



April 22, 2014

EPA Docket Center
U.S. EPA
1200 Pennsylvania Ave. NW
Washington, DC 20004

RE: Docket ID No. EPA–HQ–OAR–2009–0734 – Standards of Performance for New Residential Wood Heaters, New Residential Hydronic Heaters and Forced-Air Furnaces, and New Residential Masonry Heaters

These comments are submitted for the record to the U.S. Environmental Protection Agency (EPA) on behalf of the National Federation of Independent Business (NFIB) in response to the Notice of Proposed Rulemaking (NPRM) regarding Standards of Performance for New Residential Wood Heaters, New Residential Hydronic Heaters and Forced-Air Furnaces, and New Residential Masonry Heaters published in the February 3, 2014 edition of the *Federal Register*.

NFIB is the nation's leading small-business advocacy association, representing members in Washington, D.C., and all 50 state capitals. Founded in 1943 as a nonprofit, nonpartisan organization, NFIB's mission is to promote and protect the right of its members to own, operate, and grow their businesses. NFIB represents about 350,000 independent-business owners who are located throughout the United States. NFIB has manufacturing members that will be directly regulated by the proposed rule. In addition, retail members that sell these heaters stand to be affected as well.

NFIB is concerned that the proposed rule would have significant consequences on residential wood heater manufacturers, which EPA estimates represent 90 percent of the industry. Specifically, the increased costs imposed on these small businesses due to new emissions limit mandates and testing procedures will hit the bottom line twice. The first way is in increased upfront costs to comply with the proposed rule. The second is that with a higher cost to retailers and consumers, demand for these heaters will drop – perhaps substantially.

While NFIB commends EPA for convening a Small Business Advocacy Review panel – and recognizing that this rule will have a substantial economic impact on a significant number of small businesses – we believe the agency could have incorporated more of the panel's feedback and recommendations in the proposed rule.

In particular, EPA could increase flexibility by lengthening the two-step phase in period. As proposed, a first-step emissions limit would take effect in 2015 and the far more substantial second-step limit would need to be reached by 2020. In the panel report, many small entity

representatives emphasized they would need a seven-year window at a minimum to reach the second step. Accordingly, we believe EPA should set the second step at 2022 at the earliest. Additionally, the panel was extremely concerned about the testing changes in the proposed rule. Many cited specific costs related to using either in-house or outside labs that are prohibitive and could push small businesses to the brink of financial viability. EPA should also ensure that manufacturers and retailers can sell any wood heaters certified by EPA for five years from date of certification. We ask that EPA further address these concerns in the final rule.

NFIB is concerned that EPA has not recognized the impact of the likely decreased demand for wood heaters stemming from this rule. Many consumers that purchase wood heaters do so because they are more affordable than other heaters or buy them as a supplementary source to reduce the use of other heating sources.

By substantially driving up the price, perhaps by hundreds of dollars per unit, consumers will stay with their older, less-efficient wood heaters for longer. In addition to being clearly counter to EPA's regulatory goal of reducing emissions, heater manufacturers will not sell as many units – forcing them to reduce capacity in the form of lost jobs and other reductions.

Lastly, we believe EPA should consider how this rule will impact those small businesses that use residential wood heaters as a source of heat for their facility. NFIB thinks EPA should seek out data on how many small companies use wood heaters. It does not appear from the proposed rule and the preamble that the agency explored this at all.

We appreciate the opportunity to comment on the proposed rule. Should EPA require additional information, please contact NFIB's manager of regulatory policy, Daniel Bosch, at 202-314-2052.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Eckerly", with a stylized flourish at the end.

Susan Eckerly
Senior Vice President
Public Policy