

*****SBA Environmental Roundtable Meeting*****
FRIDAY, January 31, 2014 10 a.m. – noon

TO: Interested Persons

FROM: Kevin Bromberg, Assistant Chief Counsel, Environment
David Rostker, Assistant Chief Counsel, Environment
Sarah Bresolin, Assistant Chief Counsel, Environment

SUBJECT: Next SBA Environmental Roundtable Meeting

The next U.S. Small Business Administration, Office of Advocacy Environmental Roundtable will meet to discuss the following topics, beginning at 10 a.m. on Friday, January 31, 2014. The meeting will be held in Washington, D.C., at the Small Business Administration Headquarters, 409 Third Street SW. Send RSVP to david.rostker@sba.gov. We have adopted a casual clothes option for all Roundtable meetings.

Draft Agenda

Proposed Adjustments to the Allowance System for Controlling HCFC Production, Import and Export for 2015 - 2019

David Donaldson, *Chief, Stratospheric Program Implementation Branch*
and Elizabeth Whiteley, *Environmental Scientist,*
Stratospheric Protection Division, U.S. EPA

Presentation	10:00 – 10:30	
Discussion of Impacts on Small Business		10:30 – 11:00

Proposed New Source Performance Standards for Residential Wood Heaters

Gil Wood, *Staff Lead for Development of the Residential Wood Heaters NSPS*
Office of Air Quality and Performance Standards, U.S. EPA

Presentation	11:00 – 11:30	
Discussion of Impacts on Small Business		11:30 – 12:00

Roundtable meetings are open to all interested persons, with the exception of the press, in order to facilitate open and frank discussion about the impacts of Federal regulatory activities on small entities. Agendas and presentations are available to all, including the press. Anyone who wants to receive roundtable agendas or presentations, or to be included in the distribution list, should forward such requests to kevin.bromberg@sba.gov. The purpose of these Roundtable meetings is to exchange opinions, facts and information and to obtain the attendees' individual views and opinions regarding small business concerns. The meetings are not intended to achieve or communicate any consensus positions of the attendees.

**Small Business Environmental Roundtable
Issues for Discussion
January 31, 2014**

Proposed Adjustments to the Allowance System for Controlling HCFC Production, Import and Export for 2015 - 2019

All developed countries are subject to caps on their consumption and production of hydrochlorofluorocarbons (HCFCs), according to the terms of the Montreal Protocol and its amendments. Under the Montreal Protocol, the U.S. and other developed nations must achieve a certain percentage of progress towards the total phaseout of production and consumption of HCFCs, by certain dates. In the U.S., EPA is charged with allocating production and consumption tradable credits of various types of HCFCs. Historically, the program has been managed to help foster HCFC replacements on the market, but recent court cases and regulatory amendments have increased the supply of HCFCs on the market and lowered prices, harming the replacement market.

On December 24, EPA published proposed allocations for calendar years 2015 through 2019. Comments are due by February 24. EPA certified that the rule will not have a significant economic effect on a substantial number of small entities, but some small businesses that operate in the HCFC replacement market seek relief from the currently lower HCFC prices and want EPA to more aggressively restrict supply of HCFCs and do it sooner.

Proposed New Source Performance Standards for Residential Wood Heaters

On January 3, EPA released this proposed rule revising the New Source Performance Standards for Residential Wood Heaters. (As of today, the rule has not yet appeared in the Federal Register, so the deadline for comments has not yet been set.) This rule was the subject of a lengthy SBREFA panel, and EPA conducted an Initial Regulatory Flexibility Analysis. EPA estimates that 90% of the manufacturers of Residential Wood Heaters are small entities. EPA states in its preamble:

“The economic impacts for industries affected by this proposed rule [over the 2014 through 2022 period] range from 4.3 percent for manufacture of wood heater/stove models to as much as an 6.4 percent compliance cost-to-sales estimate for manufacture of single burn rate wood heater models. These impacts do not presume any pass-through of impacts to consumers.”

Although EPA believes there are sufficient flexibilities in the rule, some trade associations are concerned that a significant number of small entities will not be able to comply in a timely fashion. However, there are some small businesses developing (and, in at least one case, selling) new residential wood heaters that are likely to meet the new standards and who welcome these more stringent standards.