

EPA's final rule on methylene chloride, which prohibits all consumer uses, sharply restricts most industrial and commercial uses, and requires a Workplace Chemical Protection Program (WCPP) that includes exposure limits, monitoring, and extensive recordkeeping.

Methylene chloride is widely used in adhesives and sealants, automotive products, and paint and coating removers. Because the final rule significantly restricts or eliminates many of these uses, the impacts extend across multiple industries.

Given the scope of the rule, it is essential that EPA ensure the information collected is truly necessary to support implementation and does not duplicate existing obligations under OSHA, DOT, or other TSCA requirements. For distributors -- who do not manufacture or reformulate products and have limited visibility into downstream workplace conditions -- much of the contemplated information collection has limited practical utility.

2. Accuracy of EPA's Burden Estimates, Methodology, and Assumptions

EPA's Regulatory Impact Analysis (RIA) acknowledges substantial costs associated with the methylene chloride rule. According to the RIA, the rule will increase costs to businesses by approximately \$13.2 million per year (annualized over 20 years), including costs for producers of methylene chloride products and for users who must transition to more expensive substitute solvents.

For manufacturers and importers alone, whose costs are ultimately passed through to wholesalers and distributors, the RIA estimates an annualized discounted cost of about \$1.23 million (in discounted 2021 dollars over a 20-year period). These costs include familiarization with the rule and reformulation of products.

These upstream costs will inevitably be passed along the supply chain. An impact analysis conducted for ACD by John Dunham & Associates (JDA) in 2023 found:

- The annualized cost of the rule on the chemical distribution industry alone would be about two cents per ton,
- Resulting in a 0.5% increase in the cost of chemicals,
- Leading to an estimated 9,070-ton reduction in chemical sales, or about 0.01% of current volume.

Reduced sales volumes translate directly into fewer jobs. The JDA model estimates:

- 7 full-time equivalent (FTE) jobs lost directly within chemical distribution,
- 31 total FTE jobs lost when including supplier and induced impacts,
- \$1.97 million in lost wages and benefits, and
- \$6.45 million in reduced economic output over the 20-year period.

These figures reflect only the impact on chemical distribution. Because chemicals are foundational inputs across the economy, higher prices will cascade into nearly every other sector, amplifying job losses and economic contraction.

Given these documented impacts, EPA's burden estimates for the ICR significantly understate the frequency, duration and cost of complying with the information collection aspects of the rule, effectively masking the true economic consequences for distributors and their customers. The ICR should be revised to reflect more realistic assumptions and explicitly acknowledge and incorporate these downstream cost and employment impacts when characterizing burden.

See attached JDA's impact analysis for your review.

3. **Quality and Clarity of the Information to Be Collected**

From the perspective of chemical distributors, the quality and clarity of the information to be collected under this ICR are critical to minimizing unnecessary costs.

Several areas require improvement:

- **Role clarity:** Distributors are not manufacturers and do not control workplace conditions at customer sites. The ICR should clearly distinguish the information obligations of manufacturers, importers, processors, and distributors.
- **Documentation expectations:** Requirements for recordkeeping related to WCPPs and exposure monitoring must recognize that distributors may not have access to, or control over, downstream exposure data.
- **Guidance and examples:** EPA should provide plain-language guidance, decision trees, and sample forms that demonstrate what constitutes adequate documentation for different types of entities, particularly distributors.

Improving clarity and tailoring expectations to each segment of the supply chain would significantly increase the practical value of the information collected while reducing confusion and inadvertent non-compliance.

4. **Additional Efforts to Reduce Burden on Small Businesses (Fewer Than 25 Employees)**

Many ACD members are small distributors with limited staff and resources. The cumulative impact of higher input costs, increased recordkeeping, and new compliance obligations is particularly acute for these entities. To reduce burden on small businesses, EPA should:

- **Right-size requirements:** Provide exemptions or reduced requirements for small distributors that do not reformulate, repackage, or control downstream workplace conditions, and for entities handling low volumes.
- **Offer standardized tools:** Develop simple recordkeeping templates, model notices, and sample WCPP documentation tailored to distributors.
- **Align and streamline requirements:** Avoid duplicative information requests that overlap with OSHA, DOT, or existing TSCA reporting, and allow cross-referencing where possible.
- **Provide extended timelines and technical assistance:** Offer longer compliance timelines and free technical support (e.g., webinars, FAQs, sector-specific guidance) for small businesses.

These steps would help ensure that the ICR and associated rule do not disproportionately harm small distributors and the customers they serve, while still enabling EPA to obtain the information it needs to implement the methylene chloride rule effectively.

Please let us know if you have any questions.

Kind regards,



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