible to determine the VOC content of a coating from this data. In conclusion, even though formulation data may be used for labeling containers, AQMD compliance staff use U.S. EPA Reference Test Method 24 to verify the VOC content of an architectural coating.

STAFF PROPOSAL:

Amend the definition for Formulation Data to state that Material Safety Data Sheets (MSDS) are not considered formulation data.

Amend paragraph (d)(3) to include: VOC content calculated from formulation data shall be adjusted by the manufacturer to account for cure volatiles (if any) and maximum VOC content within production batches.

ISSUE 6:

The definition for secondary (rework) coatings in Section (b)(46) contains two grammatical errors. The word "has" should be "have" and "does" should be "do."

DISCUSSION:

Staff disagrees that there are grammatical errors.

STAFF PROPOSAL:

The definition for Secondary (Rework) Coatings will remain the same.

ISSUE 7:

Section (c)(2) prohibits the application of industrial maintenance and rust preventative coatings for residential and industrial use, respectively. The terms residential use and industrial use should be defined in the rule.

DISCUSSION:

The terms are intended to be no different than as defined in the dictionary. The Federal Rule, National Volatile Organic Compound Emission Standards for Architectural coatings, uses these two words without defining them. Staff does not believe that definitions for “Residential Use” and “Industrial Use” are necessary for clarity or interpretation of the rule requirements.

STAFF PROPOSAL:

Staff is not proposing to add definitions for “Residential Use” or “Industrial Use.”

ISSUE 8:

Revise Section (c)(3)(B)(i) & (ii) to provide that a coating that meets the definition of a specific coating category "for which" a higher VOC standard "is specified in the Table of Standards" be labeled in a manner consistent with "all" specific labeling requirements.

DISCUSSION:

Staff agrees that the additional language would add clarity to the rule.

STAFF PROPOSAL:

Clauses (c)(3)(B)(i) & (c)(3)(B)(ii) are proposed to be amended with the recommended language.

ISSUE 9:

The word "sold" should be added in Section (C)3 of Appendix A to clarify that the "...projected volume sold within the District" shall be included in the demonstration.

DISCUSSION:

Staff agrees that additional language would add clarity to the rule.

STAFF PROPOSAL:

Staff proposes to amend Appendix A, Section (C)3 to include: "to be sold and distributed, as applicable."

ISSUE 10:

Section D of Appendix A should indicate that the manufacturer shall submit the mid-term report specifically to the Executive Officer.

DISCUSSION:

It is staff's intent that the report is to be submitted to the Executive Officer. Language could be added to clarify this intent.

STAFF PROPOSAL:

Staff proposes to amend language in Appendix A, Section (D)1 to include the recommendation.

EMISSION IMPACTS

The proposed amendments to Rule 1113 – Architectural Coatings, are intended to address SIP approvability issues identified by the U.S. EPA. These proposed amendments are procedural changes to the current requirements and do not involve new VOC limits; therefore, no impact on emissions is anticipated.

SOCIOECONOMIC ASSESSMENT AND COST-EFFECTIVENESS

Since the proposed amendments are administrative in nature and do not affect air quality or emissions, no new significant cost burden is expected above and beyond what is currently required. Therefore, a socioeconomic assessment is not necessary or required. Additional recordkeeping proposed for those manufacturers selecting to comply with the rule by using the Averaging Compliance Option is not substantial and the associated costs are expected to be minimal.

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the hearing. The draft findings are as follows:

Necessity - The AQMD Governing Board has determined that a need exists to amend Rule 1113 - Architectural Coatings, to address SIP approvability issues identified by U.S. EPA relative to the Averaging Compliance Option to achieve VOC emission reductions to meet the federal and state ambient air quality standard for ozone and to clarify rule language.

Authority - The AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, and 41508.

Clarity - The AQMD Governing Board has determined that the proposed amendments to Rule 1113 - Architectural Coatings, are written and displayed so that the meaning can be easily understood by persons directly affected by them.

Consistency - The AQMD Governing Board has determined that Proposed Amended Rule 1113 - Architectural Coatings, is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

Non-Duplication - The AQMD Governing Board has determined that the proposed amendments to Rule 1113, do not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the AQMD.

Reference - In adopting these amendments, the AQMD Governing Board references the following statutes which the AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001 (rules to achieve ambient air quality standards), 40440(a) (rules to carry out the Air Quality Management Plan), and 40440(c) (cost-effectiveness), 40725 through 40728 and Federal Clean Air Act Sections 171 et sq., 181 et seq., and 116.

COMMENTS AND RESPONSES

During the rule making process, both oral and written questions, comments, and suggestions were received and reviewed by staff and are summarized in this section. The majority of the comments are related to U.S. EPA ACO Program issues discussed above. If comments regarding the same topic were received from different individuals, staff summarized the topic into one comment and response. After review staff revised the proposed amendments to reflect many of the comments and suggestions.

Comment: Regarding Issue 1 (Evaluation & Reconciliation of ACO Program)
Manufacturers do not agree that the Averaging Compliance Option (ACO) in Rule 1113 is an Economic Incentive Program (EIP) and therefore should not be subject to U.S. EPAs general guidance policies for EIPs.

Response: *Staff agrees. As stated above architectural coatings are the largest emission source category under the AQMD regulatory authority and one of the most important elements of its attainment strategy. Therefore, all issues regarding the rule's enforceability such as those identified by U.S. EPA Staff, are taken very seriously, carefully reviewed, evaluated and acted upon by staff. In formulating this amendment proposal, staff has worked diligently with U.S. EPA and industry to ensure that these issues are fully addressed and the rule's enforceability and clarity are further enhanced. Further, the proposed amendments are intended to secure SIP approvability of the Averaging Compliance Option that many manufacturers have opted to utilize as an alternative compliance option. In addition, even though AQMD staff continues to audit manufacturers ACO Programs, staff will include language in the adopting resolution, that accompanies these proposed amendments, to conduct an evaluation and reconciliation of the ACO Program once every three-years and to reconcile any shortfall in emission reductions associated with the ACO Program.*

Comment: Regarding Issue 2 (Records to be kept for ACO Program)
Some manufacturers only have electronic records of invoices. Companies use different terms to describe their various records.

Response: *For recordkeeping purposes the AQMD wants hard copies of records if they are generated. Staff understands that companies may use different names for the types of records; however, during the approval of ACO Programs, staff has not had any difficulty with manufacturers understanding what records are required or in receiving those records.*

Comment: Regarding Issue 2 (Records to be kept for ACO Program)
Proposed language in Appendix A, Section (C)5(a) should be renamed "product formulation records." In addition, lab reports of VOC content should include the physical data for coatings analyzed by the test methods specified in the rule.

Response: *Staff agrees that the name change would add clarity to the proposed amended language. Language has been added to the proposed amendments to require lab reports to include specific physical data related to VOC content.*

Comment: Regarding Issue 2 (When records for ACO Program are to be available)
The phrase "for inspection" in clause (c)(6)(C)(i) was not put into the rule by accident. That was part of the deliberations held during the development of the averaging provision. The enforcement model for an averaging program was that of an audit where the auditing team was expected to go to the manufacturing facility to conduct the audit and would have access to all records related to the ACO Program. If this phrase were struck from the rule, it would suggest that a manufacturer would have to bundle up copies of all ACO records and send them to the AQMD. This would involve hundreds of thousands of records, computers programs, and possibly computer equipment since that is intimately involved in keeping track of distribution and calculating compliance with the averaging program. The documents would need customer information removed before coping. The phrase "for inspection" should be left in the rule.

Response: *Both U.S. EPA and AQMD staff believe the phrase "for inspection" limits the ability of the regulatory agencies to request records at any time other than during an inspection. For example, some manufacturers are located out of California and the*

agencies may require records outside an inspection to verify compliance. It is not expected that the volume of records suggested by the commenter would be required and certainly not for all cases. Proposed language will require records to be submitted to the Executive Officer, upon request, whether as part of an inspection or other investigation necessary to verify compliance.

Comment: Regarding Issue 3 (Violation of ACO Program allowable emissions)
Rule language could be interpreted to mean at any time during the compliance period it is a violation if exceeding the allowable emissions.

Response: *Proposed amendments clarify that if the allowable emissions are exceeded, the violation would occur at the end of the compliance period.*

Comment: Regarding Issue 3 (Violation of ACO Program ceiling limits)
The ACO is an option focusing on compliance with the equation stated in Appendix A. A violation of a ceiling limit is a violation of the rule not the ACO Program. The only way an exceedance of ceiling limits could occur would be if the manufacturer misrepresents the actual VOC contents of the coatings. During the approval process, any coatings that are over the ceiling limit should not be approved. The auditing team would not prove a coating was above the ceiling limit during the audit. The penalty would destroy a company. Finally, the term ceiling limit is not defined anywhere in the Rule.

Response: *Staff agrees with the commenter and after consultation with U.S. EPA proposed language was modified to eliminate reference to "ceiling limits. In addition, the following clarifying language was added to Appendix A, Section (A). "A manufacturer shall not supply, sell, offer for sale, manufacture, blend, or repackage any architectural coating, for use within the District, with a VOC content in excess of the maximum VOC content in effect, immediately prior to July 1, 2001 or the VOC content limits specified in the National VOC Emission Standard, whichever is less."*

Comment: Regarding Issue 3 (Violation proposed language)
What is a product Line?

Response: *Staff has added a proposed definition for "product line."*

Comment: Regarding Issue 4 (recordkeeping for 3-year sell-through)
The records should only be required for three years, not the proposed five years. Proposed language should be changed to require recordkeeping for that volume of coating manufactured prior to the new VOC effective date and excluded from an ACO Program.

Response: *Staff agrees that it would be more appropriate and consistent with the other recordkeeping provisions of this rule to require records to be retained for three years from the end of the ACO compliance date rather than five years from the beginning of the ACO. The rule language has been amended to require record retention for the three-year period. Records are required for all coatings included in the ACO program. Where there is an ACO Program and some coatings from a coating product line are included in the ACO Program and some are not, sales and distribution records are required for both those included and not included in the ACO Program. This is to allow*

staff to identify the coating volume sold through both the general sell-through provision and the ACO Program sell-through provision.

Comment: Regarding Issue 5 (Formulation Data)
VOC calculations not formulation data accounts for cure volatiles or variation between production batches.

Response: *The proposed language has been revised to address the comment.*

Comment: Regarding Issue 9 ["sold" should be added to Appendix A, Section (3)]
The proposed language should say "distributed." Manufacturers cannot account for product being "offered for sale."

Response: *Proposed language was modified to include "…to be sold and distributed, as applicable…."*

Comment: It seems that the definition of varnishes is based solely on traditional oil, alkyd, uralkyd, urethane-alkyd or oil modified polyurethane resin technology – the one-component materials that contain metallic drier catalysts and begin their chemical reactions after evaporation of solvent on exposure to air. However, the staff did not intend to limit the varnish and other clear wood materials to this resin technology. Staff intended to include two-component post-catalyzed coatings that rely on chemical reaction to cure with no need of exposure to air to set the reaction in play.

The definition should be amended to reflect the staff's obvious intent to include the full range of resin technologies available for compliant varnishes.

Response: *Originally the names varnish, lacquer and shellacs were created to distinguish coatings that formed a transparent or translucent solid protective film in order to exempt them from regulation until September 2, 1983. Sanding sealers were included in the category primer, sealer, or undercoater which were also exempt from regulation until September 2, 1983. In the early nineteen-eighties different regulatory VOC limits were established for both varnish and lacquer while shellacs remained exempt, thus requiring different definitions for each. Primers, sealers (including sanding sealers) and undercoaters were regulated soon after. Sanding sealers became a separate category under clear wood finishes in the nineteen-nineties because of a higher VOC limit than the category primers, sealers, and undercoaters. The assumption that the definition for varnish was based on traditional oil, alkyd, uralkyd, urethane-alkyd or oil modified polyurethane resin technology appears to be correct.*

The definitions for varnish, sanding sealers and lacquer were derived to distinguish between specialty coating categories with different VOC limits, not to exclude different resin technologies from being included in the clear wood finish category.

