

Subcommittee Chairman Paul Tonko
Opening Statement

Markup of CFATS and HFCs Legislation
Subcommittee on Environmental and Climate Change
March 12, 2020

Today the Subcommittee will markup two pieces of chemical legislation.

H.R. 6160 would extend the authorization for the Department of Homeland Security's CFATS program for 18 months.

Since 2007, chemical facilities have been regulated to address risks under the Chemical Facility Anti-Terrorism Standards, or CFATS, program.

But if Congress fails to act, the program will expire in April.

When we held a legislative hearing on an extension in September, we identified a couple of modest improvements for the program. These reforms would ensure workers and local communities are being consulted and receiving the information they need to stay safe.

For now, the priority must be preventing the program from expiring, but I am still happy to continue discussing how to improve the long-term protection of these facilities in the future.

We will also consider H.R. 5544, the American Innovation and Manufacturing Leadership Act of 2020, which was introduced by Reps. Olson, Peters, Stefanik, and myself, and now has 28 cosponsors— half Republican and half Democratic.

Companion legislation in the Senate has 34 bipartisan cosponsors.

And just this week, we witnessed the depth of that bipartisan support across the Capitol.

This bill enjoys an impressive and diverse coalition of outside support as well, including the U.S. Chamber of Commerce, the National Association of Manufacturers, the Natural Resources Defense Council, and the H.V.A.C.R. industry— from chemical and equipment manufacturers to contractors.

This legislation would direct EPA to phasedown hydrofluorocarbons, commonly known as HFCs, which are a class of chemicals primarily used as refrigerants.

The bill is modeled on EPA's successful program to phase down HFC's predecessors— ozone depleting substances.

A global transition away from HFCs has begun. And the good news is American manufacturers are in a strong position to lead and benefit from this transition.

U.S. manufacturers are already investing billions of dollars in the research and development to innovate new, environmentally friendly substitutes and maintain their global competitiveness.

It has been estimated that a phasedown at the rate included in this legislation would lead to 33,000 new domestic manufacturing jobs, add \$12.5 billion to the U.S. economy every year for a decade, and increase H.V.A.C.R. exports by 25%.

We will only see those benefits if the transition proceeds in an orderly manner.

On the other hand, failure to support this transition will ensure other countries realize the economic benefits that come from refrigerant innovation. And failure to manage uses of HFCs will ensure that China and other nations dump HFCs in the United States as other markets close.

I want to make sure the record is clear about a few aspects of this bill.

First, it would phase **down**—not phase **out**—the production and consumption of HFCs over 15 years.

This ensures that niche users are protected, and essential use exceptions could be issued when no substitute is available.

Second, this bill will not force consumers to replace equipment before the end of its useful life.

There is existing, older equipment that is still using CFCs that have not been manufactured in the United States for 25 years. This bill will allow HFCs to be recycled and reused for many years to come.

Third, an orderly transition ensures that costs will be kept low for everyone.

I think it is likely that consumers will actually benefit, but at the very least, ensuring that manufacturers do not need to continue to make two sets of new products—one with HFCs and one with substitutes—will keep costs down for everyone.

This bill presents a unique bipartisan opportunity to advance a meaningful climate solution that has widespread support from the business and environmental communities, that will spur American private sector innovation and make our manufacturers more globally competitive, and that will reduce greenhouse gas emissions at no cost to the federal government and low- to zero-cost to consumers.

This bill is proof we can find solutions that grow the economy, promote innovation, and protect our environment.

I am sure we will have a lively debate this morning, but I hope Members will keep an open mind and think about all the unlikely allies that have come together to support this bill. I yield back.