



ON: “the American Innovation and Manufacturing Act Allocation Rule”

TO: Environmental Protection Agency Public Hearing

**BY: Chuck Chaitovitz, Vice President, Environmental
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The Chamber’s mission is to advance human progress through an economic,
political and social system based on individual freedom,
incentive, initiative, opportunity and responsibility.

My name is Chuck Chaitovitz, and I am Vice President of Environmental Affairs and Sustainability at the U.S. Chamber of Commerce (Chamber). The Chamber appreciates the opportunity to provide input today on the important role of phasing down hydrofluorocarbons (HFCs) to contribute to our recovering economy and to address climate change.

While there are a few areas of concern for the business community, the Chamber supports the goal of the proposed “**Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading**” rule, implementing the first and most significant part of the AIM Act to phasedown HFCs. The Chamber is pleased to work with our fellow trade associations (e.g., ACC, AHRI, the Alliance, and NAM) and across the business community to move it forward.

We thank EPA for your work on developing the requirements that make significant steps to fulfill the commitment made by more than 170 countries and the Kigali Amendment to the Montreal Protocol.

As others have mentioned today, HFCs are compounds used as refrigerants, foam-blowing agents, etchants, solvents, propellants, and fire suppressants. The market for next generation products and equipment (e.g., HFC substitutes) is globally integrated, highly competitive, and rapidly growing.

The allocation approach outlined in the proposed rule should provide long-term regulatory certainty. This would ensure that U.S. manufacturers remain global leaders. The rule should also apply to our foreign competitors as we transition out of HFCs.

Phasing down HFCs has been estimated to directly add 33,000 U.S. manufacturing jobs over the next decade. In addition, this proposal is the first step in growing the U.S. share of the world market for heating, air-conditioning, and refrigeration equipment by 25%.

Implementing the AIM legislation would dramatically reduce a significant source of emissions that contribute to climate change, avoiding up to .5 degrees C in temperature increases. If the Administration is to achieve its ambitious climate goals, the collaboration with American businesses to phase down HFCs must be part of the solution.

I want to highlight initial issues for consideration by EPA that will make the phasedown process smoother and ensure more certainty for the American business community:

- Using an earlier period than 2017-2019 for determining allowance allocations to avoid disadvantaging U.S. manufacturers and rewarding importers that increased their market share based on unfairly traded HFC products during that period.
- Broadening the initial allocation timeframe beyond two years to provide more regulatory certainty and support long-term planning needed by businesses to innovate and make these investments.
- Providing more clarity and transparency in the use of the monetized estimates of the climate benefits and manufacturer costs associated with the proposed rule.
- Addressing the allocation of HFCs in imported products to reduce emissions leakage as U.S. manufacturers ramp up the production of alternatives.

Completion of this rule on time with these modifications is critical for the environment, the regulated industry, and the U.S. economy.

In conclusion, this rule should provide equipment manufacturers predictability and regulatory certainty. These critical components will allow manufacturers to reduce emissions in the most cost-effective way, while maintaining their competitiveness in world markets.

Thank you again. We stand ready to support the agency as it works towards finalizing this rule.

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