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September 16, 2014

Mr. Douglas Bell
Chair, Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

RE: ENVIRONMENTAL GOODS AGREEMENT: USTR-2014-0004

Dear Mr. Bell:

Thank you for the opportunity to provide comments on negotiations towards a World Trade Organization Environmental Goods Agreement (EGA). The retail industry is committed to environmental sustainability, and we are leaders in identifying new strategies that include the widest breadth of issues—from facilities' environmental impact reduction to supply chain and stakeholder engagement. We strongly support the negotiations to eliminate duties on a wide range of environmental goods as we believe they will result in reduced cost and wider adoption of products and technologies that advance environmental sustainability globally.

By way of background, RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad. RILA member companies are constantly innovating to buy, import, use, and sell millions of environmental products every year.

Overall Recommendations

The EGA agreement represents an important opportunity to reduce costs and increase the usage of a wide range of environmental goods. We commend the process that negotiators have established to focus on various environmental goals such as efficiency and clean energy, and then identifying the products that best achieve those goals.

An ambitious EGA would lower costs for the world's consumers and industrial users to obtain new energy-efficient, clean energy, and environmentally-friendly goods, and could therefore help to dramatically reduce carbon emissions and other eco-impacts in a wide range of applications. In general, RILA believes that negotiators should consider products that are the most environmentally-friendly and eco-efficient means to achieve their intended use—for example, LED light bulbs and fixtures for lighting, bicycles for transportation, ceiling fans for heating and cooling, secondary loop refrigerant systems for refrigeration, and bamboo products for flooring and household items. The best way evaluate such products is by considering the full lifecycle impacts of these products.

We also encourage USTR to work to expand country participation in the EGA since many of the countries where the tariff barriers are the greatest are not currently participating in the negotiations. In addition, given the rapid pace of technological innovation in environmental goods, RILA believes that the EGA should also include an automatic review mechanism to amend product coverage in the future. Ideally, the EGA should be a “living agreement” that keeps pace with technological advances and promotes adoption of new, green technologies and products.

Retailers and Environmental Sustainability

For the retail industry, environmental sustainability has become an essential ingredient to doing business responsibly and successfully. As a direct conduit to millions of households in the United States and around the world, retailers have the potential to save our customers money while lowering their energy usage and other environmental impacts, helping to ensure a better world for generations to come.

The prioritization of sustainability in the retail sector has driven the creation of RILA’s Retail Sustainability Initiative. For the past eight years, RILA has provided resources to empower, enhance, and accelerate sustainability activities in the retail industry, following the industry’s work and providing forums for retailers to learn and grow. From this vantage point, RILA is in a unique position to comment on opportunities to enhance the flow of green goods.

Retail companies have insight into evolving manufacturing practices, consumer preferences, and community demands. They are evaluating their direct store, distribution center, and supply chain operations to uncover cost-saving and environmentally-beneficial opportunities.

While sustainability programs are reducing energy consumption, greenhouse gases, waste, and chemicals, customers are also more empowered than ever to make informed product choices. As one of the most notable evolutions of the past decade, consumers have become progressively more concerned about their environmental impact. This concern has manifested in an increased demand for environmentally-friendly products, and a rise in the availability of a host of greener options. In response, retailers are leading a number of initiatives to improve their environmental impacts by:

- Designing products and packaging to optimize material usage. Retailers are integrating into the product design process tools to optimize energy, water, and material usage.
- Optimizing product and transportation packaging. While it cannot be eliminated due to its vital function of keeping the product safe, packaging is a prime target for materials reduction and optimization.
- Engaging product manufacturers in holistic sustainability efforts. In the case of many products that retailers sell, the retailers do not have control over the product design, manufacturing, or shipping processes. Therefore, retailers are using a host of strategies to engage their manufacturing partners in energy, material, waste, water, and other eco-impact reductions.

- Educating and engaging consumers. Simple messaging, on and off product, helps consumers both understand the impact of how they purchase and use products, and provide more sustainable directions.
- Collaborating with peers and suppliers to address full-system issues. Collaborating across the full product system is a long-term solution to reducing retail's environmental impact. Several organizations, with significant retail involvement, have developed to address product design, measurement of sustainability attributes, and drive action through the industry.

But of course, while the retail industry has made great progress toward addressing sustainability issues, it recognizes there is still more work to be done.

The need for greener goods

Increased availability of greener goods can benefit retail companies and consumers in two ways: facilities construction and maintenance, and consumer products.

