

**Environmental Technologies Trade Advisory Committee (ETTAC) Advisory Issues and USG Actions
2010 – 2016**

ETTAC Recommendation	STATUS OF USG RESPONSE
THEME 1: TRADE LIBERALIZATION	
KEY CONSIDERATIONS FOR ETTAC 2016 – 2018: <ul style="list-style-type: none"> • Future ambition for WTO Environmental Goods Agreement (EGA) • Collaboration on developing a product for trade policy officials that catalogues complex and diffuse non-tariff trade barriers including those related to standards, regulation, certification, and government procurement. • Support for U.S. – Brazil Commercial Dialogue Non-tariff barrier workshops 	
1.1 TARIFF REDUCTION AND ELIMINATION	
2012 - 2014	
In the context of current and forthcoming trade negotiations, the U.S. government should establish as a negotiating objective the elimination of higher import tariffs associated with mandatory local content requirements.	Continued Evaluation Necessary: As part of the President’s Climate Action Plan, a U.S.-led coalition of countries—representing 86% of global trade in environmental goods—launched talks aimed at eliminating tariffs on a wide range of environmental goods under the World Trade Organization. The coalition includes: Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Japan, Korea, New Zealand, Norway, Singapore, Switzerland and Chinese Taipei. Successful completion of the WTO Environmental Goods Agreement sectoral will translate into tariff reductions for most of global trade. The scope of international commerce covered in the resulting agreement will create a strong incentive for large importers and exporters of environmental goods to join the coalition. As of January 2017 the negotiations are ongoing.
2010 - 2012	
Swift implementation of the full scope of the APEC EGS agreement. The commitment to eliminate and refrain from adopting new trade-distorting domestic content requirements by 2012 and reduce applied tariff rates to 5 percent or less by 2015 serves a major milestone to liberalize trade in environmental goods and services. Swift implementation of this agreement is reliant on the fact that the list of environmental goods and services to be subject to tariff cuts be as all-inclusive as possible if we are to achieve our export trade goals and offer solutions to meet the enormous environmental challenges facing today’s society.	Implemented: APEC EGS commitments were implemented in 2015 among the parties.

