

**Written Testimony on S. 2754, The American Innovation and Manufacturing Act
Before the Committee on Environment and Public Works United States Senate**

Respectfully submitted by
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The National Environmental Development Association's Clean Air Project ("NEDA/CAP") is appreciative of the Committee's invitation to submit written testimony for the record on S. 2754, on which our members have had no opportunity to comment. NEDA/CAP is a Clean Air Act "implementation group" of manufacturing companies from various industry sectors, including aerospace, pharmaceuticals, petrochemicals and home-care products. NEDA/CAP takes *no* position on climate issues. We are, however, tremendously concerned about the potentially rapid phase-out of commonly-used refrigerants that has been proposed in Sections 6 and 7 of the legislation.

Should S. 2754 be adopted in its current form, it is likely to have significant and immediately disruptive impacts on NEDA/CAP's members, as well as to other refrigerant users. NEDA/CAP's members utilize the class of hydrofluorocarbons (HFCs), to be phased-out under Section 6 of the bill for "Industrial Process Refrigeration (IPR)," foam-blowing, flame retardants, other critical product uses, and comfort cooling. We anticipate that owners/operators of custom-designed process-specific IPR equipment would be especially hard-hit by the bill's phase-out schedule in Section 6, since manufacturers would be required to expeditiously replace non-flammable HFCs with a new fleet of potentially flammable HFCs substitutes that are anticipated to pose process issues and to require premature retirement of IPR equipment. That injury would be exacerbated were the bill's four-year accelerated phase-out schedule in Section 7 triggered by EPA and/or a citizen's suit under the undefined conditions in the current legislation.

In addition, NEDA/CAP's members own and operate hundreds of industrial and commercial buildings that rely on refrigeration *and* air conditioning comfort cooling systems that could be similarly harmed under the proposed phase-out schedules in S. 2754, particularly if existing systems could not accommodate a new class of refrigerants and/or were required to be retired before the end of their useful life. (We anticipate that analogous economic disruptions will befall many institutions with modestly-sized air conditioning systems including schools, hospitals, nursing homes, and municipal/state/federal buildings. Other businesses, especially small business commercial refrigerant-users like markets, convenience stores, and restaurants also are likely to be negatively impacted.) Were the provisions for expediting elimination of HFCs in Section 7 of the bill to be triggered by EPA or a citizen's suit, owners of air conditioning systems and other refrigerant equipment also would have to replace HFCs within four-years. These costs to HFC-users also do not appear to have been weighed in the dramatic estimated benefits of the legislation to new manufacturing trumpeted in Section 2 of the bill.

In closing, NEDA/CAP submits that S. 2754 requires closer examination of its impacts on businesses and the public, in addition to the benefits to companies that make HFC-substitutes and air conditioners that have been examined. NEDA/CAP also urges the Committee to examine how S. 2754 would be implemented by EPA under the Clean Air Act, without additional amendments, including but not limited to Congressional direction regarding preemption of conflicting state laws. It should be observed that under current law the Clean Air Act limits EPA's authority to manage HFC substitutes for Ozone Depleting Substitutes, phased-out pursuant to the Montreal Protocol and the 1990 Clean Air Act Amendments, to the Act's Section 608(c) "venting prohibition."