

42 USC 7675: American innovation and manufacturing

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From Title 42-THE PUBLIC HEALTH AND WELFARE

CHAPTER 85-AIR POLLUTION PREVENTION AND CONTROL

SUBCHAPTER VII-AMERICAN INNOVATION AND MANUFACTURING

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§7675. American innovation and manufacturing

(a) Short title

This section may be cited as the "American Innovation and Manufacturing Act of 2020".

(b) Definitions

In this section:

(1) Administrator

The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) Allowance

The term "allowance" means a limited authorization for the production or consumption of a regulated substance established under subsection (e).

(3) Consumption

The term "consumption", with respect to a regulated substance, means a quantity equal to the difference between-

(A) a quantity equal to the sum of-

- (i) the quantity of that regulated substance produced in the United States; and
- (ii) the quantity of the regulated substance imported into the United States; and

(B) the quantity of the regulated substance exported from the United States.

(4) Consumption baseline

The term "consumption baseline" means the baseline established for the consumption of regulated substances under subsection (e)(1)(C).

(5) Exchange value

The term "exchange value" means the value assigned to a regulated substance in accordance with subsections (c) and (e), as applicable.

(6) Import

The term "import" means to land on, bring into, or introduce into, or attempt to land on, bring into, or introduce into, any place subject to the jurisdiction of the United States, regardless of whether that landing, bringing, or introduction constitutes an importation within the meaning of the customs laws of the United States.

(7) Produce**(A) In general**

The term "produce" means the manufacture of a regulated substance from a raw material or feedstock chemical (but not including the destruction of a regulated substance by a technology approved by the Administrator).

(B) Exclusions

The term "produce" does not include-

- (i) the manufacture of a regulated substance that is used and entirely consumed (except for trace quantities) in the manufacture of another chemical; or
- (ii) the reclamation, reuse, or recycling of a regulated substance.

(8) Production baseline

The term "production baseline" means the baseline established for the production of regulated substances under subsection (e)(1)(B).

(9) Reclaim; reclamation

The terms "reclaim" and "reclamation" mean-

(A) the reprocessing of a recovered regulated substance to at least the purity described in standard 700–2016 of the Air-Conditioning, Heating, and Refrigeration Institute (or an appropriate successor standard adopted by the Administrator); and

(B) the verification of the purity of that regulated substance using, at a minimum, the analytical methodology described in the standard referred to in subparagraph (A).

(10) Recover

The term "recover" means the process by which a regulated substance is-

(A) removed, in any condition, from equipment; and

(B) stored in an external container, with or without testing or processing the regulated substance.

(11) Regulated substance

The term "regulated substance" means-

(A) a substance listed in the table contained in subsection (c)(1); and

(B) a substance included as a regulated substance by the Administrator under subsection (c)(3).

(c) Listing of regulated substances

(1) List of regulated substances

Each of the following substances, and any isomers of such a substance, shall be a regulated substance:

Chemical Name	Common Name	Exchange Value
CHF ₂ CHF ₂	HFC–134	1100
CH ₂ FCF ₃	HFC–134a	1430
CH ₂ FCHF ₂	HFC–143	353
CHF ₂ CH ₂ CF ₃	HFC–245fa	1030
CF ₃ CH ₂ CF ₂ CH ₃	HFC–365mfc	794
CF ₃ CHF ₂ CF ₃	HFC–227ea	3220
CH ₂ FCF ₂ CF ₃	HFC–236cb	1340
CHF ₂ CHF ₂ CF ₃	HFC–236ea	1370
CF ₃ CH ₂ CF ₃	HFC–236fa	9810
CH ₂ FCF ₂ CHF ₂	HFC–245ca	693
CF ₃ CHFCH ₂ CF ₂ CF ₃	HFC–43–10mee	1640
CH ₂ F ₂	HFC–32	675
CHF ₂ CF ₃	HFC–125	3500
CH ₃ CF ₃	HFC–143a	4470
CH ₃ F	HFC–41	92
CH ₂ FCH ₂ F	HFC–152	53
CH ₃ CHF ₂	HFC–152a	124
CHF ₃	HFC–23	14800.

