

May 24, 2024

The Honorable Gina M. Raimondo  
Secretary  
Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, D.C. 20230

RE: Recommendations Regarding Validation Services to Support U.S. Exports of Innovative Environmental Technologies

#### ETTAC Recommendation 2024-10

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 exports of environmental technology, goods and services in the air, water, solid waste and recycling sectors. This includes small to large businesses, trade associations and thought leaders. In this capacity, the ETTAC appreciates the opportunity to provide these comments and recommendations to help achieve policy goals that lead to more competitive U.S. environmental technology, goods and services providers and create opportunities for their success in international markets.

As many other U.S. exporters do, potential U.S. exporters of emerging environmental technologies (ETs) often look to the U.S. federal government's leadership in setting the floor with mandatory requirements, either through direct agency regulations or through the federal procurement process. A well-defined federal policy, coordinated and agreed among all interested agencies (and relying as appropriate on voluntary consensus technical standards per the National Technology Transfer and Advancement Act of 1995), sets a firm foundation for U.S. exporters on which to build their export prospects and competitiveness. Governments and economies across the globe recognize and respect U.S. leadership in environmental matters. Of course, the U.S. is not alone in exporting, either directly or indirectly (through exporting companies), its national or regional regulations around the world. The European Union, for example, is comfortable stating publicly and repeatedly that its environmental regulations and standards should be exported and should promote the competitiveness of EU exporters around the globe.

Reciprocity between US and European standards, particularly in the context of certifications like those provided by TUV or UL, is not automatic but may be facilitated through mutual recognition agreements (MRAs), harmonization of standards, or bilateral agreements. These arrangements can simplify the process for products and services to be accepted in both markets, although they may still require some additional local testing or certification. However, unlike sectors such as telecommunications and aerospace, equipment associated with environmental technologies lacks comprehensive MRAs between the U.S. and the EU. This gap

often results in duplicated testing and certification processes that are both costly and time-consuming. We are aware that the U.S. and EU, in the context of the Trade and Technology Council and the Transatlantic Initiative on Sustainable Trade, have broached the idea of an MRA for green technologies.

For companies manufacturing environmental monitoring equipment, navigating differing standards or certification requirements, which function as non-tariff trade barriers, requires careful planning and often involves obtaining multiple certifications to cover both U.S. and European markets. An example of this non-tariff trade barrier requirement is a U.S.-based technology corporation that manufactures high-end Fourier Transform Infrared Spectrometers (FTIR) to measure gaseous emissions from municipal waste incinerators and hundreds of other applications in emissions characterizations. The U.S.-based manufacturer sells tens of millions of dollars of FTIR equipment into the U.S., South American, Canadian and other markets that follow U.S.-based performance specifications to meet regulatory requirements for quality control and quality assurance according to U.S. EPA detailed reference methods and performance specifications. To sell into the EU, UK, and some Asian markets, a certificate published by either TÜV (Rhineland/DE) or MCERTS (UK) was required to make any data acceptable for regulatory purposes. The costs to perform the necessary testing and time frame were as follows: \$150,000 (2010 prices) for two complete integrated continuous emission monitoring systems (CEMs) to be sent to Cologne, Germany for over one year plus associated travel costs (\$50,000) to test the two complete integrated systems in their (TÜV) laboratories for six months followed by six months of a field installation at a similar facility with a municipal waste incinerator. As a further example, the export of regulatory-capable ambient air monitoring equipment significantly benefits from the U.S. EPA's existing standards designations of Federal Reference Method (FRM) and Federal Equivalent Method (FEM). These air monitoring standards are highly respected and regularly cited/requested by international clients. The existence of these standards greatly simplifies international procurements and improves export opportunities for U.S. manufacturers. Over the past 10 years low-cost air sensors emerged as a promising technology and have been increasingly adopted by government agencies throughout the U.S. and around the world. However, as the U.S. EPA has not pursued standards development for these emerging low-cost air sensors U.S. manufacturers are repeatedly beholden to diverse international standards and costly evaluation/verification processes.

As can be seen from the examples above, in the absence of a unified U.S. federal policy or MRAs – as well as regulations, tacit endorsement of compliant goods and services, and associated global leadership (whether intentional or not) – in many cases potential U.S. exporters of emerging or improved environmental technologies find themselves at a loss, without a firm U.S.-agency-endorsed hook or reciprocity arrangements on which to hang their exporting strategy. The U.S. Environmental Protection Agency formerly operated a Technical Verification

Program to accelerate “the acceptance and use of improved and cost-effective technologies”<sup>1</sup> but this service was dropped years ago. In contrast, to gain European verification and global acceptance for their innovative environmental technologies, companies have access to a one-stop private company whose services are trusted by EU authorities such as MCERTS and TUVs. It is unacceptable that U.S. companies should not have easy access to a globally trusted U.S. provider of environmental technology verification and reciprocity.

The recent Memorandum of Understanding (MOU) between the U.S. Environmental Protection Agency (EPA) and the U.S. Agency for International Development (USAID) underscores a shared commitment to leveraging American innovation in environmental technologies globally. This MOU facilitates cooperation on climate policy and environmental justice, aligning domestic missions with international development goals. Such cooperation is a prime example of how U.S. leadership can extend its influence and standards internationally, providing a foundation for advocating similar collaborative frameworks with European entities.

Moreover, the recent establishment of the Climate and Trade Task Force by the White House aims to address carbon emissions in global commerce and manufacturing. As outlined by White House senior adviser John Podesta, this task force will foster international collaboration on measuring and standardizing carbon emissions from production to delivery. This initiative aligns perfectly with the need for harmonized or mutually recognized performance standards for environmental equipment, to enable innovative U.S. technologies to be exportable worldwide.

To this end, we propose the following recommendations:

- Continue discussions with EU counterparts to explore MRAs specifically for technology/equipment exports in the environmental sector.
- Utilize insights from EPA-USAID cooperation under the new MOU to inform consideration of extending collaborative frameworks.
- Align the goals of the Climate and Trade Task Force with efforts to standardize environmental equipment certifications, facilitating a global approach to environmental health and safety standards.
- Consider the establishment of an entity in the U.S. that facilitates reciprocity between testing and certifying standards such as MCERTS and TUVs with American equivalents such as EPA, ANSI, ASTM, NELAP, UL, etc.
- Consider the reinstatement of the interagency Environmental Technology Verification (ETV) Program to better enable American exports of emerging environmental technologies.

The harmonization of these standards will not only enhance the deployment of U.S. technologies in Europe and elsewhere, but also foster a more unified global approach to

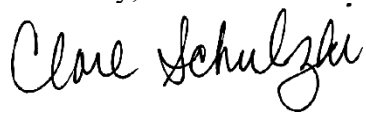
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<sup>1</sup> <https://www.epa.gov/lead/environmental-technology-verification-program-environmental-and-sustainable-technology>

environmental management. We believe that your leadership can significantly impact achieving these goals, promoting a sustainable and economically beneficial approach to exports of environmental goods and services.

We appreciate the Administration's leadership and the opportunity to present these comments and recommendations on behalf of the ETTAC.

Sincerely,

A handwritten signature in black ink that reads "Clare Schulzki". The signature is written in a cursive, flowing style.

Clare Schulzki  
ETTAC Chair

CC: Secretary of Energy Granholm  
EPA Administrator Regan  
NIST Director Locascio