



Testimony
Of
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Before the Environment & Public Works Committee
U.S. Senate Hearing on
S. 2754, the American Innovation and Manufacturing Act
March 25, 2020



April 8, 2020

The Honorable John Barrasso
Chairman
Committee on Environment & Public Works
United States Senate
Washington, DC 20510

The Honorable Thomas Carper
Ranking Member
Committee on Environment & Public Works
United States Senate
Washington, DC 20510

NAMA Testimony to the United States Senate Committee on Environment and Public Works on S. 2754, the American Innovation and Manufacturing Act.

Chairman Barrasso and Ranking Member Carper,

On behalf of the National Automatic Merchandising Association (NAMA), and its members, thank you for the opportunity to provide testimony on S. 2754, the American Innovation and Manufacturing Act.

NAMA represents the United States convenience services industry, with its core membership being comprised of owners and operators of vending machine, micro market, office coffee/tea/water, and pantry services providers, as well as the manufacturers of refrigerated vending machines used throughout the industry. With nearly 1,000-member companies – including many of the world’s most recognized brands – NAMA provides advocacy, education, research and business forums for its membership. The convenience services industry employs over 150,000 Americans nationally and provides nearly \$26 billion in annual economic impact.

NAMA and its members are committed to transitioning away from the use of hydrofluorocarbons (HFCs) in a timely, efficient, and business feasible manner. However, our industry faces a unique hurdle.

HC R-290 is the preferred refrigerant of vending machine manufacturers and distributors due to its low environmental impact and excellent thermodynamic performance. It is non-toxic with zero ODP (Ozone Depletion Potential), a very low GWP (Global Warming Potential), and is ubiquitously used in vending machines throughout the U.S., Europe and the rest of the world. Unfortunately, placement restrictions enacted by the American Society of Heating and Air-Conditioning Engineers (ASHRAE) and Underwriters Laboratories (UL) specifically restrict refrigerated vending machines using HC R-290 from being placed in hallways and lobbies of public buildings.

NAMA is working diligently with both ASHRAE and UL to remove the current placement restrictions in order to enable the industry’s transition to the only globally acceptable solution, but their current enforcement has made complying with state HFC phase-out mandates impossible, without seeking additional time and enforcement discretion.

The lack of a federal standard has led to the industry to engage in the legislative and regulatory process in each state seeking to reduce HFCs, requesting extended compliance deadlines as we work to amend these placement restrictions. Unfortunately, these efforts were not always

successful. For instance, in 2017, California's regulatory actions effectively banned new vending machines using HFCs from being sold and operated with the state. This caused operators to use older, less energy efficient equipment that was manufactured before the 2019 enforcement deadline and also has limited the ability to market new machines to California operators.

As we look to transition away from HFCs, we need legislation that alleviates the stress put on our industry by a patchwork of state requirements.

While positive in its directive to phasing out HFCs, federal legislation without preemption leaves the door open for the continued pursuit of accelerated phase-out legislation and regulations at the state level. Thus, producing a myriad of varying requirements on vending machine labeling, reporting, and recordkeeping that would be substantially challenging to follow across the patchwork of states that have already or will be promulgating regulations on HFCs.

We respectfully urge that any legislation at the federal level should include federal preemption, helping create an effective national standard that works for all industries and helps reduce the nation's impact on the environment.

Thank you again for your leadership on this issue and for the opportunity to share our views with the Committee. NAMA looks forward to any questions that Committee Members may have, and we look forward to the AIM Act being updated to include this critical priority for the convenience services industry.

Sincerely,



Carla Balakgie, FASAE, CAE
President & CEO
National Automatic Merchandising Association

cc:

The Honorable James M. Inhofe
The Honorable Shelley Moore Capito
The Honorable Kevin Cramer
The Honorable Mike Braun
The Honorable Mike Rounds
The Honorable Dan Sullivan
The Honorable John Boozman
The Honorable Roger F. Wicker
The Honorable Richard Shelby
The Honorable Joni Ernst

The Honorable Benjamin L. Cardin
The Honorable Bernard Sanders
The Honorable Sheldon Whitehouse
The Honorable Jeff Merkley
The Honorable Kristen Gillibrand
The Honorable Cory A. Booker
The Honorable Edward Markey
The Honorable Tammy Duckworth
The Honorable Chris Van Hollen