

February 7, 2025

Members of the Senate
U.S. Senate
Washington, DC 20510

Dear Members of the Senate,

On behalf of the National Grocers Association (NGA), I am writing to express our support for S.J. Res. 14, a Congressional Review Act (CRA) resolution striking down the Environmental Protection Agency (EPA) Final Rule: Management of Certain HFCs and Their Substitutes Under the AIM Act (Management Rule) sponsored by Senator Roger Marshall (R-KS). As the trade association representing independent grocers and wholesalers across the nation, we urge you to join Senator Marshall's resolution to stop this misguided rulemaking which represents a massive government intrusion into the grocery industry and will not only cost businesses, but taxpayers as well.

This rulemaking is part of a broader effort by the EPA to reduce the use and production of hydrofluorocarbons (HFCs) as mandated by the American Innovation and Manufacturing (AIM) Act of 2020. As a result, grocers are facing significant challenges in adapting their refrigeration systems to align with these changes. This includes transitioning to newer refrigeration technologies and adopting alternative refrigeration agents like CO₂ and propane.

The Management Rule introduces an emissions reduction and reclamation program aimed at curbing the availability and driving up the cost of currently permissible HFC refrigerants. It also establishes stricter leak detection, repair, recordkeeping, and reporting requirements. These new regulations place additional burdens on existing refrigeration infrastructure, compelling grocers to install advanced leak monitoring systems and comply with extensive recordkeeping obligations. The aggressive timeline for these requirements disproportionately impacts smaller businesses, which lack the resources to implement these costly changes as quickly as larger retailers.

Starting January 1, 2026, new leak repair mandates will require owners and operators to complete repairs within 30 days of adding refrigerant to an appliance. While the 30-day repair window is not entirely unreasonable, the compliance timeline is problematic as many businesses will struggle to calculate leak rates as outlined in the rule by the stated deadline. The EPA also dismissed industry concerns about the burden of its 20% leak rate threshold, even though the average leak rate for grocery systems is approximately 25%. This threshold will lead to immediate and costly repairs, resulting in significant system downtime and millions of dollars in additional expenses for grocers.

The January 1, 2027, deadline for installing automatic leak detection (ALD) systems on existing refrigeration equipment is similarly unrealistic. There are currently no federal requirements for ALD systems, and sourcing and installing these systems will come at a prohibitive cost. Additionally, requiring ALD systems on all new refrigeration installations starting January 1, 2026, will further increase the already high price of these systems. We have heard from members that their ALD systems have not only produced false alarms, but have also failed to detect leaks, costing grocers money in both wasted technician and maintenance calls and lost refrigerants.

By January 1, 2029, the rule mandates the use of reclaimed HFCs for servicing and repairing refrigeration equipment. Even businesses with virgin, or unused, HFCs in their inventory will be prohibited from using them in existing equipment after this date. Since the allowance allocation system was implemented, the cost of HFC refrigerants has steadily increased, and this mandate is expected to drive prices even higher. In less than a year, we could see a dramatic spike in refrigerant costs.

The EPA has allowed for the use of older refrigeration systems through the end of their useful life, in what they consider to be a boon to the grocery industry. However, this is just for show. Because of the allocation system and the prohibition on the use and production of virgin gases, these older systems will become more and more expensive to run and repair. This superficial provision does nothing to allay the massive cost of this rulemaking to grocers.

The Management Rule, along with other EPA regulations, will undoubtedly raise operational costs for grocers, who are already facing historically high labor, utility, and merchandise costs, and cannot bear additional operational expenses. As these costs increase, grocery store owners will have no choice but to increase prices for consumers, and in extreme cases, some stores may be forced to close if they cannot afford to comply with EPA's burdensome requirements. This government meddling will raise food prices without creating a meaningful benefit.

We urge you to help grocers across the country by joining Senator Marshall's resolution to stop this rule in its tracks. If you are interested in cosponsoring the resolution, please contact Tucker Stewart (tucker_stewart@marshall.senate.gov) in Senator Marshall's office. For more information on the rule, please contact Max Wengroff (mwengroff@nationalgrocers.org) at NGA.

Sincerely,



Greg Ferrara
President and CEO
National Grocers Association