

## **As Prepared for Delivery**

This morning's hearing will examine a bill that would mandate a rapid phase down, in the United States, of the use of hydrofluorocarbons, or HFCs.

These substances, which contribute to climate change when emitted into the atmosphere, serve many important uses, including as a very critical ingredient in cooling and refrigeration equipment throughout our society.

Scrutiny of this issue for the purpose of addressing risks to the climate is important, and welcome. However, the approach today falls short of what is necessary to make good policy decisions.

Indeed, there appears to be a rush towards a pre-packaged legislative solution, without having developed a full understanding of the problem we are trying to solve or whether this regulatory approach is truly the most appropriate way to work in a dynamic and complex marketplace or in the best interest of the American consumer.

To do this competently requires more upfront work in terms of oversight and background hearings so we can have a record to rely upon as we consider policy options that have long term implications for our environmental policy, market competition, and household economics. This is especially the case in policy areas like this one where most members have limited experience.

Consider that the broad backdrop for this legislation are concerns about international emissions and the international agreement under the Montreal Protocol on Substances that Deplete the Ozone Layer, which was finalized in the late 1980s. Yet the Committee, which was instrumental in developing provisions to address implementation of the Protocol in the Clean Air Act, has not had a single hearing on the topic for more than a decade.

Meanwhile, we're considering a bill that implicates U.S. participation under the Protocol. I would like to better understand how this will work in practice.

Recent amendments under the Protocol, which have not been ratified by the U.S. Senate, anticipate a rapid growth of demand for refrigerants and cooling that is occurring in the developing world.

How to address the needs of the developing world is a key policy matter. For example, we should understand how mandating U.S. conversion to new technologies addresses development internationally and whether it is this bill or Kigali Amendment ratification that is the lynch pin.

It is worth noting that certain industries are already innovating towards non HFC substances, which begs the questions: Does this have to be a mandated phase down? What are the problems in the marketplace that require government intervention, rather than the natural turnover to newer, more innovative technologies?

We would also benefit from a deeper understanding of the implications of any policies to phase out HFCs on the existing U.S. stock of refrigeration and cooling equipment—in businesses and in households, in automobiles— and what the costs of that are.

Are there safety issues to consider with replacement substances? Are there energy efficiency issues? Will routine repair and maintenance costs accelerate for consumers? Will states implement their own, more accelerated schedules for phasing out HFCs that will send the market into further turmoil?

I am hopeful the witnesses can help us answer some of these questions today and help us understand other areas that may be worth exploring.

There appears to be strong support—from industry, environmentalists, and others—to work on this legislation. And to be clear, I am open to working on it. We should look to do more regarding HFCs and related greenhouse gases and we should be open to practical policies. Maybe this legislation is a good starting point, but I think we have to look carefully to be sure it will provide the benefits promised and actually work in the best interests of American consumers.

I should note we have some quality witnesses this morning, including Ben Lieberman, who served on the Committee staff for many years, and did much to ensure we were keeping the consumer in mind.