

# **Environmental Technology Trade Advisory Committee (ETTAC)**



## **2018-2020 Charter Recommendations Package**

1. U.S. – Japan Trade Negotiations (May 2019)
2. U.S. – EU Trade Negotiations (May 2019)
3. Plastics (September 2019)
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9. Export License and Certification Requirements (February 2020)
10. Multilateral Procurement Roundtable (February 2020)

May 15, 2019

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

We are writing to provide our comments on the U.S.-Japan trade negotiations.

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect U.S. environmental technology exports. In this capacity, we especially appreciate the opportunity to provide our comments on the U.S.-Japan Trade Negotiations.

The U.S. environmental industry supports over 1.6 million jobs and generates over \$342 billion in revenue.

Japan is the United States' fourth-largest single-country trading partner for U.S. manufactured goods. U.S. manufactured goods exports to Japan in 2017 equaled \$75 billion and U.S. services exports equaled \$46 billion.

The ETTAC welcomes the opportunity to expand the commercial relationship with Japan, including through the negotiation of a U.S.-Japan Trade Agreement. A stronger, more open and competitive U.S.-Japan commercial relationship will expand opportunities for the growth of manufacturing and jobs in the United States.

We appreciate the opportunity to provide our comments and look forward to working with you to support the growth of the U.S. environmental goods and services exports.

Our comments are attached.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Decker', written in a cursive style.

William Decker  
Chair, ETTAC

cc: Ambassador Robert Lighthizer  
United States Trade Representative

## ETTAC Recommendations on U.S.-Japan Trade Negotiations

**Guiding Principles:** In pursuing a trade agreement with Japan, the U.S. must engage in a comprehensive trade negotiation as set forth in USTR's negotiating objectives. A comprehensive negotiation includes not only industrial goods, but also services and agriculture. It will also address discriminatory practices and non-tariff barriers, as well as regulatory divergences. This will be critical to achieving an economically meaningful deal for U.S. industry. A staged approach, that only addresses industrial goods or certain sectors limits the value of these negotiations, and potentially limits economic opportunities in this critical bilateral relationship.

The United States and Japan share a robust commercial relationship and manufacturers in the United States have long supported efforts to expand and improve that relationship. Key challenges and opportunities for goods and service providers include, but are not limited to:

- **Regulatory Environment, Technical regulations, standards, testing procedures and conformity assessments:** Many of Japan's regulatory procedures remain unique to Japan and are not well aligned with global norms. The processes often do not use evidence-based cost-benefit analyses or provide opportunities for interested stakeholders to participate in advisory groups on new policies and other measures, including but not limited to Japan's implementation of European-style hazard-based regulatory approaches to chemical assessment and management (such as the U.S. EPA Toxic Substances Control Act (TSCA)). To address these challenges, Japan should:
  - **Accept globally recognized standards**
  - **Establish a transparent process based on sound science, risk-based approaches:** U.S. and Japan should work to ensure sector regulatory cooperation; and commitments to promoting similar regulatory approaches across Asia/Pacific. The two countries have an opportunity to play a leadership role in demonstrating the value and practicality of chemical regulatory approaches that are based on risk to ensure the protection of human health and the environment. More transparent processes would allow better coordination with U.S. approaches and data and facilitate exports of U.S. goods and services. For example: Japan's Food Contract Regulation (FDSL – Food Sanitation Law) would benefit from taking a Positive List approach to include issues such as addictive requirements in food packaging. This would facilitate exports of U.S. sustainable and environment solutions in food packaging.
  - **Amend Public Comment Procedures:** Japan's current procedures should be amended to ensure sufficient time uniformly across agencies and provide meaningful opportunity to comment and submit data on impact of policies, regulations, standards, procedures; and other measures as they are developed. Additionally, translations of government notifications and regulations should be made available in a timely manner.
- **Eliminate Tariffs on Recyclable Commodities:** The United States exported \$700 million worth of recyclable commodities to Japan in 2018, a 38% increase over the previous year. But some of these environmentally-friendly products, including high value metals, face tariffs of 3-5.7% while U.S. tariffs on recyclable commodities from Japan are zero.
- **Eliminate the 232 Tariffs on Steel and Aluminum:** While not technically within the scope of the negotiations for the USJTA, the U.S. must address the existing Section 232 tariffs on Japanese exports of steel and aluminum, which are having an overall negative economic effect on U.S. manufacturers who depend on these products to produce goods for U.S. consumers as well as for export.

May 15, 2019

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

We are writing to provide our comments on the U.S.-EU Trade Negotiations.

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect U.S. environmental technology and service exports. In this capacity, we especially appreciate the opportunity to provide our comments on the U.S.-EU Trade Negotiations.

The U.S. environmental industry supports over 1.6 million jobs and generates over \$342 billion in revenue.

