



The Alliance
for Responsible Atmospheric Policy

STATEMENT OF

THE ALLIANCE FOR RESPONSIBLE ATMOSPHERIC POLICY

Kevin Fay, Executive Director

February 14, 2014

EPA/State Stakeholder Meeting

On behalf of the Alliance for Responsible Atmospheric Policy (Alliance), we are providing these comments regarding the continued pursuit of international action on HFCs under the Montreal Protocol.

The Alliance is an industry coalition organized in 1980 to address the issue of stratospheric ozone depletion as well as the production and use of fluorocarbon compounds. It is composed of manufacturers and businesses, including their trade associations, which rely on HCFCs and HFCs. According to a recent study, the US fluorocarbon using and producing industries contribute more than \$158 billion annually in goods and services to the US economy, and provide employment to more than 700,000 individuals with an industry-wide payroll of more than \$32 billion. In the late 1980s, the Alliance was the first industry organization to call for an international environmental agreement to address ozone depletion when the science demonstrated that the world needed to cooperate on this global environmental threat. Today, the Alliance coordinates industry participation in the development of reasonable international and government policies regarding both ozone protection and climate change. The Alliance is proud of its long history of working in a positive manner with EPA on the protection of stratospheric ozone and climate change, and we appreciate the leadership that EPA and the State Department have shown.

We appreciate the opportunity to participate in the ongoing dialog regarding how best to ensure that the projected global emissions growth of HFCs is not realized. While we continue to believe that the Montreal Protocol is the preferred international agreement under which to address HFCs, we have never supported the negotiation of a phase down schedule. The Alliance now supports the negotiation of an HFC phasedown amendment that is economically and environmentally effective. Moving from concept to specifics, however, the Alliance would like to raise several key issues.

First, the timetable from the previously proposed North American Amendment needs to be modified to reflect the uncertainty as to when an amendment will be adopted and come into effect. Industry stakeholders need reasonable timeframes to be able to continue providing products that are healthy, safe, energy efficient, and productive, and for which demand is growing. We urge the adoption of a starting point that is based on “entry into effect” dates rather than a specific date to start the phase down, with a focus on the 2015-2050 timeframe. The baseline for calculations should be “right-sized” to reflect actual demand at time of adoption and to account for the growth which is likely to result from pending economic recovery.

The phase down schedule needs to reflect actual technology availability or development, as well as account for the need to service the existing equipment base. We will speak in more detail on proposed schedules and reduction paths in future meetings.

Second, the Alliance believes that periodic technology reviews should be used to evaluate the viability of future targets and guide the phase down efforts. Such reviews could lead to more or less stringent reductions and will give guidance to Article 5 and non-Article 5 parties.

Third, we support a policy which allows for the banking of unused allowances, provides ample refrigeration management incentives and creates an incentive for CFC and HCFC destruction credits.

We are ready to work to ensure the avoidance of the rapid global growth scenarios in the use of HFCs, and the development and implementation of substitute technologies that allow for a manageable transition around the globe. The Montreal Protocol has succeeded because it has integrated long-term management principles in order to achieve the desired environmental policy objectives. This lesson should guide how we move to include HFCs into the Montreal Protocol system.

The Alliance is supportive of different schedules for Article 5 countries and believes a credible funding mechanism is crucial to this process. Clearly China and India's participation in the negotiations and ultimately in implementation of an effective agreement is necessary in order to achieve the environmental objectives. The Alliance welcomes the opportunity to work with staff at the State Department and EPA on this critical effort and to be liaisons with industry partners around the globe, including China and India, whose support is also essential to our success.