

Advocacy comments on EPA's proposed phase-down of HFCs required by the American Innovation and Manufacturing Act

The American Innovation and Manufacturing Act (AIM Act), which became law on December 27, 2020, mandates a phase-down of hydrofluorocarbons (HFCs) domestic production and net imports to 15 percent of a 2011-2013 baseline, weighted by global warming potentials (GWPs). It grants EPA new authorities in three main areas: implementing the phase-down of production and net imports of listed HFCs, managing these HFCs and their substitutes, and facilitating the transition to next-generation technologies by restricting use of these HFCs. The AIM Act requires EPA to have most of this system in place for calendar year 2022. On May 19, 2021, EPA published a proposed rule partially implementing the AIM Act.

On July 6, 2021, Advocacy filed a public comment letter on this proposed rule. Because small businesses are integral to the entire market and supply chain of HFCs, Advocacy believes that EPA should be evaluating alternatives for the long-term health of the market, including minimizing transaction costs and encouraging innovation that furthers the goals of the AIM Act. Advocacy supports the proposed set aside for small businesses and suggests the following.

- EPA should maintain maximum flexibility in sale and transfer of allowances.
- EPA should set aside allowances for reclaimers and environmentally beneficial innovations.
- EPA should not ban disposable cylinders.
- EPA should delay its proposed certification and labeling system.
- EPA should reduce the burden of the audit requirement.
- EPA should consider whether it should require AHRI purity standards for some imports.

A complete copy of Advocacy's letter to EPA is available [here](#). For more information, please contact Dave Rostker, Assistant Chief Counsel, at david.rostker@sba.gov.

