

**WORKSHOP**  
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# Whole-of-government approach to HFC phase-down: U.S. Interagency Task Force on Illegal HFC Trade



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# Enforcing the U.S. HFC Licensing and Quota System: Interagency Task Force

- **Started early:** Prior to issuing our domestic HFC phasedown regulations, the White House established a new interagency task force to combat illegal trade
- **Mission:** Execute a strategy to deter, detect, and disrupt any attempt to illegally import or produce HFCs in the United States
- **Partnership:** Led by U.S. EPA and Department of Homeland Security in partnership with the Departments of Justice, State, and Defense

## Accomplishments to Date:

- Identified and prevented almost 1,061,000 MTCO<sub>2</sub>e (the equivalent of the emissions from nearly 206,500 homes' electricity use for one year) between January 2022 and May 2023
- Numerous inspections performed by EPA enforcement personnel as well as U.S. Customs and Border Protection personnel
- Trainings provided to government and external stakeholders

# Enforcing the U.S. HFC Licensing and Quota System: Framework Rule Provisions

- January 1, 2022: Began implementing a comprehensive licensing and quota system to phase down HFCs
- Established a comprehensive suite of enforcement and compliance mechanisms including:
  - Advance notification for all imports of HFCs
  - Administrative consequences for noncompliance that are in addition to any civil or criminal enforcement action
  - Requirements for third-party auditing of companies' recordkeeping & reporting
  - Transparency provisions of HFC production and consumption data for the general public, market participants, and to support enforcement and compliance efforts

# Enforcing the U.S. HFC Licensing and Quota System: Administrative Consequences

- EPA can take action to reduce an entity's allocated allowances for activities (e.g., retire or revoke allowances) such as:
  - Transmitting false, inaccurate, or misleading data as part of the import process (e.g., wrong tariff codes)
  - Importing HFCs without expending the correct number of allowances
  - Failing to report required information or failing to submit required periodic reports
- EPA can apply a premium (e.g., additional allowances retired or revoked)
- To date, EPA has used administrative consequences retiring allowances worth more than 6.5 million metric tons CO<sub>2</sub>e for 2022 and 2023
- More information, including a list of finalized administrative consequences at: <https://www.epa.gov/climate-hfcs-reduction/administrative-consequences-under-hfc-allocation-rule>