(2) Review

The Administrator may-

(A) review the exchange values listed in the table contained in paragraph (1) on a periodic basis; and

(B) subject to notice and opportunity for public comment, adjust the exchange values solely on the basis of-

- (i) the best available science; and
- (ii) other information consistent with widely used or commonly accepted existing exchange values.

(3) Other regulated substances

(A) In general

Subject to notice and opportunity for public comment, the Administrator may designate a substance not included in the table contained in paragraph (1) as a regulated substance if-

(i) the substance-

(I) is a chemical substance that is a saturated hydrofluorocarbon; and

(II) has an exchange value, as determined by the Administrator in accordance with the basis described in paragraph (2)(B), of greater than 53; and

(ii) the designation of the substance as a regulated substance would be consistent with the purposes of this section.

(B) Savings provision

(i) In general

Nothing in this paragraph authorizes the Administrator to designate as a regulated substance a blend of substances that includes a saturated hydrofluorocarbon for purposes of phasing down production or consumption of regulated substances under subsection (e), even if the saturated hydrofluorocarbon is, or may be, designated as a regulated substance.

(ii) Authority of Administrator

Clause (i) does not affect the authority of the Administrator to regulate under this Act ¹ a regulated substance within a blend of substances.

(d) Monitoring and reporting requirements

(1) Production, import, and export level reports

(A) In general

On a periodic basis, to be determined by the Administrator, but not less frequently than annually, each person who, within the applicable reporting period, produces, imports, exports, destroys, transforms, uses as a process agent, or reclaims a regulated substance shall submit to the Administrator a report that describes, as applicable, the quantity of the regulated substance that the person-

- (i) produced, imported, and exported;
- (ii) reclaimed;
- (iii) destroyed by a technology approved by the Administrator;
- (iv) used and entirely consumed (except for trace quantities) in the manufacture of another chemical; or
- (v) used as a process agent.

(B) Requirements

(i) Signed and attested

The report under subparagraph (A) shall be signed and attested by a responsible officer (within the meaning of the Clean Air Act (42 U.S.C. 7401 et seq.)).

(ii) No further reports required

A report under subparagraph (A) shall not be required from a person if the person-

- (I) permanently ceases production, importation, exportation, destruction, transformation, use as a process agent, or reclamation of all regulated substances; and
- (II) notifies the Administrator in writing that the requirement under subclause (I) has been met.

(iii) Baseline period

Each report under subparagraph (A) shall include, as applicable, the information described in that subparagraph for the baseline period of calendar years 2011 through 2013.

(2) Coordination

The Administrator may allow any person subject to the requirements of paragraph (1)(A) to combine and include the information required to be reported under that paragraph with any other related information that the person is required to report to the Administrator.

(e) Phase-down of production and consumption of regulated substances

(1) Baselines

(A) In general

Subject to subparagraph (D), the Administrator shall establish for the phase-down of regulated substances-

- (i) a production baseline for the production of all regulated substances in the United States, as described in subparagraph (B); and
- (ii) a consumption baseline for the consumption of all regulated substances in the United States, as described in subparagraph (C).

(B) Production baseline described

The production baseline referred to in subparagraph (A)(i) is the quantity equal to the sum of-

- (i) the average annual quantity of all regulated substances produced in the United States during the period-
 - (I) beginning on January 1, 2011; and
 - (II) ending on December 31, 2013; and

- (ii) the quantity equal to the sum of-

- (I) 15 percent of the production level of hydrochlorofluorocarbons in calendar year 1989; and
- (II) 0.42 percent of the production level of chlorofluorocarbons in calendar year 1989.

(C) Consumption baseline described

The consumption baseline referred to in subparagraph (A)(ii) is the quantity equal to the sum of-

- (i) the average annual quantity of all regulated substances consumed in the United States during the period-
 - (I) beginning on January 1, 2011; and
 - (II) ending on December 31, 2013; and
- (ii) the quantity equal to the sum of-
 - (I) 15 percent of the consumption level of hydrochlorofluorocarbons in calendar year 1989; and
 - (II) 0.42 percent of the consumption level of chlorofluorocarbons in calendar year 1989.