ETTAC Recommendation	STATUS OF USG RESPONSE
1.2 NON-TARIFF BARRIERS	
2014 - 2016	
<p>The ETWG and proximate ETTAC charter should consider the competitiveness challenge created by U.S. law limitations and restrictions versus non U.S. trade practices</p>	<p>Continued Evaluation Necessary: The ETWG appreciates identification of key non-tariff barriers (NTBs) and will work to integrate those issues into ongoing bilateral and multilateral policy efforts. ETWG agencies look forward to continued advice on non-tariff barriers with a view toward creating a formal system for surveying ETTAC advisors and a corresponding aggregation of NTBs that impact the environmental technologies industry. ETWG agencies would benefit from regular input on NTBs affecting the environmental technologies industry and welcome collaboration on developing a product for trade policy officials that catalogues these complex and diffuse trade barriers so that their impact is better understood and so they may be prioritized in the appropriate international fora. Future ETTAC work in this area would greatly benefit international trade policy discussions where it seeks to identify the variety of NTBs that stymie the competitiveness of the U.S. environmental technologies industry in key export markets. Work that quantifies the impact of these barriers on individual companies as well as the U.S. economy at large is particularly useful to ETWG agencies.</p>
<p>The ETWG and proximate ETTAC charter should consider trade barriers posed by additional tariffs and taxes required as products are transshipped.</p>	
<p>The ETWG and proximate ETTAC charter should consider trade barriers posed by locally obtainable but not equivalent products in export markets.</p>	
<p>The ETTAC recommends that the U.S. Government facilitate a series of workshops under the U.S. – Brazil Commercial Dialogue to address environmental issues and ways to overcome trade barriers that limit access of U.S. environmental technologies to the Brazil market to the detriment of the Brazil environment as well as the health and well-being of Brazilian citizens.</p> <p>The workshops should focus on three key areas, specifically: (1) air quality technologies; (2) solid waste management technologies; and (3) drinking water, industrial water, and wastewater technologies.</p>	<p>Continued Evaluation Necessary: The ETWG will leverage the Environmental Technologies work stream under our primary bilateral trade forum, the U.S.-Brazil Commercial Dialogue, as a mechanism to develop and implement workshops focused on relevant topics of mutual interest to both sides. To successfully implement this recommendation the ETWG will require ETTAC support for the environmental technologies activities under the Commercial Dialogue as well as for the workshops themselves, including participation in events and discussions as relevant.</p>
2012 - 2014	
<p>In the context of current and forthcoming trade negotiations, the U.S. government should establish as a negotiating objective the elimination of local partnership requirements to trade or tender.</p>	<p>Ongoing: ITA opened new strategic dialogues that focus on the environmental protection benefits of reducing non-tariff barriers. As the ETTAC demonstrated in its case studies, non-tariff barriers not only inhibit trade and international commerce but also slow or limit the implementation of environmental management measures by reducing overall access to key technologies and will</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
	continue to work to eliminate NTBs in a variety of trade policy fora.
1.3 STANDARDS, CERTIFICATION, AND REGULATION	
2014 - 2016	
<p>ETTAC commends the establishment of a Committee on Technical Barriers to Trade under Article 8.11 of TPP because it encourages cooperation amongst the partners in the development and review of technical regulations, establishment of future priorities for regulations and standards, sharing of technical performance data for product evaluations, and in identifying of technical capacity needs of the region. The ETTAC recommends that these important provisions be included in all future U.S. trade agreements.</p>	<p>Ongoing: Monitoring of obligations to ensure TBT obligations are carried out and encouraging information sharing will remain strong provisions of U.S. agreements. ITA welcomes the support of the ETTAC with regard to the establishment of the Committee on Technical Barriers to Trade under Article 8.11 of TPP (The Committee). Such committees have been established in past FTAs to monitor and oversee the implementation of the TBT provisions of the agreement and have helped to support existing obligations under the WTO TBT Agreement. Article 8.11 moves to build upon the success of these past provisions and strengthen joint work on technical regulations, standards and conformity assessment between the TPP parties. We will continue to include provisions that support the reduction and removal of technical barriers to trade and that encourage cooperation in future FTAs and in other discussions with our trading partners.</p>
<p>ETTAC supports the “Memorandum of Intent between the Department of Commerce of the United States of America and the Ministry of Development, Industry and Foreign Trade of the Federative Republic of Brazil concerning Standards and Conformity Assessment”.</p> <p>Specific areas of support include: work related to the WTO TBT Agreement; openness and transparency in standards setting; approaches that allow products to be tested and certified in the country of export and that utilize accreditation procedures that take into account and encourage multilateral agreements that share evaluation criteria and the results of an accreditation so as to avoid duplication of the work; sectoral initiatives to advance cooperation in standards, certification, and trade; and, sharing of Technical Barriers to Trade notifications amongst parties.</p>	<p>Ongoing: ITA welcomes the ETTAC’s support and will continue to advance work that supports WTO TBT obligations and implementation of good regulatory practices. ITA welcomes the ETTAC’s support as we work to operationalize the MOI. We have developed a work plan to move our industries toward greater integration, innovation, and competitiveness. This work plan includes: the sharing of information on the respective processes for developing standards and regulations and responses to written questions; work with the private sector to identify sector-specific projects to better align standards; hosting of Brazilian stakeholders for meetings with U.S.-based SDOs and U.S. stakeholders to better understand the U.S. standards development process; and work towards further discussions on understanding and the implementing the World Trade Organization (WTO) TBT Committee Decision on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2 and 5 and Annex 3 of the TBT Agreement (Committee Decision). As work progresses through the U.S.-Brazil Commercial Dialogue ITA welcomes further advice from the ETTAC.</p>
2012 - 2014	
<p>In the context of current and forthcoming trade negotiations, the U.S. government should establish as a negotiating objective a system of</p>	<p>Ongoing: The U.S. will continue to maintain its position on what constitutes an “International Standard” by following the WTO TBT Committee Decision from</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
mutual recognition of applicable international standards and certification equivalents.	2000 and will advance that definition on behalf of U.S.-domiciled standards developers where relevant. Since complying with international standards provides a rebuttable presumption of conformity under the WTO Agreement on Technical Barriers to Trade (TBT Agreement), there is no need to establish mutual recognition of international standards. But there is no binding definition of “international standard” in the TBT Agreement and this can cause market access issues for U.S. companies.
2010 – 2012	
Promote greater global convergence in regulations and technical standards. ETTAC recommends that the Administration continue to work with our global trade partners and seek greater adherence to the World Trade Organization (WTO) Technical Barriers to Trade (TBT) Agreement commitment to use international standards as the basis for technical regulations. (May 2012)	Ongoing: See subsequent recommendations related to WTO TBT.
Promote a common and globally consistent recognition and acceptance of the Global Harmonization System (GHS) as a basis for harmonization of rules and regulations on chemicals. Particularly within current standards and regulatory dialogues in the Asia-Pacific Economic Cooperation (APEC) forum and the U.S. Canada Regulatory Convergence Council.	No further detail available.
Focus on the convergence of standards and regulations for environmental technologies as part of future Commercial Dialogues with the countries of Brazil and Mexico.	Ongoing: See subsequent recommendations related to the U.S. – Brazil Commercial Dialogue.
Achieve globally consistent certification and conformity assessment requirements. To better facilitate trade in environmental technologies and services, ETTAC recommends that the Administration work with our trade partners to adopt international conformity assessment approaches that facilitated acceptance by allowing product to be tested or certified in the country of export based upon international procedures and criteria such as those established by the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF). (May 2012)	Ongoing: See subsequent recommendations related to T-TIP.
Establish a worldwide labeling framework for environmental and green products.	Ongoing: no further detail available.

ETTAC Recommendation	STATUS OF USG RESPONSE
International standards – including ISO 14024 on Environmental Labels and Declaration – rather than regional or national standards – should serve as the basis to establish a worldwide framework to articulate common principles and procedures for developing environmental labeling programs for the selection of product categories, environmental criteria, and function characteristics; for assessing and demonstrating compliance; and for establishing the certification procedures for awarding a label.	
To advance the expansion of exports, U.S. EPA should promote global convergence of technical standards for environmental technologies, goods, services, and products.	Ongoing: see recommendations related to technical assistance.
To advance the expansion of exports, U.S. EPA should increase efforts to harmonize environmental standards.	Ongoing: see recommendations related to technical assistance.
1.3.1 T-TIP NEGOTIATION AND STANDARDS, CERTIFICATION, AND REGULATION	
2014 - 2016	
Costs associated with testing, certification, and accreditation need to be streamlined.	Ongoing: Addressing burdensome testing and certification requirements and strengthening cooperation on conformity assessment is a T-TIP objective. We recognize the costly burdens that testing and certification requirements can place on companies entering foreign markets and that these burdens can be exacerbated by lack of transparency. Through T-TIP and negotiations across other fora, the U.S. continues to stress that fees and costs associated with conformity assessment should be clearly articulated, transparently published, and limited in amount to the approximate cost of services rendered.
2014 - 2016	Ongoing: The United States is seeking better alignment of U.S. and EU regulatory processes and cooperation on sharing information. Issues associated with how regulators share data have been raised by a number of U.S. stakeholders in the context of the T-TIP negotiations. Ensuring that U.S. and EU regulators fully understand what data each is using to make regulatory decisions (and explore how each interprets the same data, which also can be an issue) is fundamental for regulatory cooperation to succeed that supports innovative industries such as those in the environmental technologies sector. We recognize that the sharing of industry submitted data by regulators would reduce the cost and time required for chemical reviews and better alignment of the chemical classifications on Chemical Safety Data Sheets required by both U.S. and European regulators and potentially that industry
Both governments should share regulatory data for the purposes of meeting similar substance disclosure and testing requirements.	
2012 - 2014	
The United States and the EU should establish a system of intergovernmental regulatory data sharing for the purposes of meeting test requirements that enables rapid delivery of environmental innovations to market while protecting proprietary data.	

