



October 5, 2015

Ms. Gina McCarthy
Administrator
United States Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Ave, N.W.
Washington, DC 20460

Re: RIN: 2060-AS51 Protection of Stratospheric Ozone: Update to the Refrigerant Management Requirements Under Section 608 of the Clean Air Act

Dear Ms. McCarthy:

New Era Group Inc. is a non-profit organization representing the issues and concerns of small businesses that are vital in meeting the stated goal of President Obama's Climate Action Plan.

We welcome the opportunity to provide unbiased and factual suggestions to strengthen existing regulations to the goal of reduction of GHG Emissions. Our submissions to EPA are centered around the facts that containment of all refrigerant chemicals can only be achieved with clear standards, which will lead to best practices, not business as usual, BAU.

While not included in the September 2014 Administration's Private Sector Partnership, the Counsel of Environmental Quality gained commitments to new chemicals going forward and with no mention of the existing refrigerants that stand to be vented if not given proper consideration. New Era and its members are the core businesses that are obligated by law to handle and maintain the refrigerants that are in the large installed base of air conditioning in the United States.

The Administration, and for that matter the world, is attempting to form a consensus to phase-down the production and consumption of hydrofluorocarbons. New Era asserts that this can be achieved through the initiatives given to EPA back in December of 2014.

"We've also intensified our climate cooperation with major emerging economies like India and Brazil, and China – the world's largest emitter. So, for example, earlier this month, President Xi of China and I reached an important agreement to jointly phase down our production and consumption of dangerous hydrofluorocarbons, and we intend to take more steps together in the months to come. It will make a difference. It's a significant step in the reduction of carbon emissions." (Applause.)



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There can be no push back that Refrigerant Management interims of leak rates recovery and reclaim are major efforts that will achieve the stated goals to reduce emissions.

IV. Reducing Other Greenhouse Gas Emissions

Curbing Emissions of Hydrofluorocarbons: Hydrofluorocarbons (HFCs), which are primarily used for refrigeration and air conditioning, are potent greenhouse gases. In the United States, emissions of HFCs are expected to nearly triple by 2030, and double from current levels of 1.5 percent of greenhouse gas emissions to 3 percent by 2020.

To reduce emissions of HFCs, the United States can and will lead both through international diplomacy as well as domestic actions. In fact, the Administration has already acted by including a flexible and powerful incentive in the fuel economy and carbon pollution standards for cars and trucks to encourage automakers to reduce HFC leakage and transition away from the most potent HFCs in vehicle air conditioning systems. Moving forward, the Environmental Protection Agency will use its authority through the Significant New Alternatives Policy Program to encourage private sector investment in low-emissions technology by identifying and approving climate-friendly chemicals while prohibiting certain uses of the most harmful chemical alternatives. In addition, the President has directed his Administration to purchase cleaner alternatives to HFCs whenever feasible and transition over time to equipment that uses safer and more sustainable alternatives.

Within the context of environmental stewardship, this rule cannot any longer ignore revisions to the Toxic Substance Control Act of 2015, which has the strong support of the American Chemistry Association. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), is now taking up Super Fund Financial Responsibility, which might apply to the 608 Rule do to issues of toxicity and flammability of the new Class of refrigerants being introduced.

The 608 Rule must not exclude the fact that according to the United States Bureau of the Census there are 113 million homes in the United States 87% are air conditioned and this does not included all the sectors represented by the Significant New Alternative Program (SNAP) stakeholders.



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We hope that our recommendations:

1. Leak rates should be set at zero
2. Any facility that process CFCs HCFCs HFCs or HFO should be subject to the regulatory requirements and authority of Section 608.
3. Recordkeeping of all purchased and installed refrigerants should be implemented
4. As a first step EPA must institute a Compliance Audit Program to insure education and compliance with the rapid changes the have been made.
5. Certify terms such as ownership and reclaiming

There will not be any greater opportunity to strengthen the 608 Section than now.

Thank you and we will be more than happy to answer questions or provide additional information on these critical matters.

Respectfully

Peter Williams

Attachments:

CHAIRMAN

RANKING MEMBER

ONE HUNDRED FOURTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

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Majority (202) 225-2927

Minority (202) 225-3641

April 1, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator McCarthy:

I write regarding the Environmental Protection Agency's August 6, 2014, proposed rulemaking, "Protection of Stratospheric Ozone: Change of Listing Status for Certain Substitutes Under the Significant New Alternatives Policy Program," published at 79 Fed. Reg. 46126, which would restrict many commonly used hydrofluorocarbons (HFCs). In the 1990s, HFCs were approved under the Clean Air Act as environmentally acceptable substitutes for banned ozone depleting substances, but with this action, EPA is now targeting HFCs as greenhouse gases and proposing to prohibit their use in a number of important applications.

