

**Comments to the California Air Resources Board
From the Automotive Refrigeration Products Institute
Regarding the Revised Climate Change Draft Scoping Plan
Submitted November 20, 2008**

The Automotive Refrigeration Products Institute (ARPI) respectfully submits the following comments on the Revised Draft AB 32 Scoping Plan.

ARPI represents those companies which package and distribute automotive air conditioning products. ARPI's members have been the driving force in the mobile refrigerant industry --- first with respect to can and refrigerant use safety and more recently in educating the general public about the environmental hazards of using ozone depleting refrigerants such as R-12. It was ARPI's members who designed the unique can and fittings for R-134a and other SNAP approved, non-CFC refrigerants.

While we understand that the Scoping Plan is just a "road map" for climate change policy, and that the place to take up the specifics of the recommendations is within the respective rulemakings that will follow within each sector, we have grave concerns over the fact that CARB is also proposing to establish an upstream mitigation fee on the use of high GWP gases, a fee that will ultimately be passed on to consumers through higher product prices.

In the revised Scoping Plan, CARB identified four Discrete Early Action measures to reduce greenhouse gas emissions from the refrigerants used in car air conditioners, semiconductor manufacturing, air quality tracer studies, and consumer products. CARB has also identified additional potential reduction opportunities based on specifications for future commercial and industrial refrigeration, changing the refrigerants used in auto air conditioning systems, and ensuring that existing car air conditioning systems as well as stationary refrigeration equipment do not leak.

We support a balanced, cost-effective plan to reduce greenhouse gas emissions. ARPI is already playing a meaningful role in helping the state meet its policy goals for reducing green house gas emissions in California through participation in the early action rulemaking on Reduction of Refrigerant Emissions from Non-Professional Servicing.

For two years we have worked with staff collaboratively and in good faith to develop a draft regulation that will yield real emissions reductions, is workable, and yet does not disadvantage low income Californians or communities of color. Importantly, the draft regulation should achieve an objective cost effectiveness measure. But it hasn't been easy and it won't be without cost.

Nevertheless, even with the reductions from the specific high GWP measures described above, the Scoping Plan would layer on top of the regulation an upstream fee. ARPI discussed with CARB staff the possibility of a fee in lieu of the regulation, but were told

that emissions reductions were the objective. Now, on the eve of adoption of the regulation the prospect of a fee is raised.

The Plan notes that an upstream fee would ensure that the climate impact of these substances is reflected in the total cost of the product. Since the fee will follow the regulation, the “total cost” of the product will have already increased exponentially.

And to add insult to injury, the Plan states that this mitigation fee would complement the downstream high GWP regulations currently being developed.

We must respectfully disagree. Piling a fee on top of the cost of a newly promulgated regulation that involves a product container redesign, a reclamation program and an extensive education regime is not complementary. It could render the product uneconomic and constitute a *de facto* product ban, thus ensuring an adverse impact on minorities and those on fixed incomes. This was exactly the result we were seeking to avoid through the development of an alternative regulation on the servicing of vehicle air conditioners by non-professionals.

Finally, we wonder why the Plan would suggest that revenues from this fee could be used to mitigate greenhouse gas emissions either from other high GWP compounds or other greenhouse gases instead of to offset the costs associated with compliance with the regulatory regime noted above.

ARPI will continue to work with CARB staff on the rulemaking, and rest assured that we stand ready to work with the Board to implement a regulatory scheme aimed at reducing greenhouse gas emissions while not devastating our industry. We want to be part of the solution, but not if the price is our businesses.