ETTAC Recommendation	STATUS OF USG RESPONSE
	could use one form containing the same content for both markets. Through negotiations the two sides hope to be able to identify opportunities for cooperation, but there is still much to be done to ascertain what specific information can be shared given statutory constraints. There is also the associated matter of how each party protects confidential business information, and procedures each side uses to allow for transparency for stakeholders.
2014 - 2016	Ongoing: The United States remains committed to advancing principles that promote good regulatory practices based on sound science in T-TIP and future trade negotiations. The factors emphasized in this recommendation are encouraged by U.S. Government actions in the WTO, in U.S. Free Trade Agreements and through a variety of other venues. The U.S. and EU both take the protection of public health, public safety, and the environment very seriously, though differences in regulatory approaches exist. Through T-TIP we seek to promote greater openness, transparency and the use of science in the development of regulations and related standards measures, and to bridge unnecessary differences that can create barriers to trade and additional costs for industry while maintaining our high levels of health, safety, consumer, and environmental protection.
Standards and regulatory requirements should be grounded in the principles of science, risk assessment, and, to the extent practical, be performance-based and technology neutral.	
2012 - 2014	
Seeking meaningful regulatory convergence with the European Union (EU) under the Trans-Atlantic Trade and Investment Partnership (TTIP), the United States should seek a negotiated requirement that standards and testing protocols utilized in regulations be grounded in the principles of science, risk assessment and cost-benefit analysis and, to the extent practical, be performance-based and technology neutral.	Ongoing: The United States will continue to advance principles that encourage greater flexibility in meeting essential requirements of European Directives. There still exist considerable obstacles to European regulators recognizing international standards developed by SDOs other than ISO, IEC, and ITU. Additionally, differences in regulatory systems exist, though the objectives - to protect health, safety, consumers, and the environmental – may be the same. The fact that products made to standards developed by U.S.-domiciled standards developers must undergo additional testing to prove they meet the essential requirements of EU Directives, and that products made to standards developed by the European Standards Organizations (CEN, CENELEC and ETSI) do not, is an issue that ITA and other USG trade agencies have been discussing with the EU for some time. EU limits on the array of standards that it recognizes often leads to the EU adopting and implementing standards-related measures that lack market relevance, and are not sufficiently performance oriented or evidence based. The United States is raising this issue in the T-TIP context. The United States will continue to advance principles that encourage greater flexibility in meeting essential requirements of European Directives to
2014 - 2016	
Equivalent standards from non-European standards bodies should qualify for the presumption of conformity with Essential Technical Requirements of European Directives.	
2012 - 2014	
The United States should request within negotiations that the EU establish a legal mechanism to allow standards from non-European standards bodies to be extended the presumption of conformity to Essential Requirements of EU Directives.	

ETTAC Recommendation	STATUS OF USG RESPONSE
	ensure suppliers are capable of using the best possible standards to meet the requirements of technical regulations, including EU Directives.
2014 - 2016	Ongoing: Greater openness with respect to the development of EU regulatory requirements, standards development, and conformity assessment processes is an overarching U.S. objective in T-TIP. The principles of transparency and openness in the development of standards and conformity assessment provisions, including the importance of technical discussion of standards proposals, are enshrined in the TBT Agreement, the WTO TBT Committee Decision, and in standards provisions existing U.S. Free Trade Agreements.
Standards used in regulations must be developed under a process that is open to participation from both sides of the Atlantic and transparent in determining outcomes.	
2012 - 2014	
The United States should seek a negotiated requirement for the development of standards and testing protocols that support regulations that assures that they are crafted in open with opportunities for technical input from both sides of the Atlantic.	
The ETTAC recommends that with regard to TTIP negotiations, regulators should choose from a broad portfolio of international standards developed according to the principles established by the WTO Technical Barriers to Trade (TBT) Agreement and Committee Decision.	Ongoing: The U.S. will continue to encourage recognition of international standards developed in accordance with the WTO TBT Committee Decision as “International Standards” during its negotiations and will advance that definition on behalf of U.S.-domiciled standards developers where relevant. While there is no binding definition of “international standard” in the TBT Agreement, the WTO TBT Committee has issued the Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the Agreement (Committee Decision). The United States defines standards developed according to the Committee Decision (following open, impartial and transparent procedures that afford an opportunity for consensus among all interested parties) as international standards; the EU defines international standards as only those developed by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunications Union (ITU). The United States will continue to raise this issue in the T-TIP negotiations.
2012 - 2014	
The United States and the EU should establish mechanisms that allow products to be tested and certified in the country of export and utilize accreditation procedures that take into account and encourage	Ongoing: Addressing burdensome testing and certification requirements and strengthening cooperation on conformity assessment is an important U.S. T-TIP objective. Achieving mutual recognition of conformity assessment procedures

