

Statement of Cindy Newberg
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Legislative Hearing on
The American Innovation and Manufacturing Leadership Act of 2020
Subcommittee on Environment and Climate Change
House Energy and Commerce Committee
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Good Morning Chairman Tonko, Ranking Member Shimkus, and members of the subcommittee. My name is Cindy Newberg, and I am the Director of the Stratospheric Protection Division in the Office of Atmospheric Programs in the Office of Air and Radiation at the U.S. Environmental Protection Agency (EPA). The Stratospheric Protection Division oversees implementation of the *Montreal Protocol on Substances that Deplete the Ozone Layer* and Title VI of the Clean Air Act, which have the shared goal of restoring the ozone layer.

I appreciate the opportunity to testify today regarding the Committee's American Innovation and Manufacturing Leadership Act of 2020. Although the Agency does not have a formal position on the bill, my testimony today will focus on how the EPA implements current stratospheric protection programs, as well as the technical aspects of the Committee's bill to address hydrofluorocarbons (HFCs), which are substitutes for certain ozone-depleting substances.

To provide a brief background, I have been with EPA for more than 27 years and served on delegations for the Montreal Protocol representing the United States and EPA's interests under the last three administrations. The Montreal Protocol is a global agreement to protect the Earth's ozone layer by phasing out production and consumption of the chemicals that deplete it. The Protocol was signed by the United States in 1987 and ratified by the United States Senate in 1988. Today, all countries that are members of the United Nations are parties to the Protocol. By restoring the ozone layer, we reduce risks of skin cancer and cataracts. For Americans, full implementation of the Montreal Protocol is expected to result in the avoidance of more than 280 million cases of skin cancer, approximately 1.6 million skin cancer deaths, and more than 45 million cases of cataracts in the United States alone.

Ozone depleting substances have been used in many household, industrial, and military applications. The phaseout of the U.S. production and consumption of ozone-depleting substances is managed by issuing tradeable allowances through rulemaking. In addition, Title VI of the Clean Air Act includes complementary measures to smooth transition to alternatives for ozone-depleting substances including provisions to support the recovery and reuse of existing chemicals and identification of alternatives for all relevant applications. To facilitate smooth

transition to a range of alternatives, EPA has implemented domestic regulations and partnership programs that have enabled the United States to not only meet but to exceed the commitments outlined in the Montreal Protocol. And at the same time, U.S. companies have shown great leadership with the development and deployment of a range of alternatives. Many of these programs have served as models for other countries, who regularly consult with EPA for our technical expertise.

In wake of the Montreal Protocol and Title VI of the Clean Air Act, the U.S. has been substituting ozone depleting substances with alternatives, including to a large extent with HFCs. Meanwhile, as global demand for refrigeration and air conditioning increases, more HFCs are being used as substitutes, particularly in cooling applications. While HFCs do not deplete the ozone layer, most HFCs are potent greenhouse gases.

The AIM Act, as drafted, would establish new domestic authority to phase down the production and consumption of HFCs. If signed into law, the AIM Act would require the EPA to do many of the same types of activities for HFCs that we have done and continue to do for the ozone-depleting substances.

The bill would require EPA to publish a list of HFCs and their exchange values, which are defined in the bill. It would subsequently require affected entities to periodically report to the EPA the amount of regulated substances produced, imported, exported, reclaimed, destroyed, used and consumed in the manufacture of other chemicals, or used as process agents. It would establish a baseline which would then be used to help create an allowance and trading program to phase down production and consumption of HFCs. The EPA Administrator would then bear responsibility for allocating allowances on either an annual basis or for multiple years based upon a schedule for the phase down of production and consumption of HFCs. Transfer of allowances between companies would be allowed. The Administrator may be petitioned to increase the speed of the scheduled phase down.

The Administrator also would be required to promulgate regulations to establish standards for the management of HFCs to control, as appropriate, practices, processes or activities for servicing, repairing, disposing, or installing equipment involving regulated substances. Furthermore, the Administrator would be authorized to facilitate transitions to next-generation technologies by establishing restrictions on specific uses of HFCs and evaluating availability of substitutes for the regulated HFCs. These are the same actions we do today for ozone-depleting substances.

Again, while the EPA does not have a position on the legislation, I am here on behalf of the Agency to discuss the technical aspects of the Committee's bill and provide a perspective on how current EPA stratospheric protection programs are being implemented.

In conclusion, the AIM Act of 2020 would directly provide EPA the authority and direction to phase down production and consumption of HFCs in the United States, as well as authority to establish complementary programs to address HFC management and use. Thank you again for the opportunity to testify. I look forward to answering your questions regarding details of the bill.