

Letter on Environmental Goods and Services Agreement (EGSA)

Subcommittee on Trade Promotion and Negotiations approved text,
not yet approved by the entire Council

Dear Mr. President:

Our nation faces important challenges of energy security and climate change. There is almost universal agreement that we must address these challenges, even if differences in how to address them are not yet settled. One approach we can all agree on, however, is the tremendous opportunity for U.S. leadership in energy and environmental goods and services.

A recent World Bank study on climate change and clean energy technologies, as noted recently in your *2008 Trade Policy Agenda* report, suggests that eliminating tariffs and non-tariff barriers to key environmental technologies could boost trade in these products by an additional 7-14 percent. A corresponding increase in the use of such technologies and services would not only make an important contribution to global efforts to address climate change and energy security, but also positively affect U.S. exports and economic growth. Put simply, this is an all-around win for jobs, exports, energy security and the environment.

The example set by the Information Technology Agreement (ITA) is illustrative of the multifaceted benefits trade liberalization can engender. Since the initial concluding of the ITA in late 1996, world exports of ITA products have more than doubled. Current ITA participants now number 70 and represent an impressive 97 percent of world trade in information technology products. And greater adoption of information and communications technologies has yielded productivity enhancements and economic impacts far beyond the immediate value of IT trade itself. A strong Environmental Goods and Services Agreement (EGSA) could yield even greater and more widespread benefits around the globe.

Accordingly, we urge you to continue your administration's strong support for the U.S.-EU EGSA proposal that has been tabled as part of the Doha negotiating round. We commend U.S. Trade Representative Schwab and her team, who have worked hard to move these negotiations forward. American leadership will be an essential ingredient for success in these negotiations and we respectfully ask for your continued efforts to this end.

Sincerely,