(D) Exchange values

(i) In general

For purposes of establishing the baselines pursuant to subparagraphs (B) and (C), the Administrator shall use the exchange values listed in the table contained in subsection (c)(1) for regulated substances and the following exchange values for hydrochlorofluorocarbons and chlorofluorocarbons:

Chemical Name	Common Name	Exchange Value
CHFC ₁₂	HCFC-21	151
CHF ₂ C ₁	HCFC-22	1810
C ₂ HF ₃ C ₁₂	HCFC-123	77
C ₂ HF ₄ C ₁	HCFC-124	609
CH ₃ CFC ₁₂	HCFC-141b	725
CH ₃ CF ₂ C ₁	HCFC-142b	2310
CF ₃ CF ₂ CHC ₁₂	HCFC-225ca	122
CF ₂ C ₁ CF ₂ CHC _{1F}	HCFC-225cb	595

Chemical Name	Common Name	Exchange Value
CFC ₁₃	CFC-11	4750
CF ₂ C ₁₂	CFC-12	10900
C ₂ F ₃ C ₁₃	CFC-113	6130
C ₂ F ₄ C ₁₂	CFC-114	10000
C ₂ F ₅ C ₁	CFC-115	7370

(ii) Review

The Administrator may-

- (I) review the exchange values listed in the tables contained in clause (i) on a periodic basis; and
- (II) subject to notice and opportunity for public comment, adjust the exchange values solely on the basis of-
 - (aa) the best available science; and
 - (bb) other information consistent with widely used or commonly accepted existing exchange values.

(2) Production and consumption phase-down

(A) In general

During the period beginning on January 1 of each year listed in the table contained in subparagraph (C) and ending on December 31 of the year before the next year listed on that table, except as otherwise permitted under this section, no person shall-

- (i) produce a quantity of a regulated substance without a corresponding quantity of production allowances, except as provided in paragraph (5);
 - (ii) consume a quantity of a regulated substance without a corresponding quantity of consumption allowances;
- or

(iii) hold, use, or transfer any production allowance or consumption allowance allocated under this section except in accordance with regulations promulgated by the Administrator pursuant to subsection (g).

(B) Compliance

For each year listed on the table contained in subparagraph (C), the Administrator shall ensure that the annual quantity of all regulated substances produced or consumed in the United States does not exceed the product obtained by multiplying-

- (i) the production baseline or consumption baseline, as applicable; and
- (ii) the applicable percentage listed on the table contained in subparagraph (C).

(C) Relation to baseline

On January 1 of each year listed in the following table, the Administrator shall apply the applicable percentage, as described in subparagraph (A):

Date	Percentage of Production Baseline	Percentage of Consumption Baseline
2020–2023	90 percent	90 percent
2024–2028	60 percent	60 percent
2029–2033	30 percent	30 percent
2034–2035	20 percent	20 percent
2036 and thereafter	15 percent	15 percent

(D) Allowances

(i) Quantity

Not later than October 1 of each calendar year, the Administrator shall use the quantity calculated under subparagraph (B) to determine the quantity of allowances for the production and consumption of regulated substances that may be used for the following calendar year.

(ii) Nature of allowances

(I) In general

An allowance allocated under this section-

- (aa) does not constitute a property right; and
- (bb) is a limited authorization for the production or consumption of a regulated substance under this section.

(II) Savings provision

Nothing in this section or in any other provision of law limits the authority of the United States to terminate or limit an authorization described in subclause (I)(bb).

(3) Regulations regarding production and consumption of regulated substances

Not later than 270 days after December 27, 2020, which shall include a period of notice and opportunity for public comment, the Administrator shall issue a final rule-

- (A) phasing down the production of regulated substances in the United States through an allowance allocation and trading program in accordance with this section; and
- (B) phasing down the consumption of regulated substances in the United States through an allowance allocation and trading program in accordance with the schedule under paragraph (2)(C) (subject to the same exceptions and other requirements as are applicable to the phase-down of production of regulated substances under this section).

