



April 8, 2020

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

The Honorable Thomas Carper
Ranking Member
Environment and Public Works Committee
410 Dirksen Senate Office Building
Washington, DC 20510-6175

Re: American Innovation and Manufacturing Act (S. 2754)

Dear Chairman Barrasso and Ranking Member Carper:

ComStar International Inc., a New York corporation and small chemical business, thank you for allowing a record to be created on the American Innovation and Manufacturing Act S 2754.

This bill, as written, sidelines small U.S. refrigerant companies that are active in the development and manufacture within the HFC refrigerant industry by denying small businesses the benefits of its intended legislation; namely import allocation rights.

We respectfully request and recommend that the Senate Bill 2754 be amended to require a minimum of 25% of the United States allowances for HFC or any future regulated substance under this provision be set-aside for small business enterprises that are active in the U.S. now and into any future Agency Action. This Bill, as written, will prevent this segment of stakeholders from participating in the future growth and development of the refrigerant industry.

ComStar International Inc. falls into the small business group by definition. ComStar International Inc. has been active in the development, manufacturing, packaging and distribution of patented **LOW GWP** HFC refrigerants in the U.S. since 2008. However, it was only in 2013, when the market changed direction to zero ozone depleting and low GWP refrigerant in the U.S., that ComStar International Inc. began importing small amounts of HFC refrigerants. This bill sets the years of 2011 through 2013 as the base years to determine who and how much of an HFC import allocation is established. Therefore, as outlined in the current wording of this bill ComStar would not qualify for an HFC allowance, needed to

ComStar International Inc.
20-47 128 Street
College Point, NY 11356
Phone: (800) 328-0142
Fax: (718)353-5998
Email: customerservice@comstarproducts.com
Website: www.comstarproducts.com



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continue to produce zero ozone depleting and low GWP refrigerants.

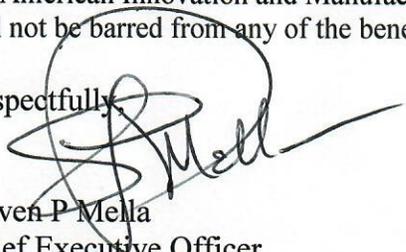
As it related to companies eligible to participate in the HFC allocation program, the Greenhouse Gas Reporting Program (GHGRP), which is not addressed in the bill, should be. In a 5 to 4 vote, in *Massachusetts v. EPA*, 549 U.S. 497 (2007) the US Supreme Court ruled that EPA had the authority under the CAA to regulate greenhouse gas, and as a result, EPA implemented mandatory greenhouse gas reporting under the regulation "Importers and Exporters of Fluorinated Greenhouse Gases Contained in Pre-Charged Equipment or Closed-Cell Foams (§§ 98.430 - 98.438).

The bill does not provide guidance to agency action, as it relates to United States Mandatory Green House Gas Reporting, as follows;

1. Subpart "OO" section is not reflected or considered in the bill. An analysis of import data will show there has been a considerable amount of non-compliance with reporting under this existing regulation. To not mention blatant failures to comply will provide a loophole for violators to be rewarded for failing to report imports that are critical to the establishment of the allocation system suggested in this bill.
2. Subpart "QQ" section is not reflected or considered in the bill. This section requires the reporting of imported equipment that contains HFC fluorinated gas. There is a significant amount of equipment manufactured outside the United States that is "pre-charged" with HFC Blends. This bill will rely on agency action to place some type weighted average of these imports. Here too, is a concern that reporting has not been done and that non-compliance should not be overlooked.

I thank the Environment and Public Works Committee for the opportunity to submit the points and concerns of ComStar International Inc. and of all small companies that are active in the U.S. HFC refrigerant market. It is our hope that the Committee will consider our recommendations as they relate to the American Innovation and Manufacturing Act S 2754 so that the chemical industry's small businesses will not be barred from any of the benefits of such legislation.

Respectfully,


Steven P. Mella
Chief Executive Officer

ComStar International Inc.
20-47 128 Street
College Point, NY 11356
Phone: (800) 328-0142
Fax: (718)353-5998
Email: customerservice@comstarproducts.com
Website: www.comstarproducts.com