Therefore, a coating that meets the definition of a clear wood finish and does not exceed the VOC limits for a varnish in the Table of Standards of Rule 1113, should be allowed regardless of resin technology.

Staff agrees the definition for varnish should be amended to delete "on exposure to air."

Comment: The definitions for varnishes, lacquers, sanding sealers, and shellacs were historically technology derived rather than application based. When waterborne technologies began being applied in these areas, the definitions never changed to accept them. And since all of these coatings dry by evaporation (of water and/or solvent), but cure by various means (chemical reaction: on exposure to air, cross-linking, 2-K reactive systems, etc.) the definitions are slightly ambiguous. Part of the problem is the use of the word "dry," which is being used both to describe how the 'solvent' (water or organic) leaves the applied product, as well as how the resulting film forms and hardens. This situation will continue until all of the specific definitions in the Clear Wood Finish subcategory are clarified. SCAQMD and other regulatory agencies will have to continually make judgments on what category certain wood "finishes" fall into at high cost of enforcement. SCAQMD should consider moving Shellac into the Clear Wood Finish category as the majority of this material is being applied to wood, specifically wood flooring!

Response: *The definition for varnish, sanding sealers and lacquer were derived to distinguish between specialty coating categories with different VOC limits and staff believes those definitions are not ambiguous (see previous response). Additionally varnish, sanding sealers, and lacquer will soon all have the same VOC limit. Staff considered including shellac in the clear wood finish category in a previous amendment to Rule 1113. However, based upon the usage and the declining trend in usage as indicated in the last two CARB surveys, staff believed that the air quality benefit was not sufficient to warrant the prohibition of shellac usage in the AQMD since it cannot be reformulated to 275 grams per liter. Staff, will continue to monitor the usage of shellac and propose a future amendment if a change in usage warrants its further regulation.*

Comment: The future lower VOC limit of 100 g/l for waterproofing concrete/masonry sealers will completely eliminate the use of silanes as concrete and masonry water repellents.

Response: *This rule amendment is not proposing a new limit for this or any category of coating. The future VOC limit of 100 g/l for the waterproofing concrete/masonry sealers was proposed and adopted on December 5, 2003. Compliance with this lower-VOC limit is required on July 1, 2006. The future effective date provides manufacturers time to reformulate and test lower-VOC formulations that comply with the 100 g/l. In establishing this future compliance date, staff identified and listed numerous manufacturers and products that already comply with the 100 g/l limit. These products indicate the availability of a variety of resin systems, including acrylics, epoxies, and urethane-based waterproofing concrete/masonry sealers. Appendix A of the 2003 Rule 1113 Staff Report was not intended to be all-inclusive, but merely a demonstration of the availability of compliant products with similar performance characteristics as their higher-VOC counterparts. Staff has identified waterproofing concrete/masonry sealers that contain silanes with a VOC content of less than 100 g/l, such as Aquaseal Silane 40, manufactured by Monopole Inc. Further, compliant waterproofing concrete/masonry sealers are part of the technology assessment commitment included in the rule.*

CONCLUSION AND RECOMMENDATION

After working with U.S. EPA Region IX, California Air Resources Board (CARB), architectural coating manufacturers, the National Paint Coatings Association and other interested parties to

resolve U.S. EPAs concerns, staff agrees that the revisions are necessary and recommend adoption of the proposed amendments to Rule 1113.

A T T A C H M E N T A OF THE STAFF REPORT

IMPLEMENTATION GUIDANCE DOCUMENT, AVERAGING COMPLIANCE OPTION

The Implementation Guidance Document has been updated to reflect changes made in Proposed Amended Rule 1113 to be heard by the Governing Board on July 9, 2004.

IMPLEMENTATION GUIDANCE DOCUMENT

RULE 1113 - ARCHITECTURAL COATINGS

AVERAGING COMPLIANCE OPTION

July 2004

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4182
www.aqmd.gov

Disclaimer

This guidance document is intended solely to help regulated entities comply with the Averaging Compliance Option in Rule 1113 – Architectural Coatings. This guidance document is not meant to be a substitute for the actual text of any rule. A manufacturer must comply with all requirements of Rule 1113 – Architectural Coatings and other applicable rules.

Acknowledgements

This document was prepared by the VOC Rules team of the Planning, Rule Development, and Area Sources Division of the South Coast Air Quality Management District. The team would also like to recognize the help of several coating manufacturers, consultants, and California Air Resources Board staff for their assistance in finalizing this document.

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APPENDICES

Section 1: INTRODUCTION

Rule 1113 - Architectural Coatings was originally adopted by the South Coast Air Quality Management District (District) on September 2, 1977, to reduce the volatile organic compound (VOC) content of architectural coatings and emissions from their applications. This rule applies to manufacturers, distributors, and end-users of architectural coatings. The purpose of this rule is to limit the VOC content of architectural coatings used in the District.

The District amended Rule 1113 – Architectural Coatings on November 8, 1996, resulting in the adoption of lower limits for several coating categories. In addition to the limits, the District also adopted the Averaging Compliance Option (ACO) as a flexibility option in the rule by working extensively with members of the architectural coatings industry. In the November 8, 1996 amendments to Rule 1113, the ACO included only the Flats category. The AQMD amended Rule 1113 on May 14, 1999 (vacated and readopted on December 6, 2002) and as part of this amendment, the ACO was extensively reworked to streamline its implementation. Amendments allowed manufacturers on or after January 1, 2001 to include floor coatings; primers, sealers, and undercoaters; quick-dry enamels; rust preventative coatings; roof coatings; specialty primers; stains; waterproofing sealers; industrial maintenance coatings and non-flat (excluding recycled coatings) to their ACO Program. On December 5, 2003 Rule 1113 was amended to lower the VOC limit for several coating categories and allow manufacturers on or after July 1, 2006 to include bituminous roof primers; interior stains; waterproofing concrete/masonry sealers; varnishes; and sanding sealers to their ACO Program to provide additional compliance flexibility with the future limits.

The rule also establishes ceiling limits for coatings included in an ACO Program. The rule specifically states that manufacturer's shall not include in an ACO Program any coating with a VOC content in excess of the maximum VOC content in effect in the Table of Standards in Rule 1113, immediately prior to July 1, 2001, or the VOC content limits specified in the National VOC Emission Standard, whichever is less.

The established ceiling limits for the following categories of coatings are intended to provide manufacturers enough flexibility to meet the lower VOC limits without exceeding limits that have been in effect in California for many years. Any coating manufacturer wishing to utilize the ACO in Rule 1113 must not exceed the ceiling limit listing the maximum allowable VOC content for any of the averaging categories identified.

Table 1

Averaging Category	VOC Limit (g/l)							Ceiling Limit
	7/1/01	1/1/03	1/1/04	1/1/05	7/1/06	7/1/07	7/1/08	
Allowed in ACO Program on or after 7/1/01								
Flat	100						50	250
Nonflat		150			50			250
Floor		100			50			400[1]
Industrial Maintenance		420	250		100			420
Primer, Sealer, Undercoater		200			100			350
Quick Dry Primer, Sealer, Undercoater		200			100			350[2]
Quick Dry Enamel		250			50			400
Roof Coatings		250		50				250
Roof Coatings, Aluminum		500		100				500
Rust Preventative		400			100			400
Specialty Primers		350			100			350
Stains		250				100		350
Waterproofing Sealers		250			100			400
Allowed in ACO Program on or after 7/1/06								
Roof Primer, Bituminous		350						350
Sanding Sealers (Excludes Clear Lacquer Sanding Sealers)		350			275			350
Stains, Interior		250						350
Varnish		350			275			350
Waterproofing Concrete & Masonry Sealers		400			100			400

[1]This ceiling limit is consistent with the National VOC Compound Emission Standards for Consumer and Commercial Products.
[2]For manufacturers that submitted an annual exemption report in 2002 for Quick Dry Primer, Sealer, and Undercoaters, and included them in their most recently approved ACO Program, the ceiling limit is 450 g/l until July 1, 2006.

1.1 What is the ACO?

The ACO allows a manufacturer to average, on a volume-weighted basis, the VOC contents of coatings and allows them to distribute for use within the District, coatings that have a VOC content higher than the applicable limits, but not higher than the ceiling limits listed in Table 1 of this document. This provides compliance flexibility and significantly reduces the overall economic impacts on the manufacturer. The goal is to provide an enforceable alternative approach, which provides flexibility to the manufacturer and achieves emission reductions without limiting product choices/options. The District published this guidance document as a compliance guide for manufacturers interested in utilizing the ACO.

1.2 What is the purpose of this guidance document?

The purpose of this compliance guide is to help a manufacturer who is interested in using the ACO with the design and implementation of their averaging program. It

explains the requirements of the ACO in terms of: how to prepare and submit an ACO Program demonstration; what records must be retained and made available to the District; what reports are required; how to renew an ACO Program; and what happens if a violation occurs.

1.3 How is this guidance document organized?

This guide is divided into three major sections and an Appendix section. Section 1 introduces you to this guide and discusses the background and potential benefits of the ACO. Section 2 provides an overview of requirements and suggestions for designing and implementing a program under the ACO. Section 3 discusses other issues related to the ACO, including program monitoring, the District's penalty program, and fees associated with this option. The Appendix section contains sample ACO Programs, sample records, a flowchart for managing an averaging program, and applicable District rules.

1.4 What are the benefits of using the ACO?

The main benefit to a manufacturer is the retention of certain product lines, and therefore, lowering the overall cost of reducing the VOC emission from categories included in the provision. Using the ACO allows required emission reductions to be achieved more cost-effectively, by providing flexibility for a manufacturer to choose the product mix that will best comply. Research and development efforts can be focused on reducing VOC contents wherever reductions would be most feasible. This allows the manufacturer to greatly reduce the number of products that need to be reformulated, and allows it to choose the product lines it wishes to retain, while achieving equivalent emission reductions.

Section 2: HOW TO DESIGN AND IMPLEMENT AN ACO PROGRAM?

The basic objective of any manufacturer's ACO Program is to manage the distribution of products selected for averaging (during each compliance period) and for use in the District to ensure that actual emissions from all such products, in aggregate, do not exceed allowable emissions under applicable limits, and to demonstrate compliance in accordance with the averaging equation and other requirements of the averaging provision in Rule 1113. The following subsections discuss the steps a manufacturer might take in setting up and managing an ACO Program.

2.1 How does a manufacturer determine if it can utilize this option?

To use the ACO successfully, a manufacturer must be able to distribute sufficient volumes of products with VOC contents below applicable limits, so as to offset the

excess emissions from products with VOC contents above the limits, not to exceed the ceiling limit listed in Table 1 of this document. Averaging will work best for a manufacturer who offers multiple products in categories subject to averaging, across a range of VOC contents—including products that are (or can be reformulated) below applicable VOC content limits. To determine whether you can use this option, do the following:

(1) Determine how product volumes distributed for use in the District can be verified. If volume tracking is not possible, do not use the ACO.
(2) Review the categories subject to averaging.
(3) List all products offered in those categories.
(4) Assemble the data needed to calculate actual emissions from the products during a recent period (using the averaging equation given in Appendix A to Rule 1113).
(5) Calculate allowable emissions using the same data and applicable limits.
(6) If actual emissions are not greater than allowable emissions, you would be able to use averaging (assuming you can maintain consistent proportional distribution of all products).
(7) If actual emissions are greater than allowable emissions, you would not be able to use averaging unless it would be feasible to do one or more of the following (as necessary to ensure that actual emissions would not be greater than allowable emissions):
    (a) reformulate products to reduce VOC contents
    (b) eliminate some products with VOC contents above limits
    (c) reduce the distribution volume of products with VOC contents above limits
    (d) expand distribution volume of products with VOC contents below limits. (For the initial ACO Program submission, this would require a detailed explanation as to how a manufacturer plans to expand the volume of super-compliant products, since past distribution volume would not be a reasonable support).