There are significant concerns about the consequences of the proposed rule, and I write specifically to request additional information relating to this rulemaking. As discussed below, I understand the consensus among the affected companies in the refrigeration, motor vehicle, and insulation industries is that the proposed compliance requirements are not feasible, would cause considerable economic harm and job losses, and may increase rather than reduce risks to the American public. In addition, I believe that the proposed rule is an unlawful attempt by EPA to set global warming policy using Clean Air Act authority not intended for that purpose.

I. The Proposed Rule's Compliance Challenges

A. Unrealistic Deadlines

Many of the implementation difficulties of the proposed rule stem from its highly compressed compliance timeframes under which regulated companies must modify their products to use HFC alternatives. I understand that few of these companies believe that compliant products can be designed, tested, certified, and manufactured under the proposed schedule. EPA relies primarily on the President's Climate Action Plan, and in particular its stated goal of leading the world on HFC restrictions, as the agency's justification for the rule as

proposed. However, the tight deadlines are not required under any of the relevant statutory provisions, and they may in fact violate the law by imposing more costs than benefits.

The January 1, 2016 deadline for commercial refrigeration equipment is among the most problematic aspects of the proposed rule. I understand that manufacturers of this equipment are in near-unanimity that replacing HFCs as refrigerants by this date is impossible. EPA asserts that acceptable alternatives can quickly replace the delisted HFCs with minimal modifications, but in most cases the proposed rule will necessitate major product redesigns. The same is true for the proposed January 1, 2017 deadline for using HFCs as foam blowing agents for insulation. For these applications, many additional years would be required to develop and deploy satisfactory substitutes. It should be noted that there are some HFC blends not prohibited by the proposed rule that may allow for an easier transition, but their use as substitutes is problematic given that they may be the target of subsequent EPA rules.

For motor vehicle air-conditioners, EPA's proposed HFC delisting takes effect with the 2021 model year. Although this transition period is longer than the others under the proposed rule, automakers have noted in their filed comments that it still poses problems, especially given their long product development cycles and the extensive air-conditioner redesigns necessary to use substitutes. EPA downplays the costs by claiming that automakers are likely to replace HFCs anyway under the existing National Program for Model Year 2017-2025 CAFE and GHG Standards (CAFE/GHG rule) finalized in 2012. However, under the CAFE/GHG rule, automakers are given the flexibility to earn compliance credits via several means, only one of which is the replacement of HFC refrigerants with compounds having a lower global warming potential (GWP). The proposed rule eliminates this flexibility and requires that all vehicle models – including those for which a transition away from HFCs would not make economic sense – switch to new refrigerants by 2021. Many automakers also believe that the only feasible alternative under this timeframe is a proprietary compound that currently costs about 20 times more than the HFCs it would replace and for which adequacy of future supplies is uncertain.

B. Potential Conflicts With Other Regulations

For the refrigeration sector, the rapid introduction of new refrigerants and insulation under the proposed rule is further complicated by a separate set of Department of Energy (DOE) efficiency standards impacting some of the same equipment. This includes a residential refrigerator standard that took effect this year as well as standards applicable to several categories of commercial refrigeration equipment that will take effect in 2017. By limiting the choices of available refrigerants and foam blowing agents, the proposed rule has many manufacturers concerned about achieving DOE's required energy efficiency gains. In fact, some of the HFCs now targeted by EPA are being used precisely because of their efficiency, and DOE assumed their continued availability in promulgating its standards.

Furthermore, EPA and DOE have apparently made no attempt to coordinate the implementation deadlines of rules affecting the same products. Since both agencies' rules necessitate expensive product redesigns that can take several years, the absence of harmonized deadlines has greatly exacerbated the compliance burden. For example, residential refrigerator manufacturers just completed the years-long process of redesigning their products to meet the

new DOE efficiency standard. If the proposed EPA rule is finalized, many manufacturers will be forced to undertake another redesign because the foam blowing agents chosen to help meet DOE's requirements will no longer be allowed in 2017.

The products covered by the proposed EPA rule may fall within the jurisdiction of other federal agencies in addition to DOE. For example, replacements for HFC-using medical and laboratory equipment must comply with a number of Food and Drug Administration regulations, and covered products used on boats must be approved by the United States Coast Guard. Also, the workplaces affected by the proposed rule must comply with all applicable Occupational Safety and Health Administration requirements. This adds to the cumulative regulatory burden and complicates adherence to the proposed rule's strict deadlines.