The European Union is the United States' second-largest manufactured goods trading partner. U.S.-manufactured goods exports to the European Union in 2017 equaled \$318 billion and U.S. services exports worth \$243 billion.

The ETTAC welcomes the opportunity to expand the commercial relationship with the EU, including through the negotiation of a U.S.-EU Trade Agreement. A stronger, more open and competitive U.S.-EU commercial relationship will expand opportunities for the growth of manufacturing and jobs in the United States.

Our recommendations are attached.

We appreciate the opportunity to provide our recommendations and look forward to working with you to support the growth of the U.S. environmental goods and services exports.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Decker', with a long horizontal flourish extending to the right.

William Decker  
Chair, ETTAC

cc: Ambassador Robert Lighthizer  
United States Trade Representative

## ETTAC Recommendations on the U.S.-EU Trade Negotiations

While the United States and the European Union share a robust commercial relationship, manufacturers in the United States have long supported efforts to expand and improve that relationship. As the negotiations continue, we offer the following recommendations:

**Guiding Principles:** In pursuing a new trade agreement with the EU, the United States must achieve market access and favorable terms that are, at a minimum, equivalent to those afforded by the EU in trade agreements with Canada, Mexico, and Japan. We encourage the U.S. to engage in a comprehensive trade negotiation, as set forth in USTR's negotiating objectives.

We also encourage the U.S. and EU to achieve the strongest possible intellectual property rights (IP) and trade secret protections. Strong IP rights and protections in both countries are critically important to ensure that third parties and state-supported bad actors cannot exploit weaknesses in IP legal and regulatory systems to misappropriate technology and trade secrets.

**Focus on Sustainable Development and Resource Efficiency:** The U.S. and EU should work closely with stakeholders to create incentives to boost the Circular Economy and promote resource efficiency through best practices. Transatlantic cooperation on how sustainable agriculture, energy, waste, and water, policy will make it easier for American and European companies to lead global efforts to address key resource challenges and a changing climate, while protecting economic growth.

**Discriminatory standards, technical regulations, testing procedures, and conformity assessment requirements:** The U.S. and EU take different approaches on standards, conformity assessment, and regulations. While not always incompatible, these different approaches often form the basis for technical barriers to trade. Historically, each side has often proposed divergent methods to resolve these barriers without materially reducing the degree to which the goals and objectives of the standards or government policies are achieved, and that act as barriers to U.S. exports and sales. Many of these problematic regulations are based on non-scientific, quasi-scientific, or even political factors; are not implemented through fully transparent procedures; lack technical justification; or result in implementation burdens that are not proportionate to intended consumer or public welfare benefits. Such regulatory approaches are problematic, not only in the EU itself but also in countries that adopt EU regulations. To address the challenges, the U.S.-EU trade negotiations should:

- **Accept globally recognized international standards** as defined by the World Trade Organization. EU regulators limit the definitions of "international standards" that must be considered in drafting regulations only to those created by a specific set of international organizations (such as the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC) and International Telecommunication Union (ITU)) instead of following the full World Trade Organization definition of an international standard under its Agreement on Technical Barriers to Trade. These challenges effectively reduce market access for U.S. products unless they undergo additional testing, at an additional expense and delays in market entry, according to EU standards
- **Align standards to strengthen global market competitiveness:** Divergent regulatory requirements increase costs and limit competition. While alignment may not be appropriate in all cases, it may make sense when alignment would strengthen both economies to better compete against third parties.

- For example, in the area of mobile emissions, the U.S. and EU technology leadership would be strengthened by aligning to the highest emission standards. Specifically,
  - the EU should align to the U.S. gas emission standards. The U.S. Tier 3 (LEV 3) regulations are the most stringent regulations in the world today.
  - The U.S. should align with the EU particulate number standards, so industry does not lose leadership to China and India.
- **Increase regulator-to-regulator dialogue for more efficient regulatory processing** by building on the work of the original TTIP negotiations. The U.S. and EU should empower regulatory agencies to take up regulatory cooperation projects, for example pilot projects on data sharing and risk assessment between EPA and ECHA. Increased dialogue; greater understanding of the regulatory process; and ultimately alignment on efficient, science-based procedures would allow differing regulatory systems to better co-exist, for large and especially small business.

**Government Procurement:** The EU is a signatory to the WTO Agreement on Government Procurement (GPA). The GPA allows U.S.-based companies to bid on public tenders covered by the agreement. However, the EU's lack of country of origin data for winning bids makes it difficult to assess the level of U.S. and non-EU participation. Nevertheless, a 2011 report commissioned by the EU noted that only 1.6 percent of total Member State procurement contracts were awarded to firms operating and bidding from another Member State or a non-EU country, demonstrating that in practice the value of direct cross-border procurement awards even among Member States was very small. The same study reported that U.S. firms not established in the EU received just 0.016 percent of total EU direct cross-border procurement awards.

