

ACA: Legislative and Regulatory Report

Chicago Paint & Coatings
Association

February 20, 2018



American Coatings
ASSOCIATION

ACA's Program

- Federal
 - Sector/Issue Management Committees
 - Federal Lobbyists
 - PaintPAC
 - *Coatings Voice*
- State
 - Sector/Issue Management Committees
 - Paint Councils/Contract Lobbyists
 - PaintPAC
 - *Coatings Voice*

Air Quality

- Once In, Always In Policy
 - 1995 EPA memorandum which mandated very strict pollution control measures for facilities even after emissions were reduced to minor source levels
 - ACA Reg Reform letter to Samantha Dravis in May 2017 + follow up meetings
 - Senate EPW Hearing on Innovation and Emission Reduction Strategies



Air Quality

- OIAI (con.)
 - ACA testimony on coatings efforts to reduce emissions
 - 1.9.18 EPW Letter to EPA quoting ACA
 - 1.25.18 EPA withdraws OIAI policy

Air Quality

- Ozone Bill
 - Passed House in 2017
 - S. 206
 - Senate staff indicate that the bill will not move but . . . Could be some effort to place specific language in another legislative vehicle

AIM Update

- TBAC
- April 21, 2017 SCAQMD Stationary Source Meeting - Committee members suggested that it would be best to wait to provide guidance to staff on tBAC until the Scientific Review Panel (SRP) finalizes the tBAC assessment.
- At this time, the limited tBAC exemptions in Rule 1151 and 1113 will remain
- OEHHA risk evaluation is ongoing, SCAQMD will react once OEHHA makes a decision
- SCAQMD recommended elimination at SSC on January 19th (ACA confirmed)

Methylene Chloride and PCBTF

- SCAQMD is exploring phasing out MC.
- SCAQMD is also requesting that OEHHA conduct an assessment on PCBTF based off the National Toxicology Program study which can be found [here](#), the study was released July 2017 and is under external review
 - Significantly larger potential impact than TBAC
 - Could lead to Prop 65 Listing as well as additional Hazcom label statements.

California Air Resources Board

- Suggested Control Measure (SCM) versions – 1977, 1985, 1989, 2000, and 2007
- SCM development kick off meeting on March 14
 - expect CARB to move towards SCAQMD Rule 1113 Limits
 - Please review and reach out to ACA if these limits would be problematic

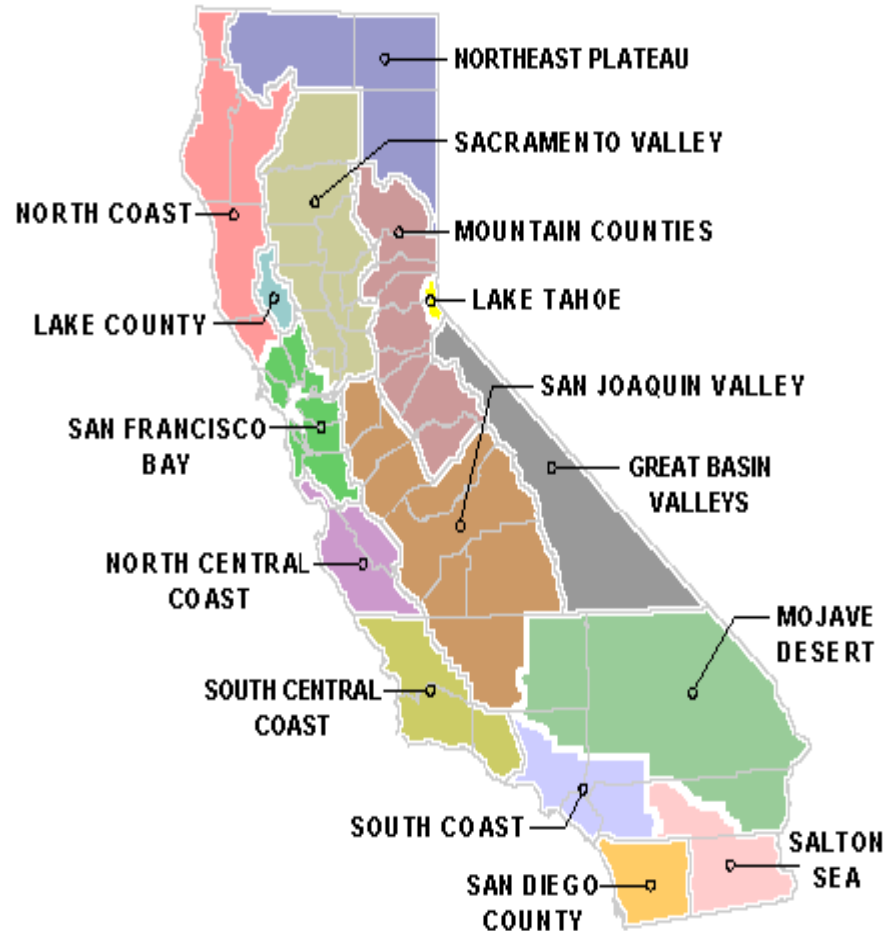
California South Coast Air Quality Management District Rule 1168 Reductions in VOC Emissions for Industrial Adhesives and Sealants, including New Product Categories

New / Modified Product Categories:

- ABS to PVC Transition Cement
- Building Envelope Membrane Adhesives
- Edge Glue
- Foam Sealant
- Grout
- Non-Staining Plumbing Putty
- Potable Water Architectural Sealant
- Pressure Sensitive Adhesive
- Rubber Vulcanization Adhesive
- Vehicle Glass Adhesive Primer
- Waterproof Resorcinol Glue

Note: Additional categories have been redefined (non-exhaustive list)

California Air Basins



Trade – Exports by Country

1.	Canada	\$1,018,251,359
2.	Mexico	\$514,973,702
3.	China	\$82,493,465
4.	United Kingdom	\$42,648,084
5.	Australia	\$38,004,746
6.	Thailand	\$37,503,472
7.	Japan	\$35,734,535
8.	South Korea	\$34,945,453
9.	Netherlands	\$23,703,995
10.	Taiwan	\$23,677,823

Coatings Industry in Illinois

Coatings industry
employees
12,729

Coatings
Establishments
2,395

Industry Wages
\$59,052

Industry Payroll
\$751,669,118

Exports
\$299,236,025



Trade - NAFTA Modernization

- Exports to Canada (\$1 billion)
- Exports to Mexico (over \$500 million)
- Totaled \$1.5 billion combined.



Trade - NAFTA Advocacy

- Department of Commerce Comments
- Testimony at International Trade Administration
- Statement for Ways and Means Subcommittee on Trade
- Meeting with Secretary Ross



Trade - NAFTA Modernization

- “Do No Harm”
- Re-importation of Goods - Canada
- Customs and Trade Facilitation – Mexico
- Rules of Origin
 - Tariff shift rules
 - Regional content value calculations
- Harmonization of DG Regulations

Trade – Misc. Tariff Bill

- H.R. 4318 Unanimously passed House
- Bill will eliminate taxes on commodities not produced or available in the United States
- Contains >12 raw materials used on coatings formulas
- Potential savings of \$\$\$ millions
- ACA letters to Senate top 10



Trade – Titanium Dioxide

- Potential classification of cancer hazard under REACH/CLP
 - Technical barrier to trade
 - ACA →→Dept. of Commerce/International Trade Administration
 - Raised this at the World Trade Organization in November
 - ACA met with Minister Counselor at the US Mission to the EU in Brussels
 - Next meeting in March



Environmental Marketing Claims

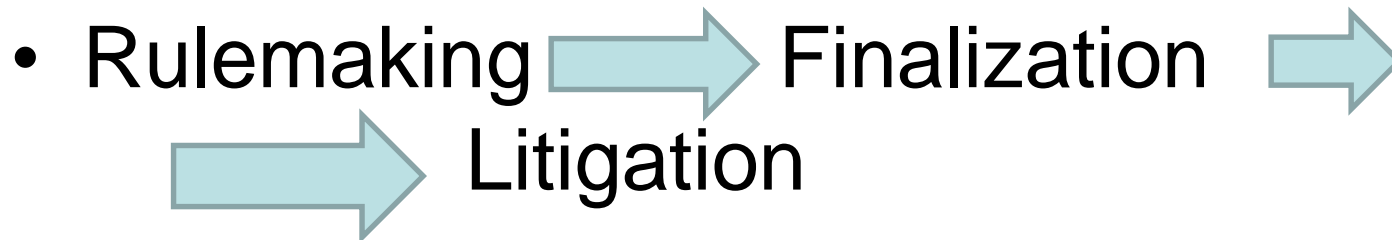
- Federal Trade Commission enforcement
- 2013 Consent Agreements and Enforcement Policy
- 2017 Consent Agreements
 - Not final yet
 - Anticipating another Enforcement Policy
- ACA letters of support for full Commission



TSCA Implementation (and Preservation)

- Framework Rules

- Inventory Reset
- Prioritization
- Risk Evaluation



Labeling Guide

- Last complete update was 2005, the advance supplement to the 6th edition in 2014.
- Update expected to be finalized August 2018

Industry Wide Sustainability Report

- Goal: publish mid-year
- Report to include:
 - Current ACA Messaging
 - Provide, Protect, Preserve
 - Member Case Studies
 - EPA TRI and Industry VOC Emissions Trends paired with Sales Data
 - Other ideas?



American Coatings
ASSOCIATION

Political Outlook

- Midterm Elections 2018
 - WaPo reported another House retirement (Mooney R-FL)
 - 28 Republicans quit politics
 - 14 leaving seats for to run for another office
 - 18 Democrats not seeking re-election
 - 9 running for office elsewhere
 - Primaries begin in March
 - House is 238 – 193 (4 vacancies)

Coatings Industry Policy Summit 2017

- Breakfast with Rep. Mike Doyle (D-PA)
- Lunch with Rep. John Shimkus (R-IL)
- Met with Rep. Kurt Schrader (D-OR)

- Samantha Dravis, Associate Administrator U.S. EPA Office of Policy

- Met with 21 congressional offices from OH, IL, WI, OR, CA, PA, IA, MN, MI, CT and NC and over 30 congressional staffers

- Panel on Tax Reform / Budget / Appropriations:
 - Steve Bell – *Bipartisan Policy Center*
 - Bruce Evans – Staff Director, Senate Committee on Appropriations
 - Rick May – Staff Director, House Committee on the Budget

- The Role of Media in Government and Policy – Carl Cannon, Director, *Real Clear Media*

Thank you for the invitation

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