ETTAC Recommendation	STATUS OF USG RESPONSE
<p>multilateral agreements that share evaluation criteria and the results of an accreditation so as to avoid duplication of the work. The system should be based on the principle of National Treatment.</p>	<p>would enable companies to avoid duplicative, costly testing when exporting. The final report of the United States-European Union High-Level Working Group issued on February 11, 2013 indicated that among the objectives for an ambitious T-TIP TBT chapter are "...address[ing] burdensome testing and certification requirements, promot[ing] confidence in our respective conformity assessment bodies, and enhanc[ing] cooperation on conformity assessment and standardization issues globally". T-TIP negotiations are ongoing.</p>
<p>With respect to environmental technologies specifically, the United States should seek a negotiated shift towards a risk-based approach to both standards and regulations as opposed to the identification of hazards and the "precautionary principle."</p>	<p>Ongoing: The United States continues to disagree with the European Union that the "precautionary principle" is a tenet of international law. The importance of a risk-based approach is engrained in the U.S. regulatory process and the United States is encouraging this approach in the WTO, U.S. Free Trade Agreements and a variety of other venues. The United States does not agree with the EU that the "precautionary principle" is a tenet of international law, and we have made our views clear to the EU.</p>
<p>1.4 PROCUREMENT POLICY</p>	
<p>2014 - 2016</p>	
<p>Utilize Procurement Policy Assessment for U.S. and Non-U.S. Donors, Lending Agencies and Multilateral Banks reference guide. To assist the Department in understanding how development assistance entities restrain U.S. firms' participation, the Environmental Technologies and Trade Advisory Committee (ETTAC) has prepared a reference guide entitled <i>Procurement Policy Assessment for U.S. and Non-U.S. Donors, Lending Agencies and Multilateral Banks</i> which compares the procurement policies of various donors and provides insights and recommendations that may be useful for U.S. trade personnel. ETTAC recommends trade personnel utilize and maintain this document in their efforts to promote trade policy and U.S. participation in tenders abroad.</p>	<p>Continued Evaluation Necessary: The Procurement Policy Assessment has been provided to relevant ETWG agencies including USTDA which works to improve procurement quality through its Global Procurement Initiative. The Procurement Policy Assessment was entered into ITA's central repository for knowledge and expertise building tools. It has also been presented to the Environmental Trade Working Group (ETWG), the ITA Infrastructure Initiative, the Advocacy Center, Commercial Officers working within multilateral development banks and those working in key bilateral aid markets identified in the assessment itself. The U.S. Trade and Development Agency has also received the assessment and will utilize it to help guide program planning under the Global Procurement Initiative (GPI) (www.ustda.gov/program/gpi). As the critical issue of procurement policy progresses globally, the ETWG requests that ETTAC member organizations make the Procurement Policy Assessment a living document by providing regular updates to its content and feedback on overall progress with respect to procurement policy related challenges in the global market.</p>
<p>2012 - 2014</p>	
<p>In the context of current and forthcoming trade negotiations, the U.S. government should establish as a negotiating objective the</p>	<p>Ongoing: Develop a model for effective subnational dialogue in key bilateral fora beginning with the U.S. – China Joint Commission on Commerce and Trade</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
development of Federal and sub-national government procurement rules that are transparent, based on best value selection models, and afford national treatment privileges to trading partners.	Environment Working Group (EWG). In response to ETTAC guidance and with respect to ongoing discussions with Chinese counterparts about developing a formal dialogue on sub-national issues. ITA continues to encourage China to engage subnationally in this forum.
1.5 U.S. EPA	
2010 - 2012	
To advance the expansion of exports, U.S. EPA should assist USTR in its trade liberalization efforts.	Unimplemented: U.S. EPA already actively participates within interagency and negotiations efforts related to trade where relevant to its mission.
THEME 2: EXPORT MARKET DEVELOPMENT	
KEY CONSIDERATIONS FOR ETTAC 2016 – 2018: <ul style="list-style-type: none"> Define desired role for EPA in providing market-enabling technical assistance. As a next step after the PPP Best Practices Guide, is there a generic legislative framework for export market PPPs that should be integrated into technical assistance efforts? 	
2.1 TECHNICAL ASSISTANCE	
2010 – 2012	
To advance the expansion of exports, U.S. EPA should reactivate a program similar to the U.S.-Asia Environmental Partnership. The partnership provided grants to small- and mid-sized firms to conduct pilot tests in Asia and/or take part in international trade shows to showcase their products to Asian buyers.	Unimplemented: no further detail available.
Promote the international use of the National Pollutant Discharge Elimination System (NPDES) permit process to guide developing countries in establishing regulations to improve water quality.	Unimplemented: U.S. EPA currently provides technical assistance to foreign counterparts through both formal, such as the U.S. - China Ten Year Framework, and informal mechanisms. EPA's ability to provide technical assistance at scale is limited by budgetary and staff constraints.
To advance the expansion of exports, U.S. EPA should participate in trade missions and host reverse trade missions to help educate foreign governments and buyers of U.S. technology and expertise.	Implemented: Through the U.S. EPA and DOC export promotion partnership U.S. EPA participates in a variety of trade promotion programs including trade missions and bilateral dialogues.
To advance the expansion of exports, U.S. EPA should provide technical assistance to foreign governments in the development of their regulatory regimes, encouraging enactment of similar standards that U.S. technology can support.	Unimplemented: U.S. EPA currently provides technical assistance to foreign counterparts through both formal, such as the U.S. - China Ten Year Framework, and informal mechanisms. EPA's ability to provide technical assistance at scale is limited by budgetary and staff constraints.