**Eliminate the 232 Tariffs on Steel and Aluminum:** While not technically within the scope of the negotiations for the U.S.-EU Trade Agreement, the U.S. must address the existing Section 232 tariffs on EU exports of steel and aluminum, which are having an overall negative economic effect on U.S. manufacturers who depend on these products to produce goods for U.S. consumers as well as for export.

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

We are writing to support the Administration position in the Organization for Economic Cooperation & Development (OECD) objecting to the adoption of new restrictions on trade in end-of-life plastics.

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect environmental technology exports. In this capacity, we especially appreciate the opportunity to provide our comments on marine litter, end-of-life plastics and appropriate options to address the issue.

We appreciate the Administration's letter to the OECD— signed by U.S. EPA Administrator Andrew Wheeler on July 3 – formally objecting to the OECD's automatic adoption of new restrictions on trade in end-of-life plastics that were recently adopted by parties to the *Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal*.

As you work with EPA, USTR and State, we wanted to underscore the role of responsible collection, handling, processing and consumption in diverting these valuable materials from pollution or disposal. Placing trade restrictions on these materials may actually have the perverse effect resulting in more plastic litter heading to the ocean, as developing countries with insufficient waste management infrastructure will not be able to easily export their plastics, which will require going through a cumbersome consent process.

Furthermore, the Basel Convention's purpose is to ensure the responsible movement of hazardous waste, and the decision taken to impose restrictions on recovered plastics fails to acknowledge that plastics are not waste but valuable, recyclable commodities that are available to be processed into new, economically- and environmentally-friendly manufacturing inputs for new products. Developing new value-add supply chains based on recycled plastics will also generate jobs, economic development and opportunities for increased exports of environmentally-friendly U.S. technologies and goods.

We recommend that the U.S. advance efforts in the OECD to support creation of robust waste management infrastructure in countries that have insufficient collection, handling, processing and consumption processes. In fact, the U.S. Mexico Canada Agreement (USMCA) has important provisions, including Article 24.12, that call for trilateral cooperation to address primary causes of marine plastic litter, which include lack of a modern solid waste management infrastructure and individual behaviors, such as littering, that cause plastic bottles and other discarded plastics to end up in oceans and other bodies of water. Building on these provisions, the U.S. could advance efforts to significantly improve waste management and address the root causes of pollution in the marine environment.

A majority of the OECD members have robust recycling and disposal infrastructure, as well as mature manufacturing industries that require recycled plastic content. Therefore, discussions in the OECD could focus efforts on best practices and cooperation with countries that lack sufficient waste management infrastructure to address the cause of improperly disposed plastics. These discussions could also help

leverage a wide range of existing programs and efforts to promote effective waste management while enabling economic and environmentally friendly innovation.

We value your commitment to these issues and look forward to working closely with you to adopt and promote responsible policy globally. To that end, we are developing further, more detailed recommendations which we will provide to you shortly.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Decker', with a long horizontal flourish extending to the right.

William Decker  
ETTAC Chair

Cc: Ambassador Robert Lighthizer  
Administrator Andrew Wheeler  
Secretary Michael Pompeo



The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

We are writing to provide recommendations regarding several near-term solutions that would greatly bolster the competitive landscape for the U.S. environmental technology sector. The U.S. environmental industry supports over 1.6 million jobs and generates over \$345 billion in revenue annually.

The Environmental Technologies Trade Advisory Committee (ETTAC) is a federally established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect U.S. environmental technology exports. In this capacity, we appreciate the opportunity to provide the following recommendations:

- Convening the U.S. government interagency, inviting World Bank President David Malpass and Chief of Procurement Enzo De Laurentiis, other multilateral bank leaders, and CEOs from the U.S. environmental technology sector in a roundtable to discuss options to reduce transaction costs and increase involvement of U.S. businesses in multilateral tenders. This discussion would be an important step in addressing the small number of U.S. firms currently responding to bank-led procurement processes. These issues are among the most pressing challenges facing U.S. companies in determining whether to engage with the multilateral banks.
- Engaging the interagency community and in-country experts to offer a series of technical exchanges and market intelligence roundtables with environmental technology sector companies as a proactive follow-up from the *Environmental Technologies Top Markets Report* — turning research into action. The U.S. companies could benefit from hearing about multiple U.S. government program opportunities within specific markets and be linked to potential customers and vice versa.
- Establishing interagency sub-working groups focused on each of the environmental technology media categories (e.g., air, water, and solid waste and recycling) under the Trade Promotion Coordinating Committee Environmental Trade Working Group. The sub-working groups should identify and promote ways to coordinate and effectively direct U.S. export financing offered by the EXIM Bank, OPIC, and USTDA to assist U.S. providers, particularly small and medium-size enterprises, in pursuing new or expanded export opportunities in environmental sectors.

The federal government has an appropriate convening role to ensure regular engagement to build U.S. trade opportunities in this space. A findings summary is attached.

