

May 17, 2022

The Honorable Gina Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, DC 20230

RE: Recommendation from the Environmental Technologies Trade Advisory Committee on the Indo-Pacific Economic Framework
ETTAC Recommendation 2021-10

Dear Secretary Raimondo:

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 appreciate the opportunity to provide the following recommendations to support U.S. goals and objectives in conceiving, launching, and advancing negotiations under the Indo-Pacific Economic Framework (IPEF).

We are writing to support the Administration's agenda, which we understand aims to secure meaningful commitments from IPEF partners that are commercially significant and that reflect the Administration's emphasis on pursuing trade policy strategies and approaches that promote the global competitiveness of American workers and businesses, while advancing decarbonization and promoting sound environmental practices. The Indo-Pacific region is dynamic, economically vital, and strategically important. Strengthening economic engagement with IPEF partner countries can have myriad positive effects across the 4 pillars identified by the Administration¹ and deep impacts in priority areas, such as but not limited to supply chains, climate mitigation and environmental protection.

Although high customs tariffs are an impediment in our sectors, we recognize that the Administration is focused in the IPEF on addressing other types of market barriers that prevent U.S. business and workers from competing effectively in the region. Working with like-minded countries, the Administration is well positioned to secure IPEF commitments that encourage free trade and lower tariffs and will improve supply chain resiliency and export prospects for U.S. companies and workers in the environmental technology sector.

The ETTAC recommends:

- Climate:
 - Collaborate on and coordinate initiatives and programs to support timely and meaningful progress on IPEF members' COP26 commitments and provide opportunities for ETTAC and other environmental technology sector companies to engage in support of solutions.

¹ Fair and resilient trade; supply chain resilience; infrastructure, clean energy, and decarbonization; and tax and anti-corruption.

- Ensure access to opensource climate related data, models, and tools from global and developing countries.
 - Provide capacity building in the region to strengthen knowledge, abilities, and skills of individual companies and improve institutional structures and processes around emission reduction targets on which companies can contribute.
- Circular economy, recycling, resource recovery, and waste management:
 - Pursue commitments that reduce waste, improve recyclability, and support development and execution of circular economy strategies.
 - Address regulatory barriers to capitalizing on – at scale, as raw materials to be recovered and fed into production process for new goods – stores of critical minerals embedded in used technology and consumer products, such as electronics, batteries, and other key high-technology products. This workstream includes addressing international rules that limit the safe and lawful transboundary movement of “waste” materials between trusted partners in order to create “resource recovery lanes” among trusted partners overseen by willing governments, including actions consistent with the Basel convention.
 - Build on and extend good work from existing regional initiatives, including the recyclable plastic materials program from APEC
- Digital services:
 - Recognize that agreement on digital trade principles (cross-border data flows, etc.) supports effective deployment of many environmental technologies.
- Local content requirements:
 - Seek to remove such requirements for environmental technologies. If this is not possible, seek a commitment from IPEF members that local content requirements for environmental projects can be met by cumulation of IPEF member that goods and services (e.g., content or value added by any other IPEF members used on an environmental project will be counted toward meeting any existing “local/domestic content” requirements).
- Government procurement:
 - Promote transparency and decision-making based on best-value and life cycle costs rather than first-cost, lowest bid.
- Technical standards:
 - Advance acceptance by IPEF members of standards that will open the markets of participating economies to environmental technologies.
 - Achieve acceptance of U.S.-developed international standards by proliferating the USMCA TBT chapter definition of international standards, which clarifies the CPTPP definition.
 - Promote wider involvement by IPEF members in standards development
- Good regulatory practices:
 - Build on USMCA GRP chapter.
- Multilateral Environmental Agreements (MEAs):
 - Enforce and support capacity building to enable compliance with MEAs.
 - Take measures to build capacity for future and emerging agreements such the United Nations Environment Assembly legal instrument to combat plastic pollution.

- Sustainability principles
 - Develop common and shared principles to ensure that national and regional approaches to sustainability to reach regional environmental goals and targets (e.g., emissions, waste, and water reduced, and increased circularity) are consistent with the international rules-based trading systems.
- Water
 - Promote water reuse and recycling and technology innovation to address water scarcity challenges in the region.

We look forward to working with you to implement these recommendations and stand ready to assist you.

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: Antony Blinken, Secretary of State
Ambassador Tai, U.S. Trade Representative