

Economic Impact Analysis Virginia Department of Planning and Budget

9 VAC 5-40 – Regulations for the Control and Abatement of Air Pollution
Department of Environmental Quality
November 17, 2010

Summary of the Proposed Amendments to Regulation

The State Air Pollution Control Board (Board) proposes to amend its existing air pollution regulations to add new standards for the control of volatile organic compound (VOC) emissions from letterpress printing, and change the standards for lithographic printing, within the Northern Virginia VOC Emissions Control Area.

Result of Analysis

Because the Department of Environmental Quality (DEQ) does not know with any degree of certainty how many entities these regulatory changes will affect, there is likely insufficient information to decide if benefits outweigh costs.

Estimated Economic Impact

Currently, any lithographic printing operations that have the **potential to emit** 10 or more tons of VOC are subject to the rules in 9 VAC 5-40. The Board proposes to amend this language so that any operations that **actually emit** 3 tons or more of VOC will have to abide by the restrictions in these regulations. DEQ reports that these two standards are roughly equivalent and, so, they do not anticipate that many businesses in the Northern Virginia VOC Emissions Control Area will be affected by this change. For any businesses that would newly be subject to these regulations on account of this change, DEQ anticipates that costs added would be approximately \$855 per ton of VOC produced.

The Board also proposes to require several new standards for cleaning materials used in lithographic printing operations. Specifically, the Board proposes to require these businesses to 1) store cleaning materials, used shop towels, sponges and other manual cleaning aids in closed containers which are required to remain closed except when cleaners or manual cleaning aids are

added or removed and 2) minimize spills of VOC containing cleaners. DEQ reports that these new rules may add additional costs of up to \$855 per ton of VOC removed for affected businesses. These costs may be partially or completely offset by savings that businesses will see on account of decreased evaporation of their cleaning products.

Currently, the Board's air pollution control regulations do not include rules for the control of volatile organic compound (VOC) emissions from letterpress printing. The Board proposes to add rules that largely mimic those for lithographic printing. The rules for letterbox printing will be slightly more permissive in that they allow for cleaning materials that have a VOC content of 70% by weight rather than the 30% by weight required for lithographic printing. DEQ estimates that most letterbox printing operations in Northern Virginia very likely already meet the standards that will be set in the proposed regulations. Those that would not already be in compliance may incur costs of \$855 per ton of VOC removed.

DEQ will incur costs associated with promulgating these new rules that include the cost of identifying and registering affected businesses. DEQ estimates that these costs will total between \$12,144 and \$48,576. Affected businesses may incur costs for potentially more expensive low VOC products and, on rarer occasions, for control equipment. DEQ estimates that these costs would add to approximately \$855 per ton of VOC removed. The Environmental Protection Agency (EPA) is requiring Virginia to promulgate these regulations under threat of loss of highway funding so one of the benefits of this regulatory action will be the preservation of that highway funding.

Businesses and Entities Affected

DEQ reports that it is impossible to know how many businesses will be affected by these regulations. Given that the products that will be regulated have many applications, there are likely numerous businesses that will be affected. For the portions of these rules that are new, many affected businesses will not have had to register with, or get a permit from, the Board before.

Localities Particularly Affected

Localities in the Northern Virginia non-attainment area (the counties of Arlington, Fairfax, Loudon, Prince William and Stafford as well as the cities of Alexandria, Fairfax, Falls

Church, Manassas and Manassas Park) will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have little impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have little effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

Affected small businesses may incur costs from having to change the cleaning products they use or, in rare instances, from having to purchase control equipment. DEQ believes that these costs will be partially offset by savings that businesses will realize from losing less cleaning product to evaporation.

Small Businesses: Alternative Method that Minimizes Adverse Impact

There do not appear to be any alternate methods that would both further minimize costs and achieve the aims of the Board.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed

regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.