C. Concerns With Alternatives

Throughout the proposed rule, EPA focuses on addressing the perceived risks posed by the continued use of HFCs, but the agency downplays the fact that the alternatives present risks of their own. Most notably, there are several product categories for which the only realistic alternatives are flammable hydrocarbons. This creates potential safety concerns as well as additional regulatory hurdles in the manufacture, installation, use, maintenance, and disposal of affected products.

Manufacturers switching to flammable refrigerants or foam-blowing agents must undertake extensive and costly changes at their production facilities to reduce the risks to employees. The products using flammable compounds will have to be redesigned and certified to comply with a host of regulatory requirements. This includes strict limits on the amount of flammable refrigerant allowed in each piece of equipment, which can constrain their size and cooling capacity. Equipment containing flammable compounds must also comply with all applicable fire and building code provisions, and may impact insurance rates. Much of the compliance burden will fall on small businesses that are end users of refrigeration equipment, as well as schools, hospitals and other public buildings.

Even with extensive precautions, the risks of using flammable compounds can never be completely eliminated. For example, there may be increased potential risks to employees and customers from flammable refrigerants used in a restaurant kitchen near open flames for cooking. These risks also extend to those who service this equipment, and the additional training and procedures necessary to reduce these risks will likely add to repair costs.

Beyond flammability, some HFC alternatives raise toxicity and other safety concerns that have not yet been fully assessed. Moreover, many substitutes are also volatile organic compounds (VOCs), and their use in the production of refrigeration equipment and insulation could lead to potential violations of other EPA regulations addressing ground-level ozone. Addressing all of the risks posed by HFC alternatives will necessitate much more transition time than is provided in the proposed rule.

II. Costs of the Proposed Rule

EPA's preliminary analysis of the proposed rule projects costs no higher than \$30.5 million. This estimate greatly understates the difficulties of replacing the delisted HFCs by the proposed deadlines. In sharp contrast to EPA's cost estimates, a September 10, 2014 White House press release on HFCs announced that the member companies of the Air Conditioning, Heating, & Refrigeration Institute "will commit to spending \$5 billion in new R&D and capital expenditures to develop and commercialize low global warming potential (GWP) technologies over the next ten years." This commitment by just one affected trade association to spend 160 times more than EPA's cost estimate strongly suggests that the transition away from HFCs will be considerably more expensive than the agency has assumed. In addition, I understand that at least one company has estimated that its own compliance costs will be considerably higher than EPA's projected total for all affected entities, casting further doubt on the plausibility of the agency's analysis.

As a consequence of its low cost estimate, EPA asserts that the Regulatory Flexibility Act does not apply because the proposed rule does not have a significant economic impact on a substantial number of small entities. The agency does not fully acknowledge the challenges to small manufacturers, many of whom lack the resources to handle such an abrupt product overhaul and thus will face even greater difficulties than larger manufacturers. In fact, a number of small manufacturers have expressed fears of closures and job losses as a consequence of the proposed rule. The agency also dismisses as negligible the impacts on the million or more small business end users of affected products such as restaurants and convenience stores. In reality, many small entities are concerned not only about the potentially higher purchase price of compliant equipment, but also higher ongoing costs such as more expensive maintenance and repairs, as well as ancillary costs like increased insurance rates and rents. The service technician community would also face many challenges dealing with compliant equipment. I believe there is no question that a substantial number of small entities will be significantly impacted.

The proposed rule would also apply to American exports of motor vehicles and other affected products. This may place these exports at a global disadvantage and threaten the jobs associated with them. Most nations have no plans to impose HFC restrictions like those in the proposed rule. This creates a dual disadvantage for American products sold abroad: compliance with the proposed rule may drive up the price of American-manufactured goods, while foreign markets without similar HFC restrictions are unlikely to have access to the infrastructure and technical capability to service equipment using new alternative compounds. Meanwhile, HFC-using motor vehicles and other goods from non-U.S. manufacturers will remain available in these markets for the foreseeable future.

Ultimately, American consumers would bear much of the cost of the proposed rule. Motor vehicle buyers may have to contend with costlier air-conditioners. Some types of insulation may become less effective, potentially adding to energy bills. Indirectly, food prices may increase, as every step in their processing, transportation, storage and retailing that requires refrigeration may become more expensive. Beyond costs, the quality and reliability of impacted products may suffer, and choices may be reduced. Public safety may also be compromised.