ETTAC encourages you to act on these issues immediately. We look forward to working with you to support their implementation and the growth of the U.S. environmental exports.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Decker', with a long horizontal flourish extending to the right.

William Decker  
ETTAC Chair

Enclosure

## Findings Summary

**Recommendation 1:** The ETTAC recommends that the Secretary of Commerce convene a roundtable discussion with the U.S. government interagency community and invite the World Bank president, other multilateral bank leaders, U.S. environmental technology CEOs, and other senior-level executives focusing on the following objectives:

- 1.1 Develop strategies to increase participation of U.S. environmental technology firms in multilateral tenders. Explore options to evaluate large international tenders based on quality, compliance, qualification and total cost of ownership instead of price.
- 1.2 Offer suggestions for reducing transaction costs associated with multilateral tenders, including possible fast-track approaches.
- 1.3 Establish a potential pilot program to explore implementation options.

These issues are among the most pressing facing the business community when deciding whether to participate in multilateral tenders and programs.

**Recommendation 2:** The ETTAC recommends that the Department of Commerce, working via the Trade Promotion Coordinating Committee Environmental Trade Working Group (TPCC ETWG), engage interagency leaders to convene a series of roundtables designed to ease market entry and bolster exports for U.S. environmental technology companies in specific international markets of interest. Each event will be composed of leading company executives and interagency experts to explore how the U.S. government can support increased participation of the U.S. private sector in deploying solutions to address growing global environmental challenges. A key value proposition includes coordinating events that are comprised of all of the relevant federal agencies on one agenda. Overall objectives for each roundtable:

- 2.1 Explore the factors that have limited the engagement of U.S. environmental firms in providing solutions in this key overseas market.
- 2.2 Highlight market opportunities for U.S. environmental companies and share U.S. government programs and projects to assist companies in engaging in the specific markets.
- 2.3 Identify and compile needed U.S. company interests and actions in the market.
- 2.4 Make recommendations for ways in which public and private sector participants can help address issues discussed.

Preliminary focus countries: Brazil, China, India, Mexico.

**Recommendation 3:** The ETTAC recommends establishing a TPCC ETWG sub-working group focused on each key media, including air, water, and solid waste and recycling. The proposed sub-working groups should address:

- 3.1 Federal Export and Trade Financing Assistance. The sub-working group will identify and promote ways to coordinate and effectively direct U.S. export financing offered by the EXIM Bank, OPIC, and SBA to assist U.S. providers, particularly small and medium-size enterprises, in pursuing new or expanded export opportunities in the key environmental sectors. Current portfolios for environmental technologies are not strategic, but rather very ad hoc and opportunistic.

- 3.2 Trade Missions. The Department of Commerce, in consultation with TPCC ETWG agencies, as well as relevant state and local officials, and the U.S. private sector, will seek to ensure that U.S. government-led trade missions include, where appropriate, an emphasis on export opportunities for U.S. providers of water and wastewater, air, and solid waste management and recycling technologies, goods, and services. Reverse trade missions should also be considered to convene international decision makers with U.S. water and wastewater, air, solid waste management and recycling technology, product, and service providers to share U.S. experiences firsthand.
- 3.3 Commercial Advocacy. The Advocacy Center at the Department of Commerce, in consultation with the Department of State, will endeavor to ensure that the U.S. government's overseas commercial advocacy programs include, where appropriate, an emphasis on export opportunities for U.S. providers of environmental technologies, goods and services.

###

November 20, 2019

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect environmental technology, goods and services exports. In this capacity, we especially appreciate the opportunity to provide comments on plastics.

We are writing to follow-up on our September 2019 letter regarding the Administration's position objecting to the Organization for Economic Cooperation & Development's (OECD) automatic adoption of the new restrictions on trade in end-of-life plastics. In that letter, we pledged to provide specific recommendations to support the U.S. negotiators at the OECD.

In general, we are concerned about the rapid pursuit of solutions to address excesses of plastics pollution without proper study, evaluation, consultation and due diligence. It is a core value of the OECD to be objective and to develop analyses and recommendations that are evidence-based and independent. The accelerated timeline given to the Working Party on Resource Productivity & Waste (WPRPW) "Task Team" to find a consensus on adopting the Basel Convention plastics amendments works against this research-based approach. We encourage the Administration to put pressure on the OECD Secretariat and member countries to prioritize this as the Task Team's work continues.

Regarding the specific provisions under consideration, some of the recommendations outlined below are related to amendments to the Appendices of the Council Decision C(2001)107/Final, as amended, which will heretofore be referred to as the "Council Decision."

