

American Foundry Society Comments on AERR Rule for SBREFA Panel

July 20, 2022

The American Foundry Society (AFS) hereby submits the following written comments on the air emissions reporting requirements (AERR) rule for the Small Business Regulatory Enforcement Fairness Act (SBREFA) panel to minimize the impacts of the rule on small businesses

Industry Overview

AFS is the major trade and technical association for the North American metalcasting industry. AFS has approximately 7,000 members representing over 2,000 metalcasting firms, their suppliers, and customers. The organization exists to provide knowledge and services that strengthen the metalcasting industry for the ultimate benefit of its customers and society. AFS seeks to advance the sciences related to the manufacture and utilization of metalcasting through research, education, and dissemination of technology. AFS also provides leadership in the areas of environmental, safety and industrial hygiene, government affairs, marketing, management, and human resources for the metalcasting industry.

Metal castings are integral to virtually all U.S. manufacturing activities. In the U.S., castings are used to produce 90 percent of all manufactured durable goods and nearly all manufacturing machinery. The industry is composed of more than 1,750 facilities manufacturing castings made from iron, steel, aluminum, and other alloys that have thousands of applications. In addition to the automotive, construction, and defense industries, other major sectors supplied by the metalcasting industry include agriculture, aerospace, energy exploration and conversion, oil and gas, mining, railroad, municipal/water infrastructure, transportation, and health care.

The U.S. metalcasting industry accounts for \$44.3 billion in direct economic benefit and a total national economic impact of \$110.52 billion. It also provides direct employment for nearly 200,000 men and women and supports nearly 500,000 jobs directly and indirectly. The industry supports a direct payroll of approximately \$11.6 billion and more than \$32 billion including indirect wages. Metalcasting facilities are found in every state, and the industry is made up of predominately small businesses. Approximately 80 percent of domestic metalcasters have fewer than 100 employees.

Introduction

While it is difficult to assess accurately the potential impacts of the new air emission reporting requirements that EPA is considering, because understandably, all of the specific details are not clear. Nonetheless, we will do our best to help identify some of the concerns and potential

burdens for the new requirements that are being considered. Provided below are some of the issues that we have identified.

Overall Burdens

As a general rule, any new air emissions reporting requirements will pose a burden to small businesses, the question is how big is the burden and whether those burdens would justify the imposition of new reporting requirements. In addition, it is important to consider the cumulative impacts of reporting requirements, because facilities are subject to multiple reporting requirements, not just for air emissions, but for other environmental media as well. The comments below will attempt to provide some estimates of the burdens that may be imposed on metalcasting operations.

HAP Reporting to Fill Data Gaps

We agree that more HAP data would help to improve NEI and other air emission databases and the ability to make better emissions calculations and estimates, but for facilities providing the data this rule could require a significant amount of work. The information sought by EPA in this rulemaking is not always readily available. It is not just about simply obtaining the information (which can be a significant burden by itself), but also understanding the data, conducting appropriate Quality Assurance/Quality Control (QA/QC), and populating the information into the electronic reporting systems.

Based on estimates from consultants for the metalcasting industry, those facilities that do not currently report HAP emissions could have costs up to \$30,000 for the first year and \$10,000 to \$15,000 for subsequent years to report HAP emissions to fill the data gaps identified by EPA. This would include identifying and collecting the data, understanding the data and their potential impacts on the facility (e.g., determining if corrective action may be needed), and inputting the data and submitting it to EPA and the states. While it is difficult to assess accurately the number of metalcasting facilities that may be impacted, the best estimate would include approximately one half of the foundry sources that EPA indicated may be impacted by this rule.

Additional Reporting Requirements under Consideration

In addition to the reporting of HAP emissions for the rule, EPA also identified some new and revised reporting requirements that it is considering as part of this rule. Provided below is a list of these requirements and the estimated first-year costs. The costs for reporting in subsequent years would be approximately one-half to one-third of the first-year cost estimates. Again, these estimates include not only the work needed to obtain the information, but also to understand it, conduct appropriate QA/QC, and input it into the applicable electronic reporting systems.

Additions

- Mandatory release point coordinates **\$15,000**
- Title V permit number **Negligible**
- Federal control measures for each control unit **\$12,000**

Revisions

- Design capacity for combustion unit types **\$13,000**
- Control measure configurations **\$12,000**
- Definition of emissions **\$15,000**
- Facility coordinates to air control devices **\$10,000**

Additions (new emission data)

- Annual process-level HAP emissions, including VOC HAPs and PM10 and PM 2.5 from PM HAPs ***Included in HAP estimate above***
- Fuel consumed for combustion processes (Would depend on whether meter required by process or for facility) ***\$10,000 w/o meter, \$5,000 w/ meter***
- Fuel for heat input for EGU ***\$10,000***

Revisions

- Use available source tests to calculate emissions **\$20,000**
- Calculate emissions using best available control **\$15,000**
- Throughput requirements to be enforced **\$10,000**

As evidenced by these cost estimates, obtaining the information for the air emissions reporting requirements is not a trifle matter, and could impose a significant burden for many metalcasting operations that are small businesses.

