

September 22, 2023

U.S. Environmental Protection Agency Office of Air and Radiation, Mail Code 6101A Attn: Ms. Cindy Newberg 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

## Re: Alliance for Responsible Atmospheric Policy Supplemental Comments on Export Restrictions in the American Innovation and Manufacturing Act Technology Transition Rule (EPA Docket ID No. EPA-HQ-OAR-2021-0643)

Dear Ms. Newberg:

The Alliance for Responsible Atmospheric Policy ("Alliance") is an industry coalition of fluorocarbon producers, user entities, and trade associations of companies that rely on these compounds. The Alliance is submitting this letter to express its concerns regarding the proposed export ban to be included in the "Phasedown of Hydrofluorocarbons: Restrictions on the Use of Certain Hydrofluorocarbons Under Subsection (i) of the American Innovation and Manufacturing Act of 2020" Rule.

## I. Introduction

On December 15, 2022, the U.S. Environmental Protection Agency ("EPA" or "Agency") published a Notice of Proposed Rulemaking and Advance Notice of Proposed Rulemaking, 87 Fed. Reg. 76,738, proposing regulations to implement Subsection (i) of the American Innovation and Manufacturing Act, 42 U.S.C. §7675, entitled "Technology Transitions" (the "Proposed Technology Transition Rule"). The Alliance submitted substantive comments to EPA on the Proposed Technology Transition Rule on January 30, 2023. At that time, the Alliance raised concern regarding the export ban date and expressed its support for the Air-Conditioning, Heating, and Refrigeration Institute's ("AHRI") comments, which included a discussion of continued allowance of export and sale of equipment containing regulated substances at currently used GWP levels. Now, after further review of this issue with its members, the Alliance takes this opportunity to share with EPA its specific concerns regarding such an export ban.

## II. Concerns with an Export Ban

As previously articulated by AHRI and other individual Alliance members in their written comments to the Proposed Technology Transition Rule, the Alliance respectfully requests that EPA clarify that under the Rule manufacturers may continue to export equipment containing HFCs at currently used GWP levels. Pursuant to subsections (i)(4) and (5) of the AIM Act, EPA is to

consider a variety of factors in carrying out a rulemaking, including buildings codes, commercial standards, and overall economic costs. The flexibility in the statutory language was intended to address for the uncertainties of jurisdictions to accommodate the new technology and the necessary modifications of building codes and standards. Some jurisdictions that currently depend on supply from U.S. original equipment manufacturers ("OEMs"), most notably Canada, are not scheduled to have updated building codes, transport regulations, or workforce readiness programs allowing for next generation refrigerants by the effective date of the Agency's proposed export restrictions, nor are they scheduled to have HFC bans in place at the federal level which would prohibit import of such HFC products. Further, other countries around the globe are operating under different HFC transition schedules and have implementing regulations that are not consistent with the U.S. rules. Thus, banning exports of HFC equipment to these jurisdictions prior to their refrigerant transition enforcement rules aligning with the U.S would harm American manufacturers, encourage the sale of older, less efficient, equipment in Canada and other jurisdictions, and potentially incentivize U.S. manufacturers to move production outside of the U.S. For these reasons, EPA should continue to allow U.S. manufacturers to export regulated products to those countries that currently depend on U.S. imports for as long as those receiving countries' HFC laws allow use of the equipment. Any export ban should not become effective until the importing country is prepared to enforce their transition to next generation refrigerants. In the alternative, EPA could extend the compliance date for the restriction on the sale, distribution, or export of a regulated product to two or three years after the compliance date for the prohibition on production and import, rather than the initially proposed one year after the compliance date for the prohibition on production and import.

Even if EPA were to reject the aforementioned recommendations, at a minimum, EPA should establish a petition process to allow for country-by-country export ban flexibility rather than a comprehensive ban after the proposed compliance date.

## III. Conclusion

We appreciate the Agency's effort in proposing and working to finalize the Technology Transition Rule. Transitioning to next-generation technologies by restricting use of HFCs in the sectors or subsectors in which they are used is a critical pillar of implementing the AIM Act and addressing HFCs. However, in promulgating the Technology Transition Rule, we encourage the Agency to avoid implementing an export ban that would harm domestic OEMs and frustrate the smooth transition to new technologies. Thank you in advance for consideration of these additional comments.

Sincerely,

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Kevin Fay Executive Director Alliance for Responsible Atmospheric Policy