

RE: Comments on Proposed Amendments to the Regulation for Small Containers of Automotive Refrigerant.

April 21, 2016

Thank you for the opportunity to comment on these proposed amendments. Spectrum Brands is a global and diversified consumer products company offering an expanding portfolio of leading brands providing superior value to consumers and customers every day. Our Company has a broad portfolio of market-leading, well-known and widely trusted brands across 11 key personal care and household categories that are designed to meet the needs of consumers worldwide. Spectrum Brands' products are sold by the world's top 25 retailers and are available in more than one million stores in approximately 160 countries. Headquartered in Middleton, Wisconsin and with 15,500 employees worldwide, our Company had net sales of approximately \$4.7 billion in its most recent fiscal year.

We provide products necessary to keep motor vehicle air-conditioning (MVAC) in good operating condition. Many American vehicle owners, especially those of modest means, could not afford to keep their MVAC systems in good condition if they had to visit a service facility for such service. Instead, they rely on companies like ours to provide them with an economical way to maintain those systems.

We are making significant financial and resource investments at the corporate level as well at the product level in the area of product stewardship. This includes working with the ARB to manage VOC content to comply with ever lower levels while still meeting consumer expectations with regard to product performance. For Small Cans of Refrigerant, we built a state of the art recycling facility adjacent to our Manufacturing plant near Dallas, TX where we have processed more than 3.5 million cans since 2010. All components are recycled and or reused. This includes the refrigerant, chemicals, steel and aluminum.

We have a long history of working with the Air Resources Board and the EPA to address environmental concerns related to the use of refrigerants in MVACs. We were actively engaged with CARB in developing & implementing the current "Small Can" regulation and took a lead role in the development of the "self-sealing" valves in use today. We have strived to ensure that the use of refrigerant by vehicle owners was responsible and that the rules governing such use were effective, practical and economically feasible.



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We remain supportive of CARB's August 2015 proposal that would have eliminated the recycle program. While the infrastructure for recycling small cans of refrigerant is in place, it also adds incremental cost and complexity to our operations. Further data provided by CARB at that time concluded that the GWP impact of the can transportation is higher than that from the refrigerant remaining in the can heels. At that time, we also expressed concerns regarding the short transition timeframe and requested clarity on other elements, to avoid additional costly changes in the future.

Regarding ARB's current proposal, we have the following comments & concerns on the some of the provisions:

- 1. We do not support the label provisions in the proposal. We believe that the existing communication and warning language is sufficient and any added language will actually further confuse consumers as it would require very small type or elimination of other necessary information. We understand that the ARB is considering proposing a significant reduction in the amount of additional required verbiage to be included. While we would prefer no additional language, this reduction is much preferred and we believe it is a manageable change.
- 2. We further urge CARB to not require a sell through period for any required label changes but rather a manufactured through date. We understand that CARB is in agreement with a manufacture through date. Further we understand that CARB is considering up to a one year period for the transition. A one year transition period is manageable assuming we can manage the conversion outside of the busy production season so as to avoid the added complexity associated with coordinating a label change in the middle-of the peak production months.
- 3. We ask that CARB provide more details on how they envision the process for review and approval of consumer education plans. The current proposal is vague and provides little guidance on what will be acceptable and what process will be followed to ensure alignment regarding plans and timing for that



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communication. Further, given the seasonality of this business, we would want to make sure that we have the flexibility to time any consumer education programs to occur when consumers are receptive to the message, which may not necessarily be the same time as when the funds are collected. Of critical concern is that fact that this is a seasonal business with most of the sales to consumers in late spring through summer and almost no sales in the fall and winter months. All consumer education programs should also take into account this seasonality. We do not want to be spending money on a program at a time when consumers are not receptive to that message.

Thank you for the opportunity to provide comments and please contact me should you have any questions.

Sincerely,

Elaine Schley

Sr. Vice President Global R&D

Spectrum Brands