III. Environmental Consequences of the Proposed Rule

EPA treats the contribution of HFCs to global warming as the overriding consideration in the proposed rule, but even the agency would have to acknowledge the proposed rule would make an extremely small contribution to addressing it. In pursuing the administration's climate change agenda, EPA has thus far focused most of its attention on carbon dioxide rather than HFCs. The agency concedes that HFCs currently account for only 1.5 percent of greenhouse gas emissions and "are a small part of the problem today." Thus, there is little justification for the precipitous delisting of HFCs. And although EPA and others project HFC usage and emissions to increase in the decades ahead, most of that growth is expected from developing nations not subject to the proposed rule.

EPA estimates that the proposed rule would reduce HFC emissions by 31 to 42 million metric tons carbon dioxide equivalent in 2020, and 88 to 117 million in 2030. To place those figures in perspective, the above-mentioned CAFE/GHG rule was estimated to reduce greenhouse gas emissions by 2 billion metric tons carbon dioxide equivalent over the life of the vehicles regulated by the rule. And that rule was assessed by EPA to have a negligible impact on temperatures (an EPA-estimated 0.0074 to 0.0176 degree Celsius reduction by 2100). Indeed, EPA Administrator Gina McCarthy has conceded that the CAFE/GHG rule was among those whose impact on the climate would likely be too small to detect. EPA did not estimate the temperature reduction from the proposed HFC rule as the agency did with CAFE/GHG, but it would presumably be very minor.

Further, the proposed rule's modest reductions in greenhouse gas emissions may be at least partially offset by other emissions increases. Most of the greenhouse gas contribution from refrigeration systems is associated with the carbon dioxide emissions attributable to their energy use and not with leaked refrigerants and foam blowing agents. As discussed previously, many manufacturers are concerned that the proposed rule may necessitate the use of less energy efficient refrigerants and less effective insulation relative to HFCs, resulting in increased energy use and thus higher carbon dioxide emissions. The likelihood of such counterproductive results is greatly increased by the abrupt deadlines, which do not provide nearly enough time to optimize the energy efficiency of new systems using HFC alternatives. In addition, the increased cost of compliant equipment may encourage owners of old and less efficient systems to keep them in use longer rather than replace them. Similarly, for foam-blown insulation used in buildings, any reduction in effectiveness would result in increased carbon dioxide emissions, as would any increase in insulation cost that leads to reduced usage.

Overall, given the miniscule global warming impact of the proposed HFC restrictions, and the very real problems associated with a rush toward phasing out HFCs, it appears that the proposed rule would, on balance, not be effective in meeting the primary objective of addressing global warming.

IV. Questions About Legal Authority

The proposed rule is being promulgated pursuant to Subchapter VI of the Clean Air Act Amendments of 1990, entitled "Stratospheric Ozone Depletion" ("Title VI"). As the title indicates, this subchapter addresses those compounds listed as ozone depleting substances. It contains no specific authority to address global warming. In fact, the only mention of global

warming in Title VI states that the global warming potential of a listed substance “shall not be construed to be the basis of any additional regulation under this chapter.”

Title VI sets out the process by which EPA approves alternatives to the class I or class II ozone depleting substances that were being phased out. Under these provisions, it is unlawful:

“to replace any class I or class II substance with any substitute substance which the Administrator determines may present adverse effects to human health or the environment, where the Administrator has identified an alternative to such replacement that-

- (1) reduces the overall risk to human health and the environment; and
- (2) is currently or potentially available.”

It was pursuant to these provisions that EPA developed the Significant New Alternatives Policy (SNAP) program in 1994 and approved HFCs as non-ozone depleting substitutes for class I or class II substances.

By now, the process of replacing ozone depleting substances is virtually complete. With very few exceptions, they are no longer used in newly manufactured products. At this point, the SNAP program should not be expanded an additional step to replace previously-approved alternatives to ozone depleting substances. For this reason, as a general matter, the proposed rule seeking to delist HFCs based on their global warming potential does not appear to be authorized under the Clean Air Act.

There are also many specific legal issues with the proposed rule. For example, given the modest benefits and significant problems with EPA’s chosen deadlines to delist HFCs, it is doubtful that the agency has met its requirement of reducing the overall risk to human health and the environment. And given that EPA had previously approved HFCs as acceptable under SNAP, it is far from clear that the agency has adequately justified its reversal in now deeming HFCs unacceptable. Nonetheless, as a threshold matter, EPA has no express statutory authority to regulate HFCs as greenhouse gases.