(4) Exceptions; essential uses

(A) Feedstocks and process agents

Except for the reporting requirements described in subsection (d)(1), this section does not apply to-

- (i) a regulated substance that is used and entirely consumed (except for trace quantities) in the manufacture of another chemical; or
- (ii) a regulated substance that is used and not entirely consumed in the manufacture of another chemical, if the remaining amounts of the regulated substance are subsequently destroyed.

(B) Essential uses

(i) In general

Beginning on December 27, 2020, and subject to paragraphs (2) and (3) and clauses (ii) and (iii), the Administrator may, by rule, after considering technical achievability, commercial demands, affordability for residential and small business consumers, safety, and other relevant factors, including overall economic costs and environmental impacts compared to historical trends, allocate a quantity of allowances for a period of not

more than 5 years for the production and consumption of a regulated substance exclusively for the use of the regulated substance in an application, if-

(I) no safe or technically achievable substitute will be available during the applicable period for that application; and

(II) the supply of the regulated substance that manufacturers or users of the regulated substance for that application are capable of securing from chemical manufacturers, as authorized under paragraph (2)(A), including any quantities of a regulated substance available from production or import, is insufficient to accommodate the application.

(ii) Petition

If the Administrator receives a petition requesting the designation of an application as an essential use under clause (i), the Administrator shall-

(I) not later than 180 days after the date on which the Administrator receives the petition-

(aa) make the complete petition available to the public; and

(bb) when making the petition available to the public under item (aa), propose and seek public comment on-

(AA) a determination of whether to designate the application as an essential use; and

(BB) if the Administrator proposes to designate the application as an essential use, making the requisite allocation of allowances; and

(II) not later than 270 days after the date on which the Administrator receives the petition, take final action on the petition.

(iii) Limitation

A person receiving an allocation under clause (i) or (iv) or as a result of a petition granted under clause (ii) may not produce or consume a produced quantity of regulated substances that, considering the respective exchange values of the regulated substances, exceeds the number of allowances issued under paragraphs (2) and (3) that are held by that person.

(iv) Mandatory allocations

(I) In general

Notwithstanding clause (i) and subject to clause (iii) and paragraphs (2) and (3), for the 5-year period beginning on December 27, 2020, the Administrator shall allocate the full quantity of allowances necessary, based on projected, current, and historical trends, for the production or consumption of a regulated substance for the exclusive use of the regulated substance in an application solely for-

(aa) a propellant in metered-dose inhalers;

(bb) defense sprays;

(cc) structural composite preformed polyurethane foam for marine use and trailer use;

(dd) the etching of semiconductor material or wafers and the cleaning of chemical vapor deposition chambers within the semiconductor manufacturing sector;

(ee) mission-critical military end uses, such as armored vehicle engine and shipboard fire suppression systems and systems used in deployable and expeditionary applications; and

(ff) onboard aerospace fire suppression.

(II) Requirement

The allocation of allowances under subclause (I) shall be determined through a rulemaking.

(v) Review

(I) In general

For each essential use application receiving an allocation of allowances under clause (i) or (iv), the Administrator shall review the availability of substitutes, including any quantities of the regulated substance available from reclaiming or prior production, not less frequently than once every 5 years.

(II) Extension

If, pursuant to a review under subclause (I), the Administrator determines, subject to notice and opportunity for public comment, that the requirements described in subclauses (I) and (II) of clause (i) are met, the Administrator shall authorize the production or consumption, as applicable, of any regulated substance used in the application for renewable periods of not more than 5 years for exclusive use in the application.

(5) Domestic manufacturing

Notwithstanding paragraph (2)(A)(i), the Administrator may, by rule, authorize a person to produce a regulated substance in excess of the number of production allowances held by that person, subject to the conditions that-

(A) the authorization is-

(i) for a renewable period of not more than 5 years; and

(ii) subject to notice and opportunity for public comment; and

- (B) the production-
 - (i) is at a facility located in the United States;
 - (ii) is solely for export to, and use in, a foreign country that is not subject to the prohibition in subsection (j)(1);
- and
- (iii) would not violate paragraph (2)(B).