ETTAC Recommendation	STATUS OF USG RESPONSE
<p>Encourage the interaction of EPA and DOC to make scientific technical and marketing data available for use in helping to advance the exports of these goods and services.</p> <p>One way this might be accomplished would be to establish a U.S. environmental technology web portal managed by the federal government to provide a one-stop shop for access EPA technical guidelines and regulations, DOC market data, and listing of U.S. suppliers of goods and services, enabling foreign buyers and foreign governments to have easy access to tools and solution providers to meet their environmental challenges.</p>	<p>Implemented: U.S. EPA and DOC developed and launched the Environmental Solutions Toolkit in 2012 and an expanded version in 2013. The Toolkit provides a searchable catalogue of U.S. EPA regulations, research, technical background, and a list of U.S. solutions providers by issue.</p>
2.2 PROCUREMENT INTEGRITY, TRANSPARENCY, AND FAIRNESS	
2014 - 2016	
<p>The ETTAC recommends that the Department of Commerce continue to advocate through bilateral relationships and encourage our partners to embrace anti-corruption laws and practices.</p> <p>U.S. companies working internationally often must form a contractual relationship with a local individual or company that is not subject to the provisions of Foreign Corrupt Practices Act of 1977 (FCPA), thereby opening the U.S. companies to additional potential liability under the FCPA.</p>	<p>Ongoing: Moving forward the International Trade Administration endeavors to integrate variety of programs in place to help educate and assist foreign governments to combat corruption into the ETWG's exporter resource guide by creating a 'Good Governance' topic area so that U.S. companies can stay abreast of these essential government-to-government anti-corruption and transparency programs. The U.S. Department of Commerce leads or participates in a variety of anti-corruption and good governance engagements and programs with partner governments. These include, but are not limited to: Bilateral engagements by Departmental leadership with Ukraine, Greece, Nigeria, China, and India; the Commercial Law Development Program (CLDP) which provides anti-corruption technical assistance to foreign governments; engaging with foreign private sector groups to explain the importance of anticorruption efforts and the various roles of members of the public and of private groups with regard to integrity and transparency initiatives; work to address corruption in international trade through legal advice administered in trade negotiations including all U.S. Free Trade Agreements (FTAs) and Trade and Investment Framework Agreements (TIFAs); participating on the U.S. delegation to the OECD Working Group on Bribery; anti-corruption work within the APEC Anti-Corruption and Transparency Expert's Working Group (ACT); leading the <i>Business Ethics for APEC SMEs Initiative</i>.</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
<p>The ETTAC recommends that the Department of Commerce provide U.S. companies with resources to compete internationally and simultaneously comply with FCPA.</p> <p>U.S. companies working internationally often must form a contractual relationship with a local individual or company that is not subject to the provisions of Foreign Corrupt Practices Act of 1977 (FCPA), thereby opening the U.S. companies to additional potential liability under the FCPA.</p>	<p>Ongoing: ETWG agencies offer a variety of resources that assist U.S. businesses in their efforts to compete internationally while remaining in compliance with Federal anti-corruption laws. Moving forward the International Trade Administration will to integrate these programs into the ETWG’s exporter resource guide by creating a ‘Compete and Comply’ topic area so that U.S. companies can access and utilize these programs more effectively. Anti-corruption compliance resources offered by the ETWG include, but are not limited to: the cadre of “U.S. and Foreign Commercial Service Officers and Foreign Service Officers educated on FCPA; the <i>Resource Guide to the U.S. Foreign Corrupt Practices Act</i>; the OECD Working Group on Bribery’s <i>Good Practice Guidance on Internal Controls, Ethics and Compliance</i>; a new anticorruption section to ITA and the State Department’s Country Commercial Guides; and, the Commercial Service’s International Company Profile Program.</p>
2.3 PUBLIC PRIVATE PARTNERSHIPS	
2014 - 2016	
<p>The ETTAC has prepared the <i>Best Practices Guide for Public Private Partnerships (PPPs) involving US Based Companies</i> and we recommend that the Guide be provided to all U.S. Trade Negotiators, Trade Specialists, and Commercial Officers.</p>	<p>Ongoing: ITA acknowledges that Best Practices Guide for PPPs Involving US Based Companies is a useful tool for trade personnel and is working to integrate it into ITA’s matrix of resources for trade specialists and commercial officers. The guide has been entered into ITA’s central repository for knowledge and expertise building tools. It was also presented at a recent meeting of the Environmental Trade Working Group (ETWG), has been presented to the Global Environmental Team, and will be distributed to the ITA Infrastructure Initiative and the Advocacy Center. ITA will continue to socialize the resource at relevant internal events and training.</p>
<p>The ETTAC has prepared the <i>Best Practices Guide for Public Private Partnerships (PPPs) involving US Based Companies</i> and we recommend that U.S. trade personnel demonstrate a full understanding of the PPP process so that they can represent U.S. firms most effectively.</p>	<p>Ongoing: This issue should be raised as necessary during ITA’s annual survey on ITA’s value-add. ITA conducts an annual survey to collect further qualitative data on ITA’s value-add, service quality and return on objective (what impact in terms of revenue and jobs did our assistance have on a client). Where relevant, ETTAC members should highlight in their survey response their perceptions of how well ITA staff demonstrate understanding in this area.</p>
THEME 3: TRADE PROMOTION PROGRAMS	
KEY CONSIDERATIONS FOR ETTAC 2016 – 2018:	