In view of these concerns, please respond to the following questions by May 1, 2015:

1. What is the justification for the short compliance timeframes in the proposed rule?
 - a. Did EPA consider less stringent deadlines, and if so, why were they rejected?
 - b. Are the proposed rule’s tight deadlines mandated under the Clean Air Act, or were they chosen at the discretion of EPA?
 - c. Given that EPA believes that the HFCs addressed under the proposed rule are currently responsible for only 1.5 percent of anthropogenic warming and “are a small part of the problem today,” why do they need to be targeted so quickly?

- d. Does EPA agree that extending the deadlines by several years would considerably reduce the compliance difficulties and costs for regulated entities?
2. For the CAFE/GHG rule, EPA calculated the extent that future temperatures and sea levels would be reduced as a consequence of that rule. Using the same methodology, what is the estimated reduction in future temperatures and sea levels attributable to the proposed rule?
 - a. Would the future temperature and sea level impact of the proposed rule be appreciably different if the deadlines were delayed by 5 or 10 years? If so, by how much?
 - b. Is it possible that a delay in the compliance deadlines by 5 or 10 years would substantially reduce the costs associated with the proposed rule while having only a de minimis marginal climate impact?
 - c. Has EPA taken into account the potential for the proposed rule to result in increased carbon dioxide emissions if the substitutes for HFCs prove to be less energy efficient and/or more expensive? If so, please provide the analysis used in the proposed rule.
3. Given that the proposed rule affects products that are also targeted by Department of Energy rules, has EPA coordinated with DOE in promulgating the proposed rule? If so, please provide the details of any coordination.
 - a. Does EPA see any potential conflicts between the proposed rule and DOE energy conservation standards? If so, please explain the steps taken to reduce potential conflicts, including efforts to harmonize compliance deadlines.
 - b. Has EPA coordinated with other federal agencies that also regulate the products and workplaces affected by the proposed rule?
 - c. Has EPA considered whether regulated entities will have sufficient time to complete all of the testing and certifications necessary to comply with applicable federal regulations by the deadlines in the proposed rule? If so, please list the applicable regulations and the amount of time EPA believes will be needed for regulated entities to comply with them.
 - d. What actions has EPA taken to comply with the executive orders and memoranda requiring improved coordination and harmonization of multiple regulations affecting the same industry, including Executive Order 13563 requiring agencies to consider cumulative regulatory burdens, and the March 20, 2012 Office of Information and Regulatory Affairs memorandum requiring better coordination of the timing, content, and requirements of multiple rulemakings affecting a particular industry?

4. Does EPA anticipate increased use of flammable hydrocarbons as refrigerants and foam blowing agents as a consequence of the proposed rule?
 - a. Does EPA agree that a transition from non-flammable to flammable compounds increases safety risks for manufacturers, small business owners, and consumers?
 - b. Does EPA believe that the technical, legal, and regulatory issues raised by the use of flammable compounds can be resolved in time to meet the deadlines in the proposed rule?
 - c. Has EPA considered the additional costs to small business end users of equipment containing flammable compounds?
5. Is EPA in the process of revising its estimate that the proposed rule would cost no more than \$30.5 million dollars?
 - a. If not, how does EPA reconcile its estimate with the stated commitment by the Air Conditioning, Heating, & Refrigeration Institute to spend \$5 billion dollars developing and deploying HFC substitutes?
 - b. Does EPA believe that no manufacturers will be forced to scale back production or shut down as a consequence of the proposed rule, and that no jobs will be lost?
 - c. Does EPA believe that a substantial number of small entities (including small business manufacturers, end users, and service technicians) will not experience a significant economic impact as a consequence of the proposed rule and thus that a SBREFA panel is not necessary? If so, what communications with small entities is that determination based upon?
 - d. Has EPA considered the potential economic impact of lost export revenues attributable to the proposed rule?
6. What Clean Air Act or other statutory provision does EPA rely upon in proposing to regulate HFCs based on their global warming potential?
 - a. Does EPA consider HFCs to be either a class I or class II ozone depleting substance as defined in Subchapter VI of the Clean Air Act Amendments of 1990? If not, how can the provisions in Subchapter VI for replacing class I or class II substances be applied to HFCs?
 - b. Does EPA believe that the proposed rule would reduce the overall risk to human health and the environment? If so, how did the agency weigh the positive and negative impacts of the proposed rule to arrive at that conclusion?
 - c. Given that EPA previously approved HFCs as acceptable under SNAP, what new evidence supports the proposed status change to unacceptable?

