



The Alliance
for Responsible Atmospheric Policy

STATEMENT OF

THE ALLIANCE FOR RESPONSIBLE ATMOSPHERIC POLICY

Kevin Fay, Executive Director

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EPA/State Department 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, businesses and trade associations, which make or use fluorinated gases in their course of business. 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 August 1986, one year before the Montreal Protocol was signed, 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. At the same time, Alliance member companies are leading the development of next generation, climate- and ozone-friendly, technologies and applications. 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 shown by EPA and the State Department.

In September of last year, the Alliance had the opportunity to participate in an HFC industry roundtable discussion hosted at the White House. We announced our support for global and domestic efforts to reduce the emissions of high-GWP HFCs and to promote technology innovation for low-GWP substitute compounds and technologies. Numerous Alliance member companies also made specific commitments towards these goals. In sum, the Alliance pledged to take actions and support policies to reduce global HFC use by 80 percent by 2050. We further emphasized these goals the following week at the United Nations Secretary General's Summit, where we were invited to outline the HFC action plan of the global Climate and Clean Air Coalition (CCAC).

The leading component of that plan remains the adoption of an amendment to the Montreal Protocol to limit the emissions of high GWP HFC compounds. We believe this is still the most cost-effective means of achieving the technology innovation necessary for a gradual phasedown of the high GWP HFCs, while ensuring the availability of the important technologies to which these compounds contribute.

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. The Alliance continues to support the negotiation of an HFC phasedown amendment to the Montreal Protocol that is economically and environmentally effective. The specific details of that amendment are important. The growing proliferation of regional, national and subnational HFC regulations makes timely conclusion of the amendment increasingly important. We would like to call your attention to the following key issues for Alliance members.

First, the timetable from the 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 phasedown, with a focus on the 2015-2050 timeframe. The baseline for calculations should be “right-sized” to reflect actual demand at the time of implementation. As the baseline years advance, this presumably will also take into account transitions already underway.

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.

Second, achieving the phase down will require the development of additional capacity of low GWP refrigerants, propellants and foam expansion agents. The amendment should regulate consumption to achieve the phase down. It should not regulate production so as not to constrain the necessary investments in those new production facilities. Regulating production is not necessary to achieve the reductions and could in fact impede them.

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

Finally, we support a policy which provides ample refrigeration management incentives and, as possible, creates an incentive for CFC and HCFC destruction credits.

The Alliance encourages the use of policies which support the successful completion of the global effort to phaseout ozone depleting substances. At the same time, 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 a different schedule for Article 5 countries and believes a credible funding mechanism is crucial to this process. Clearly, China, India, and Middle Eastern country 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 continue our work with the State Department and EPA on this critical effort and to be liaisons with government and industry partners around the globe, including China, India, and the Middle Eastern countries whose support is also essential to our success.

We look forward to the achievement of this important policy objective by the end of this year.

Thank you.