ETTAC Recommendation	STATUS OF USG RESPONSE
<ul style="list-style-type: none"> • Evaluate trade promotion service consistency and potential means to improve service consistency? • Establish Salesforce focus group and develop business process to support timely advice. 	
3.1 PERFORMANCE METRICS AND PROGRAM EVALUATION	
2014 - 2016	
<p>ETTAC recommends that ITA consider qualitative metrics in their performance indicators to measure specific export promotion activities including:</p> <p>interaction based assessments – value of relationship building; return on objective – trade promotion program leads, traffic, data quality, etc.; meeting value – decision maker introductions (C-Suite, Procurement, etc.); navigating and valuing the “layers” in a sales process (introductions, status reporting, and closure); supply chain enhancement – introduction to qualified service providers, contractors and vendors; cultural support – business etiquette, protocols and customs.</p>	<p>Implemented: The “percentage of companies assisted by the International Trade Administration (ITA) that achieve their export objectives” indicator is intended to capture the qualitative points the ETTAC recommends. ITA captures and records the client’s “export objective” in order to understand the client’s needs and, subsequently, offer a customized approach to meet those needs drawing on the full resources available across ITA and the Federal Government. “Export objectives” are mutually agreed upon between ITA and the client, so can encompass all types of assistance provided. This information enables ITA to qualitatively assess its clients’ objectives and the client will rate ITA’s assistance based on that objective. ITA recognizes that additional qualitative indicators need to be captured as the ETTAC recommends, and will focus to improve this area. ITA will continue to enhance its client feedback surveying in order to gain further insight on the ETTAC’s recommended qualitative data.</p>
2012 - 2014	
<p>In evaluating the efficacy of export programs the following questions should be addressed: What is the value added by each USG program in terms of exports? Which USG export programs offer the best return on investment? Where are U.S. exports most competitive, both in terms of geography as well as specific business sectors? How have domestic procurement practices, such as Buy American rules, affected U.S. business and export competitiveness? To what extent do prohibitive foreign government business registration requirements stifle U.S. exports?</p>	<p>Implemented: ETTAC advice on evaluation of export programs has been integrated into NEI Next. The Office of the Trade Promotion Coordinating Committee (TPCC) has greatly valued ETTAC’s input on how to best measure the efficacy of export programs. During the formation of NEI Next, this input was treated as one of a series of national focus groups and was integrated into the overall approach to NEI Next. NEI Next aims to improve export promotion programs by expanding the evaluation criteria of those programs to qualitative measures.</p>
<p>With regard to the evaluation of export promotion program efficacy, the Department of Commerce should gather data on the export of services in addition to goods to better address the full scope of export opportunity for U.S. businesses</p>	<p>Unimplemented: Services will continue to be an integral part of export success metrics, but reporting challenges will persist to protect proprietary information. ITA’s export success metrics report figures for any combination of goods and/or services contracts. However, since companies receiving assistance are allowed</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
	to protect proprietary information through optional reporting of transactional dollar figures, capturing the precise ratio of services within overall export success accounting will remain a challenge.
The primary focus of metrics that evaluate the efficacy of export promotion programs should be export success.	Implemented: The primary objective of export promotion programs remains export success, but qualitative metrics will be introduced to better achieve that end. While NEI Next sets no numeric goal for export growth, improving the export prospects and increasing export transactions for individual U.S. companies is the focus of the revitalized initiative. The International Trade Administration will continue to view export success as the primary objective of export programs, however, the efficacy of programs will no longer be evaluated export success alone but will integrate qualitative measures such as overall quality, timeliness, expediency and consistency. Continuous customer feedback will drive metrics on the qualitative measures of export programs.
To assure that limited government resources are being channeled towards the programs that best help achieve the goals of the National Export Initiative, the Department of Commerce should direct adequate resources towards the collection of realistic data in order to establish metrics on the efficacy of export programs.	Ongoing: Based in part on Advisory Committees' feedback and recommendations, Secretary Pritzker launched NEI Next On May 12, 2014. A key aspect of NEI Next is to further advance the national export agenda by enhancing the quality of U.S. government export programs through the collection and provision-of improved data. There are two aspects of this cross-cutting objective of NEI Next: First, the creation of improved data to help companies make decisions and to better inform communities across the country on the benefits of trade. Second, the creation of improved mechanisms to gather feedback from customers, industry, and stakeholders to continuously improve USG efforts.
3.2 SALESFORCE INITIATIVE	
2014 - 2016	
ETTAC recommends establishing a Salesforce focus group utilizing ETTAC members to review progress, conduct future beta-testing of the Salesforce platform and provide recommendations. Providing formal acknowledgment of the focus group gives ITA access to decades of Salesforce proficiency, sales funnel/cycle expertise, and the experience to develop metrics based upon industry specific needs.	Continued Evaluation Necessary: Integration of ETTAC advisors into a Salesforce focus group facilitated by ITA will be a priority for the 2016 – 2018 ETTAC charter. ITA concurs that this type of deep user engagement is the only way such a community-driven project can succeed. ITA will include all stakeholders, including ETTAC members, in a Salesforce focus group facilitated by ITA, but run by ITA Salesforce leaders.
Salesforce Initiative The ETTAC recommends that the Salesforce project team accelerate plans to create a specific portal for private sector exporters to extract	Ongoing: ITA endeavors to complete the recommended exporter's portal sometime in 2017. ITA concurs that portal development is critical to the future success of the ITA, and is the cornerstone of the re-launch of Export.gov. Portal