Should you have any questions, please contact Ben Lieberman or Mary Neumayr of the majority committee staff at (202) 225-2927.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ed Whitfield". The signature is stylized, with a large "E" and "W".

Ed Whitfield
Chairman
Subcommittee on Energy and Power

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September 18, 2014

White House, Industry Target Cuts in Use Of Refrigerants With High Warming Potential

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Sue EPA
for Not
Regulating
Stormwater
From
Urban,
Suburban
Areas

President
Withdraws
Bristol
Bay,
Alaska,

A yellow rectangular button with the words "FREE TRIAL" in bold, black, sans-serif capital letters.

By Patrick Ambrosio

Sept. 16 — Emissions of hydrofluorocarbons would be cut by the equivalent of 700 million metric tons of carbon dioxide through 2025 under a series of executive actions and voluntary private sector commitments announced Sept. 16 by the White House Council on Environmental Quality.

Industry associations and companies, including large retailers and manufacturers of refrigeration and air conditioning equipment, have agreed to take steps to cut the use of hydrofluorocarbons and transition to more environmentally friendly alternatives.

The White House also announced a series of steps that will be taken by federal agencies, including federal research and development funding available through the

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Consideration
for Oil,
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President
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Energy Department, that will help promote the phaseout of HFCs and adoption of alternatives.

Hydrofluorocarbons, commonly referred to as HFCs, have a global warming potential as much as 11,700 times greater than that of carbon dioxide. HFCs, which were developed as a replacement for ozone-depleting refrigerants, are commonly used in air conditioning and refrigeration equipment.

U.S. emissions of HFCs are projected to almost double by 2020 and triple by 2030 if no action is taken, according to the White House. The commitments announced by the White House are projected to result in greenhouse gas emissions reductions equivalent to removing almost 15 million cars from the road for 10 years, according to a [fact sheet](#) released by the CEQ.

Phasing out the use of HFCs is one of several strategies identified in President Obama's Climate Action Plan, which also includes

federal standards on greenhouse gas emissions from power plants and a plan to cut methane emissions from landfills and coal mining operations on federal lands.

Industry to Invest in Alternatives Research

The voluntary commitments announced by the White House include an announcement by the Air-Conditioning, Heating and Refrigeration Institute (AHRI), which represents the heating, ventilating, air conditioning and refrigeration industry, that its member companies have committed to investing a total of \$5 billion over the next 10 years to develop and commercialize air conditioning and refrigerant technologies with low global warming potential and energy-efficient technologies.

Other voluntary industry commitments announced by the White House include:

- The Alliance for Responsible Atmospheric Policy, which represents domestic HFC producers

and industries that use the refrigerants, committed to take action and support policies that would reduce the contribution of HFCs to global greenhouse gas emissions by 80 percent by 2050.

- Coca-Cola set a goal of making 100 percent of its new refrigeration equipment purchases be HFC-free, while also increasing the energy efficiency of its refrigeration equipment.

- Honeywell International Inc. announced plans to transition the majority of its HFC production to production of refrigerants with low global warming potential.

- Kroger, the largest supermarket chain in the U.S. by revenue, announced it will join the Environmental Protection Agency's GreenChill program, an agency partnership with food retailers to reduce refrigerant emissions and decrease effects on the ozone layer and climate change.

- PepsiCo set a goal of

making all of its future point of sale equipment, including fountain dispensers and vending machines, purchased in the U.S. HFC-free by 2020.

Commitments Aid Research, Development Efforts

Stephen Yurek, president and chief executive officer of the AHRI, told Bloomberg BNA Sept. 16 that seeing commitments from large corporations to phase out use of HFCs aids research and development efforts because the refrigerant industry knows that there is interest in alternatives.

"It's always heartening to see first adopters," Yurek said.

Yurek said that while the industry will need help in encouraging the refrigerant market in transferring to new technology, the announcement by the White House showed that the entire industry, from producers to end users, is committed to working together to cut HFC emissions.

The announcement of voluntary industry initiatives and further planned federal action adds to “gathering momentum” in support of an amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer that would phase out the international use of HFCs, according to White House adviser John Podesta.

Could Prompt Others' Action

“The leadership demonstrated today by U.S. industries and the federal government taking on HFCs is welcome news for the planet and will help prompt other countries and companies to take action on climate change,” Podesta said in a Sept. 16 [blog post](#).

Canada, Mexico and the U.S. have proposed an amendment to the Montreal Protocol that would phase out HFC production and use, but other countries are concerned about the funding needed to implement that strategy in developing countries.

