



“The unified voice of the North American heating, ventilation, air-conditioning and refrigeration industry”

**ACCA – Indoor Environmental
& Energy Efficiency
Association**

**AHRI – Air-Conditioning,
Heating & Refrigeration
Institute**

**AMCA – Air Movement &
Control Association**

**ASHRAE – American Society of
Heating, Refrigeration & Air-
Conditioning Engineers**

**HARDI – Heating, Air-
Conditioning & Refrigeration
Distributors International**

**HRAI – Heating, Refrigeration
& Air Conditioning Institute of
Canada**

**NAFA – National Air Filtration
Association**

**NATE – North American
Technician Excellence**

**PHCC – Plumbing, Heating &
Cooling Contractors – National
Association**

**RSES – Refrigeration Service
Engineers Society**

**SMACNA – Sheet Metal & Air
Conditioning Contractors
National Association**

January 6, 2017

Vice President-Elect Mike Pence
Presidential Transition Headquarters
General Services Administration
1800 F Street NW
Washington, DC 20240

Dear Vice President-Elect Pence:

On behalf of the heating, ventilation, air conditioning and refrigeration industry (HVACR), congratulations to you and President-Elect Trump on your election. We greatly appreciate the commitments made during the campaign to focus on creating jobs, growing the economy, reforming our tax code, achieving energy independence, and creating a more business friendly environment.

The organizations listed comprise the HVACR Alliance, which represents millions of contractors, distributors, engineers, manufacturers, and scientists in the HVACR industry. Our economy depends on HVACR systems that provide comfort and refrigeration systems that make modern medicine possible, keeps food fresh, and ensures our information technology systems are operational.

Our Alliance stands united in offering our support and assistance in your efforts to enact policies that will further our shared goals of economic growth and opportunity. We believe our nation is positioned to tackle the commonsense policy recommendations we outline below and we look forward to working with you to transform goals into achievements.

We appreciate your consideration of our priorities, and encourage you to use us as a resource as you move forward with the transition. Should you have any questions, please contact Paul Stalknecht, Chair of the HVACR Alliance, at paul.stalknecht@acca.org or (703) 824-8862.

Sincerely,

Paul T. Stalknecht, Chairman

cc: Ado Machida
Tom Pyle
Jim Carter

2800 Shirlington Road, Suite 300, Arlington, VA 22206

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HVACR INDUSTRY ALLIANCE – 2017 LEGISLATIVE/REGULATORY PRIORITIES

Utilizing Industry Consensus Standards

Issue: New federal regulations are enacted by government agencies who circumvent OMB Circular A-119, which directs federal agencies to use voluntary consensus standards in lieu of government-unique standards. Voluntary consensus standards are developed or adopted by voluntary consensus bodies recognized by the American National Standards Institute (ANSI). The ANSI standard development process dictates that all interested parties have the ability to provide input on any proposed standard (mostly well informed stakeholders, both pro and con), thus ensuring a broad cross-section of viewpoints on proposed standards.

Solution: The HVACR Alliance believes the Trump Administration and Congress should require that HVACR-related regulations and incentives be tied to OMB Circular A-119. Doing so will ensure all standards are promulgated through facilitated consensus standards that safeguard this industry and consumers.

Tax Reform and Incentives

Issue: The HVACR Alliance encourages the reinstatement of market-driven incentives for energy efficient equipment. Tax provisions that expire at the end of 2016, like 25D, and 179D, have promoted energy efficiency by encouraging homeowners and commercial building owners to purchase better performing equipment.

Solution: The HVACR Alliance believes it is crucial to the HVACR industry and others, that federal tax codes provide alternative depreciation schedules that reflect actual equipment lifespans and allow for accelerated expensing while promoting quality installation and maintenance of energy efficient equipment. Additionally, it is imperative that we not forget pass-through entities such as S Corporations as overall tax reform policies are explored.

Energy Bill & EPCA Reform

Issue: The Energy Policy and Conservation Act (EPCA), is the governing policy for energy efficiency of DOE residential covered products and commercial covered equipment; and gives DOE authority to regulate many of the HVACR Alliance members' products. EPCA is over 40 years old and has not been updated since its initial enactment to reflect new technologies and economic realities. EPCA has produced an endless cycle of efficiency rulemakings that adversely impacts our industry's competitiveness, consumers' choices and installed costs. The Act overlooks effects of installation on energy efficiency, and most importantly - the American jobs we create.

Solution: The HVACR Alliance seeks Congressional action to allow U.S. industry to reposition itself as the global leader of innovation, job creation, and production of energy efficient products and equipment. Congress must make substantive modifications to various EPCA provisions that reflect the latest technology and trends rather than relying on outdated 40-year-old technology. Our industry presented Congress with suggestions on how to achieve these reforms and we look forward to working with the Trump Administration and the 115th Congress to update these important policies.

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HVACR INDUSTRY ALLIANCE – 2017 LEGISLATIVE/REGULATORY PRIORITIES

Refrigerants & Ratifying Kigali Amendment

Issue: In October of 2016, nearly 200 countries, with the strong support of manufacturers, agreed to a landmark deal in Kigali, Rwanda to reduce emissions of hydrofluorocarbons currently used as refrigerants. This amendment to the Montreal Protocol requires developed countries to begin the phase down of HFCs by 2019. Developing countries will follow with a freeze on HFCs consumption levels in 2024, with some countries freezing consumption in 2028. By the late 2040s, all countries are expected to consume no more than 15-20 percent of their respective HFC baselines.

Solution: The HVACR Alliance strongly supports Senate ratification of the Kigali Amendment to the Montreal Protocol and urges members of the Senate to align U.S. policy with the direction U.S. manufacturers are heading with regard to HFCs. If not ratified, U.S. manufacturers' goods would not be able to be sold in those countries that have approved the Kigali amendment, which would have a devastating impact on U.S. manufacturing and employment.

Energy Efficient Quality HVACR Installations

Issue: If not properly installed, HVACR equipment, including cutting-edge energy efficient technologies, will not provide important energy-saving benefits and will undermine our national energy efficiency initiatives. A 2014 study conducted by the National Institute of Standards and Technology (NIST) found substantial efficiency losses of up to 30% (and more) in HVAC equipment is due in part to poor system design, installation and/or inadequate maintenance.

Solution: The HVACR Alliance believes the Trump Administration and Congress should encourage the development of consumer education programs, and incentives for proper installation policies and programs based on the industry-supported, ANSI-recognized QI 2015 HVAC Quality Installation Standard that reflect manufacturer's recommended installation procedures.

Workforce

Issue: The HVACR industry has a considerable shortage of skilled workers, and the problem is accelerating due to constraints within the training pipeline. Skilled labor is vital to promulgate proper installation and maintenance of cutting-edge energy efficient equipment.

Solution: The HVACR Alliance asks the federal government to prioritize technical education support, especially in high schools, that highlight the benefits of employment careers in the skilled trades while promoting Science, Technology, Engineering and Mathematics (STEM) education. Additionally, the Veterans Administration should support reforms that encourages all states to promote veteran apprenticeship programs with small businesses that have a record of success. Such reforms should highlight the skilled trades and facilitate speedy approval of small business apprenticeship programs. Continued and expanded support will yield long-term benefits to the HVACR industry and the millions of customers our members serve.

