

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