Facility construction and maintenance

Retailers constantly evaluate their facilities construction and maintenance practices by:

- Training employees, both in stores and the corporate offices, to conserve resources;
- Using environmental management systems and building automation systems that track a variety of eco-impacts;
- Employing efficient systems like low-energy lighting systems, motion sensors to control lighting, daylighting and skylights to reduce the need for artificial lighting, and low-flow water fixtures;
- Retrofitting old heating, ventilation, and air conditioning (HVAC) and refrigeration systems with new, more efficient models and installing advanced refrigeration systems; and
- Installing renewable energy systems, especially rooftop solar.

Product manufacturing, use, and end-of-life management

Retailers are undertaking initiatives such as:

- Incorporating sustainable manufacturing and use techniques into a product's design, which can reduce its manufacturing, use, and disposal impacts;
- Offering lines of more environmentally-friendly, private label products for consumers to purchase;
- Evaluating product lifecycle impacts, which can identify hot spots that offer the greatest potential for improvement;
- Collaborating with product suppliers on issues like eco-efficiency through codes of conduct, restricted substance lists, vendor surveys, trainings, supplier forums, and reporting;
- Reducing package sizes and rethinking packaging to result in significant material, energy, and transportation fuel savings; and

- Developing infrastructure to reclaim products through on-site recycling and disposal stations to ensure they are properly recycled or disposed.

Specific Product Recommendations

RILA believes that the elimination of tariffs on the products outlined below would lead to broader industry adoption and consumer usage across the globe. We appreciate negotiators’ focus on specific sustainability goals, such as fuel efficiency, clean energy, and waste management. A preliminary list of our priority products and product categories is below, together with an explanation of how the suggested products help to meet these sustainability goals. We are working with retailers and their suppliers to further refine this list and will continue to provide input as the negotiations proceed.

Given the two retailer sustainability focuses of consumer products and facilities construction mentioned above, RILA respectfully suggests that negotiators work to eliminate duties on the following products:

Consumer products

Negotiators should include consumer products that are the “greenest” product type for their specific function, or are products that improve the system in which they operate to make it more eco-friendly. By incorporating consumer products, the EGA could magnify the sustainability contribution of, and benefits to billions of households around the world. We recognize that the greenest version of some of the products listed below is not broken out in the HTS. We propose to assist negotiators in developing a technical description of the green product that could define a new tariff classification for use in the negotiations.

PRODUCT	HTS	REASONING
Ceiling fans	8414.51.30	Ceiling fans provide an energy efficient alternative for both heating and cooling. Ceiling fans cool in hot temperatures by creating a wind chill. During the winter, ceiling fans can be switched to turn in the opposite direction to circulate warmer air that is trapped at the ceiling.
Bicycles	8712	Human transport vehicles that meet fuel efficiency and clean energy goals. Requires no fuel and emits no air pollutants.
Parts for bicycles	8714	Parts for human transport vehicles that meet fuel efficiency and clean energy goals. Requires no fuel and emits no air pollutants.
LED light bulbs, fixtures and components	8513.10 9405.30	LED lighting is the most energy efficient means to light an area. Promoting widespread use of LED lighting would reduce energy consumption.
Water-saving toilets	6910.10.00.05 6910.10.00.10 6910.10.00.15	Promoting the use of water-saving toilets would reduce water usage.
Energy Star certified electronics and appliances	8528.72.6400 8528.72.7250 8516.50.0060 8516.50.0090	Promoting the use of more energy-efficient models would reduce energy consumption.

	8509.40.0025 8509.40.0015 8516.29.0030 8516.72.0000 8509.40.0040 8516.71.0020 8516.60.6000 8509.80.5070 8516.79.0000 8516.50.0030 8543.70.9650 8516.71.0020 8516.31.0000 8516.29.0060 8509.40.0030 8516.71.0060 8516.29.0090 8509.80.5040 8516.71.0080 8544.42.9000 8537.10.9070	
Reusable shopping bags	3923.21	Improves waste management by reducing number of shopping bags going to landfill.
Filtration/purification equipment for air and water-- Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases; parts thereof	8421	Promotes cleaner air and water
Electrical power supplies, battery chargers, etc.-- Electrical transformers, static converters (for example, rectifiers) and inductors; parts thereof	8504	Promotes energy efficiency
Rechargeable batteries-- electric storage batteries, including separators therefor, whether or not rectangular (including square); parts thereof	8507	Promotes energy efficiency and reduces hazardous and solid waste by reducing disposable batteries
Flashlights that use efficient LEDs rather than incandescent bulbs-- portable electric lamps designed to function by their own source of	8513	Promotes energy efficiency