Before deciding to proceed with an ACO Program, the manufacturer should carefully examine all requirements of the ACO, and be assured that full compliance can be guaranteed.

2.2 What kind of records will a manufacturer need for using the ACO?

For the ACO, the manufacturer must identify and describe all specific records to be used in calculating emissions for the ACO Program, and provide a detailed explanation as to how those records will be used by the manufacturer and how they can be used by the AQMD to verify compliance with the ACO. The validity of the

accounting system that will be used to track distribution for use in the District is an essential element for the approval of an ACO Program. A manufacturer may choose to use a variety of records to track volume and demonstrate compliance. Such records or electronic versions (if hardcopy originals are not generated) shall be made available to the Executive Officer upon request.

These records at a minimum shall include records from each of the following categories:

(1) product formulation records (including both coating and material VOCs):
    (a) lab reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (e)(1) of the rule or
    (b) product formulation data, including physical properties analyses, as applicable, with a VOC calculation demonstration; and
(2) production records consisting of batch tickets including the date of manufacture, batch weight and volume; and
(3) distribution records:
    (a) customer lists or store distribution lists or both (as applicable) and
    (b) shipping manifests or bills of lading or both (as applicable); and
(4) sales records consisting of point of sale receipts or invoices to local distributors or both, as applicable.

If the manufacturer requests to demonstrate compliance with the ACO Program by using records other than those specifically listed above, those records must be approved by the USEPA, ARB, and the Executive Officer before an ACO Program can be approved. The Executive Officer may request additional records, as necessary, as a condition of approving the ACO Program or to verify compliance. For demonstration purposes regarding the submitted ACO Program, the District requires that data be presented in an electronic format compatible with PC based operating systems. Where possible, the District also requests that any other records necessary for tracking purposes or plan validation be available in an electronic format for ease of review. Hard copies must also be kept in the event of an audit by AQMD staff.

2.3 How would a manufacturer track volume of product sold or distributed for use in the District?

The most efficient method for tracking volume of product sold or distributed for use in the District is to record distribution or sales records by ZIP codes located within the District. Some manufacturers have suggested to track volume distributed at the point

where a manufacturer loses control of the product, which may be outside of the District. Those manufacturers interested in using data from beyond the District are encouraged to work with AQMD staff prior to submittal of an ACO Program to ensure the complete understanding of the tracking and accounting mechanism. However, these manufacturers are also encouraged to modify their existing volume tracking mechanism to incorporate a method that accounts for shipments to or sales within ZIP codes located in the District. All enforceable records shall be maintained and made available to the Executive Officer, upon request for at least three years after the end of the compliance period.

It should be reiterated that the ACO relies on the principle of averaging emissions from products sold and consumed in the District. Therefore, a manufacturer's eligibility to participate in the ACO will strictly depend on the manufacturer's ability to demonstrate that its product distribution mechanism lends itself to adequately tracking any product sales or distribution for use in the District for local consumption, as well as accounting for products being re-routed, imported or exported out of the District.

Recognizing that different manufacturers have different markets and distribution mechanisms, alternatives that allow statewide or national distribution of products included in the averaging program may be allowed provided that an adequate demonstration can be made that the averaging requirements will be met. As one alternative, if a manufacturer is able to demonstrate that its statewide or national distribution of products included in its ACO Program mirror the distribution for use in the District, then it can ship the labeled containers statewide or nationwide, and utilize volume data for its ACO Program. As another example, if a manufacturer is able to demonstrate that the distribution of the products included in its ACO Program both within the District and nationwide are sufficient to meet the averaging requirements on both a District-wide and nationwide basis, then it can ship the labeled containers statewide or nationwide. However, these demonstrations must be supported by data showing that the proposed sales volumes of both high- and low-VOC products is feasible for the manufacturer proposing the averaging program. This data should include past sales or distribution records for all products (both high- and low-VOC), and should clearly illustrate distributions which are consistent with the projections in the ACO Program. The past data relied upon should be sufficient to establish the volume sold or distributed, and should be based on the most recent three years of sales or distribution records. In the case of new products introduced into the market within the past three years, sufficient sales or distribution data shall be available for staff to establish trends. Projection figures shall be supportable by data made available to the District.

2.4 When can a manufacturer start using this option?

An approved averaging program may be implemented at any time provided the ACO Program is submitted at least 6 months prior to the implementation date proposed in the ACO Program.

2.5 What requirements must a manufacturer meet?

The initial requirement is to submit a complete and approvable ACO Program to the District's Executive Officer at least six months in advance of the starting date of the compliance period specified in the ACO Program. The ACO Program may be implemented only after the Executive Officer approves the ACO Program in writing. General requirements for the ACO Program are given in Rule 1113 Appendix A, Section C. Also, you may want to review the sample programs appended to this guidance document.

2.6 What are the fees associated with the ACO?

Rule 306 – Plan Fees dictate the fees associated with the submittal, modification, and renewal of the ACO Program. This rule is regularly amended to reflect any increases in fees. Therefore, a manufacturer is encouraged to obtain the latest copy of Rule 306 from the District website (www.aqmd.gov) prior to submittal.

2.7 What happens between the submittal date and the approval/disapproval of an ACO Program?

Upon submittal of an ACO Program, the Executive Officer will review the ACO Program submittal for completion, and assess if it contains sufficient information and supporting material to verify compliance. The Executive Officer will either approve or disapprove the ACO Program within 45 days of the submittal, unless the applicant and the Executive Officer agree to an extension of time for the Executive Officer to take action. This situation would most likely occur if the Executive Officer deems that the submittal is not complete, and decides to work with the applicant towards obtaining additional information for a thorough evaluation and subsequent approval or disapproval**. The submitted ACO Program shall not be implemented until it is approved in writing by the Executive Officer**.

2.8 What are the elements of an approvable ACO Program?

At a minimum, a complete ACO Program submittal shall include all necessary information, so the Executive Officer will know what to expect from a manufacturer, which plans to operate under the ACO. Based on the elements of the ACO Program

submittal, the Executive Officer and the manufacturer should be able to review and verify the volume of products for use in the District under the ACO and calculate emissions. In addition, a detailed discussion and explanation of the enforceable record relied upon for tracking volume for use in the District and calculating emissions, as well as a defined compliance period should also be part of the ACO Program submittal. A compliance period shall be no more than one year and no less than six months. Additionally, the manufacturer shall submit, as part of its first ACO Program submittal, a description of how it plans to comply with the labeling requirements.

The detailed demonstration of the ACO Program should clearly show that projected actual emissions will not exceed allowable emissions, using the equation included in Rule 1113, Appendix A, Section A. The additional information should also allow the Executive Officer to clearly make a determination as to the validity of the ACO Program. Additional information includes, but is not limited to: identification of each coating which is included in the ACO Program, and which exceeds the applicable VOC limit; the VOC content of each product in both grams per liter of coating, and grams per liter of material; identification and description of enforceable records (including samples of such records); a detailed explanation of the volume tracking mechanism for coatings both above and below the applicable VOC standard (including sufficient records to support projection figures); and a signed statement by the responsible party that all information submitted is true and correct.

A responsible party for a corporation is a president or vice-president of the corporation in charge of a principal business function, or a duly authorized representative.

A petition from the original responsible official to delegate authority to an authorized representative must be approved by the District.

A responsible party for a partnership or sole proprietorship is considered to be the general partner or proprietor, respectively.

2.9 How does a manufacturer choose the coatings to be included in its AC0 Program?

Under the ACO, a manufacturer has the flexibility to choose any coatings (from allowable categories) for its ACO Program, so long as distribution of selected products can be managed to assure compliance. A manufacturer should not include in their ACO Program, coatings that exceed the applicable regulatory (less water and exempt solvent) VOC limits effective upon the date of the amendment. Products with VOC contents below applicable limits may be added to the ACO Program at any time

during the compliance period. You must, however, submit a written request for modification of the ACO Program, and receive approval from the Executive Officer, before adding any products with VOC contents above applicable limits. The Executive Officer will approve or disapprove a modification request within 45 days of its submittal.

For any coating in an approved ACO Program, the sale or application of that coating manufactured after the ACO Program has been approved and prior to or during the ACO compliance period, shall not constitute a violation until three years after the termination date of that ACO Program.

2.10 What reports are required?

For each compliance period, two reports to the Executive Officer are required, as described in Rule 1113 Appendix A, Section (D): an interim "mid-term" report, and a final report. The mid-term report is due within 45 days after the halfway date of the compliance period, although an extension of up to 15 days will be granted if requested in writing before the original due date. The final report is due within 60 days after the end of the compliance period; an extension of up to 30 days is available if requested in writing before the original due date. Both reports must be signed by a responsible party for the manufacturer, certifying that all information submitted is true and correct.

The mid-term report is for monitoring purposes only, and must include a detailed calculation of actual and allowable emissions for product volumes distributed under the ACO Program during the first half of the compliance period. Also, if actual emissions exceed allowable emissions at the time of the mid-term report, it must include an explanation of the actions that the manufacturer will take to ensure compliance by the end of the compliance period.

The final report will determine compliance status for the entire compliance period, and must therefore include a detailed calculation of actual and allowable emissions for all product volumes distributed for use in the District or sold under the ACO Program during the entire compliance period. The final report must also include updated information (if any) on the records that were used to calculate emissions, and certify that all records will be made available to the Executive Officer upon request.

The District requires that midterm and final reports be submitted in an electronic format compatible with PC based operating systems, preferably in a Microsoft ®Excel or similar software package.

2.11 Is there an emission quantification protocol a manufacturer can use?

Under the ACO, the emission calculations are straightforward, and can be done with a calculator using data that should be readily available to the manufacturer. District staff can also establish a spreadsheet in Excel or other formats and make it available to manufacturers. The information necessary for the calculations is easily obtained from formulation data sheets, Batchmaster or other electronic formulation software, or product data sheets, along with appropriate distribution records. The averaging equation, which defines both actual and allowable emissions, is included in Rule 1113 – Appendix A, Section (A), and all terms used in the calculation are also defined. If a manufacturer needs to better understand how to use the equation, District staff can meet with representatives and explain the calculation methodology in greater detail.

2.12 What are emissions related and non-emissions related violations?

An emissions related violation would occur if, at the end of the compliance period, the actual emissions were greater than the allowable emissions. This would constitute a separate violation for each coating product line that is over the VOC limit specified in the Table of Standards for each day of the compliance period. Other emissions related violations could be, but are not limited to, the misrepresentation of records used to verify compliance. Other examples include negligence or knowingly participating in activities that may result in emissions beyond the allowable emissions. Basically, any violation of the ACO Program, if it may lead to direct emissions of any air contaminant, or the Executive Officer is unable to verify the actual and allowable emissions or verify compliance will be considered an emissions related violation.

Non-emissions related violations are any other violations of the ACO Program that the participating manufacturer can demonstrate did not result in excess VOC emissions. Examples of these include, but are not limited to, inclusion of an inaccurate record or misstatement in the initial submittal, mid-term report, or final report, and then corrected at a later date, but which did not cause excess emissions. Other examples include labeling and late submittals of reports. However, intentional mis-labeling of product containers, falsification of records, and re-routing or exporting of low-VOC products would be considered a major violation.