(f) Accelerated schedule

(1) In general

Subject to paragraph (4), the Administrator may, only in response to a petition submitted to the Administrator in accordance with paragraph (3) and after notice and opportunity for public comment, promulgate regulations that establish a schedule for phasing down the production or consumption of regulated substances that is more stringent than the production and consumption levels of regulated substances required under subsection (e)(2)(C).

(2) Requirements

Any regulations promulgated under this subsection-

- (A) shall-
 - (i) apply uniformly to the allocation of production and consumption allowances for regulated substances, in accordance with subsection (e)(3);
 - (ii) ensure that there will be sufficient quantities of regulated substances, including substances available from reclaiming, prior production, or prior import, to meet the needs for-
 - (I) applications that receive an allocation under clause (i) of subsection (e)(4)(B); and
 - (II) all applications that receive a mandatory allocation under items (aa) through (ff) of clause (iv)(I) of that subsection; and
 - (iii) foster continued reclamation of and transition from regulated substances; and

(B) shall not set the level of production allowances or consumption allowances below the percentage of the consumption baseline that is actually consumed during the calendar year prior to the year during which the Administrator makes a final determination with respect to the applicable proposal described in paragraph (3)(C)(iii) (I).

(3) Petition

(A) In general

A person may petition the Administrator to promulgate regulations for an accelerated schedule for the phase-down of production or consumption of regulated substances under paragraph (1).

(B) Requirement

A petition submitted under subparagraph (A) shall-

- (i) be made at such time, in such manner, and containing such information as the Administrator shall require; and
- (ii) include a showing by the petitioner that there are data to support the petition.

(C) Timelines

(i) In general

If the Administrator receives a petition under subparagraph (A), the Administrator shall-

- (I) not later than 180 days after the date on which the Administrator receives the petition-
 - (aa) make the complete petition available to the public; and
 - (bb) when making the petition available to the public under item (aa), propose and seek public comment on the proposal of the Administrator to grant or deny the petition; and

(II) not later than 270 days after the date on which the Administrator receives the petition, take final action on the petition.

(ii) Factors for determination

In making a determination to grant or deny a petition submitted under subparagraph (A), the Administrator shall, to the extent practicable, factor in-

- (I) the best available data;
- (II) the availability of substitutes for uses of the regulated substance that is the subject of the petition, taking into account technological achievability, commercial demands, affordability for residential and small business consumers, safety, consumer costs, building codes, appliance efficiency standards, contractor training costs, and other relevant factors, including the quantities of regulated substances available from reclaiming, prior production, or prior import;
- (III) overall economic costs and environmental impacts, as compared to historical trends; and
- (IV) the remaining phase-down period for regulated substances under the final rule issued under subsection (e)(3), if applicable.

(iii) Regulations

After receiving public comment with respect to the proposal under clause (i)(I)(bb), if the Administrator makes a final determination to grant a petition under subparagraph (A), the final regulations with respect to the petition shall-

- (I) be promulgated by not later than 1 year after the date on which the Administrator makes the proposal to grant the petition under that clause; and
- (II) meet the requirements of paragraph (2).

(D) Publication

When the Administrator makes a final determination to grant or deny a petition under subparagraph (A), the Administrator shall publish a description of the reasons for that grant or denial, including a description of the information considered under subclauses (I) through (IV) of subparagraph (C)(ii).

(E) Insufficient information

If the Administrator determines that the data included under subparagraph (B)(ii) in a petition are not sufficient to make a determination under this paragraph, the Administrator shall use any authority available to the Administrator to acquire the necessary data.

(4) Date of effectiveness

The Administrator may not promulgate under paragraph (1) a regulation for the production or consumption of regulated substances that is more stringent than the production or consumption levels required under subsection (e)(2)(C) that takes effect before January 1, 2025.

(5) Review**(A) In general**

The Administrator shall review the availability of substitutes for regulated substances subject to an accelerated schedule established under paragraph (1) in each sector and subsector in which the regulated substance is used, taking into account technological achievability, commercial demands, safety, and other relevant factors, including the quantities of regulated substances available from reclaiming, prior production, or prior import, by January 1, 2026 (for the first review), by January 1, 2031 (for the second review), and at least once every 5 years thereafter.