1. *We support the new Basel Convention A3210 listing on hazardous plastics being adopted into Appendix 4 (amber list) of the Council Decision – but with revisions.*

We support the consensus that end-of-life plastics that contain hazardous constituents to an extent that they exhibit hazardous characteristics (*i.e.*, Basel Convention Annexes I and III and OECD Council Decision Appendices 1 and 2) can be subject to the controls of the OECD Council Decision. However, the Basel Convention A3210 listing adopted at the COP-14 is not clear, and we recommend that it be enhanced so that the final entry adopted into the OECD Council Decision is specific in its scope in order to prevent governments from using self-serving and varied interpretations to restrict trade. This can include references to scientific evidence and methodologies for measuring the "exhibition" of hazardous characteristics.

2. *We support all other types, grades, mixtures and forms of end-of-life plastics remaining in Appendix 3 (green list) of the Council Decision.*

We emphasized in our previous letter the importance of trade in these valuable, recyclable commodities as inputs to manufacturers throughout the world that create jobs and generate economic opportunities. It is imperative that the Administration continues to emphasize these opportunities. For example, a study commissioned by the Institute of Scrap Recycling Industries (ISRI) concludes plastics recycling in the United States supports nearly 30,000 jobs and contributes more than \$6 billion to the U.S. economy. Furthermore, in 2018, the United States imported and exported into global manufacturing supply chains more than \$691 million worth of end-of-life plastics.

The trans-boundary movement of these important manufacturing inputs is vital to stimulating global innovation in recycling and manufacturing. Like all commodities, recyclable materials move through markets according to supply and demand. The perception of some at the OECD is that countries export end-of-life plastics because they lack recycling capacity. That may be true in the non-OECD, developing world, but U.S. recyclers are not exporting because we lack capacity at home – they are exporting to fulfill customer orders abroad, including by those that are implementing new production in places that lack sufficient feedstock. It is our belief that restricting trade is contrary to the European Circular Economy directly and precisely for the adverse impact it would have on recycling and manufacturing.

*3. Polyvinyl chloride (PVC) should be listed in Appendix 3 (green list) of the Council Decision.*

We understand concerns have been raised about polyvinyl chloride (PVC). This material is approved and used in the United States and other countries around the world for the safe transport of drinking water and wastewater. There are a number of forms of PVC that are recyclable and returned into commerce. We recommend the United States continue to push back on unsubstantiated arguments for the inclusion of PVC in Appendix 4 (amber list) of the Council Decision to allow for their continued recyclability wherever the technology may exist.

*4. Initiate research and convene forums that promote best practices and responsible recycling in countries that lack sufficient capacity.*

We wish to reiterate the suggestion made in our previous letter regarding the opportunity for the OECD to undertake initiatives that promote best practices and cooperation with countries that lack sufficient waste management infrastructure to address the cause of improperly disposed plastics. There is a wide range of existing programs and efforts worldwide that promote effective waste management, and the OECD has the convening power to amplify these initiatives through its programing and connections to thought leadership around the world. The members of this ETTAC are available to provide technical expertise at these forums.

We thank you for the Administration's support in the free and fair trade of recyclable plastics and the efforts undertaken on our behalf at the OECD.

Sincerely,



William Decker  
ETTAC Chair

Cc: Ambassador Robert Lighthizer  
Administrator Andrew Wheeler  
Secretary Michael Pompeo



November 20, 2019

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect environmental technology exports. We are writing to acknowledge the progress made in a number of negotiations that has resulted in removal of Section 232 tariffs on steel and aluminum. We have taken a particular interest in the Section 232 tariffs because the U.S. environmental products and services industry relies on global supply chains and, most importantly, access to global markets. The Section 232 tariffs drive up our input costs and make the industries' products less competitive globally. Plus, our trading partners' retaliatory tariffs further increase costs and limit market access.

Both the 2016-2018 and 2018-2020 charters of the ETTAC have encouraged the Administration to eliminate the Section 232 tariffs on steel and aluminum and encourage our trading partners to remove their resulting retaliatory tariffs. We are pleased that the successful conclusion of the USMCA, as well as the negotiations with Japan and South Korea, reduced the tariff burdens on steel and aluminum by addressing fundamental trade issues that contributed to overcapacity.

As you continue your progress, we recommend the following, which reflect comments previously submitted to the Department from several other organizations including the Aluminum Association:

- Adopt a targeted approach to trade enforcement, rather than across-the-board import restrictions, that focuses on addressing the fundamental problem in the marketplace: systemic, subsidized overcapacity in China.
- Call on global political leaders to set new, more effective trade rules on subsidies and state-owned enterprises (SOEs) that put an end to such trade-distortive practices.
- Retain a tough stance on trade enforcement through targeted antidumping and countervailing duty actions on products benefiting from unfair government subsidies.
- Negotiate a bilateral agreement with China to address the trade distorting practices that drive its structural overcapacity.
- Establish permanent, quota-free Section 232 tariff exemptions for all countries designated by the Department as market economies and that adhere to their WTO and Free Trade Agreement (FTA) commitments.
- Continue to focus on improving the Section 232 tariff exclusion process. Specifically, we encourage better tracking and analysis, recognizing market realities, and ensuring that requests for and objections to exemptions accurately reflect the petitioner's and respondent's capacity, capability and quality requirements.