2.13 How does a manufacturer know if it is potentially in violation of the ACO Program?

A manufacturer is responsible for assuring that it meets the terms of the ACO Program it submits. A manufacturer shall be able to determine if they are or could be in violation of the ACO at the end of the compliance period by simply tracking their actual emissions, based on sales during the compliance period. A manufacturer

should try to balance their emissions on a monthly basis. However, since sales of architectural and industrial maintenance coatings are seasonal, with sales volume increasing in the summer months, it may be difficult for a manufacturer to completely balance the actual and allowable emissions on a monthly basis. At the mid-term, if a manufacturer's actual emissions are significantly greater than the projected actual emissions in the initial submittal, then the manufacturer should strongly consider taking immediate steps to ensure that a balance of emissions will be achieved, including terminating sales of the higher-VOC averaged coatings designated in the initial submittal, and increasing sales of super-compliant coatings. If a manufacturer waits for the last few months or weeks to reduce the sales of higher-VOC averaged coatings legally sold under the ACO Program, then the manufacturer could be taking on the risk of a violation that would result in significant penalties. The actual monetary amount shall be determined on a case-by-case basis, taking into account the severity of the violation, and shall be large enough to deter future violations.

2.14 Are there special labeling requirements under the ACO?

A manufacturer is required to include special labeling on any coating container included in their ACO Program that **exceeds the applicable VOC limit**. These containers must display the following statement: "This product is subject to the averaging provisions of the SCAQMD Rule 1113" or a designated symbol. Currently the following symbol is acceptable to the Executive Officer and the manufacturers:

This symbol must be clearly displayed on the container, so an end-user or District inspector can easily determine that this product is included in an ACO Program, and is considered compliant. The symbol's size shall be appropriate for the size of the text for VOC content information on the label, and shall be printed in ink near the VOC content information. A sample of the label shall be submitted by the applicant showing designated language or the symbol location and is subject to the Executive Officer's approval. **Containers for compliant coatings should not be labeled.**

A manufacturer is encouraged to use the above-designated symbol only on products distributed for use in the District, since any container with the above-designated symbol, regardless where it is sold, must be accounted for in their mid-term and final reports. For example, a manufacturer may choose to ship a product with the special label outside of the District, however, the volume of product shipped for use outside of the District must be included in their ACO Program.

Several manufacturers have expressed concern about the special labeling required under the ACO, which could create the added burden of labeling for the District only.

However, those manufacturers have also indicated that they could place the designated symbol on all containers shipped on a statewide or national basis. Manufacturers must account for all products in containers that carry the designated symbol. Thus, if containers carrying the designated symbol are shipped statewide or nationwide, the VOC averaging requirements must be met on a statewide or nationwide basis, respectively, as well as district-wide. The manufacturer must submit sufficient data in its written plan to allow the District to determine that the manufacturer's statewide (or nationwide) distribution of products included in its ACO Program will be sufficient to meet the averaging requirements on a statewide (or nationwide) basis as well as district-wide, and that there will be adequate documentation (e.g., sales and/or shipping records) to allow verification that the averaging requirements are met. Alternatively, if a manufacturer is able to demonstrate that its statewide or national distribution of products included in its ACO Program mirror the distribution for use in the District, then it can ship the labeled containers statewide or nationwide, and utilize volume data for its ACO Program. Please review Section 2.3 for a detailed discussion of this tracking method.

If a manufacturer chooses to provide alternative labeling programs, the District will evaluate such alternatives, so long as the integrity of the enforceability is maintained.

Section 3: OTHER ISSUES

This section discusses options for modifying, renewing, or terminating an averaging program, and presents information on fees and penalties.

3.1 How can a manufacturer get approval to modify its ACO Program?

A manufacturer can request to modify its ACO Program at any time prior to the end of the compliance period. However, a manufacturer cannot modify the defined compliance period included in the ACO Program, and subsequently approved by the Executive Officer. The modification request must be in writing, and shall be approved or disapproved by the Executive Officer within 45 days from the date of submittal. Therefore, it is recommended that a manufacturer should not modify the approved ACO Program within the last 45 days of the compliance period to ensure that the Executive Officer can either approve or disapprove a modification prior to its implementation. A manufacturer needs to only modify the original, approved ACO Program if it wants to add non-compliant coatings. A modification to the ACO Program is not necessary if a manufacturer is adding only coatings that comply with the applicable VOC limit to the ACO Program.

3.2 Can a manufacturer renew its ACO Program from year to year?

A manufacturer can simply request a renewal by submitting a written renewal request. This submittal should include an updated ACO Program, which should meet all of the requirements for a new submittal. The renewal request will be considered conditionally approved until the Executive Officer denies or approves the renewal request. The evaluation process for the renewal will include a review of the mid-term and final reports from the preceding compliance period, as well as any other information requested by the Executive Officer. The Executive Officer will either deny or approve a renewal request within 45 days of the submittal of a final report. This review period may be extended by mutual consent between the manufacturer and the Executive Officer.

3.3 Can an approved ACO Program be terminated in the middle of a compliance period?

A manufacturer can terminate its ACO Program at any time by submitting written notification to the Executive Officer. Upon submitting the termination notice (the date of which is considered to be the termination date), the manufacturer must comply with all provisions of Rule 1113, including the applicable VOC limits in the Table of Standards. Within 60 days of the termination date, the manufacturer must submit a final report for the effective compliance period, demonstrating that actual emissions did not exceed the allowable emissions. In the case that actual emissions are greater than allowable emissions during the shortened compliance period, the manufacturer will be considered to be in violation for each day of that compliance period.

Furthermore, the Executive Officer may terminate a ACO Program if a manufacturer violates the requirements of the approved ACO Program and the Executive Officer determines that actual emissions exceeded allowable emissions at the end of the compliance period. The Executive Officer can also terminate an approved ACO Program if a manufacturer demonstrates a recurring pattern of violations and has failed to correct the violations.

3.4 What happens if actual emissions exceed allowable emissions during the compliance period? What can it do if it is in violation at the end of the compliance period?

If during the compliance period, a manufacturer concludes that its actual emissions are greater than allowable emissions, the manufacturer shall submit a request to modify the approved ACO Program and remove the designated coating(s) from the ACO Program, as well as their distribution and sales scheme. The manufacturer may also choose to add additional super-compliant coatings to the ACO Program, which

would not require any notification to the Executive Officer. The manufacturer shall also discuss the potential violation with AQMD staff, and try to develop a mitigation program to correct the violation prior to the end of the compliance period.

In the case where correction is not possible within the time period remaining in the compliance period, the Executive Officer will take appropriate enforcement action. It is recommended that the manufacturer contact the AQMD staff and discuss the discovery of the potential violation, and any mitigation measures, including the purchase of sufficient emission credits to offset any excess emissions that may have occurred throughout the compliance period as a potential mitigation option. The value of the emission reductions credits varies based on the market availability and type. In cases where the Executive Officer is able to show an intentional violation, the penalty fees may be used for the architectural coatings program, including but not limited to, additional testing and research and development of lower-VOC coatings.

3.5 What are the potential penalties for violating this provision and how will the District determine compliance?

The California Health & Safety Code allows the AQMD to collect up to $50,000 per day for a violation of air pollution control laws. However, the potential monetary penalties for violating the ACO will be determined on a case-by-case basis, and will be directly proportional to the amount of excess emissions, and the determination of intent and willfulness pertaining to the violation. As discussed in Section 2.3 of this guidance document, any fraudulent reporting, falsification of records, or intentional deceiving (re-routing or exporting) will result in the most severe penalty allowed under the California Air Pollution Control Laws. At the very least, the penalty will be large enough to deter future violations and allow the acquisition of VOC emission reduction credits in the open market to offset all excess emissions.

The intentional re-routing or exporting of low-VOC products from the District, and fraudulently reporting them as products sold in the District for the purpose of improving the manufacturer's allowable emissions and actual emissions ratio, is a prosecutable violation. In addition, high-VOC products imported from out of the District that are not accounted for in the mid-term or final-reports is also a prosecutable violation. For these types of violations, the Executive Officer will pursue the maximum penalty allowed under the California Air Pollution Laws. In order to protect itself, one option a manufacturer may choose is to notice subsequent distributors in writing that the shipment is for use in the District only, and that any re-routing or exporting of the product out of the District by the distributor without the knowledge or consent of the manufacturer constitutes a violation under Rule 1113.

The District has committed resources to conduct periodic audits of companies participating in the averaging program. The audit will include random testing of products taken directly from retail and wholesale distribution points of sale and a review of actual versus allowable emissions as demonstrated in the ACO Program. Those manufacturer's found to be in non-compliance with their approved ACO Program will be subject to penalties and termination of an approved ACO Program.

3.6 Where does a manufacturer go for further assistance?

A manufacturer interested in learning more about the ACO should contact the Area Sources Section, (909) 396-2390; of the Planning, Rule Development, and Area Sources Division of the AQMD.

APPENDICES

SAMPLE ACO PROGRAM

Clean Coatings Paint Co.
4907 W. Main St.
Los Angeles, CA 90004
Tel: (213) 555-1212 Fax: (213) 555-1212
www.cleancoatingspaintco.com

1 January 2003

South Coast A.Q.M.D.
21865 E. Copley Dr.
Diamond Bar, CA 91765

Attn: Executive Officer

RE: RULE 1113 AVERAGING PROGRAM SUBMISSION

The Clean Coatings Paint Company requests approval for the following averaging program, pursuant to Rule 1113 (c.)(6) and Appendix A. Enclosed is a written averaging demonstration with projections for a one-year compliance period from **1 July 2003** to **30 June 2004**. Included for your review is the following pertinent information:

1) *Submission by deadline (6 months prior to start of compliance period):* 1 Jan. 2003.

2) *Contact Information:*
Norah Clean
Vice President, Compliance Section
Clean Coatings Paint Co.
4907 W. Main St.
Los Angeles, CA 90004
Tel: (213) 216-3958, Extension 5555
Fax: (213) 216-4457
Email: Norah@ccp.com

3) *Coating Information*: The following coatings are included in the attached ACO Program spreadsheets:
Those exceeding the most recent applicable VOC limit (but not exceeding the ceiling limit) defined in Rule 1113, as well as the grams of VOC/liter of coating, grams of VOC/liter material, and the designation of the coating category. Also included are the averaging coatings with VOC content lower than the limits defined in Rule 1113, with the applicable VOC/liter calculations.

4) *Demonstration:* Detailed demonstration showing that actual emissions will not exceed allowable emissions for the compliance period (using equation specified in Rule 1113, Appendix A, Paragraph (A)). Submitted on paper and electronically. Please see attached spreadsheets (and computer disk).
i) Averaging Demonstration for 2003-2004 Compliance Period
ii) Distribution Data: 2002: California Statewide, 2002: SCAQMD Only

iii) Distribution Data: 2001: California Statewide, 2001: SCAQMD Only
iv) Graphic Summaries of spreadsheet data.

5) *Compliance:* 1 July 2003- 30 June 2004
Interim Report Due: 13 February 2004
Final Report Due: 29 August 2004

6) *The following records have been used in compiling the emissions data and subsequent reporting included in this Averaging Program, and are available for review by the Executive Officer upon Request (define if different from below). In the event of an* ACO *Program Audit by the Executive Officer, review of the following materials should clearly delineate how the data was used in the compilation of the Averaging Program, and support the validity of the ACO Program emissions data.*
   i) Formulas
   ii) Raw Material Data
   iii) Material Safety Data Sheets for all products outlined in the Averaging Program.
   iv) Equations used by computer to calculate VOC content and VOC material
   v) Invoices showing each product/volume sold to each customer
   vi) Monthly computer file summarizing invoice data
   vii) Customer identification records providing shipping addresses

7) *Records used in calculating emissions for the ACO Program:*
   i) Computer calculated VOC content and computer calculated VOC on a material basis for the products of interest.
   ii) Summarized shipping records for products shipped into the District, and records of shipments made to the District by Zip Code. Point of sale records were used to support the volume data reported under the Zip Code listing.*

8) *Labeling:* An example of the treatment of our labels is attached. The approved symbol is placed next to the VOC content information. The symbol is placed on containers of coatings that exceed the regulatory VOC limit, which are primarily shipped and sold in the District.**

9) *Statement, Signature, and Date:*

I hereby certify that to the best of my knowledge, all information submitted above and in the following sheets is true and correct, and that all records are available to the Executive Officer upon request.

