

Honorable Virgina Lyons Senate Committee on Health and Welfare Vermont State Capitol 115 State Street Montpelier, VT 05633

RE: Opposed - PFAS Ban in Consumer Products

Dear Chairwoman Lyons and Committee Members:

On behalf of the Alliance for Automotive Innovation¹ (Auto Innovators), thank you for the opportunity to provide testimony in opposition to proposed amendment to Senate Bill 197, well-intended legislation that would have a far-reaching and disruptive impact across the economy in part because of its unrealistic timelines and overly broad definitions.

This legislation seeks to address the use of products containing chemicals from the PFAS family. It would likely ban thousands of products from sale and distribution in Vermont—including vehicles and parts—absent the state undertaking a complex and timely regulatory process to evaluate and decide whether the specific PFAS usage in that specific product is deemed "a currently unavoidable use."

PFAS in Auto Industry

The expectations for today's automobiles are high, and the environments in which vehicles must operate are harsh. From the coldest days of winter to summer driving through Death Valley, consumers expect their car or truck to get them there safely. The PFAS family of chemicals has helped provide this resiliency through the application of coatings and products that resist heat, oil, grease, and water. Such qualities are imperative throughout the vehicle. The heat resistance qualities of PFAS allow flexible fuel lines to safely deliver gasoline into a hot engine without causing a fire. Similarly, heat resistance – along with protection from water intrusion – protects the integrity of wire looms, sensors, and brake lines on a vehicle that allow today's advanced safety systems to function. In addition to these safety benefits, modern vehicles have drastically reduced emissions, in part, because of the chemical and heat resistant protections that PFAS provide to gaskets and O-rings, which keep engines tightly sealed, and coatings on cylinder heads and hoses, which reduce fugitive gasoline vapor emissions. Nearly every automotive system depends on some type of PFAS chemical to provide a durable, reliable, safer, and cleaner product to consumers. A few searches of available data have found around 8 million parts that contain PFAS, and around 250 applications of PFAS in the vehicle.

Automakers and their suppliers consider the impacts of chemicals used to build today's vehicles very seriously and are always looking for substitute compounds that can perform the same job with a lower environmental impact. The industry has even recognized areas where it can reduce the use of PFAS chemicals in specific applications, as it has already reduced or eliminated use of long-chain PFAS products.

¹ From the manufacturers producing most vehicles sold in the U.S., to autonomous vehicle innovators, to equipment suppliers, battery producers, and semiconductor makers – the Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the overall economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer, and smarter personal transportation future. <u>www.autosinnovate.org</u>.

Despite all this, however, there are some uses that cannot yet be replicated by any other known chemical at this time.

While we are confident that a rational discussion of current PFAS uses in the automobile industry would lead all parties to agree to their necessary use and thereby reduce the chances of ill-considered regulation disrupting the automobile market in Vermont, we have to raise concerns that the process of seeking an exemption could be incredibly burdensome on both automakers and regulators alike. Consider two points. First, even using the new EPA definition of PFAS proposed in a recent amendment, there are still roughly 11 or 12,000 chemicals identified within that PFAS family, and EPA to date has failed to provide a singular authoritative list of chemicals. Second, the bill as currently drafted would not just apply to consumer products but also "product components," which for our industry we generally interpret to mean not only vehicles but also the millions of service and replacement parts placed into circulation to maintain and repair past production and current production vehicles.

Looking at the auto industry alone, today's vehicle has approximately 30,000 identifiable parts, sourced from hundreds (or thousands) of suppliers across the world. The potential obligation on each automaker to analyze and collect the exact usages of each PFAS chemical for each of the 30,000 parts on a vehicle as part of a request for an exemption would be a monumental task. This process may potentially need to be replicated for each different model of vehicle sold. But it does not end there. As most of the 30,000 individual parts that comprise an automobile are also sold separately to service and maintain a vehicle over the course of its usable lifespan, this process would seemingly need to be repeated for each and every part on each and every vehicle sold by each and every automaker. As noted, this has the potential to be a dramatically burdensome obligation with which to comply.

It is also worth considering that of the examples cited above, the vast, vast majority of consumers will never have any contact with any such vehicle parts – engine O-rings, brake/gas lines, etc. – and service professionals who work on vehicle daily regularly use masks and gloves in the course of their day. Add to that the fact that the automobile is one of the most highly recycled consumer products sold, with entire industries based around the practice and an estimate of around 85% of the product being recycled. The true exposure pathways of any automotive usage, we expect, are limited.

Specific PFAS Should Be Regulated Based on Risk

The universe of PFAS chemicals requiring disclosure under SB 197 as amended remains tremendously wide, possibly capturing over 10,000-plus unique chemical substances. This appears to be without discernment regarding the actual levels of risk and concern to humans and the environment of these thousands of chemicals. The new bill explicitly ignores that the broad use of the term "PFAS" incorporates exceptionally different physical, chemical, environmental, and biological properties. Not all PFAS chemistries are the same, and they should not be managed under a single regulatory reporting class. As a result we find this bill to be overly broad, lacking in scientific justification, and imposing an extremely onerous obligation on the automotive industry with minimal apparent or obvious benefits to the public.

Proposed Timelines are Unachievable

The relevant sections of SB 197 would take effect on July 1, 2030. While this is a considerably long window for most products, automobiles to be sold in 2030 may already be in the design stages. The process to test, identify, and replace each use of PFAS would need to travel on a parallel track as the normal vehicle development and depending on when a viable alternative is found, then it would need to be incorporated into the design process. As the automotive global supply chain has a very complex structure, the automaker may be up to ten tiers removed from the raw material supplier, complicating

this replacement process considerably. It is very likely that all of this cannot take place before 2030 in order to eliminate all PFAS uses in vehicles.

Considerations from Other States

Other states have struggled with implementing PFAS reporting and ban statutes or have scrapped legislation altogether. Maine, which passed the first major PFAS reporting and ban legislation of this kind in 2021, has already amended it once and is now still struggling to implement it. Even the implementing agency anticipates additional legislative reforms to address identified problems. And in the state of California, often at the vanguard of environmental regulation, Governor Newsom in September 2022 vetoed AB 2247, a PFAS reporting bill, citing concerns over costs and the duplication of federal efforts.

The automotive industry recommends that statutes and regulations:

- 1. Avoid duplication of regulator efforts and Include reciprocity between states on currently unavoidable use exemptions;
- 2. Extend the effective date for complex durable goods such as automobiles, airplanes, and major medical testing equipment;
- 3. Do not combine PFAS chemicals into one large class of substances for regulatory or reporting purposes and instead focus on PFAS of known health concern;
- 4. Exclude breakdown products and byproducts of PFAS;
- Exclude hydrofluorocarbons, hydrofluoro-olefins, hydrochlorofluoro-olefins, fluoroiodocarbons, hydrochlorofluorocarbons, and chlorofluorocarbons that are used refrigerants as defined in ISO 817:2014, Refrigerants Designation and safety classification;
- 6. Exclude high molecular weight fluoropolymers.

Thank you for your consideration of our views. If I can provide any further information, please feel free to contact Judith at <u>jfenelus@autosinnovate.org</u> or Bridget Morris at <u>bmorris@vtlobbyists.com</u>.

Best regards,

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