

NAFEM EPA SNAP Comments
Wed., Aug. 27, 2014

My name is Charlie Souhrada, Director of Member Services for the North American Association of Food Equipment Manufacturers. NAFEM appreciates the opportunity for industry engagement and discussion regarding the delisting process outlined in the Significant New Alternatives Policy.

NAFEM represents more than 500 members that manufacture commercial foodservice equipment and supplies for the food away from home market. These member companies make the tools used to prepare, cook, serve and store food safely, including a variety of refrigeration products ranging from blast chillers to coolers, deli cases, dispensers, freezers, ice makers, refrigerators and sno-cone or soft-serve ice cream machines.

NAFEM has a long history of supporting the prevention of climate change and the reduction of energy consumption. More than 10 years ago, NAFEM members actively worked with EPA to help start the ENERGY STAR program for commercial foodservice equipment. That active support continues today and includes other environmentally-focused activities including the development of life-cycle and carbon footprint calculators and helping our members understand global environmental standards such as WEEE RoHS directives. We do these things because our customers demand them; they're good for business, good for the environment and the right thing to do.

NAFEM is gravely concerned that EPA's proposed SNAP rulemaking will impose unintended negative consequences, including possibly compromising the occupational health of employees through the commercial refrigeration manufacturing, distribution, service and end user markets. These dangers also could extend to the public at large as flammable refrigerants are forced into certain market applications. In all applications, EPA's proposal does not provide adequate time to research, design, test, train and certify these products. In addition, our industry has been inundated by various DOE energy standards rulemakings and EPA's July 9 proposal to add refrigerants under SNAP. Because of the timing and cumulative impacts of these government actions, we also request a 60-day comment period extension to this proposal.

EPA's proposal, if finalized, will have dire consequences on our industry. The proposal will raise the cost of finished goods while reducing the number and diversity of products consumers need in the market place. U.S. manufacturers also will be significantly disadvantaged in the domestic and global markets because European manufacturers have a significant head start with these refrigerants and are more likely to meet a strict deadline than domestic manufacturers. These impacts, paired with the high levels of capital required to develop, manufacture and test products with new refrigerants by the extremely short compliance window of 2016, will cause refrigeration manufacturers to cut jobs, move out of the refrigeration industry, or close their doors entirely.

For these reasons, we propose an alternate timeframe based on industry deliverables, experiential knowledge and to assure the success of all businesses and the safe transition to low GWP refrigerants.

NAFEM members are gravely concerned that the proposal, as written, limits our industry to four refrigerant options: Ammonia, CO₂, Isobutene and Propane. Considering current mandates originating out of the DOE regarding energy efficiency, combined with the toxicity, flammability and costs of these alternatives, the industry is facing lengthy research and engineering challenges.

Through careful consideration of previous refrigerant transitions and the amount of time necessary to safely introduce different/flammable refrigerants into the manufacturing process, NAFEM members assert the proposed timeline does not allow adequate time to:

- research refrigerant options;
- assess risks;
- analyze current manufacturing facilities;
- update existing refrigeration systems;
- work with suppliers to select appropriate compressors and components;
- build test units in a controlled lab environment;
- test the beta units;
- complete production and facility updates and internal training;
- build pre-production units;
- conduct field tests;

- educate customers – and gain their approval;
- phase out or switch existing production lines;
- manage trapped inventory; and
- train customer service and field technicians to safely install, repair and maintain these units.

Based on the transition experience of European manufacturers and prior changes within the domestic industry, we believe that EPA should provide at least a 10 year timeframe for its proposed conversion.

While we appreciate EPA's willingness to meet with NAFEM and other affected stakeholders, NAFEM believes that EPA's docket lacks an appropriately robust industry analysis of the food refrigeration equipment manufacturing industry, potential impacts on small manufacturers as well as their small business customers, and any reasonable support for EPA's Regulatory Flexibility Act conclusions. NAFEM recommends that EPA initiate a SBREFA Small Entity Representative review panel immediately to help inform any final rulemaking.

NAFEM is available to meet with EPA to discuss all of its concerns with the proposed rule and possible solutions that will both achieve the Agency's regulatory obligations while not unduly impacting our industry and customers. We will submit detailed comments before the close of the comment period.

Thank you.