Signature: _____
Felix Clean, Chief Executive Officer, Clean Coatings Paint Co.

Date: 1 January 2003

* *Alternative Tracking Scheme: Volume distributed to the State or Nation may be used to track emissions. However, a manufacturer must demonstrate that the distribution and sales on a statewide or nationwide basis mirror the distribution for use in the District. The ration of high- and low- VOC products must be the same and supported by past sales or distribution records for all products in the ACO Program. In the case of new products, strong support needs to be included to validate the projected volume of products.*

** *Labeling of product containers with the specified symbol can also be shipped statewide or nationwide. The program submittal shall specify if the label is for District only or statewide or nationwide distribution.*

Averaging Demonstration
2003-2004 Compliance Period

2003-2004 AVERAGING DEMONSTRATION (ALL PRODUCTS)
CALIFORNIA

				L				M	V	G	G x M	G x V x L
Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids VOC	Projected Volume (Gallons)	Projected Actual Emissions (lbs)	Allowable Emissions (lbs)
Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	2,500	8,233	5,211
Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	295	861	615
F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	134,000	67,028	40,999
S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	95,000	34,056	28,353
X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	1,100	275	404
X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	800	253	269
F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	2,500,000	583,576	854,523
F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	420,000	70,029	168,420
F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	4,000	600	1,237
F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	100,000	15,006	43,435
S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	2,500	313	773
F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	43,200	36,015	14,982
6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	2,200	7,703	4,585
V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	1200	3,401	2,501
S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	487,500	223,531	270,675
W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	170,000	99,208	100,554
T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	16,000	34,681	20,008
T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	7,500	15,632	9,379
L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	61,500	16,920	29,994
G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	22,100	7,370	12,796
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	3,200	53	1,521
F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	705,000	728,804	416,123
Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	37,000	107,962	77,115
Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	11,000	29,804	22,926
T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	40,000	121,717	66,694
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	80,000	36,015	66,561
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	107,300	53,672	70,848
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	170,000	79,366	125,852
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	41,200	17,174	29,264
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	5,000	2,084	3,451
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	135,000	19,133	86,661

2003-2004 AVERAGING DEMONSTRATION (ALL PRODUCTS continued)
CALIFORNIA

				L				M	V	G	G x M	G x V x L
Product Code	**Product Name**	**Coating Category**	**VOC LIMIT (g/L)**	**VOC LIMIT (lbs/G)**	**COATING VOC CONTENT (g/L)**	**COATING VOC CONTENT (lbs/G)**	**MATERIAL VOC CONTENT (g/L)**	**MATERIAL VOC CONTENT (lbs/G)**	**% Volume Solids VOC**	**Projected Volume (Gallons)**	**Projected Actual Emissions (lbs)**	**Allowable Emissions (lbs)**
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	9,500	1,188	8,601
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	7,000	1,867	4,657
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	80,400	13,406	41,691
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	2,300	671	2,017
X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	30,400	106,444	50,688
R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	9,500	23,760	19,800
M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	19,000	68,112	63,360
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	8,750	22,614	29,179
I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	3,000	11,005	6,253
T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	3,000	8,729	5,002
										TOTALS	**2,678,271**	**2,807,979**

Compliance Period: 7/1/2003 to 6/30/2004
Interim Report Due: 2/13/2004
Final Report Due: 8/29/2004

$$\frac{\textbf{ACTUAL}}{\textbf{ALLOWABLE}} = \textbf{95.4\%}$$

G = Projected Volume (Gallons)
M = Material VOC Content (lbs/G)
V = % Volume Solids + VOC
L = VOC Limit (lbs/G)

Submitted by: CLEAN COATINGS PAINT CO.
4907 W. Main St.
Los Angeles, CA 90004
Contact: Norah Clean
(213) 216-3958, Extension 5555

2003-2004 AVERAGING DEMONSTRATION- COATINGS BELOW LIMITS
CALIFORNIA/SCAQMD

				L				M	V	G	G x M	G x V x L
Product Code	**Product Name**	**Coating Category**	**VOC LIMIT (g/L)**	**VOC LIMIT (lbs/G)**	**COATING VOC CONTENT (g/L)**	**COATING VOC CONTENT (lbs/G)**	**MATERIAL VOC CONTENT (g/L)**	**MATERIAL VOC CONTENT (lbs/G)**	**% Volume Solids + VOC**	**Projected Volume (Gallons)**	**Projected Actual Emissions (lbs)**	**Allowable Emissions (lbs)**
X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	1,100	275	404
X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	800	253	269
F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	2,500,000	583,576	854,523
F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	420,000	70,029	168,420
F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	4,000	600	1,237
F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	100,000	15,006	43,435
S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	2,500	313	773
S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	487,500	223,531	270,675
W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	170,000	99,208	100,554
L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	61,500	16,920	29,994
G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	22,100	7,370	12,796
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	3,200	53	1,521
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	8,750	22,614	29,179
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	80,000	36,015	66,561
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	107,300	53,672	70,848
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	170,000	79,366	125,852
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	41,200	17,174	29,264
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	5,000	2,084	3,451
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	135,000	19,133	86,661
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	9,500	1,188	8,601
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	7,000	1,867	4,657
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	80,400	13,406	41,691
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	2,300	671	2,017
										TOTALS	**1,264,325**	**1,953,384**

Compliance Period: 7/1/2003 to 6/30/2004
Interim Report Due: 2/13/2004
Final Report Due: 8/29/2004

$$\frac{\textbf{ACTUAL}}{\textbf{ALLOWABLE}} = \textbf{64.7\%}$$

Submitted by: CLEAN COATINGS PAINT CO.

2003-2004 AVERAGING DEMONSTRATION- COATINGS ABOVE LIMITS

CALIFORNIA

				L				M	V	G	G x M	G x V x L
Product Code	**Product Name**	**Coating Category**	**VOC LIMIT (g/L)**	**VOC LIMIT (lbs/G)**	**COATING VOC CONTENT (g/L)**	**COATING VOC CONTENT (lbs/G)**	**MATERIAL VOC CONTENT (g/L)**	**MATERIAL VOC CONTENT (lbs/G)**	**% Volume Solids + VOC**	**Projected Volume (Gallons)**	**Projected Actual Emissions (lbs)**	**Allowable Emissions (lbs)**
F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	134,000	67,028	40,999
S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	95,000	34,056	28,353
Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	37,000	107,962	77,115
Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	11,000	29,804	22,926
Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	2,500	8,233	5,211
Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	295	861	615
T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	16,000	34,681	20,008
T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	7,500	15,632	9,379
F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	705,000	728,804	416,123
M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	19,000	68,112	63,360
X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	30,400	106,444	50,688
T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	40,000	121,717	66,694
T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	3,000	8,729	5,002
6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	2,200	7,703	4,585
I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	3,000	11,005	6,253
R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	9,500	23,760	19,800
V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	1200	3,401	2,501
F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	43,200	36,015	14,982
										TOTALS	**1,413,945**	**854,595**

Compliance Period: 7/1/2003 to 6/30/2004
Interim Report Due: 2/13/2004
Final Report Due: 8/29/2004

$$\frac{\text{ACTUAL}}{\text{ALLOWABLE}} = 165.5\%$$

Submitted by: CLEAN COATINGS PAINT CO.

Distribution Data
2002: California Statewide
2002: SCAQMD Only
2001: California Statewide
2001: SCAQMD Only
Graphic Summaries

2002 YTD DISTRIBUTION DATA

CALIFORNIA

					L				M	V	G	G x M	G x V x L
	Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
	F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	110,500	55,273	33,809
	S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	84,350	30,238	25,175
	Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	38,321	111,816	79,869
	Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	10,587	28,685	22,065
	Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	2,300	7,574	4,794
	Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	285	832	594
	T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	14,756	31,985	18,453
	T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	6,890	14,360	8,616
	F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	625,467	646,585	369,179
	M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	17,936	64,297	59,812
	X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	26,549	92,960	44,267
	T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	36,860	112,163	61,459
	T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	3,100	9,020	5,169
↑	6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	2,005	7,020	4,179
	I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	3,000	11,005	6,253
	R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	9,780	24,460	20,383
Above	V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	820	2,324	1,709
Limits	F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	37,210	31,021	12,905
Below	X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	1,000	250	368
Limits	X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	750	238	252
↓	F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	2,000,740	467,034	683,871
	F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	2,290	382	918
	F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	3,000	450	928
	F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	87,900	13,190	38,179
	S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	2,560	320	792
	S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	425,600	195,148	236,306
	W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	151,630	88,488	89,689

2002 YTD DISTRIBUTION DATA (continued)

CALIFORNIA

				L				M	V	G	G x M	G x V x L
Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	55,600	15,296	27,116
G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	18,542	6,183	10,736
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	1,523	25	724
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	9,200	23,777	30,679
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	749	337	623
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	4,520	2,261	2,984
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	75,100	35,061	55,597
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	102,355	42,666	72,702
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	147,900	61,651	102,094
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	38,244	5,420	24,550
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	4,075	510	3,689
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	133,260	24,831	83,130
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	6,475	1,080	3,358
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	5,762	1,681	5,053
W 2397	Interior Wall Sealer	General PS&U	200	1.67	59	0.49	18	0.15	31.1%	77,509	11,631	40,192
W 304	Blocfil, Medium	General PS&U	200	1.67	58	0.48	31	0.26	52.6%	956	247	838
										TOTALS	**2,279,776**	**2,294,058**

ACTUAL / ALLOWABLE **=00.4%**

G = Projected Volume (Gallons)
M = Material VOC Content (lbs/G)
V = % Volume Solids + VOC
L = VOC Limit (lbs/G)

Submitted by: CLEAN COATINGS PAINT CO.
4907 W. Main St.
Los Angeles, CA 90004
Contact: Norah Clean
(213) 216-3958, Extension 5555

2002 YTD DISTRIBUTION DATA

SCAQMD ONLY

					L				M	V	G	G x M	G x V x L
	Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
	F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	28,500	14,256	8,720
	S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	2,050	735	612
	Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	33,140	96,699	69,070
	Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	25	68	52
	Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	1,423	4,686	2,966
	Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	0	0	0
	T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	9,875	21,405	12,349
	T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	7,300	15,215	9,129
	F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	389,654	402,810	229,992
	M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	12,800	45,886	42,684
	X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	15,185	53,170	25,319
	T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	30,254	92,061	50,444
	T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	1,980	5,761	3,301
	6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	1,420	4,972	2,960
	I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	2,230	8,180	4,648
	R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	6,529	16,329	13,608
Above	V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	50	142	104
Limits	F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	31,201	26,012	10,821
Below	X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	517	129	190
Limits	X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	505	160	170
	F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	1,450,000	338,474	495,623
	F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	300,224	50,058	120,390
	F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	10	2	3
	F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	51,279	7,695	22,273
	S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	2,000	250	619
	S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	308,715	141,553	171,408

2002 YTD DISTRIBUTION DATA (continued)

SCAQMD ONLY

				L				M	V	G	G x M	G x V x L
Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	56,750	33,118	33,567
L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	30,130	8,289	14,694
G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	20,495	6,835	11,866
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	3,050	51	1,449
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	6,044	15,620	20,155
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	78,055	35,139	64,943
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	68,900	34,464	45,493
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	82,478	38,506	61,059
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	22,245	9,273	15,801
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	3,000	1,251	2,071
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	82,900	11,749	53,216
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	5,500	688	4,980
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	3,700	987	2,462
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	55,123	9,191	28,584
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	806	235	707
										TOTALS	1,552,102	1,658,502

$$\frac{\text{ACTUAL}}{\text{ALLOWABLE}} = 93.6\%$$

G = Projected Volume (Gallons)
M = Material VOC Content (lbs/G)
V = % Volume Solids + VOC
L = VOC Limit (lbs/G)

Submitted by: CLEAN COATINGS PAINT CO.

