September 22, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) strongly opposes the amendment to H.R. 4447, the Clean Economy Jobs and Innovation Act offered by Representative Harley Rouda which would suspend federal preemption for a specific energy efficiency standard when the deadline for its issuance is missed by the Department of Energy.

AHRI is the trade association representing more than 320 member companies that manufacture quality, safe, efficient, and innovative residential, commercial, and industrial air conditioning, space heating, water heating, indoor air quality, and commercial refrigeration equipment and components for sale in North America and around the world. AHRI's member companies represent more than 90 percent of the HVACR and water heating equipment manufactured and sold in North America. AHRI is also the leading and recognized voice of advocacy for the HVACR and water heating industry.

Federal appliance efficiency standards have had a dramatic impact on efficiency improvements since 1975, when Congress passed the Energy Policy and Conservation Act (EPCA), a strong bill, but one that lacked a strong preemption provision. After more than a decade of market disruption, Congress adopted strong federal preemption for appliance standards in 1987 with the passage of the National Appliance Energy Conservation Act (NAECA). Appliance manufacturers are the engine of energy efficiency, and if their resources are burdened by a patchwork of multiple competing regulations, then innovation, technological advancement, and consumers are harmed. In NAECA, Congress acknowledged the vital importance of strong preemption provisions for appliance standards. AHRI cannot advocate for the importance of strong
preemption provisions more eloquently than did the statesmen who passed NAECA in 1987.

The day the House voted to pass NAECA, Congressman Philip Sharp (D-IN) had this to say about the bill: “The central tenet of this legislation is conceptually simple: the more efficient the appliance, the less energy is consumed…. The glue that binds the appliance standards bill is a tradeoff between strong Federal standards and a strong preemption of state regulation. That tradeoff has engendered an extraordinary coalition of appliance manufacturers, who need the uniformity and predictability of a national standard for their long-range planning, and environmental and consumer groups, who support the positive effects of nationwide appliance regulation…. The collaborative efforts of this broad coalition stand as a model of consensus legislation, and I hope we can build on this foundation in the 100th Congress and beyond.”

Also speaking on the House floor the day of the NAECA vote was Congressman Carlos Moorhead (R-CA) who thanked his colleagues Reps. Markey, Dingell, and Sharp for their leadership and noted that “the National Appliance Energy Conservation Act resolves a 12-year debate among appliance manufacturers, environmentalists, conservationists, the Department of Energy, and the states over the role of appliance energy efficiency standards.” He noted that the strong preemption provisions of the 1987 Act would resolve “the worst possible situation evolving in the United States today”—contemporaneous state and federal appliance efficiency requirements. He lauded the bill because it “assures that Federal energy standards will be set at a level reasonable for all parties. It prevents a patchwork of state standards from interrupting interstate commerce and fragmenting the national marketplace. It gives appliance manufacturers sufficient time to redesign, retool, and produce appliances that meet the required standards. By preserving the economies of scale and distribution inherent in the national marketplace, H.R. 87 should assure that the cost of appliances to consumers is not increased. Similarly, by preserving the national marketplace, H.R. 87 will allow manufacturers to produce more and varied appliances, again benefitting consumers. Thus, I believe that the benefits of H.R. 87 far outweigh any possible costs.”

The basic tenets of appliance regulation are the same today as they were 33 years ago: strong federal standards advance energy efficiency and strong preemption creates a national marketplace that is predictable and preserves economies of scale for consumers. Any watering-down of NAECA’s preemption provisions will drastically undermine the grand compromise that has driven efficient, cost-effective appliance design, production, and distribution in the United States over the past three decades.

AHRI strongly encourages members to oppose the Rouda amendment, and to support strong federal preemption for appliance efficiency standards.
Sincerely,

Samantha M. Slater  
Senior Vice President of Government Affairs

cc: Chairman Frank Pallone, Energy & Commerce Committee  
    Ranking Member Greg Walden, Energy & Commerce Committee