(B) Public availability

The Administrator shall make the results of a review conducted under subparagraph (A) publicly available.

(6) Savings provision

Nothing in this subsection authorizes the Administrator to promulgate regulations pursuant to this subsection that establish a schedule for phasing down the production or consumption of regulated substances that is less stringent than the production and consumption levels of regulated substances required under subsection (e)(2)(C).

(g) Exchange authority**(1) Transfers**

Not later than 270 days after December 27, 2020, which shall include a period of notice and opportunity for public comment, the Administrator shall promulgate a final regulation that governs the transfer of allowances for the production of regulated substances under subsection (e)(3)(A) that uses-

- (A) the applicable exchange values described in the table contained in subsection (c)(1); or
- (B) the exchange value described in the rule designating the substance as a regulated substance under subsection (c)(3).

(2) Requirements

The final rule promulgated pursuant to paragraph (1) shall-

- (A) ensure that the transfers under this subsection will result in greater total reductions in the production of regulated substances in each year than would occur during the year in the absence of the transfers;
- (B) permit 2 or more persons to transfer production allowances if the transferor of the allowances will be subject, under the final rule, to an enforceable and quantifiable reduction in annual production that-
 - (i) exceeds the reduction otherwise applicable to the transferor under this section;
 - (ii) exceeds the quantity of production represented by the production allowances transferred to the transferee;and
 - (iii) would not have occurred in the absence of the transaction; and

(C) provide for the trading of consumption allowances in the same manner as is applicable under this subsection to the trading of production allowances.

(h) Management of regulated substances**(1) In general**

For purposes of maximizing reclaiming and minimizing the release of a regulated substance from equipment and ensuring the safety of technicians and consumers, the Administrator shall promulgate regulations to control, where

appropriate, any practice, process, or activity regarding the servicing, repair, disposal, or installation of equipment (including requiring, where appropriate, that any such servicing, repair, disposal, or installation be performed by a trained technician meeting minimum standards, as determined by the Administrator) that involves-

- (A) a regulated substance;
- (B) a substitute for a regulated substance;
- (C) the reclaiming of a regulated substance used as a refrigerant; or
- (D) the reclaiming of a substitute for a regulated substance used as a refrigerant.

(2) Reclaiming

(A) In general

In carrying out this section, the Administrator shall consider the use of authority available to the Administrator under this section to increase opportunities for the reclaiming of regulated substances used as refrigerants.

(B) Recovery

A regulated substance used as a refrigerant that is recovered shall be reclaimed before the regulated substance is sold or transferred to a new owner, except where the recovered regulated substance is sold or transferred to a new owner solely for the purposes of being reclaimed or destroyed.

(3) Coordination

In promulgating regulations to carry out this subsection, the Administrator may coordinate those regulations with any other regulations promulgated by the Administrator that involve-

- (A) the same or a similar practice, process, or activity regarding the servicing, repair, disposal, or installation of equipment; or
- (B) reclaiming.

(4) Inapplicability

No regulation promulgated pursuant to this subsection shall apply to a regulated substance or a substitute for a regulated substance that is contained in a foam.

(5) Small business grants

(A) Definition of small business concern

In this paragraph, the term "small business concern" has the same meaning as in section 632 of title 15.

(B) Establishment

Subject to the availability of appropriations, the Administrator shall establish a grant program to award grants to small business concerns for the purchase of new specialized equipment for the recycling, recovery, or reclamation of a substitute for a regulated substance, including the purchase of approved refrigerant recycling equipment (as defined in section 609(b) of the Clean Air Act (42 U.S.C. 7671h(b))) for recycling, recovery, or reclamation in the service or repair of motor vehicle air conditioning systems.

(C) Matching funds

The non-Federal share of a project carried out with a grant under this paragraph shall be not less than 25 percent.

(D) Authorization of appropriations

There is authorized to be appropriated to carry out this paragraph \$5,000,000 for each of fiscal years 2021 through 2023.

