

**Statement of Rep. Henry A. Waxman**  
**Introduction of “Global Climate and Ozone Layer Protection Act of 2007”**  
**August 3, 2007**

Today, I am proud to introduce the Global Climate and Ozone Layer Protection Act of 2007. This bill represents the first significant strengthening of the domestic laws governing ozone depleting substances since the Clean Air Act Amendments of 1990. I'm pleased that this major step forward is supported by both industry and the environmental community.

In May, the Oversight Committee held a hearing on the connection between ozone layer depletion and global warming. These issues are linked because chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) are not only ozone depleting chemicals but very potent greenhouse gases, as well. Hydrofluorocarbons (HFCs), which are common substitutes for HCFCs, are also strong greenhouse gases.

The May hearing focused on the Montreal Protocol, the global environmental treaty that sets legally binding controls on the production and consumption of ozone depleting substances. The Committee learned that, because of the global warming impact of ozone depleting chemicals like CFCs, the Montreal Protocol has provided substantial benefits in mitigating global warming since it was negotiated in 1987. The witnesses explained that the Montreal Protocol will have reduced the total global warming impact from ozone depleting chemicals by about 50% in 2010. This reduction will have the effect of delaying these climate-related impacts by seven to twelve years. In other words, without the Montreal Protocol, the world would be about a decade further along the path to dangerous climate change.

The Parties to the Montreal Protocol will meet in September to commemorate the 20<sup>th</sup> anniversary of the treaty and to consider several proposals to strengthen it. This meeting provides an important opportunity to better protect the ozone layer and the climate. The provisions of this bill are intended to realize the full potential of this opportunity.

First, the bill includes a sense of Congress provision regarding the upcoming Montreal Protocol negotiations. It states the sense of Congress that the United States should negotiate with the other parties to the Montreal Protocol to maximize the ability of the Protocol to mitigate global warming impacts and to accelerate the phase out of HCFCs in developed and developing countries. Accelerating the phase-out of HCFCs has the potential to produce significant climate benefits at low cost. The phase-out of HCFC-22 and its HFC-23 byproduct alone would have a climate effect equivalent to eliminating nearly one billion tons of carbon dioxide emissions. This figure is equal to roughly half of the total emissions reductions required under the Kyoto Protocol. By fully funding the Montreal Protocol's Multilateral Fund, this accelerated phase-out of HCFCs can be achieved at a small fraction of the cost of achieving equivalent carbon dioxide emissions reductions.

Second, the bill closes a legal loophole by banning the importation of any product containing phased-out HCFCs, beginning January 1, 2010. The importation of bulk HCFCs for use in new products is already banned on that date.

Third, the bill establishes a mechanism for destroying ozone depleting substances such as those that currently exist in refrigerators and air conditioners before they are released into the atmosphere. The legislation takes a bifurcated approach to ensure the destruction of these chemicals. Beginning January 1, 2010, any person seeking to produce or import an amount of a phased-out ozone depleting substance, considered to be a class I substance under the Clean Air Act, must offset this production or importation by destroying or securing the destruction of three times this amount of ozone depleting substances based on an ozone-depletion potential equivalent basis.

The bill takes a more graduated approach with regard to substances deemed to be class II substances under the Clean Air Act, or HCFCs. Beginning January 1, 2012, any person seeking to produce or import an amount of a class II substance must offset this production or importation by destroying or securing the destruction of 1.2 times this amount of ozone depleting substances based on an ozone-depletion potential equivalent basis. The offset ratio for class II substances is increased to a two-to-one ratio in 2015.

Another mechanism for addressing banks of ozone depleting substances is the creation of the Refrigeration Environmental Management Council. This nonprofit organization will have a board of directors composed of industry representatives, government officials, and public citizens. It will collect an assessment of 30 cents per pound on new refrigerants in order to provide a \$1 per pound incentive for destroying, recycling, or reusing existing ozone depleting substances.

Finally, the bill requires the EPA Administrator to promulgate regulations extending existing recycling requirements governing CFCs and HCFCs to substitutes for these chemicals. The effect of this provision will be to require EPA to finalize the June 11, 1998, proposed rule on this subject.

Collectively, these provisions will have a tremendous impact. The bill addresses ozone depleting substances that have yet to be produced as well as existing banks of substances that may yet be emitted into the atmosphere. The bill addresses older CFCs as well as newer HCFCs. And the bill addresses international negotiations as well as domestic initiatives.

According to the Alliance for Responsible Atmospheric Policy, an industry coalition made up of some 50 companies and trade associations, the proposed refrigerant management program is projected to reduce annual greenhouse gas emissions by 81 million tons of carbon dioxide equivalent. It will also annually reduce approximately 6,000 tons of ozone depletion potential. By 2015, it is projected to generate approximately \$1 billion to fund incentives for recovery, reclamation and destruction of refrigerant compounds. In its entirety, the legislation should deliver greenhouse gas emissions reductions greater than the global reductions required by the Kyoto Protocol.

The Alliance for Responsible Atmospheric Policy has been extremely cooperative and creative in this process, and I am grateful for their support. This industry has been an important player in the global ozone protection effort for more than two decades. The members of the Alliance have played a critical role in making the Montreal Protocol and implementation of Title VI of the Clean Air Act the successes that we are celebrating this year. The Alliance's support for efforts like the Refrigerant Environmental Management Council indicates a willingness to help achieve important environmental goals in economically sensible ways.

I'd also like to commend the Natural Resources Defense Council. As a premier environmental group with expertise in both the Montreal Protocol and climate change issues, their expertise was invaluable in developing this legislative proposal.

The dramatic benefits from this consensus, balanced bill are the result of a process that started with state-of-the-art science and then explored common-sense, cost-effective measures.

There are a few matters that came up during our discussions that are worth noting for the record. First, as is clear under section 601 of the Clean Air Act, the definition of "produce," does not include substances that are entirely consumed in the manufacture of other chemicals. This definition is important in understanding which chemicals will require destruction offsets under Section 5 of the legislation.

Second, the recycling requirements under Section 6 are not intended to apply to foam, which is evident from the plain language of the legislation.

Finally, the fire suppression provision in Section 4 is intended to address a specific problem that applies to one chemical that is used for fire suppression. It is the stakeholders' understanding that a fire suppression chemical which is currently used in aviation applications is scheduled to be phased out in 2015. Unfortunately, the alternatives to this chemical are currently much worse from a climate change perspective. Since this application represents only 22 ozone depletion potential tons from 2015 to 2030, the legislation would grant the Administrator the authority to permit its continued use as long as no better alternatives are available.

Global warming is an enormous challenge. To fight global warming, we will need to examine every sector of our society. We'll need to increase energy efficiency. We'll have to reduce emissions from transportation and electricity generation. We'll need to move away from the dirty technologies of the past and embrace new, clean technologies.

I hope my colleagues will support the Global Climate and Ozone Layer Protection Act of 2007 so that we can begin to take those steps.