Thank you for the progress to date. We encourage the Administration to continue efforts to eliminate the steel and aluminum tariffs as well as encourage our trading partners to end their retaliatory tariffs.

Sincerely,



William Decker  
ETTAC Chair

February 14, 2020

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a federally established committee whose purpose is to advise on the policies and procedures of the U.S. Government that affect environmental technology exports. We are writing to ask the U.S., as G7 host, to set an agenda for market access for environmental technology and services.

Now more than ever, U.S. environmental technologies and services have the potential to transform environmental protection around the world. As the host of the G7 in 2020, the U.S. has an opportunity to facilitate trade and deployment of technology globally to address environmental challenges such as water and air quality and waste management. And to promote United States solution technology for more sustainable manufacturing practices and infrastructure investment.

The United States is the single largest market for environmental technologies in the world, representing a quarter of the global market. The total U.S. market is estimated at \$345 billion, with approximately 54 percent from services, 21 percent from equipment, and 25 percent from resources. The industry employs 1.6 million workers. Growth in this industry is forecasted to average 3.4 percent annually but could be improved with adjustments to trade policy and promotion.

“[T]ariffs remain a substantial and limiting barrier to trade in environmental technologies. In many markets, high tariffs compound the price differential for U.S. environmental technologies, making U.S. products prohibitively expensive in many markets or eroding profitability of U.S. goods in export markets,” according to the International Trade Administration’s *2017 Top Markets Report for Environmental Technologies*.

As a global leader in environmental technology, the U.S. industry sees market access as an excellent opportunity to seize real benefits for the United States. We encourage you to establish an ambitious environmental trade and technology agenda as the 2020 G7 host. Specifically, we recommend:

### **Increasing Environmental Trade**

- Secure market access by lowering tariff and non-tariffs barriers to environmental goods and services. The G7 Summit would be an excellent opportunity to generate renewed focus on the *Environment Technology Agreement*. Key opportunities include:
  - Facilitate trade in emission control technologies, such as catalytic converters and diesel filters, will provide cost effective solutions to the growing environmental and health hazards posed by increased air pollution and particulates emitted from vehicles.
  - Eliminate tariffs on goods and services. For example, exports of U.S. scrap commodities and recycling equipment currently face a range of import tariffs around the world. At the same time, there are no (zero) general duties imposed by the United States on imports of recycled



- goods such as recovered paper and fiber, ferrous and nonferrous scrap, or plastic scrap. For these reasons, we encourage efforts such as the Environmental Goods Agreement (EGA) at the WTO that have the potential to eliminate tariff barriers on U.S. recycling industry exports, thus promoting U.S. economic growth, creating jobs, raising income, and generating additional federal and state tax revenue.
- Facilitate trade in drinking water and wastewater technologies that provide cost-effective and meaningful public health solutions to drinking water contamination and pollution resulting from untreated or inadequately treated wastewater discharge.
  - Encourage efforts to facilitate and streamline regulatory approvals of emerging and innovative environmental technologies, goods and services (i.e., recycled plastic infrastructure materials)
- Promote highly efficient technologies, including and especially renewable energies, as well as the best standards and policies to increase energy efficiency. We stress that some of these technologies are already available at a competitive and affordable price and that energy efficiency can provide significant cost savings.
  - Provide sustainable financing -- call upon Multilateral Development Banks (MDBs) and other financing institutions to increase sustainable investments that promote resilience.
  - Encourage prioritization of sustainable business practices as a key criterion in infrastructure development and other procurement projects to support competitive deployment of US technologies.

### **Waste Management and Marine Litter**

- Work with the G7 to build support in the Organization for Economic Development (OECD) for the creation of robust waste management infrastructure in countries that have insufficient collection, handling, processing and consumption processes. In fact, the U.S. Mexico Canada Agreement (USMCA) has important provisions, including Article 24.12, that call for trilateral cooperation to address primary causes of marine plastic litter, which include lack of a modern solid waste management infrastructure and individual behaviors, such as littering, that cause plastic bottles and other discarded plastics to end up in oceans and other bodies of water. Building on these provisions, the U.S. could advance efforts to significantly improve waste management, create new workstreams for investment, job creation and deployment of technologies and address the root causes of pollution in the marine environment
- Recognize the role of communities in fighting marine litter and acknowledge the need to enhance support to those communities by building waste management capacity, as well as recycling and removing debris as a way to reduce ecological and climate impacts from plastic. Promote the economic value of establishing new industrial sectors to support waste management (i.e., collection, transportation, recycling, innovation on recycled plastic as feedstock).

### **Establishing Best Practices**

- Continue the dialogue of sharing and promoting best practices together with the active participation of business and relevant stakeholders.

