



U.S. HCFC Phaseout Program

Trade & Enforcement

OZONE OFFICERS NETWORK REGIONAL MEETING
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Today's Discussion



- Overview of HCFC phaseout status in U.S.
- U.S. Licensing System
- HCFC actions for 2015-2019 & enforcement efforts
- Implications for trade with the Caribbean

Montreal Protocol HCFC Phaseout Schedule



Date	Non-Article 5 Countries	Article 5 Countries
1996	HCFC consumption frozen	
2004	35% reduction	
2010	75% reduction	
2013		HCFC consumption frozen
2015	90% reduction	10% reduction
2020	99.5% reduction	35% reduction
2025		67.5% reduction
2030	100% reduction	97.5% reduction
2040		100% reduction



- U.S. ahead of schedule on phaseout of HCFCs
 - U.S. already below 90% of cap
 - Certain HCFC uses already phased out
 - HCFC-22 use in refrigeration and air-conditioning (RAC) continues to decrease
 - HCFC-22 new equipment ban in 2010 to help facilitate transition
- Complete phaseout of HCFC-22 scheduled for 2020
 - Under Protocol, allowed 0.5% of cap until 2030
 - Under domestic regulation, none of that will be HCFC-22

U.S. HCFC Licensing System



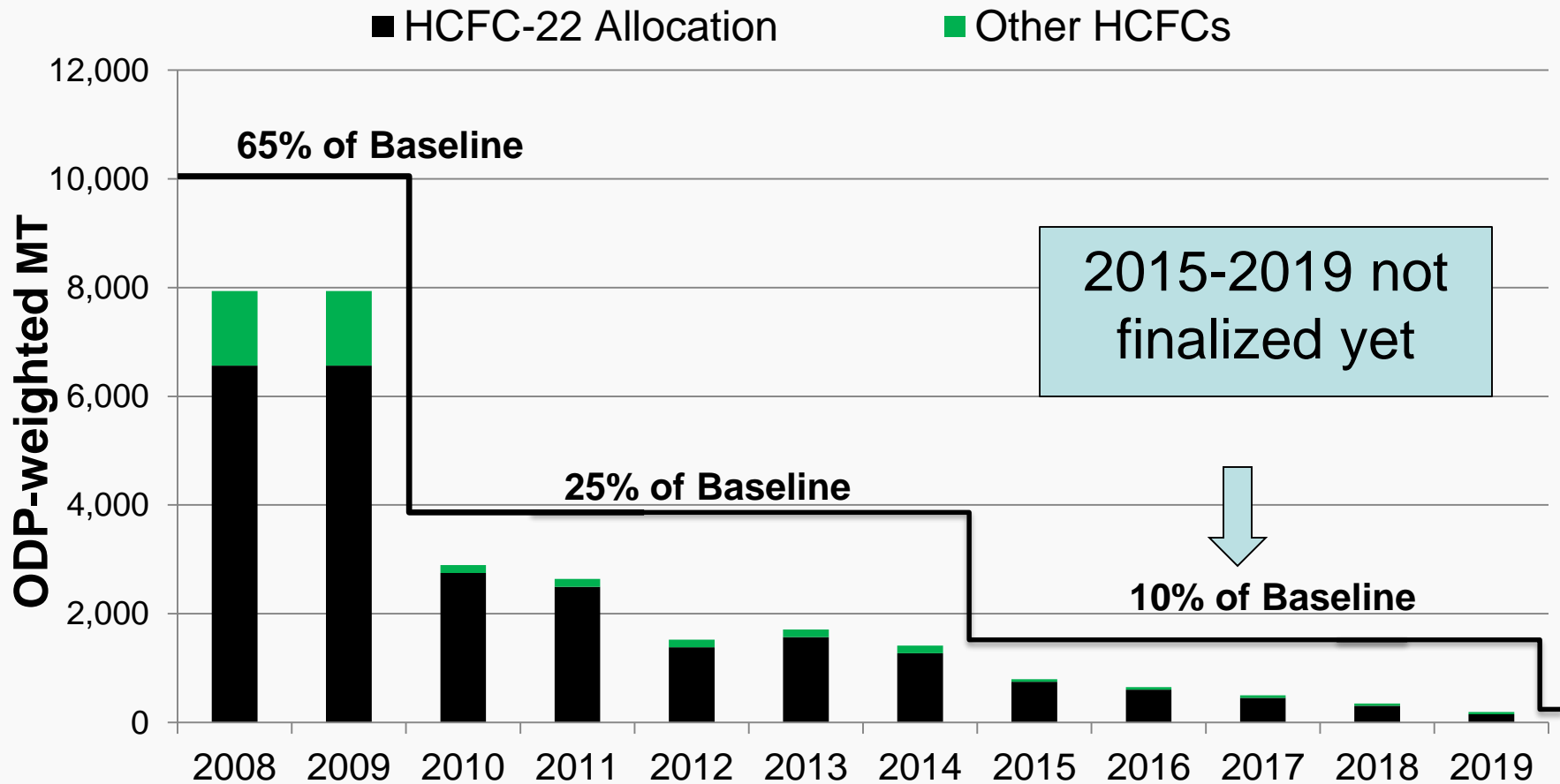
- Production and import may only occur if a company holds *allowances* (same concept as a “license”)
 - One allowance = 1 kg of a specific HCFC
 - **Production** requires production and consumption allowances
 - **Import** only requires consumption allowances
 - Export of HCFCs allows a company to get a consumption allowance refund
- Companies with baselines receive allowances at the start of the year
 - Allowances are tradable (to anyone)
- Baselines were established based on historic production and import

HCFC Actions for 2015-2019



- Allowances gradually decrease year-by-year, but the schedule is set for several years in a row, which allows for:
 - Smooth transition to alternatives
 - Out performing the Montreal Protocol cap
- Allowances for 2015-2019 will be set by the end of 2014 & will steadily decrease to zero by 2020

U.S. HCFC Allocation v. Protocol Cap





- **Strong relationship with U.S. Customs**
 - EPA will verify to Customs that an importer has allowances
 - Education about HCFCs for U.S. Customs officers
 - Specific targeting of import data to look for illegal shipments
- **Modernizing U.S. Trade System**
 - Working towards electronic verification of HCFC imports
- **Commission for Environmental Cooperation**
 - Recently updated ODS trainings – two modules
 - Module 1 publically available: http://www.cec.org/ods/main/cec_ods_intro_e.asp
- **Concerns with unapproved HCFC-22 alternatives**

HCFC Trade with the Caribbean



- U.S. Exports to the Caribbean
 - Exports will continue – EPA rules consider need for export to non-producing countries
 - A5 Production Allowances
- Progression of global phaseout
 - Targeting for illegal imports
 - Education materials, webinars for Customs officials to help screen for suspicious or illegal shipments
 - Contact me if you have questions regarding HCFC trade with the U.S.

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