2001 DISTRIBUTION DATA

CALIFORNIA

					L				M	V	G	G x M	G x V x L
	Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
	F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	161,400	80,734	49,382
	S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	1,789	641	534
	Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	37,307	108,857	77,755
	Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	1,015	2,750	2,115
	Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	690	2,272	1,438
	Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	1,000	2,918	2,084
	T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	16,875	36,578	21,103
	T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	8,850	18,445	11,067
	F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	704,123	727,897	415,606
	M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	18,455	66,158	61,542
	X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	34,510	120,835	57,541
	T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	47,541	144,664	79,268
	T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	2,564	7,460	4,275
	6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	3,209	11,236	6,688
	I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	4,225	15,498	8,806
	R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	11,547	28,880	24,066
Above	V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	2,120	6,009	4,419
Limits	F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	47,643	39,719	16,523
Below	X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	1,235	309	454
Limits	X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	5,280	1,673	1,774
	F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	1,998,547	466,522	683,122
	F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	408,541	68,119	163,825
	F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	12,098	1,815	3,742
	F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	96,532	14,486	41,928
	S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	5,789	724	1,791
	S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	450,266	206,458	250,002
	W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	145,600	84,969	86,122
	L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	5,120	1,409	2,497
	G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	8,100	2,701	4,690

2001 DISTRIBUTION DATA (continued)

CALIFORNIA

				L				M	V	G	G x M	G x V x L
Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	5,019	84	2,385
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	7,150	18,479	23,843
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	86,223	38,817	71,739
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	107,923	53,984	71,259
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	160,200	74,791	118,597
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	37,770	15,744	26,828
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	9,818	4,093	6,777
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	130,254	18,460	83,614
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	10,085	1,261	9,131
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	10,230	2,729	6,806
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	92,074	15,352	47,745
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	1,335	390	1,171
										TOTALS	**2,514,919**	**2,554,054**

ACTUAL / ALLOWABLE = 98.5%

G = Projected Volume (Gallons)
M = Material VOC Content (lbs/G)
V = % Volume Solids + VOC
L = VOC Limit (lbs/G)

Submitted by: CLEAN COATINGS PAINT CO.
4907 W. Main St.
Los Angeles, CA 90004
Contact: Norah Clean
(213) 216-3958, Extension 5555

2001 DISTRIBUTION DATA

SCAQMD ONLY

					L				M	V	G	G x M	G x V x L
	Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
	F 6079	Super Flat	Flat	100	0.83	165	1.38	60	0.50	36.7%	29,400	14,706	8,995
	S 1168	Ready Flat	Flat	100	0.83	115	0.96	43	0.36	35.8%	500	179	149
	Q 45	Quick-Coat	Non-Flat (QD)	250	2.08	350	2.92	350	2.92	100.0%	30,450	88,850	63,464
	Q 19	Permagloss	Non-Flat (QD)	250	2.08	325	2.71	325	2.71	100.0%	100	271	208
	Q 6389	Quick-Shine	Enamel (QD)	250	2.08	396	3.30	395	3.29	100.0%	300	988	625
	Q 1672	Speedy Alkyshine	Enamel (QD)	250	2.08	350	2.92	350	2.92	100.0%	20	58	42
	T 1	Acri-Paint	Non-Flat	150	1.25	260	2.17	260	2.17	100.0%	12,800	27,745	16,007
	T 2	Acri-Paint Deluxe	Non-Flat	150	1.25	250	2.08	250	2.08	100.0%	3,245	6,763	4,058
	F 818	Glossy Touch	Non-Flat	150	1.25	246	2.05	124	1.03	47.2%	398,254	411,701	235,068
	M 549	Rust-B-Gone	Rust Preventative	400	3.33	430	3.58	430	3.58	100.0%	16,330	58,540	54,456
	X 6093	Aqua-Guard	P,S,U (QD)	200	1.67	420	3.50	420	3.50	100.0%	25,657	89,837	42,779
	T 001	All-Purpose Undercoat	P,S,U	200	1.67	365	3.04	365	3.04	100.0%	30,000	91,288	50,021
	T 011	Firm Bond Seal	H20-Pf Wood Seal	200	1.67	358	2.98	349	2.91	100.0%	3,000	8,729	5,002
	6054	Industrial Glow	IMC	250	2.08	400	3.33	420	3.50	100.0%	1,950	6,828	4,064
	I 22	Super Clear	Stain	250	2.08	430	3.58	440	3.67	100.0%	2,822	10,352	5,882
	R 53	Top Coat	Roof	250	2.08	350	2.92	300	2.50	100.0%	8,105	20,271	16,892
Above	V 4567	Delux Industrial Coating	IMC	250	2.08	376	3.13	340	2.83	100.0%	50	142	104
Limits	F9	Endura-Coat	Floor	100	0.83	200	1.67	100	0.83	41.6%	29,980	24,994	10,397
Below	X 7471	Cover Up	Flat	100	0.83	80	0.67	30	0.25	44.1%	1,780	445	654
Limits	X 3693	Acrylic Cover Up	Flat	100	0.83	95	0.79	38	0.32	40.3%	4,430	1,403	1,488
	F 40	Totally Flat	Flat	100	0.83	69	0.58	28	0.23	41.0%	1,050,000	245,102	358,900
	F 30-9	Swift Coat	Flat	100	0.83	55	0.46	20	0.17	48.1%	298,555	49,780	119,721
	F 2020	Fit Flat	Flat	100	0.83	58	0.48	18	0.15	37.1%	75	11	23
	F 420	Smooth as Silk	Flat	100	0.83	25	0.21	18	0.15	52.1%	49,360	7,407	21,439
	S 0122	Mask-It Graffiti Cover	Flat	100	0.83	35	0.29	15	0.13	37.1%	1,590	199	492
	S 0201	Royal	Non-Flat	150	1.25	135	1.13	55	0.46	44.4%	317,500	145,581	176,286
	W 9602	Lasting Color	Non-Flat	150	1.25	145	1.21	70	0.58	47.3%	45,621	26,623	26,985

2001 DISTRIBUTION DATA (continued)

SCAQMD ONLY

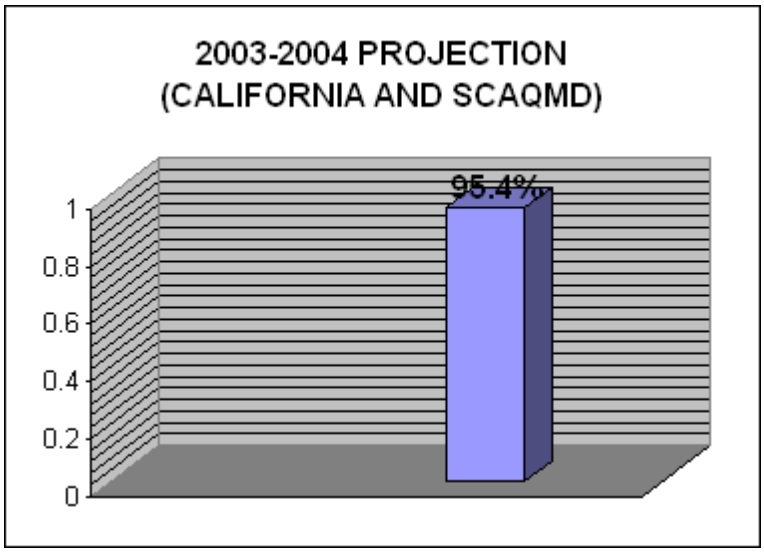
				L				M	V	G	G x M	G x V x L
Product Code	Product Name	Coating Category	VOC LIMIT (g/L)	VOC LIMIT (lbs/G)	COATING VOC CONTENT (g/L)	COATING VOC CONTENT (lbs/G)	MATERIAL VOC CONTENT (g/L)	MATERIAL VOC CONTENT (lbs/G)	% Volume Solids + VOC	Volume (Gallons)	Actual Emissions (lbs)	Allowable Emissions (lbs)
L 1379	Splendi-Chrom	Non-Flat	150	1.25	87	0.73	33	0.28	39.0%	2,005	552	978
G 65-1	Super Semi-Gloss	Non-Flat	150	1.25	80	0.67	40	0.33	46.3%	9,400	3,135	5,443
J 409	Soft Shell	Non-Flat	150	1.25	7	0.06	2	0.02	38.0%	987	16	469
21-3	Annihilator	Rust Preventative	400	3.33	315	2.63	310	2.58	100.0%	5,120	13,232	17,074
F 818	Celi-Kote	P,S,U	200	1.67	100	0.83	54	0.45	49.9%	59,300	26,696	49,338
F 310	Classic Seal	P,S,U	200	1.67	160	1.33	60	0.50	39.6%	65,487	32,757	43,239
C 911	Good to Go Primer	P,S,U	200	1.67	133	1.11	56	0.47	44.4%	95,478	44,575	70,683
C 525	First Step	P,S,U	200	1.67	130	1.08	50	0.42	42.6%	19,236	8,018	13,663
M 226	Rock Prime	P,S,U	200	1.67	120	1.00	50	0.42	41.4%	7,200	3,001	4,970
V 16795	Arti-Chem	P,S,U	200	1.67	40	0.33	17	0.14	38.5%	87,564	12,410	56,210
V 2801	Even Coat	P,S,U	200	1.67	35	0.29	15	0.13	54.3%	5,540	693	5,016
B 3117	Extra-Strong Seal	P,S,U	200	1.67	60	0.50	32	0.27	39.9%	5,970	1,593	3,972
B 0279	Inti-Seal	P,S,U	200	1.67	75	0.63	20	0.17	31.1%	55,630	9,276	28,847
B 647	Leveler	P,S,U	200	1.67	50	0.42	35	0.29	52.6%	1,100	321	965
										TOTALS	**1,495,068**	**1,525,069**

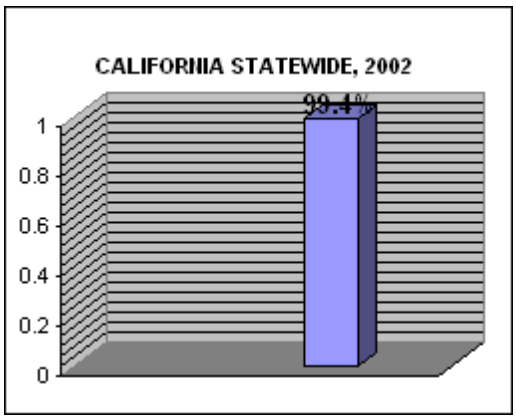
$$\frac{\text{ACTUAL}}{\text{ALLOWABLE}} = 98.0\%$$

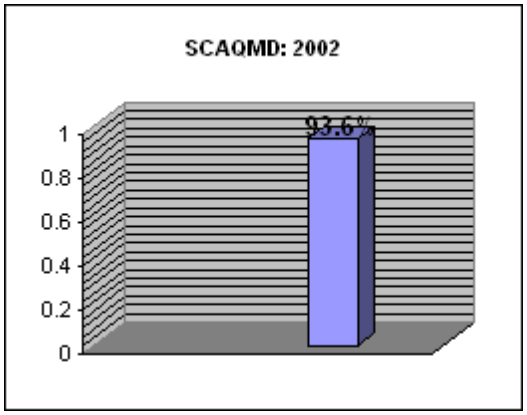
G = Projected Volume (Gallons)
M = Material VOC Content (lbs/G)
V = % Volume Solids + VOC
L = VOC Limit (lbs/G)