Durwood Zaelke, president of the Institute for

Governance and Sustainable Development, agreed that the White House HFC announcement will help generate support for the Montreal Protocol amendment. Zaelke has advocated for amending the Montreal Protocol to address HFC emissions.

The Alliance for Responsible Atmospheric Policy announced that it supports the Montreal Protocol amendment to phase down production and use of HFCs.

Announcement Welcomed by Groups

Zaelke said that the announcement of voluntary industry commitments is important because U.S. action to address climate change “resonates around the world.”

Zaelke said that while President Obama isn't able to get Congress to act on climate change, he is “finding new tools” to address it, including working with industry.

“It's the way you'd like your government and your industry to rise to the

occasion to solve a critical problem," he said.

The White House announcement will illustrate that the transition away from HFCs is "well underway" in the U.S. and other large markets, according to David Doniger, director of the Natural Resources Defense Council's Climate and Clean Air Program.

Doniger, in a Sept. 16 [blog post](#), said industries that don't follow suit will miss a business opportunity associated with transitioning toward more environmentally friendly alternative substances.

"This train is leaving the station," he said.

Whitehouse Applauds Action

Sen. Sheldon Whitehouse (D-RI) released a statement hailing the voluntary industry commitments as an important step in reducing emissions that contribute to climate change. He highlighted Coca-Cola and PepsiCo as direct competitors that agree climate change must be

addressed.

"That's the kind of message that can inspire even bigger steps to combat climate change in the future, and I thank the administration and all of the corporations taking part in this new initiative," Whitehouse said.

The White House also highlighted a series of federal agency initiatives intended to promote the use of HFC alternatives, including actions by the EPA.

The EPA will continue to expand its list of acceptable climate-friendly alternatives in various industry uses, the White House said. The agency in June proposed to approve five new refrigerants that have significantly less global warming potential than HFCs.

The EPA is working on its next listing notice under its Significant New Alternatives Policy program, also known as the SNAP program, the White House said. The agency also plans to host a series of workshops on HFC alternatives.

DOE to Make New Funding Available

The White House also said the Energy Department will make new funding available for research and development into technology to reduce energy use, including funding to promote more efficient cooling systems and technologies that use alternative refrigerants.

President Obama also has instructed federal agencies to review federal acquisition regulations to promote the use of HFC alternatives by service and vendor contractors, according to the White House.

To contact the reporter on this story: Patrick Ambrosio in Washington at pambrosio@bna.com

To contact the editor responsible for this story: Larry Pearl at lpearl@bna.com

A White House fact sheet, which includes a full list of industry commitments, is available at <http://www.whitehouse.gov/the-press-office/2014/09/16/fact->

sheet-obama-administration-
partners-private-sector-new-
commitments-.

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U.S. Companies Leading to Reduce Emissions of HFC Climate Pollutants

SEPTEMBER 16, 2014 AT 2:18 PM ET BY [JOHN PODESTA](#)

Summary: Today, fulfilling a commitment under the President's Climate Action Plan, the Obama Administration is announcing new private sector commitments and executive actions to reduce emissions of hydroflourocarbons (HFCs), powerful greenhouse gases that exacerbate climate change.

Today, fulfilling a commitment under the President's [Climate Action Plan](#), the Obama Administration is announcing new private sector commitments and executive actions to reduce emissions of hydroflourocarbons (HFCs), powerful greenhouse gases that exacerbate climate change. Taken together, these commitments will reduce cumulative global consumption of HFCs by the equivalent of 700 million metric tons of carbon dioxide through 2025. That's an amount equal to 1.5% of the world's 2010 greenhouse gas emissions—or, in other words, it's like taking nearly 15 million cars off the road for 10 years.

HFCs, used primarily in air conditioning and refrigeration, are greenhouse gases with up to 10,000 times the global warming potential of carbon dioxide. Unless we act, U.S. emissions of these potent greenhouse gases would nearly double by 2020 and triple by 2030.

Announced today, U.S. industries are leading the way in helping fulfill the President's pledge by investing billions of dollars to develop and deploy the next generation of safe, cost-effective alternatives to HFCs, and by incorporating these climate-friendly technologies into the cars, air conditioners, refrigerators, foams and other products they manufacture and use.