(i) Technology transitions

(1) Authority

Subject to the provisions of this subsection, the Administrator may by rule restrict, fully, partially, or on a graduated schedule, the use of a regulated substance in the sector or subsector in which the regulated substance is used.

(2) Negotiated rulemaking

(A) Consideration required

Before proposing a rule for the use of a regulated substance for a sector or subsector under paragraph (1), the Administrator shall consider negotiating with stakeholders in the sector or subsector subject to the potential rule in accordance with the negotiated rulemaking procedure provided for under subchapter III of chapter 5 of title 5 (commonly known as the "Negotiated Rulemaking Act of 1990").

(B) Negotiated rulemakings

If the Administrator negotiates a rulemaking with stakeholders using the procedure described in subparagraph (A), the Administrator shall, to the extent practicable, give priority to completing that rulemaking over completing rulemakings under this subsection that were not negotiated using that procedure.

(C) No negotiated rulemaking

If the Administrator does not negotiate a rulemaking with stakeholders using the procedure described in subparagraph (A), the Administrator shall, before commencement of the rulemaking process for a rule under paragraph (1), publish an explanation of the decision of the Administrator to not use that procedure.

(3) Petitions

(A) In general

A person may petition the Administrator to promulgate a rule under paragraph (1) for the restriction on use of a regulated substance in a sector or subsector, which shall include a request that the Administrator negotiate with stakeholders in accordance with paragraph (2)(A).

(B) Response

The Administrator shall grant or deny a petition under subparagraph (A) not later than 180 days after the date of receipt of the petition.

(C) Requirements

(i) Explanation

If the Administrator denies a petition under subparagraph (B), the Administrator shall publish in the Federal Register an explanation of the denial.

(ii) Final rule

If the Administrator grants a petition under subparagraph (B), the Administrator shall promulgate a final rule not later than 2 years after the date on which the Administrator grants the petition.

(iii) Publication of petitions

Not later than 30 days after the date on which the Administrator receives a petition under subparagraph (A), the Administrator shall make that petition available to the public in full.

(4) Factors for determination

In carrying out a rulemaking using the procedure described in paragraph (2) or making a determination to grant or deny a petition submitted under paragraph (3), the Administrator shall, to the extent practicable, factor in-

(A) the best available data;

(B) the availability of substitutes for use of the regulated substance that is the subject of the rulemaking or petition, as applicable, in a sector or subsector, taking into account technological achievability, commercial demands, affordability for residential and small business consumers, safety, consumer costs, building codes, appliance efficiency standards, contractor training costs, and other relevant factors, including the quantities of regulated substances available from reclaiming, prior production, or prior import;

(C) overall economic costs and environmental impacts, as compared to historical trends; and

(D) the remaining phase-down period for regulated substances under the final rule issued under subsection (e) (3), if applicable.

(5) Evaluation

In carrying out this subsection, the Administrator shall-

(A) evaluate substitutes for regulated substances in a sector or subsector, taking into account technological achievability, commercial demands, safety, overall economic costs and environmental impacts, and other relevant factors; and

(B) make the evaluation under subparagraph (A) available to the public, including the factors associated with the safety of those substitutes.

(6) Effective date of rules

No rule under this subsection may take effect before the date that is 1 year after the date on which the Administrator promulgates the applicable rule under this subsection.

(7) Applicability

(A) Definition of retrofit

In this paragraph, the term "retrofit" means to upgrade existing equipment where the regulated substance is changed, which-

(i) includes the conversion of equipment to achieve system compatibility; and

(ii) may include changes in lubricants, gaskets, filters, driers, valves, o-rings, or equipment components for that purpose.

(B) Applicability of rules

A rule promulgated under this subsection shall not apply to-

(i) an essential use under clause (i) or (iv) of subsection (e)(4)(B), including any use for which the production or consumption of the regulated substance is extended under clause (v)(II) of that subsection; or

(ii) except for a retrofit application, equipment in existence in a sector or subsector before December 27, 2020.

