# ALSTON&BIRD LLP







WWW.ALSTON.COM

# Chemical & Product Regulation ADVISORY •

**JUNE 5, 2014** 

## CARB 2013 Consumer and Commercial Products Survey

It's nearing time to add another reporting requirement to the list. At a public workshop in late May, the California Air Resources Board (CARB) unveiled details of its Draft 2013 Consumer and Commercial Products Survey ("Survey"). If enacted, this Survey would require parties dealing in consumer products to submit sales and formulation data through online reporting tools. Given CARB's increasing propensity for hitting entities with steep fines for minor violations, regulated parties should ready their compliance teams.

#### **An Overview of the Proposed Survey**

CARB's Consumer Products Program is designed to reduce the amount of smog-forming volatile organic compounds (VOCs), toxic air contaminants, and greenhouse gases emitted by chemically formulated consumer products. To assist CARB in its decision making, California law authorizes CARB to collect data about chemically formulated products.

This year, CARB will launch a comprehensive data-gathering initiative for consumer and commercial products. The last time CARB instituted a data-gathering program for consumer products on this scale was in 2006. Although the 2006 reporting program was met with much consternation from industry groups, 546 entities ended up participating in the survey. From this information, CARB created data summaries from product categories and proposed amendments to the Consumer Products Regulations.

#### Who will need to respond to the survey and supply information to CARB?

To determine whether an entity must complete the Survey, there is a two-part test:

First, the entity must be listed on the label of a chemically formulated product sold or supplied to a household, business, commercial, and/or institutional consumer in California during 2013. In cases where multiple names appear on the label, the responsible party is the party that the product was "manufactured for" or "distributed by," as noted by the label.

Second, the entity must fall within a category listed on the <u>2013 Survey Category List</u>. This list is expansive. It includes common, everyday items broken down into the following categories: adhesives; sealants and

This advisory is published by Alston & Bird LLP to provide a summary of significant developments to our clients and friends. It is intended to be informational and does not constitute legal advice regarding any specific situation. This material may also be considered attorney advertising under court rules of certain jurisdictions.

WWW.ALSTON.COM 2

caulks; air fresheners; arts and crafts supplies; cleaners and degreasers; dishwashing products; fabric, carpet and upholstery care products; food-related sprays and aerosol products; fuels and lighter materials; garden and lawn care products; laundry products; office supplies; pool, spa, whirlpool, Jacuzzi and pond products; shoe and leather care products; waxes and polishes; antiperspirants and deodorants; body, hand and face cleaners; facial and body treatments; fragrance products; hair care products; health care products; cosmetics; products for nail care, oral care and shaving; anti-microbial agents; fungicides; herbicides; insecticides and repellents; electronic-related products; solvents; thinning, detailing, maintenance and repair products; general coatings; and specialty coatings. Due to the breadth of this list, several hundred—if not thousands—of companies will likely have to compete with the Survey.

#### What information will a company need to report to CARB?

The Survey will mandate the reporting of highly specific company and product information. For example, according to the May 21 workshop, CARB will seek sales and product-formulation data for three consecutive years. And, as part of this data, parties will need to report each product per its stock keeping unit and each ingredient in an amount nearest to 0.1 percent by weight. Even products with low or no VOCs will be subject to these reporting requirements.

Similar to its other reporting programs, CARB will ask regulated parties to submit information electronically. Regulated parties will have the option of entering all information interactively or importing product and formulation data from external data sources.

### **Comment Now; Comply This Fall**

CARB is accepting comments on the proposed Survey through June 13, 2014. Parties facing regulation should engage in the rulemaking process as soon as possible. Once the comment period closes, CARB intends to release the final Survey around August 1, 2014. After the release of the final Survey, regulated parties will have only months to submit completed surveys.

Gathering data will take time and resources. Companies should begin preparing now so as not to miss the reporting deadline. If CARB's recent enforcement efforts are any indication, penalties for inaccurate or late reports will likely be high. For instance, earlier this year, CARB slapped a petroleum exploration company with a \$328,500 fine for late and inaccurate submissions of greenhouse gas reports.

For more information, please contact our offices or visit CARB's Consumer Products Program homepage.

This advisory was written by Maureen Gorsen and Geoff Rathgeber.

If you would like to receive future *Chemical & Product Regulation Advisories* electronically, please forward your contact information to **environmental.advisory@alston.com**. Be sure to put "**subscribe**" in the subject line.

For more information on the detailed content of these regulations, to discuss compliance strategies or to begin preparing for what will be required, feel free to call any member of the Chemical & Product Regulation team listed below.

Ward L. Benshoof Joshua L. Becker 213.576.1108 404.881.4732

ward.benshoof@alston.com joshua.becker@alston.com

 Maureen F. Gorsen
 Peter E. Masaitis

 916.498.3305
 213.576.1094

maureen.gorsen@alston.com peter.masaitis@alston.com

 Nicki Carlsen
 Donald E. Segal

 213.576.1128
 202.239.3449

nicki.carlsen@alston.com donald.segal@alston.com

Bruce Pasfield BJ Shannon 202.239.3585 202.239.3344

bruce.pasfield@alston.com bj.shannon@alston.com

Elise N. Paeffgen Susan P. Kennedy 202.239.3939 213.576.1124

elise.paeffgen@alston.com susan.kennedy@alston.com

Andrea S. Warren Geoffrey C. Rathgeber 213.576.1008 404.881.4974

andrea.warren@alston.com geoff.rathgeber@alston.com

Ryan W. Koppelman Andrew Brady 650.838.2009 213.576.2527

ryan.koppelman@alston.com andrew.brady@alston.com

# ALSTON&BIRD LLP \_

#### WWW.ALSTON.COM

© ALSTON & BIRD LLP 2014

```
ATLANTA: One Atlantic Center ■ 1201 West Peachtree Street ■ Atlanta, Georgia, USA, 30309-3424 ■ 404.881.7000 ■ Fax: 404.881.7777

BRUSSELS: Level 20 Bastion Tower ■ Place du Champ de Mars ■ B-1050 Brussels, BE ■ +32 2 550 3700 ■ Fax: +32 2 550 3719

CHARLOTTE: Bank of America Plaza ■ 101 South Tryon Street ■ Suite 4000 ■ Charlotte, North Carolina, USA, 28280-4000 ■ 704.444.1000 ■ Fax: 704.444.1111

DALLAS: 2828 North Harwood Street ■ 18th Floor ■ Dallas, Texas, USA, 75201 ■ 214.922.3400 ■ Fax: 214.922.3899

LOS ANGELES: 333 South Hope Street ■ 16th Floor ■ Los Angeles, California, USA, 90071-3004 ■ 213.576.1000 ■ Fax: 213-576-1100

NEW YORK: 90 Park Avenue ■ 12th Floor ■ New York, New York, USA, 10016-1387 ■ 212.210.9400 ■ Fax: 212.210.9444

RESEARCH TRIANGLE: 4721 Emperor Blvd. ■ Suite 400 ■ Durham, North Carolina, USA, 27703-85802 ■ 919.862.2200 ■ Fax: 919.862.2260

SILICON VALLEY: 1950 University Avenue ■ 5th Floor ■ East Palo Alto, California, USA, 94303-2282 ■ 650.838.2000 ■ Fax: 650.838.2001

WASHINGTON, DC: The Atlantic Building ■ 950 F Street, NW ■ Washington, DC, USA, 20004-1404 ■ 202.756.3300 ■ Fax: 202.756.3333
```