

ALERT

USTR, ITC Begin Investigations, Request Comments on Trade in Environmental Goods

April 24, 2014

Two federal agencies are seeking input from U.S. companies and industries on a proposed new World Trade Organization (WTO) Environmental Goods Agreement to eliminate tariffs on a broad range of goods. Interested parties should consider submitting written comments as well as testifying at upcoming public hearings, to help ensure removal of tariffs and trade barriers on important renewable energy related goods.

On March 21, the U.S. Trade Representative (USTR) expressed to Congress the Obama Administration's intent to negotiate a WTO Environmental Goods Agreement. This followed a January 2014 declaration by 14 WTO Members (Australia, Canada, China Costa Rica, the European Union, Hong Kong, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei, and the U.S.), which together account for 86% of the global environmental goods trade. These countries announced their desire to negotiate an agreement to eliminate tariffs on environmental goods, which are goods needed to protect the environment and address climate change.

USTR requested public comments in a Notice published in the Federal Register on March 28, 2014, in response to the USTR's request for public comment on U.S. interests and priorities regarding an environmental goods agreement. Relevant goods include solar panels and wind turbines, and comments are particularly welcome on issues such as which products should be included in an agreement as well as their "environmental uses and benefits." A public hearing will be held on June 5, 2014, and written comments and oral testimony notifications are due by May 5, 2014.

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The United States International Trade Commission (USITC) launched two related investigations on April 17, 2014: *Environmental Goods Trade Agreement: Advice on the Probable Economic Effect of Providing Duty-Free Treatment of Imports* (TA-131-039), and *U.S. Environmental Goods Trade* (TA-332-548). The USITC initiated these investigations in response to a USTR request letter, dated April 2, 2014, which asked the USITC to 1) investigate the “probable economic effect of removing duties on environmental goods,” and 2) “provide trade information and estimates for certain specified environmental goods.”

The first investigation (TA-131-039) will consider the impact of providing duty-free environmental goods imports on U.S. industries that produce like or directly competitive products, and on consumers. For the second investigation (TA-332-548), the USITC will provide information on the products in a list of goods that the USTR included with the request letter, including information such as major U.S. producers, probable U.S. export markets, and U.S. import and export value estimates.

Notably, the ITC list of goods is very broad—the 34-page list covers goods as diverse as honey, natural gas, scrap paper, pipe and tube, engines, machinery, batteries, vacuum cleaners, telephone sets, and motor vehicles. As such, U.S. companies and industries may have a strong interest in participating in these investigations by providing comments and/or testifying.

The USITC will produce confidential reports to the USTR, with the first investigation’s results due on August 4, 2014, and the second investigation’s results due on October 6, 2014. The USITC will hold a public hearing related to the first investigation on May 14, 2014. There will be no hearing for the second investigation. Requests to appear at the May 14 hearing and pre-hearing briefs and statements must be filed by 5:15 pm on May 6, 2014, with the Secretary, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Written submissions may also be filed with the same address by 5:15 pm on May 19, 2014 for the first investigation, and on July 1, 2014 for the second investigation.