

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

Dear Chairman Barrasso and Ranking Member Carper:

Johnson Controls is grateful for the opportunity to comment in support of *The American Innovation in Manufacturing Act of 2019* (AIM Act) (S. 2754) with the caveats noted below.

Johnson Controls (JCI) is a leading global provider of heating, ventilating and air conditioning equipment, building controls, security and fire/life safety solutions which includes brands such as York, MetaSys, Simplex, Grinnell, Zettler and Tyco. Several of JCI's businesses are leaders in the fire / life safety arena. This knowledge and experience makes JCI uniquely qualified to address product safety and liability issues. The company has ~105,000 employees and ~2,000 locations across six continents. Since JCI first set sustainability goals in 2002, the company has reduced greenhouse gas emissions from our global operations by 51%.

As currently written, the AIM Act would establish a voluntary, federal, framework for guiding our industry through a transition out of hydrofluorocarbons (HFCs) and into next generation refrigerant technologies – many of which are made and manufactured here in the United States. The global market for air conditioning and refrigeration products and equipment is growing rapidly in size and in competitiveness. The AIM Act helps our industry maintain its technology leadership, which in turn helps American manufacturers expand their share of the global market.

From a practical business perspective, JCI sees tremendous business and environmental value in a single, nationwide refrigerant transition from HFCs. Such an orderly transition will allow manufacturers to maintain consistent product portfolios across the country and set one date by which our newly designed products can be sold nationwide. Conversely, the "state-by-state" approach occurring today in the United States does not provide the consistent, uniform approach that businesses and industry desire. Manufacturing different products, for individual states, on different schedules adds unnecessary cost and complexity to the solutions we can offer our customers. A single, nationwide transition will give JCI and the entire HVACR industry the business certainty to continue focusing its collective resources into improving product performance, efficiency and quality. Further, the increased scale of a single, industry wide transition will also result in overall reduced cost to the market as well as maximize overall HFC emissions reductions.

JCI prefers that the current AIM act be amended in order to guarantee a single, nationwide transition to low-GWP refrigerants for stationary air-conditioning equipment thereby ensuring that the benefits described above are fully captured. To maximize these benefits, EPA should promulgate regulation that directs a nationwide HFC transition for stationary air-conditioning equipment with an effective date of January 1, 2025. This date provides the long-term certainty needed to complete industry safety standards, update product offerings, and prepare distribution chains. This orderly approach would align in structure with past national refrigerant transitions, most recently occurring in 2010.

The economic benefits of a single, national transition away from HFCs are well known: 33 million new jobs, \$12.5 billion in new investment, and a 25 percent boost in exports. It is important to note however that such benefits would not be achieved on a limited scale, state-by-state transition. JCI is actively working towards this transition in the United States in order to deliver to our customers the solutions they will demand.

JCI is aware of contentious negotiations related to state authority to set performance requirements for other product sectors (e.g. vehicle fuel economy standards) outside its present product offerings. JCI does not believe that it manufactures any of the products addressed in these negotiations; we are specifically concerned with a single, nationwide transition related “only to HFCs” in products which we manufacture (e.g. stationary air-conditioning, heat pumps, chillers, and other HVAC equipment), and do not wish to opine on state authority to regulate products outside of this scope.

Again, JCI appreciates the opportunity to comment on the AIM act and will continue to work with other stakeholders in pursuit of its intent. Should you wish to discuss these comments further, I can be reached at the contact information below.

Respectfully,

A handwritten signature in black ink, appearing to read 'Joe Oliveri'.

Joe Oliveri
Vice President & General Manager, Global Ducted Systems
Johnson Controls
500 Bi-County Boulevard
Suite 470
Farmingdale / New York, 11735 / USA
516-369-5078 Cell
Joe.Oliveri@JCI.com

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

Alternate Contact Information: Chris M Forth, Executive Director, Regulatory, Codes & Environmental Affairs, Johnson Controls, 5005 York Drive North, Norman, Oklahoma, 73069, (405) 826-5802, chris.m.forth@jci.com