

April 8, 2020

Honorable John Barrasso  
Chairman, Committee on Environment and Public Works  
U.S. Senate  
410 Dirksen Senate Office Building  
Washington, DC 20510-6175

*Via electronic submission to the Committee at [QFR@epw.senate.gov](mailto:QFR@epw.senate.gov)*

**RE: Written Testimony Regarding S. 2754, the American Innovation and Manufacturing Act of 2019**

Dear Mr. Chairman:

Thank you for the opportunity to submit written testimony regarding S. 2754, the American Innovation and Manufacturing Act of 2019 (AIM Act).

SOCMA is the only U.S.-based trade association solely dedicated to the specialty and fine chemical industry – a \$300 billion industry that is fueling high paying jobs in local economies across the United States. SOCMA members play an indispensable role in the global chemical supply chain, providing specialty chemicals to companies in markets ranging from aerospace and electronics to pharmaceuticals and agriculture.

SOCMA members are directly impacted by the AIM Act as currently written for the following reasons:

1. Certain listed hydrofluorocarbons (HFCs) have non-refrigerant applications, e.g. as components in semiconductor and healthcare products, and so domestic manufacturers may be unreasonably burdened by the broad sweeping nature of Section 5 (regarding monitoring and reporting), Section 6 (prohibiting consumption without purchase of corresponding allowances), and Section 9 (authorizing the U.S. Environmental Protection Agency [EPA] to issue rules regarding use of HFCs in refrigeration equipment).
2. Certain specialty chemical manufacturers use HFCs in industrial process refrigeration (IPR) for their manufacturing processes. Typically, manufacturing processes must be maintained within very narrow temperature ranges to allow the desired chemical reactions to take place at appropriate (and safe) pressures. Different refrigerants are not all equally useful for maintaining the desired temperature range for a process. A change in refrigerant driven by Section 6 or the rules mandated by Section 9 could potentially require a manufacturing process to be redesigned. At a minimum, such a change would likely mean new equipment and servicing costs to convert to an alternative. EPA recently concluded a rulemaking to allow the continued use of HFCs for IPR, and Section 9 would effectively drive the re-creation of such rules.

In addition to the direct impact to the industry, SOCMA believes that a full Committee hearing on the bill is necessary to allow the above concerns to be fully articulated. Such a hearing could enable the bill to be modified so that domestic manufacturers of HFCs for essential non-coolant purposes, and users of HFCs for industrial process refrigeration, do not face unreasonable regulatory burdens and competitive disadvantages.

Thank you again for the opportunity to comment concerning the Committee's review of S. 2754. SOCMA looks forward to providing hearing testimony or other input on the matter. In the meantime, please do not hesitate to reach out with questions or comments.

Respectfully submitted,

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