- Recognize the role of the G7 Alliance on Resource Efficiency and the G20 Resource Efficiency Dialogue and encourage greater direct stakeholder dialogue with G7 leaders.

Thank you for your consideration of these issues. We look forward to working with you to drive growth and level the playing field for the U.S. environmental technology and services industry.

Sincerely,

William Decker,  
ETTAC Chair

Cc: Administrator Andrew Wheeler

February 14, 2020

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Secretary  
U.S. Department of Commerce  
1401 Constitution Ave., N.W.  
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a federally established committee whose purpose is to advise on the policies and procedures of the U.S. Government that affect environmental technology exports. In this capacity, we appreciate the opportunity to provide the attached recommendations on key objectives for a potential Free Trade Agreement (FTA) with the United Kingdom (UK).

We applaud the Administration's efforts to initiate a dialogue over the past three years, beginning in July 2017, with the establishment of the U.S.- UK Trade and Investment Working Group. This established the ability for commercial continuity for UK and U.S. businesses, workers and consumers as the UK leaves the European Union (EU). It also laid the groundwork for a future FTA once the UK has formally exited the EU. Based on the Administration's notice to Congress (October 16, 2018), the ETTAC agrees that the objectives for this negotiation should support higher-paying jobs in the United States and grow the U.S. economy by improving U.S. opportunities for trade and investment with the UK. As the first and fifth biggest global economies, the U.S. economic relationship with the UK is one of the largest and most complex in the world, with annual two-way trade totaling more than \$230 billion.

Despite this significant trade volume, multiple tariff and non-tariff barriers have challenged U.S. exporters in key sectors while the UK has been a Member State of the EU and therefore a part of the common trade policy of the EU. The UK's decision to leave the EU creates a new opportunity to expand and deepen the U.S.-UK trade relationship. A new U.S.-UK trade agreement could address these challenges, as well as provide an opportunity to develop new approaches to emerging trade areas where the U.S. and the UK share common interests and are global leaders. Specifically, we support a focus on the following areas:

#### Trade in Goods

- Increase transparency in import and export licensing procedures.

#### Industrial Goods

- Secure comprehensive duty-free market access for U.S. industrial goods and strengthen disciplines to address non-tariff barriers that constrain U.S. exports.
- Secure commitments with respect to greater regulatory compatibility, where possible, to facilitate U.S. exports in key goods sectors and reduce burdens associated with

unnecessary differences in regulation, including through regulatory cooperation where appropriate.

- Support a regulatory dialogue to promote common efforts on science, risk based regulations.

#### Customs and Trade Facilitation

- Build on and set high standards for implementation of WTO agreements involving trade facilitation and customs valuation.
- Increase transparency by ensuring that all customs laws, regulations, and procedures are published on the Internet as well as designating points of contact for questions from traders.
- Ensure that, to the greatest extent possible, shipments are released immediately after determining compliance with applicable laws and regulations and provide for new disciplines on timing of release, automation, and use of guarantees.
- Provide for streamlined and expedited customs treatment for express delivery shipments, including for shipments above any de minimis threshold. Provide for simplified customs procedures for low value goods and a more reciprocal de minimis shipment value.
- Provide for automation of import, export, and transit processes, including through supply chain integration; reduced import, export, and transit forms, documents, and formalities; enhanced harmonization of customs data requirements; and advance rulings regarding the treatment that will be provided to a good at the time of importation.
- Promote cooperation with the UK to prevent duty evasion and combat customs offenses.
- Establish a committee for the Parties to share information and cooperate on trade priorities with a view to resolving inconsistent treatment of commercial goods.
- Ensured Trusted Trader/AEO facilitated access, particularly for intra-company shipments

#### Good Regulatory Practices

- Ensure transparency and accountability in the development, implementation, and review of regulations, including by publication of proposed regulations;
- Provide meaningful opportunities for public comment in the development of regulations;
- Promote the use of impact assessments and other methods of ensuring regulations are evidence-based and current, as well as avoiding unnecessary redundancies; and
- Apply other good regulatory practices such as internal coordination mechanisms and securing commitments to ensure transparency as well as meaningful opportunities to provide comments to expert regulatory advisory committees.

#### Environment

- Establish strong and enforceable environment obligations that are subject to the same dispute settlement mechanism that applies to other enforceable obligations of the Agreement.
- Establish rules that will ensure that the UK does not waive or derogate from the protections afforded in environmental laws for the purpose of encouraging trade or investment.
- Require the UK to adopt and maintain measures implementing obligations under select Multilateral Environmental Agreements (MEAs) to which the UK and the United States are full parties.
- Establish a means for stakeholder participation, including commitments for public advisory committees, and a process for the public to raise concerns directly with its government if they believe it is not meeting its environment commitments
- Provide for a framework for conducting, reviewing, and evaluating cooperative activities that support implementation of the environment commitments, and for public participation in these activities.
- Establish ongoing dialogue and consultation mechanism to support a common approach in multilateral negotiations

We look forward to working with you and stand ready to assist as the FTA negotiations proceed.