Across the entire HFC supply chain, from production to manufacturing to retail, American businesses large and small are committing to phase down HFCs and accelerate the uptake of climate-friendly alternatives. For example, industry groups are pledging to support policies to reduce global HFC emissions, to increase research and development spending, and to develop and commercialize HFC alternatives. Chemical companies are pledging to phase down the manufacturing of HFCs and to accelerate production of HFC alternatives. Beverage companies and retailers are pledging to buy HFC-free equipment. For a full list of companies and commitments, please check out [our fact sheet](#).

The Obama Administration is also announcing new federal actions to increase the uptake of safer alternatives to HFCs and encourage the development of new technologies by:

- Promoting HFC alternatives within the federal government, including by updating regulations for contractors and evaluating more sustainable options in federal buildings.
- Encouraging private sector investment in low-emissions technology, including expanding the list of climate-friendly HFC alternatives and organizing sector-specific workshops.
- New research and development funding from the Department of Energy, to encourage next generation, climate- and ozone-friendly cooling and heating, ventilation, and air conditioning systems.

Moreover, earlier this summer, the Environmental Protection Agency proposed two new rules under the Significant New Alternatives Policy (SNAP) Program that would smooth the transition to climate-friendly alternatives to HFCs, including expanding the list of acceptable alternatives and limiting the use of some of the most harmful HFCs where alternatives are available.

All of these actions add to the gathering momentum toward an amendment to the Montreal Protocol, the landmark international agreement signed 27 years ago today to phase out the use of chemicals harmful to the ozone layer, to tackle HFCs on a global scale. Recent studies show the hole in the ozone layer is closing, and reinforce the effectiveness of the Montreal Protocol to phase down harmful pollutants. Importantly, the U.S. and China have already agreed to work together to phase down the consumption and production of HFCs, and G-20 leaders followed suit by expressing their own support for similar measures. And just yesterday, former Indian Minister of Environment Jairam Ramesh [called for his country](#) to join a global effort to phase down HFCs under the Montreal Protocol.

The leadership demonstrated today by U.S. industries and the federal government taking on HFCs is welcome news for the planet and will help prompt other countries and companies to take action on climate change.

John Podesta is Counselor to the President.

You should also read:

- [President Obama's action plan on climate change](#)
- [It only takes three minutes to see why we must act on climate change](#)
- [A behind-the-scenes look at the solar panels on the White House roof](#)
- [How limiting carbon emissions from nuclear plants will make us healthier](#)

[John Podesta](#)

Former Counselor to the President



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CAL DOOLEY
PRESIDENT AND CEO



May 13, 2015

The Honorable John Shimkus
Chairman, Subcommittee on Environment and
the Economy
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Paul Tonko
Ranking Member, Subcommittee on Environment and
the Economy
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairman Shimkus and Ranking Member Tonko:

On behalf of the American Chemistry Council (ACC) and our member companies, I am writing to express our support for the new draft TSCA Modernization Act of 2015, scheduled for markup in your subcommittee on May 14, 2015.

Industry labor, environmental, public health and consumer groups all agree that it is time to reform TSCA. Thanks to your leadership and steadfast commitment to this important issue, the draft and the Subcommittee markup mean we are closer to achieving that goal than ever before. The inclusive, bipartisan process you have led, and the important support of Chairman Upton and Ranking Member Pallone, have resulted in an approach to TSCA reform that will build confidence in the U.S. chemical regulatory system, protect human health and the environment from significant risks, and meet the commercial and competitive interests of the U.S. chemical industry and the national economy.

The revised draft of the TSCA Modernization Act addresses the fundamental elements of effective reform of the Act. EPA is provided authority to mandate the generation of new information on chemicals, conduct risk evaluations on priority chemicals according to clear deadlines, and review claims to protect confidential business information. EPA's risk decisions must be based on health and environmental considerations, not costs or benefits. Importantly, the draft provides for a strong and cohesive federal system while maintaining a role for states in the protection of their citizens and environment, and it provides EPA the additional resources necessary to evaluate risks.

Your efforts to develop the draft and hold a markup are significant milestones in the TSCA reform effort. Along with the recent passage by the Senate Environment and Public Works Committee of the "Frank Lautenberg Chemical Safety for the 21st Century Act" (S. 697), your Subcommittee's action is providing an important impetus to achieving TSCA reform this year.



The Honorable John Shimkus
The Honorable Paul Tonko
May 13, 2015
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We look forward to the Subcommittee's approval of the draft TSCA Modernization Act of 2015 on May 14, and encourage swift consideration of the legislation by the full Energy and Commerce Committee.

Sincerely,

A handwritten signature in black ink that reads "Cal Dooley". The signature is written in a cursive, slightly stylized font.

Cal Dooley

