

July 2, 2018

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Trump:

The undersigned free market, conservative, consumer, and sound science organizations urge you to reject the Kigali Amendment to the Montreal Protocol. This 2016 United Nations treaty negotiated by the Obama Administration would impose restrictions on production of the affordable refrigerants currently used in most types of air conditioning and refrigeration units and necessitate their likely replacement with more expensive alternatives. The result would be higher costs for households, motorists, and businesses that rely on air conditioning and refrigeration.

Environmental pressure groups have joined forces with the patent holders and manufacturers of the new chemicals (known as HFOs—for hydrofluoro-olefins) that would replace the most widely-used refrigerants (known as HFCs—for hydrofluorocarbons). They claim that the use of HFCs must be reduced because of their global warming potential. But as with so many other Obama-era climate change measures, the Kigali Amendment would do far more economic harm than environmental good.

The environmental benefits of replacing HFCs are minimal at best. The 1987 UN Montreal Protocol required that several types of refrigerants with potential to deplete the stratospheric ozone layer be replaced with HFCs or other non-ozone depleting compounds. This transformation has largely been completed. The Kigali Amendment would not advance the purpose of the Montreal Protocol, but would instead turn a treaty aimed at saving the ozone layer into a global warming treaty. Most studies have concluded that fully implementing the Kigali Amendment would reduce the global mean temperature by an unmeasurable amount by 2050.

This minute reduction in global temperatures would come at a very high cost. The most common HFC is currently selling for around \$7 per pound, while the most common HFO is selling for over \$70 per pound. While this price differential may change over time, a typical home air-conditioner uses 10–15 pounds of refrigerant and a vehicle air-conditioner uses 1-2 pounds, so the impact on households could reach well into the hundreds of dollars. In addition to higher costs for new equipment, repairs of existing HFC-using systems will also go up as the remaining supply dwindles and prices rise.

It is not just consumers who will be harmed by the Kigali Amendment. So too will millions of businesses and property owners that rely on air-conditioning or refrigeration—hotels, restaurants, office buildings, rail and truck refrigerated transport—and public buildings, such as schools, churches, theaters, and indoor sports facilities.

Manufacturers of HFOs have claimed that ratifying the Kigali Amendment will create thousands of new jobs in the United States, while failure to ratify will close foreign markets to U. S. exports. Both claims are false. Most jobs in new factories that produce HFOs and the equipment that uses HFOs will be matched by job losses at factories that currently produce HFCs and the equipment that uses HFCs. As for exports, nothing in WTO rules prevents American manufacturers from exporting HFOs to other countries. As a matter of fact, American manufacturers built their first HFO factory in 2010 in China, while they only began producing HFOs in this country in 2017.

In any event, to the extent HFO-using equipment is what consumers want, manufacturers are free to make the switch with or without the Kigali Amendment. Kigali only serves to force this costlier choice on the public whether they like it or not.

The Kigali Amendment going into force globally will have even more severe economic consequences for people in poor, hot countries who are just beginning to be able to afford air conditioning. The International Energy Agency released a report in May, *The Future of Cooling*, that projected that, “The global stock of air conditioners in buildings will grow to 5.6 billion by 2050, up from 1.6 billion today.” This global transformation that can improve the lives of billions of people will be slowed significantly if air conditioning units become more expensive.

In order to help implement the Montreal Protocol globally, the United States has contributed \$867 million to the Multilateral Fund through 2016. Ratifying the Kigali Amendment would commit the United States to additional contributions through 2050. If these annual payments continue at \$40 million, the total by 2050 would be \$1.36 billion.

By opposing the Kigali Amendment, we want to make clear that we do not oppose the adoption of HFOs for air conditioning and refrigeration. We simply believe that consumers and businesses rather than governments or the United Nations should be able to decide if and when to replace HFCs with HFOs.

In only 500 days, your Administration has repealed a number of federal regulations and dialed back other big government measures that were holding back the American economy. This welcome reduction in over-regulation, along with the tax cuts, is already transforming the economy and contributing to lower unemployment, higher investment, and rising family incomes. It’s an excellent start, but there is still more swamp to be drained. That’s why we urge you to reject the Kigali Amendment to the Montreal Protocol.

In order for the United States to join the Kigali Amendment, it must be submitted to the Senate for ratification by a two-thirds vote. We urge you not to submit this United Nations treaty negotiated by the Obama Administration to the Senate. Congress should be spending its time working with you to cut red tape, not add to it.

Thank you for considering our views on this important issue.

Yours sincerely,

Myron Ebell, Director
Center for Energy and Environment
Competitive Enterprise Institute

Ben Lieberman, Senior Fellow
Competitive Enterprise Institute

Tim Chapman, Executive Director
Heritage Action

Eunie Smith, President
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Thomas A. Schatz, President
Citizens Against Government Waste

Tom DeWeese, President
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Phil Kerpen, President
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J. Christian Adams, President
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Ron Pearson, President
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Amy Oliver Cooke, Executive Vice
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Jon Sanders, Director of Regulatory Studies
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Fred Birnbaum, Vice President
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David Stevenson, Director
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Thomas J. Pyle, President
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Craig Rucker, President
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Richard Manning, President
Americans for Limited Government

David Ridenour, President
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William Happer, Chairman
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Todd Myers, Environmental Director
Washington Policy Center

Michael Stenhouse, CEO
Rhode Island Center for Freedom and
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Cc: Secretary of State Mike Pompeo