

## **SMALL BUSINESS IMPACT STATEMENT**

*In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.*

**Agency Submitting Regulation:** Department of Environmental Protection (MassDEP)

**Subject Matter of Regulation:** Volatile Organic Compounds (VOC) emissions from Adhesives and Sealants

**Regulation No:** 310 CMR 7.18

**Statutory Authority:** M.G.L. c. 111, Sections 142A through 142E

**Other Agencies Affected:** None

**Other Regulations That May Duplicate or Conflict with the Regulation:** None

**Describe the Scope and Objectives of the Regulation:** MassDEP is proposing to limit VOC emissions from industrial adhesives, sealants, adhesive primers, and sealant primers by establishing VOC content limit standards or pollution control device requirements. The new VOC limits would take effect May 1, 2012 for manufacturers, distributors, sellers, and users of these products. MassDEP made a commitment to adopt the proposed regulations in its Ozone State Implementation Plan (SIP) to comply with the 1997 federal 8-hour ozone standard. The proposed regulations are based on an Ozone Transport Commission (OTC) model rule (Massachusetts is a member of OTC), which in turn is based on a 1998 California Air Resources Board (CARB) Reasonably Available Control Technology (RACT) determination. The regulation also incorporates recommendations in the U.S. Environmental Protection Agency's (EPA's) October 2008 Control Techniques Guidelines (CTG) for Miscellaneous Industrial Adhesives. Several other Mid-Atlantic/Northeast states have adopted similar regulations (e.g., Maine, Connecticut, Rhode Island, New York, New Jersey, Maryland, and Delaware) or have proposed adoption of similar regulations based on the OTC model rule.

**Business Industry(ies) Affected by the Regulation:**

Manufacturers, distributors, sellers, and users of industrial adhesives, sealants, adhesive primers, and sealant primers.

**Types of Businesses Included in the Industry(ies):** Businesses that use adhesives to bond substrates together such as furniture manufacturing, roof installation, carpet installation, furniture manufacturing, leader goods manufacturing, etc.

**Total Number of Small Businesses Included in the Regulated Industry(ies)** *Please see the attached guidance documents for assistance determining the total number of small businesses: 10,002*

**Number of Small Businesses Potentially Subject to the Proposed Regulation:** The same as above.

**Effective Date Used In Cost Estimate:** May 2012

Yes	No	<i>*Note: For each question, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.</i>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Will small businesses have to create, file, or issue additional reports?</b>  The proposed regulation does not have any reporting requirements.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Will small businesses have to implement additional recordkeeping procedures?</b>  The proposed regulation has some recordkeeping requirements, but many of these are of the type necessary for the normal operation of a business.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Will small businesses have to provide additional administrative oversight?</b>  The administrative requirements of the proposed regulations are of the type necessary for the normal operation of a business.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Will small businesses have to hire additional employees in order to comply with the proposed regulation?</b>  Small businesses will comply by using compliant products that are readily available on the market.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?</b>  Small businesses will comply by using compliant products that are readily available on the market.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?</b>  Small businesses will comply by using compliant products. Only in very limited circumstances would a small business choose to install pollution control devices instead of using compliant products.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Are performance standards more appropriate than design standards?</b>  The proposed regulations lower the VOC content of adhesive and sealant products, which is the most efficient and industry-accepted way of lowering VOC emissions from the use of such products.
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?</b>  Small businesses already must cooperate with MassDEP compliance and enforcement activities

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Will the regulation have the effect of creating additional taxes and/or fees for small businesses?</b></p> <p>The proposed regulations do not establish any taxes or fees.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?</b></p> <p>The proposed regulation lowers the allowable VOC content of adhesives and sealants products similar to other states. Manufacturers already have reformulated their products to meet these levels and they are available for use by small businesses.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Is the regulation likely to <i>deter</i> the formation of small businesses in Massachusetts?</b></p> <p>The proposed VOC content limits will be similar to the levels in surrounding states and will not pose any significant costs on small businesses.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Is the regulation likely to <i>encourage</i> the formation of small businesses in Massachusetts?</b></p> <p>The proposed VOC content limits will be similar to the levels in surrounding states.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Can the regulation provide for less stringent compliance or reporting requirements for small businesses?</b></p> <p>There are no reporting requirements and the proposed VOC content limits should be uniform for all businesses, making it easier for manufacturers to produce one complying product for all users.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?</b></p> <p>The proposed regulations establish VOC content limits that already are in place in surrounding states. Therefore the proposed compliance date is reasonable since compliant products already are available. In addition, the proposed regulations provide an extra year before compliance is required for single-ply roofing adhesives and sealants during colder months in order to allow additional lead-time for the roofing industry to use compliant products.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Can the compliance or reporting requirements be consolidated or simplified for small businesses?</b></p> <p>The proposed regulations contain no reporting requirements.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p><b>Can performance standards for small businesses replace design or operational standards?</b></p> <p>Having a uniform VOC content limit for all adhesive and sealant products is the most efficient and industry-accepted way of lowering VOC emissions from the use of such products..</p>

<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input checked="" type="checkbox"/></p>	<p><b>Are there alternative regulatory methods that would minimize the adverse impact on small businesses?</b></p> <p><b>There will be little impact on small businesses since the proposed regulations bring Massachusetts in line with changes that already have occurred in the adhesives and sealants market due to similar regulations in surrounding states.</b></p>
<p>Yes</p> <p><input checked="" type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>	<p><b>Were any small businesses or small business organizations contacted during the preparation of this document? If so, please describe.</b></p> <p><b>MassDEP based the proposed regulations on a 2006 OTC model rule. Massachusetts is a member of OTC, which is a regional organization of states that works to reduce ground-level ozone. In developing its model rule, OTC solicited and considered comments from the affected industries. MassDEP also received comments from the roofing industry and in response provided an extra year for compliance for roofing adhesives during the colder months. The only change that almost all of the affected businesses will experience is that they will be purchasing industrial adhesives, sealants, adhesive primers and sealant primers with a lower VOC content. Such products are already available, since a similar regulation has been promulgated in surrounding states, and the market for such products tends to be regional..</b></p>