



May 15, 2017

By regulations.gov

Samantha K. Dravis
Regulatory Reform Officer and Associate Administrator
Office of Policy
United States Environmental Protection Agency (EPA)
1200 Pennsylvania Ave., N.W.
Washington, DC 20460-0001

RE: Evaluation of Existing Regulations; 40 CFR
Chapters I, IV-VII, EPA-HQ-OA-2017-0190

Dear Associate Administrator Dravis:

The National Automobile Dealers Association (NADA) represents more than 16,000 franchised automobile and commercial truck dealers who sell new and used motor vehicles and engage in service, repair and parts sales. Together they employ more than 1,100,000 people nationwide, yet the majority are small businesses as defined by the Small Business Administration.

On February 24, 2017, President Trump signed Executive Order (E.O.) 13777, entitled *Enforcing the Regulatory Reform Agenda*, which directs agencies, including EPA, to evaluate existing regulations with an eye toward alleviating unnecessary regulatory burdens. Last month, EPA acted pursuant to Section 3(e) of E.O. 13777 to solicit suggestions for rules that can be repealed, replaced or modified to reduce such burdens. 82 Fed. Reg. 17793 (April 13, 2017). As illustrated by the attached study entitled *The Impact of Federal Regulations on Franchised Automobile Dealerships* and the attached publication entitled *The Regulatory Maze: NADA's Annual Update on Federal Regulations*, franchised automobile and truck dealers are highly regulated small businesses. Set out below is but one of many examples of how EPA can reduce regulatory onerous burdens without reducing environmental protections.

E.O. 13777 takes aim at regulations that are “are outdated, unnecessary, or ineffective”. One such rule, entitled *Servicing of Motor Vehicle Air Conditioners*, is found at 40 CFR part 82, subpart B. Originally promulgated in 1992 pursuant to Section 609 of the Clean Air Act (CAA), this rule governs the recycling of refrigerants from motor vehicle air conditioners (MVACs). 42 USC §7671(h). In 1992, EPA appeared to interpret Section 609 of the CAA to require the recycling of ozone depleting refrigerants used in MVACs during services where they may be released into the atmosphere. It is no mystery that the very purpose of Title VI of the CAA,

entitled *Stratospheric Ozone Protection*, is to protect the stratospheric ozone layer from ozone depleting chemicals.

In 1992, the refrigerant of choice was CFC-12 (i.e., *Freon*), a chemical well known for its ozone depleting potential. Consequently, its use in MVACs made it subject to the Section 609 rule which, among other things, requires dealership service departments and body shops to purchase recycling equipment and to have their air-conditioning technicians certified. Specific examples of compliance burdens for small business dealerships include \$5,000-7,000/unit for recycling equipment and MVAC technician training and certification costs.

Since 1992, MVAC refrigerants containing ozone depleting substances have been phased out. <https://www.epa.gov/mvac/refrigerant-transition-environmental-impacts>. Yet, dealerships and their technicians performing MVAC service must *still comply with the Section 609 rule with respect to new MVAC refrigerants*. MVACs in the new vehicles of today and tomorrow will use refrigerants with no ozone depleting potential and *de minimis* global warming potential. They pose virtually no potential for environmental harm. Thus, *EPA should clarify that refrigerants free of ozone depleting chemicals should not be subject to the expensive and burdensome MVAC servicing procedures and standards designed for "old" ozone depleting refrigerants*.

On behalf of NADA, I thank EPA for the opportunity to file comments on this matter.

Respectfully submitted,

A handwritten signature in black ink that reads "Douglas I. Greenhaus". The signature is written in a cursive, flowing style.

Douglas I. Greenhaus
Chief Regulatory Counsel,
Environment, Health, and Safety