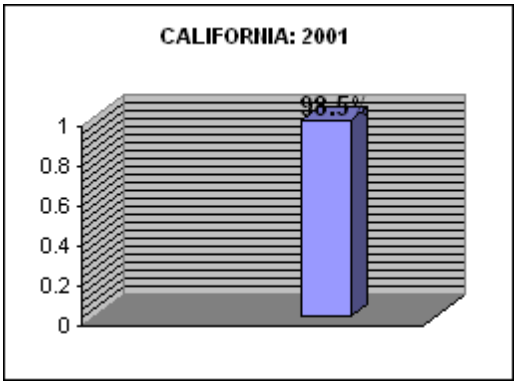
Submitted by: CLEAN COATINGS PAINT CO.
4907 W. Main St.
Los Angeles, CA 90004
Contact: Norah Clean
(213) 216-3958, Extension 5555

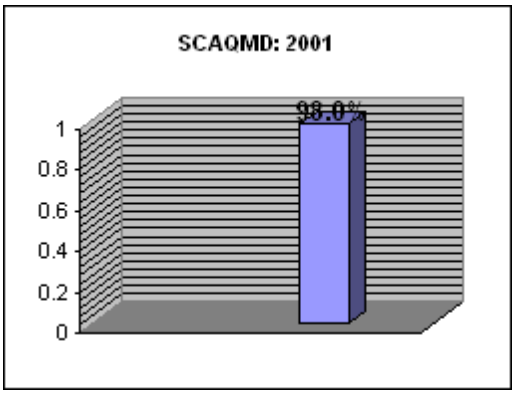
GRAPHIC SUMMARY OF ACTUAL/ ALLOWABLE RATIOS











DATA FROM MONTHLY INVOICE FILE

Customer No. 9 digits	Date Shipped	Invoice No.	Product ID Plus Size Code	Units Shipped (Gallons)
999999999	10/12/2001	XX99999	F 6079	8
999999999	10/13/2001	XX99999	X 7417	4
999999999	10/14/2001	XX99999	F 40	20
999999999	10/15/2001	XX99999	S 1168	50

DATA FROM CUSTOMER FILE

Customer No.	Customer Name	Address Shipped To	City	State
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA

COMBINED DATA INTO ONE FILE

Customer No. 9 digits	Customer Name	Address Shipped To	City	State	Date Shipped	Invoice No.	Product ID Plus Size Code	Units Shipped (Gallons)
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA	10/12/01	XX99999	F 6079	8
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA	10/13/01	XX99999	X 7471	4
999999999	CUSTOMER STORE B	2010 OZONEFREE WAY	LOS ANGELES	CA	10/14/01	XX99999	F 40	20
999999999	CUSTOMER STORE B	2011 OZONEFREE WAY	LOS ANGELES	CA	10/15/01	XX99999	S 1168	50

Clean Coatings Paint- Vendors/ Distributors Located Within District

Store No.	Address	City	State	Zip	Phone	Fax	Contact
301	150 Grand Ave.	Anaheim	CA	92225	714-588-9325	714-644-5321	Angela Carrero
42	571 Alameda	Burbank	CA	91698	818-774-5681	818-764-4457	Belinda Mayer
15	1600 Brand Blvd.	Glendale	CA	91208	818-365-8975	818-365-8876	Joseph Gomez
113	522 S. Hacienda Blvd.	Industry	CA	91556	909-658-7451	909-658-7452	Daniel Durham
95	9753 W. Hollywood Blvd.	Los Angeles	CA	90015	323-669-7789	323-441-3654	Steve Rubin
137	450 Wilton Ave.	Los Angeles	CA	90020	213-468-1110	213-968-7781	Brent Horrowitz
374	250 E. 3rd	Los Angeles	CA	90004	323-865-6094	323-865-6389	Emily Miles
65	890 Desert Rd.	Palm Springs	CA	92258	760-997-5432	760-547-5220	George Richardso
88	7003 Colorado Blvd.	Pasadena	CA	91108	626-232-0868	626-223-2247	Allan Griffith
117	1066 Central Ave.	Riverside	CA	92409	909-112-7474	909-134-1147	Julie Finkelstein
10	332 Pacific Ave.	San Pedro	CA	91668	949-122-3475	9449-578-5321	Rob Lewis
420	7143 Santa Monica Blvd.	Santa Monica	CA	90447	310-454-6093	310-454-5314	David Kelly
91	3672 Ventura Blvd.	Sherman Oaks	CA	91265	818-554-3815	818-555-3456	Don Vasquez
76	3291 Burbank Blvd.	Van Nuys	CA	95467	818-778-9318	818-895-3316	Mike Williams
123	732 Main St.	W. Covina	CA	91789	626-554-3118	626-555-3214	Melissa Hayes

INVOICE

INVOICE NUMBER		PAGE
XX 71? @ I		1

CASH DISCOUNTS ALLOWABLE ONLY WHEN PAYMENT IS MADE WITHIN DISCOUNT PERIOD SPECIFIED. RETURNS OF MERCHANDISE CAN NOT BE ACCEPTED WITHOUT SELLERS AUTHORITY.
A HANDLING CHARGE PLUS INBOUND TRANSPORTATION IF NOT PREPAID WILL BE DEDUCTED WHERE SELLER HAS NOT BEEN AT FAULT. RETURNED CHECKS WILL BE SUBJECT TO A $25 HANDLING FEE.
CLAIMS FOR SHORTAGE MUST BE MADE ON RECEIPT OF GOODS.

THIS IS TO CLARIFY THAT THE MERCHANDISE LISTED IN THIS INVOICE HAS BEEN PRODUCED IN COMPLIANCE OF THE FAIR LABOR STANDARDS ACT OF 1938 AS AMENDED

SHIP TO ACCT. NO.	STORE NO.
562XXJKS	25

SOLD TO ACCT. NO		INVOICE NO.
009994587		XX 71? @ I

REMIT TO

CLEAN COATINGS PAINT CO.
4907 W. MAIN ST.
LOS ANGELES, CA 90004

INVOICE TERMS

NET 90 DAYS

INV COPY	SALES TAX EXEMPT	ORIG. ORDER NO.	ORDER DATE	ENTRY DATE	INVOICE DATE
1	RES	XYZ001	04/13/03	04/13/03	04/15/03
CR. APP.	**ROUTING – CARRIER**		**SHIPPING RECEIPT NO.**		**DATE TO SHIP**
50	WILL CALL		RT2358		05/01/03
DATE SHIPPED		**CUSTOMER ORDER**			**CERT CODE**
05/01/03		543-1289-000			009

SHIP TO
ABC HARDWARE
890 S. STREET
LOS ANGELES, CA 96852

SOLD TO
ABC HARDWARE
890 S. STREET
LOS ANGELES, CA 96852

DESCRIPTION	SALES NUMBER	QUANTITY	BASE UNIT PRICE	QUANTITY ORDERED	QUANTITY SHIPPED	QUANTITLY DUE	TOTAL PRICE
QUICK-SHINE ENAMEL	Q 6389	GALLON	18.49	8	8		147.92
ENDURA-COAT (FLOOR)	F 9	FIVES	13.80	3	3		41.40
PERMAGLOSS (NON-FLAT)	Q 19	QUART	8.29	3	3		24.87
ROCK PRIME	M 226	GALLON	24.95	1	1		24.95

BATCH TICKET

BATCH NUMBER: 1014 **FORMULA** FLAT **KEY:** EX

ALL PURPOSE UNDERCOAT

PRINTED: 10/11/03 START: **COMPLETE: HMIS:**

HI FO RO PH

CUSTOMER: Customer descln not found!

TOTAL WEIGHT: 17,122l560 **TOTAL VOLUME:** 1,456.05 **DENSITY:** 11.760

DESCRIPTION GAL OZ POUNDS QTY REQID R P R P

WATER WA 01 240 0 1,999.200 1,999.200 0 0 0 A FOAMASTER VL AFX 02 2 26 3.7.055 17.055

1 1 0 C ROZON'E 2000 BFX o 2 61 22.500 22.500 1 2 0 C DAXAD 30 DISP. 25% CWX 03 4 88 45.000
45.000 1 1 0 A STANDAMID SD-HENKEL CWX 7 *9* 13.8 82.875 82.875 3.1 0 C DISPEX-GA 40 CWX 02 11 I

106.800 106.800 2 0 0 C TEGO DISPERS 73OW 6 93 58.500 58.500 2 2 0 G HEXELENE GLYCOL -SM 11
64 s 490.770 490.770 1 1 0 B TiO2 R-901 PW 02 88 *66* 2,947.500 2,947.500 1 0 0 E MISTRON 400 PXX 05
49 49 1,200.000 1,200.000 1 0 0 E BLANCA 2 MB-1075 PXX 44 32 101 1,200.000 1,200.000 0 0 0 G POLESTAR 425
33 76 750.000 750.000 1 0 0 E AQUA POLY 250 cmx 63 1 107 is.ooo is.ooo o o o

DISPERSE SMOOTH

PREMIX NEXT 2 ITEMS

THEN PUMP TO TANK

WATER WA 01 105 O 874.650 874.650 0 0 0 A BERMOCOLL EBS411FQ RAX 16 9 89 90.000
90.Ooo o o o

849.660 0 0 0 A

USE TO WASH LINES 6,102.000 0 0 0 C

WATER -WA 01 I 12 1 849. 660
FMC TBEP KP 140 SM 14 25 213.300 213.300 1 1 1 H NUOCIDE 404-D BFX 02 2 117 30.000

30.000 2 0 0 R PATCO 519 DEFOAMER AFX 29 3 96 27.750 27.7§.O 1 1 0 C
THINDOWN

R-575A (60%NVW) SPECIALTY POLY I *660* *50* 1 6, 102. 000

QUALITY CONTROL INFORMATION

DESCRIPTION	TARGET VALUE	TEST RESULTS	DESCRIPTION	TARGET VALUE	TEST RESULTS
	VXSC. 0 77 Dg.7	106-110 KU			
GRIND 3-4 NS	1 GLOSS 85 Dg: 1.5-2.0	I C;LOSS 0 60 Dg : 3.0-3.5			
pH : 7-8	I nity TX : 2 H RS XAXIMDK				

~

PHYSICAL PROPERTIES ANALYSIS

FORMULA: EX FLAT EXTERIOR LATEX STAIN WHITE **Page:** 1

HMIS CODES: H F R P

DATE PRINTED: 10-11-2003
CLASS: FORM FORMULAS
STATUS: 1 ACTIVE
REVISION: Sep 13, 2002 NEW FORMULA
TOTAL WEIGHT: 17,122.560 **TOTAL VOLUME:** 1,456.05 **DENSITY:** 10.738
COST/LB: $0.4379 **COST/GAL:** $5.14 **TOTAL COST:** $7,498.25