(j) International cooperation**(1) In general**

Subject to paragraph (2), no person subject to the requirements of this section shall trade or transfer a production allowance or, after January 1, 2033, export a regulated substance to a person in a foreign country that, as determined by the Administrator, has not enacted or otherwise established within a reasonable timeframe after December 27, 2020, the same or similar requirements or otherwise undertaken commitments regarding the production and consumption of regulated substances as are contained in this section.

(2) Transfers

Pursuant to paragraph (1), a person in the United States may engage in a trade or transfer of a production allowance-

(A) to a person in a foreign country if, at the time of the transfer, the Administrator revises the number of allowances for production under subsection (e)(2), as applicable, for the United States such that the aggregate national production of the regulated substance to be traded under the revised production limits is equal to the least of-

- (i) the maximum production level permitted for the applicable regulated substance in the year of the transfer under this section, less the production allowances transferred;
- (ii) the maximum production level permitted for the applicable regulated substances in the transfer year under applicable law, less the production allowances transferred; and
- (iii) the average of the actual national production level of the applicable regulated substances for the 3-year period ending on the date of the transfer, less the production allowances transferred; or

(B) from a person in a foreign country if, at the time of the trade or transfer, the Administrator finds that the foreign country has revised the domestic production limits of the regulated substance in the same manner as provided with respect to transfers by a person in United ² States under this subsection.

(3) Effect of transfers on production limits

The Administrator may-

- (A) reduce the production limits established under subsection (e)(2)(B) as required as a prerequisite to a transfer described in paragraph (2)(A); or
- (B) increase the production limits established under subsection (e)(2)(B) to reflect production allowances acquired under a trade or transfer described in paragraph (2)(B).

(4) Regulations

The Administrator shall-

- (A) not later than 1 year after December 27, 2020, promulgate a final rule to carry out this subsection; and
- (B) not less frequently than annually, review and, if necessary, revise the final rule promulgated pursuant to subparagraph (A).

(k) Relationship to other law**(1) Implementation****(A) Rulemakings**

The Administrator may promulgate such regulations as are necessary to carry out the functions of the Administrator under this section.

(B) Delegation

The Administrator may delegate to any officer or employee of the Environmental Protection Agency such of the powers and duties of the Administrator under this section as the Administrator determines to be appropriate.

(C) Clean Air Act

Sections 113, 114, 304, and 307 of the Clean Air Act (42 U.S.C. 7413, 7414, 7604, 7607) shall apply to this section and any rule, rulemaking, or regulation promulgated by the Administrator pursuant to this section as though this section were expressly included in title VI of that Act (42 U.S.C. 7671 et seq.).

(2) Preemption**(A) In general**

Subject to subparagraph (B), during the 5-year period beginning on December 27, 2020, and with respect to an exclusive use for which a mandatory allocation of allowances is provided under subsection (e)(4)(B)(iv)(I), no State or political subdivision of a State may enforce a statute or administrative action restricting the management or use of a regulated substance within that exclusive use.

(B) Extension**(i) In general**

Subject to clause (ii), if, pursuant to subclause (I) of subsection (e)(4)(B)(v), the Administrator authorizes an additional period under subclause (II) of that subsection for the production or consumption of a regulated substance for an exclusive use described in subparagraph (A), no State or political subdivision of a State may enforce a statute or administrative action restricting the management or use of the regulated substance within that exclusive use for the duration of that additional period.

(ii) Limitation

The period for which the limitation under clause (i) applies shall not exceed 5 years from the date on which the period described in subparagraph (A) ends.

(Pub. L. 116–260, div. S, §103, Dec. 27, 2020, 134 Stat. 2255 .)

EDITORIAL NOTES

REFERENCES IN TEXT

The Clean Air Act, referred to in subsecs. (d)(1)(B)(i) and (k)(1)(C), is act July 14, 1955, ch. 360, 69 Stat. 322 , which is classified generally to this chapter. Title VI of the Act is classified generally to subchapter VI (§7671 et seq.) of this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of this title and Tables.

CODIFICATION

Section was enacted as the American Innovation and Manufacturing Act of 2020, and also as part of the Consolidated Appropriations Act, 2021, and not as part of the Clean Air Act which comprises this chapter.

¹ So in original. Probably means "this section".

² So in original. Probably should be preceded by "the".