Sincerely,

William Decker,  
ETTAC Chair

February 14, 2020

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a Federally-established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect environmental technology exports. In this capacity, we recently undertook a survey to better understand what foreign markets for environmental technologies and services require certification and licensing that replicate U.S. certification requirements, and assess if this places U.S. companies at a disadvantage.

The respondents of the survey represent the diversity of U.S. exporters of environmental technologies, products and services in the air, water and waste and recycling sectors including small to large businesses and, trade associations.

The ETTAC survey found that Mexico, the European Union and China are the top three environmental technology markets where U.S. exporters are required to obtain foreign certifications which often hamper U.S. exporters because of duplicative, unnecessarily cumbersome and expensive requirements.

We believe that the Administration can help overcome some of these barriers and further the export of U.S. environmental technologies and services globally by educating international markets and consumers of U.S. standards and certification procedures. We encourage the Administration to promote U.S. standards and procedures by encouraging countries that are in the process of developing standards to adopt U.S. methodologies. In the case of countries with existing standards and certifications, we encourage the Administration to request these countries recognize or develop reciprocity for U.S. procedures. These efforts will help achieve the goal of harmonization of standards and certification procedures.

Additionally, the Administration can assist U.S. companies facing unfair competition in foreign markets by addressing the following:

- Seek EU recognition and acceptance of an alternative U.S. based technology verification testing process that would satisfy EU TUV certification requirements or other similar standards. For example, among the many requirements, current TUV certification requires U.S. companies to repeatedly fly personnel from Germany to the United States

to perform audit assessments. Additionally, TUV requires two separate tests of complete instruments, peripheral systems and system integrators be sent to the EU for at least a period of 1 year for lab and field testing. If independent U.S. based assessments or locations were accepted as part of the TUV certification process, it would eliminate an expensive and unnecessary non-tariff trade barrier.

- Assist U.S. manufacturers by providing a letter of free sale so they can export more easily to countries requiring certification to export, such as China. While a few states and some business organizations/trade associations can provide a letter of free sale, there are many manufacturers who are left without these options and it hinders their ability to export.

We thank the Administration for its continued efforts to help the export of U.S. environmental technologies and services. We would be happy to share with you the complete results of our survey.

Sincerely,

William Decker

ETTAC Chair

February 14, 2020

The Honorable Wilbur Ross  
Secretary  
US Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

**RE: Increased U.S. Participation in Global Environmental Procurement**

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) has identified a need to engage the U.S. Government (USG) interagency community in order to foster greater collaboration among the World Bank, other multi-lateral lending institutions, and U.S.-based providers of environmental goods and services.

We respectfully request your leadership in convening an executive-level roundtable discussion that would include major stakeholders, including U.S. companies, associations, representatives from the World Bank and other institutions, and relevant USG agencies.

We envision the outcome of this roundtable to be a roadmap for greater U.S. business participation in global environmental procurement. As you may know, U.S. companies currently receive a very small share (1.23 percent) of available World Bank opportunities although the U.S. contributes 16.32 percent of the Bank's overall budget. However, U.S. companies have a 47 percent success rate when bidding on World Bank projects. Consequently, there is clear opportunity for growth should more U.S. firms choose to compete for World Bank and other funded projects.

The agenda for the roundtable should cover each stage of the procurement process, including tender, contract award, and implementation. Specific topics for discussion would include promoting greater transparency about the contract award process, establishing improved communications channels, and reducing project transaction costs for U.S. environmental solutions providers. One additional suggestion highlighted in our deliberations was the provision of routine and timely debriefs to non-selected bidders at the end of the procurement process.

We would also like to discuss the desirability of accelerated access to upcoming tenders and funding, as well as new and more effective advocacy on behalf of U.S. companies, either from the World Bank and other institutions directly or through the existing Advocacy Center.

We recommend that this roundtable be held on July 22<sup>nd</sup>, 2020, in conjunction with our Committee's scheduled meeting in Washington, DC. This timing will facilitate participation from



a wide array of U.S. environmental technology representatives, including those who will already be in town for the ETTAC meeting. Having the roundtable in Washington should also be convenient for the World Bank and other lending institutions.

The ETTAC members stand ready to assist you and your Department in planning and executing this meeting. However, we strongly believe that a meeting convened by the Secretary will be vital in attracting the appropriate executive, e.g. vice-president level representation from the World Bank and other institutions.

We are attaching our original recommendation letter, dated September 10<sup>th</sup>, which includes a summary of our findings and provides additional background on the value of this proposed roundtable.

Thank you for your consideration.

Respectfully,

William Decker,  
ETTAC Chair