ETTAC Recommendation	STATUS OF USG RESPONSE
actionable information from the Salesforce application. Such a tool can substantially improve the dissemination of trade opportunities and the eventual export of more environmental goods and services.	development is ITA's number one non-emergency development priority within Salesforce and we are working to complete it as quickly as possible.
Salesforce Initiative The ETTAC recommends that the Salesforce effort receive adequate funding not only for additional short-term development but also for beta testing and full-scale implementation. We note that prior plans to provide the Commercial Service with enhanced digital tools have been disrupted by a lack of sustained funding.	Ongoing: ITA will continue to emphasize the importance of the Salesforce initiative with ITA's budgetary decision makers. ITA concurs that adequate, guaranteed long-term funding for Salesforce projects is paramount to the success of implementation and maintenance.
3.3 EXPORT PROMOTION PROGRAMS	
2014 - 2016	
Direct Line Meetings The ETTAC recommends that the Departments of Commerce and State collaborate to develop a series of Direct Line meetings focused on environmental technologies (e.g. water, air, and waste management) in the industry's priority markets, which include China, India, and Brazil.	Ongoing: ETWG will develop a pilot series of Direct Line meetings focusing on markets identified in the Environmental Technologies Top Markets Report. ETWG agencies appreciate the value that U.S. businesses place on timely ground-level market insight, noting that such insights have the power to promote exports and enhance the quality of international business decisions, particularly for small and medium-sized enterprises which may not have resources on the ground in key markets. The State Department, in collaboration with the International Trade Administration, will develop pilot environmental Direct Line meetings in FY 2017.
2012 - 2014	
U.S. EPA's Sustainable Manufacturing Initiative (SMI) should be enhanced and expanded to more effectively address sustainability process challenges U.S. companies are likely to meet in export markets. In particular, the Sustainable Business Clearinghouse should be expanded to include sustainable development best practices that are commonly utilized or required in key export markets.	Unimplemented: Due to decreased staffing, EPA has been unable to provide the SMI with the support it needs to remain a valued and updated tool to U.S. companies. However, there are other interagency initiatives in which EPA and Commerce (NIST) play leading roles, such as the E3 (Economy, Energy, and Environment) program, which focus on sustainability, which could be expanded to include an export angle.
3.4 SMALL BUSINESS	
2012 - 2014	
U.S. EPA's Sustainable Manufacturing Initiative (SMI) should be enhanced and expanded to more effectively address sustainability process challenges U.S. companies are likely to meet in export markets, in particular, the SMI website should provide additional or enhanced existing case studies to illustrate to U.S. SMEs the role that sustainable	Ongoing: In this resource-strapped environment, only through a public-private partnerships are we likely to have sufficient resources to implement this excellent recommendation. Should industry or ETTAC members be able to share such case studies, ETWG agencies will post them on the SMI portal and share them with other interagency groups, such as E3.

ETTAC Recommendation	STATUS OF USG RESPONSE
development best practices can play in improving export competitiveness.	ETTAC Support Required: The ETTAC could either provide existing case studies that illustrate the role that sustainable development best practices can play in improving export competitiveness and/or identify a possible partner for EPA website. EPA will also work with NIST to post them on the E3 website.
2010 - 2012	
<p>Practical export promotion programs should be expanded for mid-sized and smaller companies.</p> <p>There is much value to be gained from in-person and telephonic briefings to assist companies to effectively penetrate foreign markets. (E.G. Interpretation of foreign government activities, strategic steps for protection of intellectual property, access to finance, and identification of common “traps”.) Trade missions and similar in-country programs create valuable business contacts and significantly raise business profiles. While such programming exists, it is inadequate, especially in view of the efforts of some other developed nations, and not sufficiently publicized so that those who are less sophisticated can learn about important resources.</p>	Under the U.S. Environmental Solutions Exporters Portal, an exporter resource guide has been developed that includes a dedicated Small and Medium Enterprise (SME) component.
THEME 4: PROFESSIONAL SERVICES	
<p>KEY CONSIDERATIONS FOR ETTAC 2016 – 2018:</p> <ul style="list-style-type: none"> Consider updating the definition to separate functions uniquely environmental from those that may have an environmental component. 	
The ETTAC recommends that a clear, internal Department of Commerce Definition of Environmental Services be established to allow more effective promotion and better tracking and economic analysis of this key market sector. The ETTAC proposes the following definition: concept development/proof of concept, resource surveys, and environmental and social impact assessments; preliminary/detailed engineering design, sustainable design, climate change adaption/resiliency, and permitting; construction/construction management and environmental compliance monitoring; facilities commissioning, startup, operation and management and environmental compliance monitoring, auditing, and closure/decommissioning; facilities and equipment maintenance and repair and testing and analysis for all environmental media (e.g., water, air, soil), emissions, and waste.	Implemented: Secretary Pritzker signed a decision memo in support of the definition in late 2016.

ETTAC Recommendation	STATUS OF USG RESPONSE
THEME 5: DOMESTIC COMPETITIVENESS AND INDUSTRIAL POLICY	
<p>KEY CONSIDERATIONS FOR ETTAC 2016 – 2018:</p> <ul style="list-style-type: none"> • With a platform promise of major investments in infrastructure – how should those policies be shaped to increase innovation and enhance the competitiveness of the U.S. industry? 	
5.1 INNOVATION POLICY	
2012 - 2014	
<p>The Sustainable Manufacturing Initiative (SMI) should be linked to other relevant federal online tools utilized by businesses, particularly the Department of Commerce’s Environmental Solutions Exporters’ Portal.</p>	<p>Ongoing: Links between the Sustainable Manufacturing Initiative and the next generation of the Environmental Solutions Exporters’ Portal will be established. The reengineering of the trade.gov Environmental Solutions Exporters’ Portal will include a variety of enhancements including better linkages to TPCC programs overall. The new site will feature innovation programs including the Sustainable Manufacturing Initiative.</p>
2010 – 2012	
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should conduct “basic” research and development on environmental challenges leaving industry to do the “applied” R&D.</p> <p>In order to advance innovation, EPA should conduct basic research, such as the health effects of certain contaminants, leaving the private sector to develop technologies to mitigate those contaminants.</p>	<p>Unimplemented: U.S. EPA considers research on solutions and related costs an essential component to the regulatory process. This recommendation did not provide sufficient supporting data to illustrate the benefits of U.S. EPA limiting its research and development functions in terms of impact on the environment, compliance costs, and efficiency and therefore there was no basis to evaluate implementation of this recommendation.</p>
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should publish reliable market data when promulgating regulations, allowing technology developers to focus their R&D, commercialization and marketing efforts.</p>	<p>Unimplemented: Insufficient data provided to illustrate where published regulatory data falls short.</p>
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should encourage “sustainable” business practices and certification programs to increase demand for environmental technologies.</p>	<p>Ongoing: Through programs such as the Sustainable Manufacturing Initiative (SMI), E3, and Water Clusters program as well as through voluntary programs such as WaterSense U.S. EPA actively promotes sustainable business practices and certification programs.</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
5.2 COMPETITIVENESS POLICY	
2010 - 2012	
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should advance domestic environmental regulations that are science-based, cost-effective, technologically-achievable, and enforceable.</p> <p>The industry needs predictability in the market place in terms of enforcement. A strong environmental regime in the U.S. helped to create the U.S. Environmental Technology industry, and can support its International Competitiveness by finding technological solutions.</p>	<p>Implemented: U.S. EPA concurs that regulatory ambition should be science-based, cost-effective, technologically achievable, and enforceable.</p>
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should establish a model generic technology approval protocol for use nationwide.</p> <p>Versus 50 different State standards.</p>	<p>Unimplemented: Insufficient data provided to illustrate benefits of a generic technology approval.</p>
<p>Quantify the costs of the U.S. system of measurement.</p> <p>The Department of Commerce – working with other entities such as the International Trade Commission – undertake an economic review of the productivity and competitiveness costs of our system of measurement and project the economic impact that adoption of the metric system would have on the international competitiveness of U.S. environmental technologies.</p>	<p>Unimplemented: no further detail available.</p>
5.3 DOMESTIC PROJECT FINANCE AND EVALUATION	
2010 - 2012	
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should continue to provide capitalization grants to the clean Water and Water State Revolving fund (SRF) programs to fund critical water and wastewater infrastructure projects.</p> <p>The demand for goods and services domestically helps to support U.S. environmental technology firms.</p>	<p>Ongoing: Further evaluation of the benefits of SRF investments to industry competitiveness may be warranted in the future.</p>
<p>To further strengthen the domestic demand for U.S. environmental goods and services, U.S. EPA should encourage communities receiving SRF assistance to evaluate technology selection based on life-cycle-cost (vs. capital cost) to encourage innovation.</p>	<p>Unimplemented: no further detail available.</p>