Experience with Reporting Data to CEDRI

The metalcasting industry just recently completed the residual risk and technology review (RTR) for the iron and steel foundry NESHAP rule. As part of the revised NESHAP, foundries were required to submit data exclusively through CEDRI. At the time of the final rule, this requirement did not appear to be that significant. Unfortunately, the learning curve for CEDRI was steep. It took a committee of foundry experts working with EPA officials on several long educational sessions, several reviews of process and program requirements, a series of questions and answers, a two-hour webinar prepared by EPA and foundry representatives for AFS members, weeks of clarifications (where the answers were not apparent nor readily available in most cases), development of an industry-specific guide by foundry committees for members and their technical consultants to use, and periods of trial and error efforts to finally load the information successfully to CEDRI.

In short, the learning process was long and arduous for most foundries, because the CEDRI system was neither clear nor intuitive. While subsequent efforts to load information into CEDRI are less problematic, the burdens associated with using these new electronic reporting systems cannot be ignored and should be considered as part of the overall burdens associated with any new reporting requirements.

Based on the information that EPA has provided regarding the CAERS, similar issues with the steep learning curve would be expected. The issues may be far greater with CAERS than the metalcasting industry experienced with CEDRI, because CAERS will be including multiple industries that have multiple source and several industry-specific emission factors to consider. In addition, the CAERS has been described as a “work in progress” that is still undergoing upgrades and revisions. As a result, it will be difficult for most small businesses to navigate the many nuances of CAERS without experiencing a very time-consuming and frustrating process.

New Reporting Requirements Should Be Part of Existing Air Emission Regulations

The AERR rule that is under consideration by EPA is a broad and wide-encompassing rule that is attempting to address a multitude of air emissions, including criteria air pollutants and HAPs across multiple industry sectors that have their own industry-specific sources of air emissions, process operations, emission factors, and other unique factors that impact how air emissions should be estimated and calculated. The rule is complicated and complex, making it difficult for many small businesses to understand the new requirements, the justification for these requirements, and how they should be applied to their facilities.

Any new air emission reporting requirements should be part of existing industry-specific regulations such as NESHAPs and NAAQS, rather than the broad AERR rule covering essentially all potential sources of air emissions. For example as referenced above, in the recent RTR for the iron and steel foundry NESHAP, EPA promulgated reporting and recordkeeping requirements as part of the final regulation. The burdens associated with, and the need for, these requirements were assessed as part of that industry-specific regulation and determined to be appropriate.

Requiring additional reporting requirements for HAPs in a separate rulemaking beyond those requirements that are included in the iron and steel foundry NESHAP would be imposing a cumulative burden on metalcasting operations that is not being addressed as part of that rule. Any new air emission reporting requirements should only be included in individual Industry sector regulations, because of the variability of industry emission sources, process and control equipment, emission factors, the availability of the information for that industry source, and the potential cumulative impacts and burdens those requirements may have. If additional HAP emission reporting is to be considered for the metalcasting industry, it should only be included as part of the iron and steel foundry NESHAP or other applicable foundry NESHAP.

Other Regulatory Alternatives to Minimize Impact on Small Businesses

Provided below are some brief regulatory alternatives that could be considered to minimize the impact of this rule on small businesses.

1. Do not impose any new emissions reporting requirements in a separate, broad air emission reporting requirements rule.
2. Set higher reporting thresholds to exclude more small business.
3. Clarify how the HAP draft thresholds are determined based on risk for specific industry sectors.
4. Limit reporting requirements to a smaller universe of emission sources, either by selecting a smaller set of industry sectors or a smaller set of emission types.
5. Streamline the reporting requirements to include only basic information that may be more readily available such as fuel type and amount consumed.
6. Promote voluntary reporting by providing incentives to participating facilities such as permit streamlining or other regulatory flexibility.

Conclusion

On behalf of the American Foundry Society we appreciate the opportunity to provide these written comments on efforts to minimize the impact of the AERR rule on small businesses and the metalcasting industry. If you have any questions or would like additional information regarding these comments, please contact Jeff Hannapel with the Washington office at jhannapel@thepolicygroup.com.