energy (for example, dry batteries, storage batteries, Magnetos), other than lighting equipment of heading 8512; parts thereof		
Timer or motion sensor based light switches that prevent lights from being left on--electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits, for a Voltage not exceeding 1,000 V; connectors for optical fibers, optical fiber bundles or cables	8536	Promotes energy efficiency
Household-use solar panels or wind power generation equipment -- electric motors and generators (excluding generating sets)	8501	Promotes clean energy
Certain wood items (like sustainable bamboo, there are other wood products that merit similar consideration--builders' joinery and carpentry of wood, including cellular wood panels and assembled flooring panels; shingles and shakes	4418	Promotes sustainable materials.
Paints with reflective/heat reducing properties--paints and varnishes based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an Aqueous medium	3209	Promotes energy efficiency by reducing need for air conditioning.
Reusable water bottles, plates and cups	3923.30 (plastic) 7010 (glass)	Reduces solid waste by reducing number of water bottles, disposable cups and plates that go to landfill.

Bamboo products (home and apparel)		Promotes use of sustainable easily replenishable material. Since bamboo is characterized by a short growing cycle, these environmentally-friendly products can save a great deal of water, soil and air resources.
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RILA also agrees with other comments stating that negotiators should also consider ways to promote the development and use of sustainable manufacturing processes and materials by providing preferential treatment for products produced within highly sustainable operations. Some specific products and initiatives that negotiators should consider include:

- Apparel / Jewelry
 - Sustainable Apparel Coalition ([SAC](#)) is working to minimize the environmental and social impacts of the industry to be more sustainable. Those that use and act on the [Higg Index](#) are creating more sustainable apparel products
 - Apparel categories include Baby, Kids, Men & Women's
- Footwear
 - Utilize SAC as well in Baby, Kids, Men & Women's
- Home products / Furniture
 - Sustainably sourced home furniture items. Wood that is FSC or FSI certified.
- Paper products
 - Wood that is FSC or FSI certified.
- Baby Products
 - Strollers, car seats, bouncers that are sustainably sourced.
- Pet Supplies
 - [Pet Industry Sustainability Coalition](#)
- Outdoor Equipment
 - Camping gear, Waterbottles, Bikes etc. utilize the [Outdoor Industry Association](#) (OIA) Eco Index

Moreover, these additional products should also be considered when negotiators consider water and energy efficiency goals. All of these products have pre validated data and there are third-party sources for further validation.

- WaterSense faucets & shower heads – save water
- WaterSense irrigation – save water
- Dual-flush toilet converters – save water
- Rain barrels and rainwater pillows – save water
- LED Holiday Light Strings – save energy
- Programmable Thermostats – save energy
- Dimmers and Occupancy Sensors – save energy
- Solar (panels, lights, fans, etc.) – save energy

We would welcome an opportunity to work with negotiators to identify a means to successfully include these types of products in the negotiations, including objective and verifiable sustainability standards.

Specific facility construction and maintenance products

Negotiators should consider the best product types for the specific function, or the products that improve the system in which they operate. We propose to work with you to identify potential products for the list below, and then we can work with our stakeholders to further refine this list.

Promoting Energy Efficiency In Stores

PRODUCT	HTS	REASONING
LEDs and LED components (chips, lamps and fixtures) for a range of applications: parking lot lights, sales floor lights, spot lights, signage, refrigeration lighting, etc.	8541.10 8543.70 9405.40 9405.60 9405.91-99 8513.10	LED lighting is the most energy efficient means to light an area. Promoting widespread use of LED lighting among businesses would reduce energy consumption.

HTS Classifications and Product Descriptions

We recognize that the HTS classifications listed above may be far from conclusive, and that a given subheading can address a broad array of products, including products that wouldn't be considered environmentally friendly or sustainable. RILA and our members propose to work with you to best identify qualifying products in a manner that can be implemented by customs authorities.

Conclusion

Thank you for the opportunity to provide these comments on the Environmental Goods Agreement. We strongly support this negotiation and look forward to working with you as the talks proceed.

Sincerely,



Stephanie Lester
Vice President, International Trade