ETTAC Recommendation	STATUS OF USG RESPONSE
So as not to discriminate against advanced technologies that are often higher capex but lower cost over the lifetime of the technology. These new technologies often offer long term environmental benefits.	
THEME 6: LEGISLATIVE	
KEY CONSIDERATIONS FOR ETTAC 2016 – 2018: <ul style="list-style-type: none"> Advice related to legislative matters are beyond the scope of the committee and should not be considered. 	
2010 - 2012	
Eliminate “Buy American” provisions in domestic spending bills. The “Buy American” provision in domestic legislation is counterproductive to job-growth goals and negatively impacts the ability of U.S. environmental technology companies to export their products and services. The imposition of “Buy American” policies have adversely delayed projects, restricted U.S. environmental technology companies with global supply chains from selling in their own domestic market, and instigated retaliation on the part of foreign trading partners. The inclusion of the proposed “Buy American” expansions as part of the Jobs Act would serve only to impose additional costs on the U.S. Government and U.S. taxpayers and slow down infrastructure development and other procurement projects – reducing economic stimulus for the United States and undermining job growth.	Unimplemented: Since the ETTAC’s purview is limited to the executive branch of government, advice on legislative matters remain outside of scope of interagency work.
THEME 7: POLICY MAINTENANCE	
KEY CONSIDERATIONS FOR ETTAC 2016 – 2018: <ul style="list-style-type: none"> ETTAC S.M.A.R.T. criteria should be considered with regard to policy maintenance requests. 	
2010 - 2012	
The encouragement of domestic and foreign best business practices which increase or maintain demand for US environmental technology exports should be maintained as an essential priority and function of the U.S. Department of Commerce. Education of U.S. companies on exporting and foreign buyers on U.S.	Unimplemented: Recommendations that call for the maintenance of existing policies and programs provide few actionable opportunities for program improvement or industry-guided federal policy. Therefore, they should be carefully considered by the committee for their overall efficacy versus focusing on existing policies at risk and forthcoming policy opportunities.

ETTAC Recommendation	STATUS OF USG RESPONSE
<p>technologies should be maintained as an essential priority and function of the U.S. Department of Commerce.</p> <p>Examples include domestic training programs, study tours/visits by foreign government and business people designed to promote US environmental technology exports.</p>	
<p>Providing leadership for initiatives such as the US Asia Environmental Partnership should be maintained as an essential priority and function of the U.S. Department of Commerce.</p> <p>Such initiatives should include trade promotion for specific US companies which can provide goods and services needed for the initiative.</p>	
<p>Timely domestic patent processing and fair treatment of US company foreign patents and patent applications should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Advancing domestic regulations that affect international competitiveness of U.S. environmental technologies and shaping foreign regulations to favorably affect demand for U.S. environmental technologies consistent with legitimate environmental regulation should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Encouraging domestic sustainability practices which enhance competitiveness should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Promotion of global convergence of technical standards conducive to environmental technology trade should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Reducing barriers to U.S. environmental technologies' participation in international development projects with foreign financing and increasing U.S. company awareness of USAID should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Promotion of free trade agreements, reduced tariffs, and reduction of non-tariff trade barriers should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Trade promotion to facilitate environmental technology exports should</p>	

ETTAC Recommendation	STATUS OF USG RESPONSE
<p>be maintained as an essential priority and function of the U.S. Department of Commerce. Assure adequate funding for these activities. Examples include trade missions, embassy staff business briefings for U.S. companies, technical assistance.</p>	
<p>Careful analysis of subjective and objective trade data to determine target countries and specific markets within them to structure and prioritize the focus of trade promotion efforts should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Action to protect the competitiveness of U.S. environmental technologies when other countries provide unfair advantages to their own technologies should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	
<p>Promotion of timely issuance of U.S. business visas to facilitate foreign sales should be maintained as an essential priority and function of the U.S. Department of Commerce.</p>	