LINE	ITEM KEY	DESCRIPTION	QUANTITY	UNITS	COST/LB	EXT COST
1	WA 01	WATER	215.91	LB	0.00	0.00
2	AFX	NUESEPT	2.20	LB	2.87	6.31
3	02BFX	BYK 159	9.50	LB	1.30	12.35
4	03	TRITON CX - 10	2.00	LB	1.69	3.38
5	CWX	L 458	2.00	LB	0.71	1.42
6	07	049 AMP 95/AMAMONE 1	2.00	LB	1.43	2.86
7	CXX 02	220 OMNYCARB 10	100.00	LB	0.05	4.95
8	SM 11	DUPONT R706 HUNTSMAN TR-95	25.00	LB	0.85	21.25
9	PXX 05	298X MINEX 6	200.00	LB	0.20	39.52
GRIND TO 4 MIN. NO LESS 30 MINUTES THEN ADD THE FOLLOWING AT LOW SPEED						
11	VWX 17	279 DiaFil 545	25.00	LB	0.25	6.13
12	3	ACRYSOL RM12W	4.40	LB	2.19	9.64
13	RXX 7-89	018 NATROSOL 250 H4BR	172.68	LB	0.00	0.00
14	KEP 13	ROVACE 9910	5.00	LB	4.09	20.45
15	ZW 79-8	005 AQUA AMMONIA	3.00	LB	3.39	10.17

QUALITY CONTROL INFORMATION

DESCRIPTION	RANGE LOW	TARGET VALUE	RANGE HIGH
VISC.	100	100-105	105
W/G	10.47	10.57	10.57
GRIND	4	4	4
SHEEN	1	1-2	2
DRYM TIME HRS.	1	1	1

PHYSICAL PROPERTIES

DESCRIPTION	VALUE	DESCRIPTION	VALUE
TOTAL WEIGHT	1089.69	TOTAL VOLUME	101.478
STD. COST/POUND	0.289	STD. COST/GAL	3.087
TOTAL VEH WT%	65.423	SOTAL VEH VOL%	84.205
PIGMENT WT%	32.579	PIGMENT VOL%	15.759
VOLATILE WT%	49.481	VOLATILE VOL%	63.657
ORG. SOLV. WT%	0.000	ORG. SOLV. VOL%	0.000
SOLIDS WT%	50.519	SOLIDS VOL%	36.442
VEH SOLIDS WT%	17.842	VEH SOLIDS VOL%	20.692

(continued)

PHYSICAL PROPERTIES ANALYSIS

FORMULA: EX FLAT EXTERIOR LATEX STAIN WHITE

DESCRIPTION	VALUE	DESCRIPTION	VALUE
DENSITY	10.738	SPEC. GRAVITY	1.290
BULKING FACTOR	0.093	P.V.C. %	44.076
P/B RATIO	1.816	SPREAD @ 1 MIL	581.349
CPSFA @ 1 MIL	0.0053	COATING VOC	0.000
MATERIAL VOC	0.000		

APPLICABLE AQMD RULES

Applicable AQMD Rules

These rules may be obtained from the AQMD website at: www.aqmd.gov

Rule 306 PLAN FEES

Rule 221 PLANS

Rule 1113 ARCHITECTURAL COATINGS

ZIPCODE LIST

DISTRICT ZIP CODES

90001	90057	90224	90407	90744	91102	91312	91403	91724	90633	92684	92842	92505	91701	92399
90002	90058	90230	90408	90745	91103	91313	91404	91731	90680	92685	92843	92506	91708	92401
90003	90059	90231	90409	90746	91104	91316	91405	91732	90720	92688	92844	92507	91709	92402
90004	90060	90232	90410	90747	91105	91321	91406	91733	90721	92690	92845	92508	91710	92403
90005	90061	90233	90411	90748	91106	91324	91407	91734	90740	92691	92846	92509	91729	92404
90006	90062	90239	90501	90749	91107	91325	91408	91735	90742	92692	92850	92513	91730	92405
90007	90063	90240	90502	90801	91108	91326	91409	91740	90743	92693	92856	92514	91737	92406
90008	90064	90241	90503	90802	91109	91327	91410	91741	92602	92694	92857	92515	91739	92407
90009	90065	90242	90504	90803	91110	91328	91411	91744	92603	92697	92859	92516	91743	92408
90010	90066	90245	90505	90804	91114	91329	91412	91745	92604	92701	92861	92517	91758	92410
90011	90067	90247	90506	90805	91115	91330	91413	91746	92605	92702	92862	92518	91759	92411
90012	90068	90248	90507	90806	91116	91331	91416	91747	92606	92703	92863	92519	91761	92412
90013	90069	90249	90508	90807	91117	91333	91423	91748	92607	92704	92864	92521	91762	92413
90014	90070	90250	90509	90808	91118	91334	91426	91749	92610	92705	92865	92530	91763	92414
90015	90071	90251	90510	90809	91121	91335	91436	91750	92612	92706	92866	92531	91764	92415
90016	90072	90254	90601	90810	91123	91337	91470	91754	92614	92707	92867	92532	91785	92418
90017	90073	90255	90602	90813	91124	91340	91495	91755	92615	92708	92868	92536	91786	92420
90018	90074	90260	90603	90814	91125	91341	91497	91756	92616	92709	92869	92539	91798	92423
90019	90075	90261	90604	90815	91126	91342	91499	91765	92618	92710	92870	92543	92235	92424
90020	90076	90262	90605	90822	91129	91343	91501	91766	92619	92711	92871	92544	92305	92427
90021	90077	90263	90606	90831	91131	91344	91502	91767	92620	92712	92885	92545	92313	
90022	90078	90265	90607	90832	91175	91345	91503	91768	92623	92725	92886	92546	92314	
90023	90079	90266	90608	90833	91182	91346	91504	91769	92624	92728	92887	92548	92315	
90024	90080	90270	90609	90834	91184	91350	91505	91770	92625	92735	91752	92549	92316	
90025	90081	90272	90610	90835	91185	91351	91506	91771	92626	92780	92201	92551	92317	
90026	90082	90274	90637	90840	91186	91352	91507	91772	92627	92781	92202	92552	92318	
90027	90083	90275	90638	90844	91187	91353	91508	91773	92628	92782	92203	92553	92321	
90028	90084	90277	90639	90846	91188	91354	91510	91775	92629	92799	92210	92554	92322	
90029	90086	90278	90640	90853	91189	91355	91521	91776	92630	92801	92211	92555	92324	
90030	90087	90280	90650	91001	91191	91356	91522	91778	92646	92802	92220	92556	92325	
90031	90088	90290	90651	91003	91201	91357	91523	91780	92647	92803	92223	92557	92326	
90032	90089	90291	90652	91006	91202	91360	91601	91788	92648	92804	92230	92561	92333	
90033	90091	90292	90660	91007	91203	91361	91602	91789	92649	92805	92234	92562	92334	
90034	90093	90293	90661	91009	91204	91362	91603	91790	92650	92806	92236	92563	92335	
90035	90094	90294	90662	91010	91205	91363	91604	91791	92651	92807	92239	92564	92336	
90036	90095	90295	90670	91011	91206	91364	91605	91792	92652	92808	92240	92567	92337	
90037	90096	90296	90671	91012	91207	91365	91606	91793	92653	92811	92241	92570	92339	
90038	90097	90301	90701	91016	91208	91367	91607	91797	92654	92812	92253	92571	92341	
90039	90099	90302	90702	91017	91209	91371	91608	91801	92655	92814	92254	92572	92346	
90040	90101	90303	90703	91020	91210	91372	91609	91802	92656	92815	92255	92581	92350	
90041	90102	90304	90704	91021	91214	91376	91610	91803	92657	92816	92258	92582	92352	
90042	90103	90305	90706	91023	91222	91380	91611	91804	92658	92817	92260	92583	92354	
90043	90174	90306	90707	91024	91224	91381	91612	91841	92659	92821	92261	92584	92357	
90044	90185	90307	90710	91025	91225	91382	91614	91896	92660	92822	92262	92585	92358	
90045	90189	90308	90711	91030	91226	91383	91615	91899	92661	92823	92263	92586	92359	
90046	90201	90309	90712	91031	91301	91384	91616	93063	92662	92825	92264	92587	92369	
90047	90202	90310	90713	91040	91302	91385	91617	93243	92663	92831	92270	92589	92373	
90048	90209	90311	90714	91041	91303	91386	91618	93510	92672	92832	92274	92590	92374	
90049	90210	90312	90715	91042	91304	91392	91702	90620	92673	92833	92276	92591	92375	
90050	90211	90313	90716	91043	91305	91393	91706	90621	92674	92834	92282	92592	92376	
90051	90212	90401	90717	91046	91306	91394	91711	90622	92675	92835	92292	92593	92377	
90052	90213	90402	90723	91050	91307	91395	91714	90623	92676	92836	92320	92595	92378	
90053	90220	90403	90731	91051	91308	91396	91715	90624	92677	92837	92501	92596	92382	
90054	90221	90404	90732	91066	91309	91399	91716	90630	92678	92838	92502	92599	92385	
90055	90222	90405	90733	91077	91310	91401	91722	90631	92679	92840	92503	92879	92386	
90056	90223	90406	90734	91101	91311	91402	91723	90632	92683	92841	92504	94530	92391	

A T T A C H M E N T H

CEQA – NOTICE OF EXEMPTION

SUBJECT: **NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

PROJECT TITLE: **PROPOSED AMENDED RULE 1113 – ARCHITECTURAL COATINGS**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The SCAQMD has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k)(1), the first step of a three-step process for deciding which document to prepare for a project subject to CEQA. Since it can be seen with certainty that the proposed project has no potential to adversely impact air quality or any other environmental area, it is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) - Review for Exemption.

A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. The Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following the adoption of the proposed project.

Any questions regarding this Notice of Exemption should be sent to Mr. Michael Krause (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Krause can also be reached at (909) 396-2706. Mr. Dan Russell is also available at (909) 396-2333 to answer any questions regarding the proposed project.

Date: July 9, 2004 **Signature**: Steve Smith

Steve Smith, Ph.D.
Program Supervisor
Planning, Rule Development & Area Sources

Reference: California Code of Regulations, Title 14

NOTICE OF EXEMPTION

To:	*County Clerks* *Counties of Los Angeles, Orange, Riverside and San Bernardino*	**From:**	*South Coast Air Quality Management District* *21865 Copley Drive* *Diamond Bar, CA 91765*

Project Title:

Proposed Amended Rule 1113 – Architectural Coatings

Project Location:

South Coast Air Quality Management District: the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties) and the Riverside County portions of the Salton Sea Air Basin and Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

The proposed amendments addresses SIP approvability issues identified by the USEPA relative to the alternative compliance option of the rule, the Averaging Compliance Option (ACO). Amendments include requiring specific records to be kept by manufacturers choosing to use the ACO to comply with VOC limits, establish additional criteria for violations of the ACO Program and make other changes to the rule to enhance clarity and enforceability. In addition, the AQMD will periodically evaluate the ACO Program to determine if emission reductions are met as specified in the SIP.

Public Agency Approving Project:	**Agency Carrying Out Project:**
South Coast Air Quality Management District	*South Coast Air Quality Management District*

Exempt Status:

Three-Step Process: CEQA Guidelines §15002(k)(1)
General Rule Exemption: CEQA Guidelines §15061(b)(3)

Reasons why project is exempt:

The amendments are administrative in nature and, therefore, have no potential to generate significant adverse impacts on the environment. Consequently, the SCAQMD has determined that the proposal is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) - Review for Exemption, since it can be seen with certainty that there is no possibility that the proposed project in question has the potential to have a significant adverse effect on the environment.

Certification Date:

SCAQMD Governing Board Hearing: July 9, 2004, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person:	**Phone Number:**	**Fax Number:**	**Email:**
Mr. Michael Krause	*(909) 396-2706*	*(909) 396-3324*	*<mkrause@aqmd.gov>*
Rule Contact Person:	**Phone Number:**	**Fax Number:**	**Email:**
Mr. Dan Russell	*(909) 396-2333*	*(909) 396-3324*	*<drussell@aqmd.gov>*

Date Received for Filing: _____ **Signature:** *(Signed Upon Certification)*

Steve Smith, Ph.D., Program Supervisor
Planning, Rule Development & Area Sources